



Sanima Mai Hydropower Ltd.

Dhumbarahi, KMC-4, Kathmandu, Nepal

Unaudited Financial Reports (Quarterly)

As on 2nd Quarter (2078.09.30) of the Fiscal Year 2078/079

SECOND QUARTER DISCLOSURE AS OF 2078.09.30 AS PER SECURITIES REGISTRATION AND ISSUANCE REGULATION ANNEXURE-14 (RELATED TO SUB REGULATION 2 OF REGULATION 22)

Particulars	Un-Audited This Quarter Ending	Un-Audited Previous Quarter Ending	Un-Audited Corresponding Previous Year Quarter Ending
Assets	as on 30-09-2078	as on 31-06-2078	as on 29-09-2077
Non-Current Assets			
Property Plant & Equipment	15,224,400	14,999,384	17,476,285
Intangible Assets	3,510,642,525	3,549,130,391	3,663,699,409
Intangible Assets under development	-	-	7,402
Held to maturity financial assets	317,600,000	60,000,000	-
Investment in associates	1,225,700,000	1,225,700,000	947,500,000
Other Financial Assets	-	-	4,645,781
Advance towards Investment in Equity	86,750,000	86,750,000	283,250,000
Current Assets			
Other Financial Assets	500,748,932	557,859,471	395,700,546
Current other Assets	4,554,303	9,150,722	5,586,188
Inventories	19,062,885	19,062,885	10,031,496
Cash and short-term deposits	18,172,083	139,361,629	224,815,724
Current tax assets	3,241,847	489,133	536,679
Total Assets	5,701,696,974	5,662,503,614	5,553,249,509
Liabilities			
Non-Current Liabilities			
Borrowings	1,713,412,048	1,713,412,048	1,980,433,583
Other Financial Liabilities	-	-	860,000
Other provisions	1,871,608	1,851,431	1,678,024
Current Liabilities			
Borrowings	124,347,635	196,810,913	133,946,009
Other Financial Liabilities	22,020,657	20,413,056	34,382,248
Other Liabilities	1,527,439	9,862,673	8,368,305
Total Liabilities	1,863,179,387	1,942,350,121	2,159,668,168
Equity			
Share Capital	3,089,251,000	2,808,410,000	2,808,410,000
Retained Earnings	742,720,090	905,196,996	580,616,625
Other Reserves	6,546,497	6,546,497	4,554,716
Total Equity	3,838,517,587	3,720,153,493	3,393,581,341
Total Liabilities and Equity	5,701,696,974	5,662,503,614	5,553,249,509

Particulars	Un-audited This Quarter Ending	Un-audited Previous Quarter Ending	Un-audited Corresponding Previous Year Quarter Ending
Revenue From Sale of Electricity	576,575,873	343,862,130	546,540,610
Plant operating expenses	(37,775,111)	(19,763,501)	(37,849,601)
Gross profit	538,800,762	324,098,629	508,691,008
Other Income	51,374	1,374	100,000
Administrative and Other operating expenses	(89,783,726)	(43,572,500)	(85,417,315)
Net operating profit	449,068,411	280,527,504	423,373,693
Financial costs	(73,155,153)	(38,233,854)	(104,640,870)
Financial income	3,931,018	1,059,495	2,968,051
Profit/(Loss) before tax & bonus	379,844,275	243,353,145	321,700,873
Provision for Staff Bonus	(7,596,886)	(4,867,063)	(6,434,017)
Profit/(Loss) before tax	372,247,390	238,486,082	315,266,856
Income Tax Expense	(793,416)	(177,308)	(447,858)
Net Profit For the quarter ending	371,453,973	238,308,774	314,818,998

Major Financial Highlights

Earnings Per Share (EPS)	12.02	8.49	11.21
Current Ratio	3.69	3.20	3.60
Return on Assets (ROA)	6.51%	4.21%	5.67%
Net worth Per Share	124.25	132.46	120.84
Market Value Per Share	459	383	324

Financial Statements

- The unaudited financial statements for second 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.
- The EPS of this quarter ending has been calculated considering the no. of shares after adjustment of bonus shares (2,808,410 shares) which was declared by the 10th AGM conducted on 11th Kartik, 2078. The bonus shares have already been dematerialized and transferred to related shareholder accounts.
- Till the end of Poush 2078, Mai Hydropower Plant (22 MW) has generated the invoice of NPR. 442,347,160 and Mai Cascade Hydropower Plant (7 MW) has generated the invoice of NPR. 134,228,713. Beside this, interest on deposit is also reported as revenue/ Income.
- Company has claimed NPR 487,583,223 for 20% additional claim till Poush end 2078 as per 'Posted Rate' of facility agreement 2071 with Nepal Electricity Authority for Mai Hydropower Project (15.6MW). Total amount of NPR. 216,809,470 on account of Posted Rate Claim has already been 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 project which will be completed and connected to National Grid by 2074-75'.
- 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 which makes the company eligible for above mentioned grant from GON. However, such income has not been included in Revenue/Income since the same has not been received yet.
- Income tax provision on interest income from term deposit has been accounted @ 25% totaling of NPR 793,416.
- Other financial assets under current assets includes NPR. 93,248,646 cash held in Revenue and Capex account maintained in Laxmi Bank Ltd., NPR. 270,773,753 receivables for posted rate claim, and NPR. 132,461,955 receivables for Mangsir and Poush revenue claim from NEA.
- SMHL has committed to invest NPR 2,228,950,000 in following companies and which have been shown under the heads 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	-
Sanima Middle Tamor Hydropower Ltd	533,200,000	533,200,000	-
Mathillo Mailun Kholo 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

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

Management Analysis

- Mai and Mai cascade hydropower plant has evacuated its power on the basis of dispatch availability in 2nd quarter of fiscal year 2078/079.
- Revenue from Sale of Electricity for 2nd quarter of the FY 2078/079 has increased by 5.5% as compared to corresponding previous year quarter ending.
- Financial costs have decreased by 30.1% as compared to corresponding previous year quarter ending.
- The net profit for the year has increased by 18% as compared to corresponding previous year quarter ending.

1. 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:

Particulars	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Year Quarter Ending
Maximum price NPR.	484	675	413
Minimum price NPR.	347	377.40	282
Closing price NPR.	459	383	324
Total Turnover NPR.	2,088,762,654	7,444,774,652	1,442,093,763
Total Transactions	26,993	59,152	11,409
No. of transaction Day	59	57	58
Total traded volume	4,946,495	12,741,588	4,083,824

2. 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 -flood, Earthquake, drought, force measure 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.

3. 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.

4. 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 second quarter of FY 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 Company Secretary Mr. Jayanta Kumar Regmi cell no. 9841221570 for further enquiry about company.