



# Sanima Mai Hydropower Ltd.

Dhumbarahi, KMC-4, Kathmandu, Nepal

## Unaudited Financial Reports (Quarterly)

As on 1st Quarter (2077/06/30) of the Fiscal Year 2077/078

### FIRST QUARTER DISCLOSURE AS OF 2077/06/30

AS PER SECURITIES REGISTRATION AND ISSUANCE REGULATION  
ANNEXURE-14 (RELATED TO SUB REGULATION 2 OF REGULATION 22)

Particulars	Unaudited This Quarter Ending	Unaudited Previous Quarter Ending	Un-Audited Corresponding Previous Year Quarter Ending
Assets	as on 30-06-2077	as on 31-03-2077	as on 30-06-2076
<b>Non-Current Assets</b>			
Property Plant & Equipment	18,240,058	18,740,179	15,441,906
Intangible Assets	3,702,177,752	3,740,656,095	3,850,805,158
Intangible Assets under development	-	-	1,452,014
Held to maturity financial assets	-	5,200,000	-
Investment in associates	947,500,000	947,500,000	242,500,000
Other Financial Assets	4,660,475	5,013,282	5,013,282
Other Assets		-	4,074,610
Advance towards Investment in Equity	283,250,000	283,250,000	900,750,000
<b>Current Assets</b>			
Other Financial Assets	478,592,428	385,762,796	408,441,807
Current other Assets	8,614,684	12,479,778	10,073,684
Inventories	10,031,496	10,040,018	7,464,344
Cash and short-term deposits	191,006,716	78,223,337	84,023,845
Current tax assets	526,381	539,329	761,622
<b>Total Assets</b>	<b>5,644,599,990</b>	<b>5,487,404,815</b>	<b>5,530,802,273</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Borrowings	1,980,433,583	1,980,433,583	2,234,549,815
Other Financial Liabilities	860,000	860,000	8,501,116
Other provisions	1,588,114	1,588,114	3,614,870
<b>Current Liabilities</b>			
Borrowings	197,815,082	259,701,534	181,901,417
Other Financial Liabilities	20,427,277	27,561,281	34,407,408
Other Liabilities	7,769,791	7,856,365	6,167,131
Current Tax liabilities	-	-	572,575
<b>Total Liabilities</b>	<b>2,208,893,847</b>	<b>2,278,000,877</b>	<b>2,469,714,333</b>
<b>Equity</b>			
Share Capital	2,553,100,000	2,553,100,000	2,321,000,000
Retained Earnings	878,051,428	651,749,222	739,846,270
Other Reserves	4,554,716	4,554,716	241,670
<b>Total Equity</b>	<b>3,435,706,144</b>	<b>3,209,403,938</b>	<b>3,061,087,940</b>
<b>Total Liabilities and Equity</b>	<b>5,644,599,990</b>	<b>5,487,404,815</b>	<b>5,530,802,273</b>

Particulars	Unaudited This Quarter Ending	Unaudited Previous Quarter Ending	Corresponding Previous Year Quarter Ending
	from 01/04/2077 to 30/06/2077	from 01/04/2076 to 31/03/2077	from 01/04/2076 to 30/06/2076
Revenue From Sale of Electricity	340,665,490	860,784,011	327,723,132
Plant operating expenses	(16,207,895)	(82,197,290)	(16,804,050)
<b>Gross profit</b>	<b>324,457,595</b>	<b>778,586,722</b>	<b>310,919,082</b>
Other Income	-	1,112,963	
Other operating and administrative expenses	(45,309,597)	(175,455,812)	(44,455,074)
<b>Net operating profit</b>	<b>279,147,998</b>	<b>604,243,872</b>	<b>266,464,008</b>
Financial costs	(54,201,086)	(242,005,044)	(66,975,663)
Financial income	1,609,694	13,625,101	5,077,236
<b>Profit/(Loss) before tax &amp; bonus</b>	<b>226,556,607</b>	<b>375,863,929</b>	<b>204,565,581</b>
Provision for Staff Bonus	-	(7,517,279)	-
<b>Profit/(Loss) before tax</b>	<b>226,556,607</b>	<b>368,346,650</b>	<b>204,565,581</b>
Income Tax Expense	(254,402)	(1,507,066)	(572,575)
<b>Net Profit For the Year</b>	<b>226,302,206</b>	<b>366,839,585</b>	<b>203,993,006</b>

#### Major Financial Highlights

Earnings Per Share (EPS)	8.86	14.37	8.79
Current Ratio	3.05	1.65	2.29
Net-worth Per Share	134.57	125.71	131.89
Market Value Per Share	330	223	194

#### 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 amortized the intangible assets 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 Ashwin 2077, Mai Hydropower Plant (22 MW) has generated the invoice of NPR. 261,630,793 and Mai Cascade Hydropower Plant (7 MW) has generated the invoice of NPR. 79,034,697 Beside this, interest on deposit is also reported as revenue/ Income.
- Company has claimed NPR 392,596,546 for 20% additional claim till Ashwin end 2077 as per "Posted Rate" of facility agreement 2071 with Nepal Electricity Authority for Mai Hydropower Project (15.6MW). Posted rate receivable amount NPR. 216,809,470 has already received from NEA on different dates. Current Other Financial Assets includes NPR 175,787,076 receivables for posted rate claim.
- As per Budget for F/Y 2071-72, Under topic "Urja Ujyalo Nepal Sambhridha Nepal" point 61 'For Projects completed and connected to National Grid by 2079-80, Lump sum amount of Nrs.50 lakhs/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.
- Income tax provision on interest income from term deposit has been accounted i.e. 25% of NPR. 1,017,607 – NPR 254,402.
- Other financial assets under current assets includes NPR. 92,882,626 cash held in Revenue and Capex account maintained in Laxmi Bank.
- SMHL has committed to invest NPR 1,675,750,000 in below company and out of which, it has provided the funds as "Investment in Associates" & "Advance for Investment" below.

Associate Company	Committed to Investment	Investment in associates*	Advance for Investment**
Swet Ganga Hydropower & Construction Ltd.	450,000,000	225,000,000	225,000,000
Sanima Middle Tamor Hydropower Ltd	480,000,000	480,000,000	-
Mathillo Mailun Khola Jalvidhyut Hydropower Ltd.	237,500,000	237,500,000	-
Tamor Sanima Energy Pvt. Ltd.	500,000,000	-	55,000,000
Bavari Construction Pvt. Ltd.	8,250,000	5,000,000	3,250,000
<b>Total</b>	<b>1,675,750,000</b>	<b>947,500,000</b>	<b>283,250,000</b>

#### Management Analysis

- Mai and Mai cascade hydropower plant has evacuated its power on the basis of dispatch availability in 1st quarter of fiscal year 2077/078.
- Revenue has been increased by 3.9% as compared to corresponding previous year quarter ending due to effective maintenance and reduced downtime, favorable rainfall and 3% price escalation during the period.
- Financial costs has been decreased due to decrease in interest rate as compared to corresponding previous year quarter ending.
- As a result, net profit for the year has increased by 10.9% as compared to corresponding previous year quarter ending.

#### 2. Legal Proceedings

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

#### Analysis of Company's Share Transaction

- The major highlights of Share transactions during the quarter are as follows:

	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Year Quarter Ending
Maximum price NPR.	364	230	265
Minimum price NPR.	213	184	182
Closing price NPR.	330	223	194
Total Turnover NPR.	1,523,045,623	26,032,280	94,456,676
Total Transactions	13,221	580	1,511
<b>No. of transaction Day</b>	<b>64</b>	<b>13</b>	<b>67</b>
Total traded volume	5,256,152	121,353	423,499

#### 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 devaluing local currency.
- Delay of statutory approvals.
- Loss due to natural disaster – ood, Earthquake, force measure issue, etc.
- Lack of domestic suppliers and venders for hydropower equipment and spare parts.
- Hydrological Risk.

#### 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 General Manager 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 2077/078, 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.