Sanima Mai Hydropower Ltd.

Dhumbarahi, KMC-4, Kathmandu, Nepal

Unaudited Financial Reports (Quarterly)

As on 1st Quarter (2083.06.31) of the Fiscal Year 2083/084

Statement of Financial Position	Unaudited This Quarter Ending	Unaudited Previous Quarter Ending	Corresponding Previous Year Quarter Ending
Assets			
Non-Current Assets			
Property Plant & Equipment	11,105,011	11,561,698	13,015,027
Intangible Assets	2,981,778,303	3,010,781,173	2,958,092,887
Right of Use Assets	9,852,303	10,091,889	10,324,967
Investment in Associates	1,957,519,767	1,882,033,557	1,785,764,308
Other Investments	20,000,000	20,000,000	20,000,000
Current Assets			
Other Financial Assets	711,065,311	446,935,438	514,609,510
Other Assets	12,678,931	19,524,691	8,887,952
Inventories	28,172,101	26,846,856	24,074,144
Cash and Short-term Deposits	175,536,733	23,702,921	234,925,984
Current Tax Assets	-	3,027,050	-
Deferred Tax Assets	1,403,400	-	-
Total Assets	**5,909,111,859**	**5,454,505,271**	**5,569,694,778**
Liabilities			
Non-Current Liabilities			
Borrowings	-	-	107,747,000
Other Financial Liabilities	16,423,361	16,727,813	14,228,218
Other Provisions	3,719,414	3,737,556	3,289,042
Current Liabilities			
Borrowings	73,123,458	107,747,000	357,628,120
Other Financial Liabilities	54,414,088	152,101,862	10,752,288
Other Liabilities	3,912,364	2,993,818	7,166,609
Current Tax Liabilities	71,599,182	-	12,931,871
Deferred Tax Liabilities	-	31,485,965	4,828,347
Total Liabilities	**223,191,867**	**314,794,014**	**518,571,495**
Equity			
Share Capital	3,737,993,710	3,737,993,710	3,737,993,710
Retained Earnings	1,939,125,229	1,388,228,686	1,303,409,926
Other Reserves	8,801,054	13,488,860	9,719,647
Total Equity	**5,685,919,992**	**5,139,711,256**	**5,051,123,283**
Total Liabilities and Equity	**5,909,111,859**	**5,454,505,271**	**5,569,694,778**

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	264,511,297	512,739,994	220,207,497
Plant Operating Expenses	(27,233,511)	(96,603,505)	(23,195,011)
Gross Profit	237,277,786	416,136,489	197,012,486
Other Income	313,732,476	154,283	-
Amortization Expenses	(40,165,143)	(161,718,729)	(37,771,182)
Depreciation Expenses	(981,259)	(4,169,143)	(1,110,670)
Administrative and Other Operating Expenses	(6,512,984)	(49,519,711)	(5,583,017)
Net Operating Profit	**503,350,876**	**200,883,190**	**152,547,616**
Financial Costs	(1,693,249)	(25,529,149)	(9,796,986)
Financial Income	112,039	3,582,468	1,068,736
Profit/(Loss) before Tax & Bonus	501,769,666	178,936,509	143,819,366
Provision for Staff Bonus	-	(3,578,730)	-
Share of Profit/(Loss) of Associates accounted for using equity method	**103,156,078**	**170,695,083**	**74,822,864**
Profit/(Loss) before Tax	**604,925,744**	**346,052,862**	**218,642,230**
Current Tax	(72,283,221)	(23,938,182)	(15,420,045)
Deferred Tax	(1,813,542)	(28,664,264)	(2,006,646)
Net Profit for the period	**530,828,981**	**293,450,415**	**201,215,539**
Major Financial Highlights			
Earnings Per Share (EPS) *	14.20	7.85	5.31
Current Ratio	7.06	1.98	2.1
Return on Assets (ROA)	8.98%	5.38%	3.61%
Net worth Per Share	152.11	137.50	135.13
Market Value Per Share	535.00	490.00	487.00
Price Earnings Ratio	37.67	62.42	90.47

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

FIRST QUARTER DISCLOSURE AS OF 2083.06.31
AS PER SECURITIES REGISTRATION AND ISSUANCE REGULATION
ANNEXURE-14 (RELATED TO SUB REGULATION 1 OF REGULATION 26)

Financial Statements

- The unaudited financial statements for first quarter have been published along with this report.
- An invoice of NPR. 202,388,540 for Mai Hydropower Plant (22 MW) and an invoice of NPR. 62,122,758 for Mai Cascade Hydropower Plant (7 MW) has been raised till Ashwin, 2083.
- Mai Hydropower Plant (22 MW) and Mai Cascade Hydropower Plant (7 MW) successfully completed ten years of commercial operation on 14th Falgun 2081 and 29th Magh 2082, respectively. In accordance with the provisions of Income Tax Act, 2058, hydropower companies are entitled to a full income tax exemption for first ten years of commercial operation, followed by a 50% tax concession for subsequent five years. Accordingly, the taxable profits of both power plants are subject to income tax at 50% of the applicable tax rate, i.e., 12.5% which have been duly provisioned. In addition, income tax on interest income from term deposits has been provided at the rate of 25%.
- Under the Posted Rate Facility Agreement for Mai Hydropower Project (15.6 MW), claimed amount of NPR 286,011,014 remains outstanding and is yet to be received.
- Discharge voucher of NPR 287,072,500 against insurance claim for the loss of profit and loss of property damaged due to heavy rainfall leading to shut down of the plants during the period from 18th Ashwin 2082 to 10th Falgun 2082 has been received. The claim amount has been recognized as other income, however the amount is yet to be received.
- During the period, the company has received cash dividend amounting NPR. 26,659,976 from its associates company Sanima Middle Tamor Hydropower Ltd. which has been recognized as other income.
- Loan obtained for construction of Mai Hydropower Plant (22 MW) was fully repaid in Ashadh 2083. Loan for Mai Cascade Hydropower Plant (7 MW) is expected to be fully settled by Chaitra 2083.
- All shareholders are requested to check unclaimed cash dividend on Sanima Capital website and reach out to Sanima Capital, Naxal for unclaimed dividend, if any.
- SHPC has invested NPR 1,840,700,000 in following companies and those investments are shown under the head "Investment in Associates and Other investment" as below:

Investee Company	Investment at cost	
	Listed	Non-Listed
Investment in Associates Companies		
Swet Ganga Hydropower & Construction Ltd. (SGHC)	450,000,000	-
Mathillo Mailun Khola Jalvidhyut Hydropower Ltd. (MMKJL)	237,500,000	-
Sanima Jum Hydropower Limited.	-	600,000,000
Sanima Middle Tamor Hydropower Ltd (TAMOR)	533,200,000	-
Other Investments		
Bavari Construction Pvt. Ltd.	-	20,000,000
Total	**1,220,700,000**	**620,000,000**

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

Management Analysis

- During 1st quarter of FY 2083/84, Mai and Mai Cascade Hydropower Plants evacuated power in accordance with the dispatch availability.
- Net profit for first quarter increased by 163.81% compared to the corresponding quarter of previous fiscal year which is due to recognition of insurance claim for the damages caused to the property due to heavy rainfall which led to plant shutdown during the period of 18th Ashwin 2082 to 10th Falgun 2082 and also due to dividend income received during the period.
- The financial costs decreased by 82.72% compared to the corresponding quarter of previous fiscal year as a result of repayment of outstanding loan and decreased interest rate.
- During the first quarter of FY 2083/84, Company recognized its share of profit/(loss) from associates accounted for under the equity method amounting to NPR 103,156,078.

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.	563.7	555	664.9
Minimum price NPR.	489	482.1	476
Closing price NPR.	535	490	487
Total Turnover NPR.	1,967,878,298	1,231,008,276	6,567,515,907
Total Transactions	9975.00	9,271	38,019
No. of transaction Day	61.00	64	51
Total traded volume	3,795,960	2,399,827	10,919,210

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 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.
- Challenges in obtaining cost-effective insurance coverage.

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 company.

Declaration

I, the General Manager of this Company, take responsibility for accuracy of the information and details mentioned in this report for the period up to 1st quarter of F.Y 2083/084, hereby declare that information and details provided in this report are true, based on facts, and complete to 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.