



# Sanima Mai Hydropower Ltd.

Dhumbarahi, KMC-4, Kathmandu, Nepal

## Unaudited Financial Reports (Quarterly)

As on 1st Quarter (2080.06.30) of the Fiscal Year 2080/081

### FIRST QUARTER DISCLOSURE AS OF 2080.06.30 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	Audited Previous Quarter Ending	Corresponding Previous Year Quarter Ending
<b>Assets</b>			
Non-Current Assets			
Property Plant & Equipment	11,192,992	11,613,498	13,874,442
Intangible Assets	3,260,242,885	3,298,015,872	3,404,740,682
Right of Use Assets	2,856,641	2,856,641	3,756,737
Investment in Associates	687,500,000	687,500,000	687,500,000
Other Investments	1,322,463,500	1,573,067,500	538,200,000
Advance towards Investment in Equity	-	-	40,875,000
Current Assets			
Investment in Term Deposits	237,000,000	469,790,000	272,200,000
Other Financial Assets	602,300,958	517,921,158	603,800,685
Other Assets	10,412,151	15,334,943	10,407,068
Inventories	23,568,372	23,568,372	18,985,105
Cash and Cash Equivalents	395,291,591	42,572,702	296,524,318
Current Tax Assets	2,401,609	3,459,915	1,738,929
<b>Total Assets</b>	<b>6,555,230,699</b>	<b>6,645,700,601</b>	<b>5,892,602,966</b>
<b>Liabilities</b>			
Non-Current Liabilities			
Borrowings	990,504,850	990,504,850	1,351,450,097
Other Financial Liabilities	5,308,720	5,308,720	6,128,340
Other Provisions	3,093,241	3,093,241	1,375,916
Current Liabilities			
Borrowings	277,227,411	364,156,152	254,677,409
Other Financial Liabilities	13,475,744	13,555,617	13,213,474
Other Liabilities	10,181,330	9,310,266	12,775,727
Deferred Tax Liabilities	183,954,000	246,605,000	-
<b>Total Liabilities</b>	<b>1,483,745,296</b>	<b>1,632,533,846</b>	<b>1,639,620,963</b>
<b>Equity</b>			
Share Capital	3,089,251,000	3,089,251,000	3,089,251,000
Retained Earnings	1,424,237,880	1,177,966,232	1,154,230,940
Other Reserves	557,996,523	745,949,523	9,500,062
Total Equity	5,071,485,403	5,013,166,755	4,252,982,003
<b>Total Liabilities and Equity</b>	<b>6,555,230,700</b>	<b>6,645,700,601</b>	<b>5,892,602,966</b>
<b>STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>			
Revenue From Sale of Electricity	329,879,168	763,541,741	321,738,394
Plant Operating Expenses	(22,880,863)	(95,816,406)	(21,735,476)
<b>Gross Profit</b>	<b>306,998,305</b>	<b>667,725,335</b>	<b>300,002,918</b>
Other Income	-	6,767,779	-
Administrative and Other Operating Expenses	(43,732,201)	(175,930,239)	(43,580,372)
<b>Net Operating Profit</b>	<b>263,266,104</b>	<b>498,562,875</b>	<b>256,422,546</b>
Financial Costs	(26,769,952)	(123,651,747)	(33,292,441)
Financial Income	12,710,794	52,425,548	11,934,589
<b>Profit/(Loss) before Tax &amp; Bonus</b>	<b>249,206,946</b>	<b>427,336,676</b>	<b>235,064,694</b>
Provision for Staff Bonus	-	(8,546,734)	-
<b>Profit/(Loss) before Tax</b>	<b>249,206,946</b>	<b>418,789,942</b>	<b>235,064,694</b>
Income Tax Expense	(2,935,298)	(11,952,525)	(2,644,699)
Net Profit for the Period	246,271,648	406,837,417	232,419,994
Other Comprehensive gain/(loss) for the year, net of tax	(187,953,000)	739,036,237	-
<b>Total Comprehensive Income for the year, net of tax</b>	<b>58,318,648</b>	<b>1,145,873,654</b>	<b>232,419,994</b>
<b>Major Financial Highlights</b>			
Earnings Per Share (EPS)	7.97	13.17	7.52
Current Ratio	4.22	2.77	4.29
Return on Assets (ROA)	3.76%	6.12%	3.94%
Net worth Per Share	164.17	162.28	137.67
Market Value Per Share	285	355	252
Price Earnings Ratio	35.75	26.96	33.50

#### Financial Statements

- The unaudited financial statements for the first quarter have been published along with this report.
- Pursuant to life of the project, the company has amortized intangible assets so that all investments made on electricity generation, transmission, or distribution are paid back in an average 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 2080, an invoice of NPR. 248,134,401 has been raised for Mai Hydropower Plant (22 MW) and an invoice of NPR. 81,744,767 has been raised for Mai Cascade Hydropower Plant (7 MW). Besides this, interest on deposits has been reported as Financial Income.
- As per the Posted Rate Facility Agreement for Mai Hydropower Project (15.6MW), the company was eligible to claim the additional rate for 7 years from Baisakh, 2072 to Chaitra 2078. The company has claimed NPR 502,820,484 with Nepal Electricity Authority during the eligible period. Out of the total claimed amount, NPR. 216,809,470 has already been received from NEA on different dates while NPR. 286,011,014 is yet to be received.
- As per Budget for FY 2071-72, Under the topic "Urja Ujyalo Nepal Sambhridha Nepal" point 61 'For Projects completed and connected to National Grid by 2079-80, the Lump sum amount of NPR. 50 lakhs/MW is to be provided as Government Grant. An additional 10% will be provided to those projects 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 the 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 the interest income from term deposit has been accounted @ 25% totaling NPR 2,935,298.
- List of unclaimed cash dividend for FY 2074-075 and FY 2076-77 has been published on company's website: www.maihydro.com under "News and Reports" section and Sanima Capital's website <https://www.sanima.capital/> under result section Pending Cash Dividend. SMS notification has also been sent for unclaimed cash dividend to concerned shareholders. All shareholders are requested to check the list 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" below:

Investee Company	Committed to Investment	Investment at cost
<b>Investment in Associates Companies</b>		
Swet Ganga Hydropower & Construction Ltd. (SGHC)	450,000,000	450,000,000
Mathillo Mailun Khola Jalvidhyut Hydropower Ltd.	237,500,000	237,500,000
<b>Other Investments</b>		
Sanima Middle Tamor Hydropower Ltd (TAMOR)	533,200,000	533,200,000
Sanima Jum Hydropower Limited.	1,500,000,000	33,447,500.00
Bavari Construction Pvt. Ltd.	20,000,000	20,000,000
<b>Total</b>	<b>2,740,700,000</b>	<b>1,274,147,500</b>

As of Ashwin 30, 2080, the market value per share for TAMOR is NPR. 238. Thus, the total investment in the company TAMOR has been presented at the fair value of NPR. 1,269,016,000 at the first quarter end, 2080 under the heading other investment. The investment in associates 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 2080/81.
- Revenue from the Sale of Electricity has increased by 2.53% compared to the corresponding previous year's quarter ending. The net profit for the first quarter end of FY 2080/081 has increased 5.96% compared to the previous year's quarter ending.
- Financial income has increased by 6.5% compared to the corresponding previous year's quarter ending.
- The plant operating expenses have increased by 5.27% compared to the corresponding previous year's quarter ending.
- The financial costs have decreased by 19.59% compared to the corresponding previous year's quarter ending.
- The company has recognized other comprehensive loss of NPR. 187,953,000 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, 2080. The loss has also been adjusted under other reserves (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.	380	403	352
Minimum price NPR.	283	316	250
Closing price NPR.	285	355	252
Total Turnover NPR.	833,812,215	1,492,013,464	1,166,975,307
Total Transactions	10,177	15,649	17,632
No. of transaction Day	61	62	66
Total traded volume	2,376,247	4,088,416	3,730,195

#### 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 2080/081, 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.