



Sanima Mai Hydropower Ltd.

Dhumbarahi, KMC-4, Kathmandu, Nepal

Unaudited Financial Reports (Quarterly)

As on 1st Quarter (2081.06.30) of the Fiscal Year 2081/082

FIRST QUARTER DISCLOSURE AS OF 2081.06.30 AS PER SECURITIES REGISTRATION AND ISSUANCE REGULATION ANNEXURE-14 (RELATED TO SUB REGULATION 1 OF REGULATION 26)

Statement of Financial Position	Unaudited This Quarter Ending	Unaudited Previous Quarter Ending	Unaudited Corresponding Previous Year Quarter Ending
Assets			
Non-Current Assets			
Property Plant & Equipment	13,567,478	9,724,796	11,192,992
Intangible Assets	3,109,177,792	3,146,948,798	3,260,242,885
Capital WIP	1,146,222	1,146,222	-
Right of Use Assets	1,956,546	1,956,546	2,856,641
Investment in Associates	567,944,517	538,926,555	694,477,245
Other Investments	2,650,131,500	2,452,847,500	1,322,463,500
Advance towards Investment in Equity	206,552,500	206,552,500	
Current Assets			
Investment in Term Deposits	20,000,000	195,000,000	237,000,000
Other Financial Assets	538,663,390	529,003,645	602,300,958
Other Assets	9,216,115	13,579,832	10,412,151
Inventories	22,956,481	22,965,449	23,568,372
Cash and Short-term Deposits	549,169,421	271,552,695	395,291,591
Current Tax Assets	2,958,504	2,824,238	2,401,609
Total Assets	7,693,440,464	7,393,028,774	6,562,207,945
Liabilities			
Non-Current Liabilities			
Borrowings	577,181,096	577,181,096	990,504,850
Other Financial Liabilities	5,308,720	5,308,720	5,308,720
Other Provisions	2,720,238	2,956,218	3,093,241
Current Liabilities			
Borrowings	314,873,724	413,323,962	277,227,411
Other Financial Liabilities	14,018,101	14,215,946	13,475,744
Other Liabilities	9,778,737	9,781,186	10,181,330
Deferred Tax Liabilities	515,871,000	466,550,000	183,954,000
Total Liabilities	1,439,751,617	1,489,317,128	1,483,745,296
Equity			
Share Capital	3,398,176,100	3,398,176,100	3,089,251,000
Retained Earnings	1,299,486,674	1,097,472,474	1,431,100,917
Other Reserves	1,556,026,073	1,408,063,073	558,110,731
Total Equity	6,253,688,847	5,903,711,646	5,078,462,649
Total Liabilities and Equity	7,693,440,464	7,393,028,774	6,562,207,945
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Unaudited This Quarter Ending	Unaudited Previous Quarter Ending	Corresponding Previous Year Quarter Ending
Revenue From Sale of Electricity	261,221,563	759,184,338	329,879,168
Plant Operating Expenses	(22,901,629)	(95,148,021)	(22,880,863)
Gross Profit	238,319,934	664,036,317	306,998,305
Other Income	-	446,219	-
Administrative and Other Operating Expenses	(45,315,786)	(176,478,494)	(43,732,201)
Net Operating Profit	193,004,147	488,004,042	263,266,104
Financial Costs	(22,441,429)	(109,175,246)	(26,769,952)
Financial Income	2,435,797	51,238,565	12,710,794
Profit/(Loss) before Tax & Bonus	172,998,515	430,067,362	249,206,946
Provision for Staff Bonus	-	(8,601,347)	-
Share of Profit/(Loss) of Associates accounted for using equity method	29,017,961	(56,301,068)	6,533,989
Profit/(Loss) before Tax	202,016,476	365,164,946	255,740,935
Income Tax Expense	(2,276)	(11,888,362)	(2,935,298)
Net Profit for the Period	202,014,201	353,276,585	252,805,637
Other Comprehensive gain/(loss) for the Period, net of tax	147,963,000	659,835,000	(187,953,000)
Total Comprehensive Income for the Period, net of tax	349,977,201	1,013,111,585	64,852,637
Major Financial Highlights			
Earnings Per Share (EPS) *	5.94	10.40	8.18
Current Ratio	3.37	2.37	4.22
Return on Assets (ROA)	2.63%	4.78%	3.85%
Net worth Per Share	184.03	173.73	164.39
Market Value Per Share	559	340	285
Price Earnings Ratio	94	33	35

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

Financial Statements

- The unaudited financial statements for the first quarter have been published along with this report.
- The company has amortized intangible assets (Project assets) over the project life of 30 years from the Commercial Operation Date. In case of other fixed assets, depreciation has been calculated based on Written Down Value method.
- At the end of Ashwin 2081, an invoice of NPR. 197,620,491 has been raised for Mai Hydropower Plant (22 MW) and an invoice of NPR. 63,601,072 has been raised for Mai Cascade Hydropower Plant (7 MW). Besides this, interest on deposits of NPR. 2,435,797 has been reported as Financial Income. Income tax provision on the interest income from term deposit has been accounted @ 25% totaling NPR 2,276.
- As per the Posted Rate Facility Agreement for Mai Hydropower Project (15.6MW), the claimed amount NPR. 286,011,014 is yet to be received.
- Mai Hydropower Plant (22MW) and Mai Cascade hydropower plant (7MW) were completed and connected to National Grid on 2071-11-14 and on 2072-10-29 respectively making the company eligible for grant from GON of NPR. 50 lakhs/MW as declared by Budget 2071-72 under "Urja Ujyalo Nepal, Sambridhha Nepal". However, such income has not been included in Revenue/Income since the same has not been received yet.
- All shareholders are requested to check the unclaimed cash dividend on Sanima Capital website and reach out to Sanima Capital, Naxal for unclaimed dividend, if any.
- SHPC had committed to invest NPR 2,740,700,000 in the following companies and those investments has been shown under the head "Investment in Associates and other investment" as below:

Investee Company	Committed to Investment	Investment at cost	
		Listed	Non-Listed
Investment in Associates Companies			
Swet Ganga Hydropower & Construction Ltd. (SGHC)	450,000,000	450,000,000	
Mathillo Mailun Khola Jalvidhyut Hydropower Ltd.(MMKJL)	237,500,000	237,500,000	
Other Investments			
Sanima Middle Tamor Hydropower Ltd (TAMOR)	533,200,000	533,200,000	
Sanima Jum Hydropower Limited.	1,500,000,000	-	240,000,000
Bavari Construction Pvt. Ltd.	20,000,000	-	20,000,000
Total	2,740,700,000	1,220,700,000	260,000,000

As of Ashwin 30, 2081, the market value per share for TAMOR is NPR. 487 Thus, the total investment in the company TAMOR has been presented at the fair value of NPR. 2,596,684,000 at first quarter end, 2081 under the heading other investment. The investment in associates has been valued using equity method and unlisted other investments have been presented at cost.

- The previous period's figures are regrouped and re-arranged wherever necessary.

Management Analysis

- Mai and Mai Cascade Hydropower Plants have evacuated its power on the basis of dispatch availability in the 1st quarter of the fiscal year 2081/82.
- Revenue from the Sale of Electricity has decreased by 20.81% compared to the corresponding previous year's quarter ending. Decrease in energy is caused due to damage of four numbers of NEA's 132 kV Kabeli corridor line. NEA could not offtake power from Sanima Mai as well as almost 20 more IPPs during the maintenance of those four damaged towers which lasted for a period of 37 days from Ashwin 12, 2081 to Kartik 19, 2081.
- The net profit for the first quarter end of FY 2081/082 has decreased by 20.09% compared to the previous year's quarter ending.
- Financial income has decreased by 80.84% and financial costs have decreased by 16.17% compared to the corresponding previous year's quarter ending.
- The company has recognized share of profit/(Loss) of associates accounted for using equity method of NPR. 29,017,961 and other comprehensive gain of NPR. 147,963,000 net of tax resulting from fair value measurement of shares invested in Sanima Middle Tamor Hydropower Ltd. (Listed other investment) as on first quarter end, 2081-82. The gain has also been shown under other reserves as Fair Value Reserve.

Legal Proceedings

- During the 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 quarter are as follows:

Particulars	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Year Quarter Ending
Maximum price NPR.	680	349.50	380
Minimum price NPR.	335.40	316	283
Closing price NPR.	559	339.5	285
Total Turnover NPR.	11,817,702,083	1,407,138,086	833,812,215
Total Transactions	69,855	10,992	10,177
No. of transaction Day	57	61	61
Total traded volume	22,003,694	4,286,586	2,376,247

Problems & Challenges

Internal Challenges

- Retention of skilled human resources.
- To maintain operational efficiency.

External Challenges

- Inconsistent regulatory and policy level commitment from the government regulatory agencies in the development of hydroelectric projects.
- Fluctuating cost of capital and devaluating local currency.
- Delay of statutory approvals.
- Loss due to a natural disaster –flood, Earthquake, drought, force majeure issue, etc.
- Lack of domestic suppliers and vendors for hydropower equipment and spare parts.
- Hydrological Risk.

Strategies

- Implementation of HR optimization plan.
- Lobbying with government agencies for investment friendly environment.
- Adequate insurance policies against the loss due to natural disaster.
- Maintenance of stock of spare parts & equipment.

Corporate Governance

The Board of Directors, Audit Committee, other Committees, and Management Team are committed to strengthening good corporate governance within the company. Sanima Mai has written manuals, policies, rules & guidelines for the proper functioning of the 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 1st quarter of FY 2081/082, 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.

Please contact on (977-01)4372828 /4373030 for further inquiry about the company.