



Sanima Mai Hydropower Ltd.

Dhumbarahi, KMC-4, Kathmandu, Nepal

Unaudited Financial Reports (Quarterly)

As on 2nd Quarter (2077/09/29) of the Fiscal Year 2077/078

SECOND QUARTER DISCLOSURE AS OF 2077/09/29
AS PER SECURITIES REGISTRATION AND ISSUANCE REGULATION
ANNEXURE-14 (RELATED TO SUB REGULATION 2 OF REGULATION 22)

Particulars	Unaudited This Quarter Ending	Unaudited Previous Quarter Ending	Un-Audited Corresponding Previous Year Quarter Ending
	as on 29-09-2077	as on 30-06-2077	as on 29-09-2076
Non-Current Assets			
Property Plant & Equipment	17,476,285	18,240,058	15,505,470
Intangible Assets	3,663,699,409	3,702,177,752	3,812,373,037
Intangible Assets under development	7,402	-	2,669,385
Held to maturity financial assets	-	-	-
Available-for-sale financial assets	-	-	-
Investment in associates	947,500,000	947,500,000	242,500,000
Other Financial Assets	4,645,781	4,660,475	10,013,282
Other Assets			4,035,051
Advance towards Investment in Equity	283,250,000	283,250,000	900,750,000
Current Assets			
Other Financial Assets	395,700,546	478,592,428	332,001,180
Current other Assets	5,586,188	8,614,684	7,680,597
Inventories	10,031,496	10,031,496	12,457,322
Cash and short-term deposits	224,815,724	191,006,716	213,747,989
Current tax assets	536,679	526,381	508,421
Total Assets	5,553,249,509	5,644,599,990	5,554,241,734
Liabilities			
Non-Current Liabilities			
Borrowings	1,980,433,583	1,980,433,583	2,234,549,815
Other Financial Liabilities	860,000	860,000	8,501,116
Other provisions	1,678,024	1,588,114	1,689,751
Current Liabilities			
Borrowings	133,946,009	197,815,082	123,965,019
Other Financial Liabilities	24,009,601	20,427,277	33,452,300
Other Liabilities	8,368,305	7,769,791	7,077,152
Total Liabilities	2,149,295,521	2,208,893,847	2,409,235,153
Equity			
Share Capital	2,808,410,000	2,553,100,000	2,321,000,000
Retained Earnings	590,989,271	878,051,428	823,764,914
Other Reserves	4,554,716	4,554,716	241,670
Total Equity	3,403,953,987	3,435,706,144	3,145,006,584
Total Liabilities and Equity	5,553,249,509	5,644,599,990	5,554,241,737

Particulars	Unaudited This Quarter Ending	Unaudited Previous Quarter Ending	Corresponding Previous Year Quarter Ending
	from 01/04/2077 to 29/09/2077	from 01/04/2077 to 30/06/2077	from 01/04/2076 to 29/09/2076
Revenue From Sale of Electricity	546,540,610	340,665,490	527,678,716
Plant operating expenses	(31,005,500)	(16,207,895)	(30,392,094)
Gross profit	515,535,110	324,457,595	497,286,622
Other Income	100,000	-	43,629
Other operating and administrative expenses	(91,309,383)	(45,309,597)	(88,658,349)
Net operating profit	424,325,727	279,147,998	408,671,902
Financial costs	(104,640,870)	(54,201,086)	(127,572,331)
Financial income	2,968,051	1,609,694	7,416,111
Profit/(Loss) before tax & bonus	322,652,907	226,556,607	288,515,682
Profit/(Loss) before tax	322,652,907	226,556,607	288,515,682
Income Tax Expense	(447,858)	(254,402)	(604,032)
Net Profit For the Year	322,205,049	226,302,206	287,911,650

Major Financial Highlights

Earnings Per Share (EPS)	11.47	8.86	11.28
Current Ratio	3.83	3.05	3.44
Net-worth Per Share	121.21	134.57	135.50
Market Value Per Share	324	330	223

1. 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.
 - Till the end of Poush 2077, Mai Hydropower Plant (22 MW) has generated the invoice of NPR. 420,319,311 and Mai Cascade Hydropower Plant (7 MW) has generated the invoice of NPR. 126,221,299 Beside this, interest on deposit is also reported as revenue/ Income.
 - Company has claimed NPR 413,724,496 for 20% additional claim till Poush end 2077 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. Current Other Financial Assets includes NPR 196,915,026 receivables for posted rate claim.
 - As per Budget for FY 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 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. 1,791,431 – NPR 447,858.
 - Other financial assets under current assets includes NPR. 93,077,180 cash held in Revenue and Capex account maintained in Laxmi Bank.
 - SMHL has committed to invest NPR 2,175,750,000 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	225,000,000	225,000,000
Sanima Middle Tamor Hydropower Ltd	480,000,000	480,000,000	-
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	-	-
Total	2,175,750,000	947,500,000	283,250,000

Management Analysis

- Mai and Mai cascade hydropower plant has evacuated its power on the basis of dispatch availability in 2nd quarter of fiscal year 2077/078.
- Revenue income has been increased by 3.6% as compared to corresponding previous year quarter ending due to effective maintenance and reduced downtime, and 3% price escalation during the period.
- Financial costs has been decreased due to decrease in interest rate as compared to corresponding previous year quarter ending.
- As a result, net profit for the year has increased by 11.9% as compared to corresponding previous year quarter ending.
- Passed resolution of 10% bonus share by 9th AGM will be dematerialized soon after getting approval from concerned authorities and 5% cash dividend has been already credited in respective bank accounts. Please update the bank account details in the Demat account, if anyone didn't get cash dividend yet or contact Sanima Capital for further assistance.

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 Quarte Ending
Maximum price NPR.	413	364	230
Minimum price NPR.	282	213	184
Closing price NPR.	324	330	223
Total Turnover NPR.	1,442,093,763	1,523,045,623	26,032,280
Total Transactions	11,409	13,221	580
No. of transaction Day	58	64	13
Total traded volume	4,083,824	5,256,152	121,353

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 – ood, Earthquake, force measure issue, etc.
- Lack of domestic suppliers and venders for hydropower equipment and spare parts.
- Hydrological Risk.

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 second quarter of F.Y 2077/078, 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, Email: jayanta@sanimahydro.com, for further enquiry about company.