



Sanima Mai Hydropower Ltd.

Dhumbarahi, KMC-4, Kathmandu, Nepal

Unaudited Financial Reports (Quarterly)

As at 2nd Quarter (2074.09.30) of the Fiscal Year 2074/075

Particulars	Upto This Quarter Ending	Upto Previous Quarter Ending	Corresponding Previous Year Quarter Ending
	as on 30-09-2074	as on 31-06-2074	as on 29-09-2073
Capital & Liabilities			
Equity Holders' Fund			
Share Capital	2,110,000,000.00	1,055,000,000.00	1,055,000,000.00
Share Premium	61,137,025.66	-	-
Advance to Equity	-	709,209,100.00	-
Reserve and Surplus	508,604,311.97	441,740,117.76	263,416,578.84
Total Equity Holders' Fund	2,679,741,337.63	2,205,949,217.76	1,318,416,578.84
Secured Loan			
Consortium Term Loan (MHP)	2,111,775,958.28	2,145,970,858.42	2,188,891,281.62
Consortium Term Loan (MCHP)	868,496,697.89	882,782,697.89	923,318,697.89
Bridge Gap Loan	-	-	79,440,000.00
Sub Total	2,980,272,656.17	3,028,753,556.31	3,191,649,979.51
Total	5,660,013,993.80	5,234,702,774.07	4,510,066,558.35
Assets			
Non-Current Assets			
Properties, Plant and Equipment	4,482,818,402.60	4,479,220,667.90	4,466,692,909.62
Less: Accumulated Depreciation	(361,613,965.06)	(324,073,419.05)	(209,617,842.25)
Sub Total	4,121,204,437.54	4,155,147,248.85	4,257,075,067.37
Capital Work In Progress (CWIP)			9,416,637.32
Net Non-Current Assets	4,121,204,437.54	4,155,147,248.85	4,266,491,704.69
Investments at Cost	7,000,000.00	7,000,000.00	7,000,000.00
Current Assets			
Cash and Bank Balance	346,609,540.04	141,134,634.96	147,912,036.59
Term Deposit	730,000,000.00	430,000,000.00	-
Loans, Advances, Prepaid and Deposit	285,921,283.92	257,981,428.73	20,253,277.25
Advance to Associate Company	-	-	20,216,297.49
Trade Debtors -NEA	260,566,562.76	334,749,725.78	216,326,807.70
Inventory In Hand	5,417,631.29	4,050,512.09	3,534,314.13
Advance Tax	9,797,498.30	7,390,448.83	4,779,791.44
Total Current Assets	1,638,312,516.31	1,175,306,751.39	413,022,524.60
Less: Current Liabilities & Provisions			
Bank Overdraft	-	-	-
Sundry Creditors and Payables	103,515,538.21	99,857,113.08	179,449,012.09
Provisions	7,111,117.86	7,107,440.37	720,232.18
Withholding Tax Payable	227,829.70	177,757.77	289,326.67
Total Current Liabilities & Provisions	110,854,485.77	107,142,311.22	180,458,570.94
Net Current Assets	1,527,458,030.54	1,068,164,440.17	232,563,953.66
Other Assets			
Deferred Expenditure on Government Transmission line	4,351,525.72	4,391,085.05	4,010,900.00
Total	5,660,013,993.80	5,234,702,774.07	4,510,066,558.35

Particulars	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Year Quarter Ending
	as on 30-09-2074	as on 31-06-2074	as on 29-09-2073
Income			
Income From Sales of Electricity	457,372,821.46	283,173,939.40	506,388,741.97
Income From Interest	24,633,831.81	8,586,842.01	550,788.53
Other Income	494.41	494.41	400,500.00
Total Income	482,007,147.68	291,761,275.82	507,340,030.50
Less:			
Administrative Expenses	(8,261,260.89)	(2,922,624.42)	(8,105,140.48)
Plant Operation and Site Expenses	(26,591,427.16)	(19,476,508.71)	(37,933,901.39)
Financial Charges	(152,692,698.73)	(79,574,401.73)	(130,799,956.24)
Depreciation Charges	(75,719,343.50)	(37,765,202.75)	(74,370,436.95)
Write-off of Transmission Line Contribution Expenses	(79,118.65)	(39,559.33)	(70,366.67)
Total Expenses	(263,343,848.93)	(139,778,296.93)	(251,279,801.73)
Profit/(Loss) from Operations	218,663,298.75	151,982,978.89	256,060,228.77
Foreign Exchange fluctuation Gain/(Loss)	-	-	(1,659,556.75)
Net Profit/(Loss)	218,663,298.75	151,982,978.89	254,400,672.02
Staff Bonus Provision	-	-	-
Net Profit Before Tax	218,663,298.75	151,982,978.89	254,400,672.02
Provision for Income Tax	-	-	-
Net Profit after Tax of the Year	218,663,298.75	151,982,978.89	254,400,672.02

SECOND QUARTER DISCLOSURE AS OF 2074.09.30 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 second 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 Poush 2074, Mai Khola Hydropower Project (22 MW) has generated the invoice of NPR. 355,196,562.87 And Mai Cascade Hydropower Project (7 MW) has generated the invoice of NPR. 102,176,258.59. Besides this, interest on deposit is also reported as revenue/ Income.
- Trade debtors-NEA includes amount NPR 7,940,784.00 of 2071-72, NPR 52,340,214.14 of 2072-73, NPR 75,071,753.26 of 2073-74 and NPR 42,467,967.61 for the second quarter of 2074-75 totaling NPR 177,820,719.01 for 20% additional claim as per "Posted Rate" of facility agreement 2071 with Nepal Electricity Authority for Mai Hydropower Project (15.6MW).
- As per Budget for F/Y 2071-72. Under topic "Urjauiyalo 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 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)	24.10	Net-worth Per Share	127
Current Ratio	14.78	Market Value Per Share	451

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 1st quarter of year 2074-075.
- 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 there are no legal cases against the Company and from the company.

Analysis of Company's Share Transaction

- SMHL shares were actively traded during second quarter.
- The major highlights of Share transactions during the quarter are as follows:
Maximum price NPR. 578, Minimum price NPR. 451, closing price NPR. 451, No. of transaction Day: 57, Total Transactions: 2,117, Total traded volume: 668,863 and Turnover NPR. 331,003,874.00

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 -flood, Earthquake etc.
- Lack of Local market for Hydropower Equipment.

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 second 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.