



Sanima Mai Hydropower Ltd.

Dhumbarahi, KMC-4, Kathmandu, Nepal

Unaudited Financial Reports (Quarterly)

As on 2nd Quarter (2081.09.29) of the Fiscal Year 2081/082

SECOND QUARTER DISCLOSURE AS OF 2081.09.29 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	12,477,580	13,567,478	11,180,557
Intangible Assets	3,071,406,786	3,109,177,792	3,222,437,129
Capital WIP	1,146,222	1,146,222	-
Right of Use Assets	1,956,546	1,956,546	2,856,641
Investment in Associates	577,050,220	568,587,615	596,149,057
Other Investments	3,129,149,200	2,650,131,500	2,377,666,300
Advance towards Investment in Equity	360,000,000	206,552,500	-
Current Assets			
Investment in Term Deposits	90,000,000	20,000,000	162,000,000
Other Financial Assets	497,653,773	538,663,390	477,361,220
Other Assets	4,861,397	9,216,115	5,794,893
Inventories	27,297,003	22,956,481	23,568,372
Cash and Short-term Deposits	158,245,778	549,169,421	598,367,233
Current Tax Assets	4,029,899	2,958,504	17,704,508
Total Assets	7,935,274,405	7,694,083,563	7,495,085,911
Liabilities			
Non-Current Liabilities			
Borrowings	577,181,096	577,181,096	990,504,850
Other Financial Liabilities	6,922,046	5,308,720	5,308,720
Other Provisions	2,698,372	2,720,238	9,919,618
Current Liabilities			
Borrowings	213,251,067	314,873,724	187,742,097
Other Financial Liabilities	11,250,660	14,018,101	10,380,970
Other Liabilities	14,614,154	9,778,737	1,605,347
Deferred Tax Liabilities	583,987,300	515,871,000	447,754,700
Total Liabilities	1,409,904,696	1,439,751,617	1,653,216,303
Equity			
Share Capital	3,398,176,100	3,398,176,100	3,089,251,000
Retained Earnings	1,366,817,295	1,300,129,773	1,402,734,400
Other Reserves	1,760,376,314	1,556,026,073	1,349,884,208
Total Equity	6,525,369,709	6,254,331,945	5,841,869,609
Total Liabilities and Equity	7,935,274,405	7,694,083,563	7,495,085,911
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Unaudited This Quarter Ending	Unaudited Previous Quarter Ending	Unaudited Corresponding Previous Year Quarter Ending
Revenue From Sale of Electricity	406,356,179	261,221,563	499,232,414
Plant Operating Expenses	(46,301,861)	(22,901,629)	(41,868,164)
Gross Profit	360,054,318	238,319,934	457,364,250
Other Income	112,582	-	-
Administrative and Other Operating Expenses	(89,203,870)	(45,315,786)	(87,836,099)
Net Operating Profit	270,963,030	193,004,147	369,528,151
Financial Costs	(40,062,031)	(22,441,429)	(50,715,096)
Financial Income	6,329,366	2,435,797	27,270,862
Profit/(Loss) before Tax & Bonus	237,230,365	172,998,515	346,083,918
Provision for Staff Bonus	(4,744,607)	-	(6,921,678)
Share of Profit/ (Loss) of Associates accounted for using equity method	37,430,662	28,968,056	1,243,390
Profit/(Loss) before Tax	269,916,420	201,966,571	340,405,630
Income Tax Expense	(735,847)	(2,276)	(6,298,328)
Net Profit for the period	269,180,572	201,964,296	334,107,302
Other Comprehensive gain/ (loss) for the period, net of tax	352,311,900	147,963,000	603,449,100
Total Comprehensive Income for the period, net of tax	621,492,472	349,927,296	937,556,402
Major Financial Highlights			
Earnings Per Share (EPS) *	7.92	5.94	10.82
Current Ratio	3.27	3.37	6.43
Return on Assets (ROA)	3.39%	2.62%	4.46%
Net worth Per Share	192.03	184.05	189.10
Market Value Per Share	456	559	374
Price Earnings Ratio	57.57	94.06	34.56

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

Financial Statements

- The unaudited financial statements for second quarter have been published along with this report.
- At the end of Poush 2081, an invoice of NPR. 306,641,753 has been raised for Mai Hydropower Plant (22 MW) and an invoice of NPR. 99,714,426 has been raised for Mai Cascade Hydropower Plant (7 MW). Besides this, interest on deposits of NPR. 6,329,366 has been reported as Financial Income. Income tax provision on the interest income from term deposit has been accounted @ 25% totaling NPR 735,847.
- 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.
- 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 has invested NPR 1,840,700,000 in the following companies and those investments are shown under the head "Investment in Associates, Other investment and Advance for Investment" as below:

Investee Company	Investment at cost		Advance for Investment
	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	-	-
Other Investments			
Sanima Middle Tamor Hydropower Ltd (TAMOR)	533,200,000	-	-
Sanima Jum Hydropower Limited.	-	240,000,000	360,000,000
Bavari Construction Pvt. Ltd.	-	20,000,000	-
Total	1,220,700,000	260,000,000	360,000,000

As of Poush 29, 2081, the market value per share for TAMOR is NPR. 538.1 Thus, the total investment in the company TAMOR has been presented at the fair value of NPR. 2,869,149,200 at second 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 13th Annual General Meeting of the company dated Poush 28, 2081 has declared bonus dividend of 10% of share capital out of total retained earnings. The bonus shares however are still in the process of listing at Securities Exchange Board of Nepal (SEBON) and has not been shown in the financial statements above.
- 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 2nd quarter of the fiscal year 2081/82.
- Revenue from the Sale of Electricity has decreased by 18.60% 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 second quarter end of FY 2081/082 has decreased by 19.43% compared to the previous year's quarter ending.
- Financial income has decreased by 76.79% and financial costs has decreased by 21.01% 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. 37,059,008 and other comprehensive gain of NPR. 352,311,900 net of tax resulting from fair value measurement of shares invested in Sanima Middle Tamor Hydropower Ltd. (Listed other investment) as on second 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.	612	680	380
Minimum price NPR.	438	335.40	282.3
Closing price NPR.	456	559	373.8
Total Turnover NPR.	3,644,225,545	11,817,702,083	626,643,624
Total Transactions	23,588	69,855	7,415
No. of transaction Day	55	57	49
Total traded volume	6,714,157	22,003,694	1,801,646

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 devaluing 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 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 2nd 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.