

Sanima Mai Hydropower Ltd.

Dhumbarahi, KMC-4, Kathmandu, Nepal

Unaudited Financial Reports (Quarterly)

As on 1st Quarter (2078.06.31) of the Fiscal Year 2078/079

FIRST QUARTER DISCLOSURE AS OF 2078.06.31

AS PER SECURITIES REGISTRATION AND ISSUANCE REGULATION

ANNEXURE-14 (RELATED TO SUB REGULATION 1 OF REGULATION 26)

Particulars	Unaudited This Quarter Ending	Unaudited Previous Quarter Ending	Un-Audited Corresponding Previous Year Quarter Ending
Assets	as on 31-06-2078	as on 31-03-2078	as on 31-06-2077
Non-Current Assets			
Property Plant & Equipment	14,999,384	15,759,602	18,240,058
Intangible Assets	3,549,130,391	3,587,618,256	3,702,177,752
Held to maturity financial assets	60,000,000	-	-
Investment in associates	1,225,700,000	1,225,700,000	947,500,000
Other Financial Assets	-	45,502	4,660,475
Advance towards Investment in Equity	86,750,000	86,750,000	283,250,000
Current Assets		-	-
Other Financial Assets	557,859,471	479,254,268	478,592,428
Current other Assets	9,150,722	12,755,351	8,614,684
Inventories	19,062,885	19,062,885	10,031,496
Cash and short-term deposits	139,361,629	64,409,658	191,006,716
Current tax assets	489,133	558,545	526,381
Total Assets	5,662,503,614	5,491,914,067	5,644,599,990
Liabilities			
Non-Current Liabilities			
Borrowings	1,713,412,048	1,713,412,048	1,980,433,583
Other Financial Liabilities	-	-	860,000
Other provisions	1,851,431	1,851,431	1,588,114
Current Liabilities		-	-
Borrowings	196,810,913	267,021,534	197,815,081
Other Financial Liabilities	10,533,598	13,865,232	20,427,277
Other Liabilities	9,862,673	9,361,600	7,769,791
Current Tax liabilities	-	-	-
Total Liabilities	1,932,470,664	2,005,511,845	2,208,893,846
Equity			
Share Capital	2,808,410,000	2,808,410,000	2,553,100,000
Retained Earnings	915,076,453	671,445,724	878,051,428
Other Reserves	6,546,497	6,546,497	4,554,716
Total Equity	3,730,032,951	3,486,402,221	3,435,706,144
Total Liabilities and Equity	5,662,503,614	5,491,914,067	5,644,599,990

Particulars	Unaudited This Quarter Ending	Unaudited Previous Quarter Ending	Corresponding Previous Year Quarter Ending
Revenue From Sale of Electricity	343,862,130	850,309,509	340,665,490
Plant operating expenses	(19,308,608)	(79,312,511)	(19,153,929)
Gross profit	324,553,522	770,996,999	321,511,561
Other Income	1,374	255,202	-
Administrative and Other operating expenses	(43,572,500)	(181,274,777)	(42,363,563)
Net operating profit	280,982,397	589,977,423	279,147,998
Financial costs	(38,233,854)	(182,866,690)	(54,201,086)
Financial income	1,059,495	9,642,201	1,609,694
Profit/(Loss) before tax & bonus	243,808,038	416,752,934	226,556,606
Provision for Staff Bonus	-	(8,335,059)	-
Profit/(Loss) before tax	243,808,038	408,417,875	226,556,606
Income Tax Expense	(177,308)	(1,941,773)	(254,402)
Net Profit for the Year	243,630,729	406,476,102	226,302,204

Major Financial Highlights

Earnings Per Share (EPS)	8.68	14.47	8.86
Current Ratio	3.34	1.98	3.05
Return on Assets (ROA)	4.30%	7.40%	4.01%
Net worth Per Share	132.82	124.14	134.57
Market Value Per Share	383	513	330

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 2078, Mai Hydropower Plant (22 MW) has generated the invoice of NPR. 262,152,590 and Mai Cascade Hydropower Plant (7 MW) has generated the invoice of NPR. 81,709,541 Beside this, interest on deposit is also reported as revenue/ Income.
 - Company has claimed NPR 467,412,800 for 20% additional claim till Ashwin end 2078 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.
 - 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 projects 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. 709,233=NPR 177,308.
 - Other financial assets under current assets includes NPR. 93,077,558 cash held in Revenue and Capex account maintained in Laxmi Bank Ltd., NPR. 250,603,330 receivables for posted rate claim, and NPR. 210,256,785 receivables for Bhadra and Ashwin revenue claim from NEA.
 - Reclassification and Remeasurement of account heads have been carried out wherever necessary.
 - The Annual General Meeting held on 11th Kartik,2078 has declared 10% bonus dividend and 0.5263% Cash Dividend. The bonus shares issued as such is in the process of listing at regulators.
 - SMHL has committed to invest NPR 2,228,950,000 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	450,000,000	-

Associate Company	Committed to Investment	Investment in associates	Advance for Investment
Sanima Middle Tamor Hydropower Ltd	533,200,000	533,200,000	
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
Sanima Jum Hydropower Limited.	500,000,000	-	28,500,000
Total	2,228,950,000	1,225,700,000	86,750,000

Management Analysis

- Mai and Mai cascade hydropower plant has evacuated its power on the basis of dispatch availability in 1st quarter of fiscal year 2078/079.
- Revenue from Sale of Electricity for 1st quarter of the FY 2078/079 has increased by 0.9% as compared to corresponding previous year quarter ending.
- Financial costs have been decreased by 29.5% as compared to corresponding previous year quarter ending.
- The net profit for the year has increased by 7.7% 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.	675	607	364
Minimum price NPR.	377.40	353	213
Closing price NPR.	383	513	330
Total Turnover NPR.	7,444,774,652	5,882,052,821	1,523,045,623
Total Transactions	59,152	42,263	13,221
No. of transaction Day	57	65	64
Total traded volume	12,741,588	12,253,825	5,256,152

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 devaluating local currency.
- Delay of statutory approvals.
- Loss due to natural disaster –flood, Earthquake, drought, force majeure issue, etc.
- Lack of domestic suppliers and vendors for hydropower equipment and spare parts.
- Hydrological Risk.
- Difficulties in smooth office operation due to COVID-19 pandemic.

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 2078/079, 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 to Company Secretary Mr. Jayanta Kumar Regmi cell no. 9841221570 for further enquiry about company.