



# Sanima Middle Tamor Hydropower Limited

Dhumbarahi, KMC-4, Kathmandu, Nepal

## Unaudited Financial Reports (Quarterly)

As on 2nd Quarter (2080.09.29) of the Fiscal Year 2080/081

### SECOND QUARTER DISCLOSURE AS OF 2080.09.29 AS PER SECURITIES REGISTRATION AND ISSUANCE REGULATION ANNEXURE-14 (RELATED TO SUB REGULATION 1 OF REGULATION 26)

#### Statement of Financial Position

Particulars	Un-Audited This Quarter Ending	Un-Audited Previous Quarter Ending	Unaudited Corresponding Previous Year Quarter Ending
Assets	As on 29-09-2080	As on 30-06-2080	As on 30-09-2079
<b>Non-Current Assets</b>			
Property, Plant & Equipment	61,309,566	64,347,317	60,587,890
Intangible Assets	11,589,320,596	10,765,205,459	8,157,075,872
Deferred Tax Assets	575,133	188,199	670,290
<b>Current Assets</b>			
Cash and cash equivalents	237,760,896	287,375,256	98,504,922
Other Financial Assets	442,455,180	445,933,444	509,645,908
Other Current Assets	30,856,070	30,434,618	38,167,140
Current tax assets	3,713,381	3,542,680	2,632,211
<b>Total Assets</b>	<b>12,365,990,823</b>	<b>11,597,026,972</b>	<b>8,867,284,233</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Borrowings	8,032,193,795	7,526,582,770	5,642,789,658
Other Financial Liabilities ( Retention)	688,998,752	643,526,381	605,330,511
Provisions	1,461,189	1,732,476	1,293,155
Deferred Tax Liabilities	-	-	-
Other Non-Current Liabilities	-	-	-
<b>Current Liabilities</b>			
Current Borrowings	289,890,110	100,000,000	30,000,000
Other Financial Liabilities	107,570,524	71,759,519	168,801,928
Other Current Liabilities	3,895,955	5,454,875	2,346,812
<b>Total Liabilities</b>	<b>9,124,010,326</b>	<b>8,349,056,021</b>	<b>6,450,562,064</b>
<b>Equity</b>			
Share Capital	3,332,500,000	3,332,500,000	2,499,375,000
Less Calls In Arrears	(3,000)	(3,000)	
<b>Net Share Capital</b>	<b>3,332,497,000</b>	<b>3,332,497,000</b>	<b>2,499,375,000</b>
Retained Earnings	(91,460,517)	(85,091,587)	(83,218,369)
Other Reserves	944,014	565,538	565,538
<b>Total Equity</b>	<b>3,241,980,498</b>	<b>3,247,970,952</b>	<b>2,416,722,169</b>
<b>Total Liabilities and Equity</b>	<b>12,365,990,823</b>	<b>11,597,026,972</b>	<b>8,867,284,233</b>

#### Statement of Profit or Loss

Particulars	Un-Audited This Quarter Ending	Un-Audited Previous Quarter Ending	Unaudited Corresponding Previous Year Quarter Ending
	As on 29-09-2080	As on 30-06-2080	As on 30-09-2079
Revenue (Construction)	1,473,739,855	654,254,370	1,750,059,046
Cost of Sales (Construction)	(1,473,739,855)	(654,254,370)	(1,750,059,046)
Revenue From Sale of Electricity		-	-
Plant operating expenses		-	-
Gross profit	-	-	-
Other Income	50,000	-	153,729
Administrative and Other operating expenses	19,139,846	9,297,994	22,630,277
<b>Net operating profit/(Loss)</b>	<b>(19,089,846)</b>	<b>(9,297,994)</b>	<b>(22,476,548)</b>
Financial costs		-	-
Financial income	2,602,177	1,464,165	962,530
Foreign exchange gain/(loss)	145,984	(1,116,474)	(21,949,557)
<b>Profit/(Loss) before tax &amp; bonus</b>	<b>(16,341,686)</b>	<b>(8,950,303)</b>	<b>(43,463,575)</b>
Provision for Staff Bonus		-	-
<b>Profit/(Loss) before tax</b>	<b>(16,341,686)</b>	<b>(8,950,303)</b>	<b>(43,463,575)</b>
Income Tax Expense		-	-
Deferred Tax Income/(Expense)		-	-
<b>Net Profit/(Loss)</b>	<b>(16,341,686)</b>	<b>(8,950,303)</b>	<b>(43,463,575)</b>

#### Major Financial Highlights

Earnings Per Share (EPS)	-0.49	-0.27	-1.74
Current Ratio (CR)	6.41	9.94	3.23
Net Worth Per Share	97.28	97.46	96.69
Return on Assets (ROA)	-0.13%	-0.08%	-0.49%
Market Value Per Share	435.90	238.00	-
P/E Ratio	-888.91	-886.15	-

#### Financial Statements

- The Unaudited financial statement for the Second quarter have been published as a part of this report.
- The Construction Revenue and Construction Cost for the reporting period as per IFRIC-12 is NPR 1,473,739,855 /-
- Service concession arrangement of Sanima Middle Tamor Hydropower Limited (SMTHL) includes Project Work in Progress of Middle Tamor Hydropower Project (73 MW). Service Concession arrangements are amortized over the contractual period of 30 years from the commercial operation date or as per the term of Generation License of SMTHL, whichever is lower. As per Generation License, the life of Middle Tamor Hydropower Project is up to 2110/02/21 B.S. The total Intangible Assets (Service Concession Arrangements) as on Poush End 2080 is NPR. 11,589,320,596 /-
- The Middle Tamor Hydropower Project is under Construction. The Construction of the Project is about to be completed soon and the total physical progress till Poush End 2080 was about 98%.
- Previous quarter figures has been rearranged and regrouped whenever necessary.

#### Management Analysis

- The Company has incurred NPR 19,139,846 /- as administrative and other operating expenses for the period.
- The Company has earned NPR 2,602,177 /- as financial income during the reporting period.

#### Legal Proceedings

- During the reporting 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.	439.80	297.00	-
Minimum price NPR.	230.10	230.50	-
Closing price NPR.	435.90	238.00	-
Total Turnover NPR.	953,511,135	224,516,145	-
Total Transactions	32,448	31,591	-
No. of transaction Day	49	61	-
Total traded volume	2,884,423	861,809	-

#### Problems & Challenges

##### Internal Challenges

- Finding skilled human resources in required number and their retention.
- Availability of suitable modern construction equipment.
- Maintaining high level of operational efficiency.

##### External Challenges

- Delay of statutory approvals, inconsistent regulatory and policy level commitment from the government regulatory agencies in the development of hydroelectric projects.
- Fluctuating cost of capital and devaluation of local currency against USD.
- Fluctuating interest rate on loan in comparison to the time of Financial Closure.
- Increasing costs of insurances, construction materials, transportation, rental charges of equipment and other services.
- Lack of domestic suppliers for construction materials, equipment and spare parts and difficulties in logistics management.
- Delay in completion of required transmission network to be constructed by the government agencies.
- Natural disaster such as flood, earthquake, landslides, etc.
- Climatic changes and extreme hydrological fluctuations.
- Geological risks.
- Pandemics such as Covid-19, dengue, etc.

#### Strategies

- Mobilize all required resources efficiently for the completion of remaining construction works to commission the project as planned.
- Finding and optimizing qualified human resources and equipment through experienced contractors and suppliers.
- Lobbying with government agencies for investment friendly environment.
- Effective fund management and strategic investment, as per the project investment plan.
- Adequate insurance policies against potential losses due to natural disasters and normal business risks.
- Maintenance of required equipment and machineries, and arrangement of multiple suppliers for smooth supply of spare parts and construction materials.

#### Corporate Governance

The Board of Directors, Audit Committee, other Committees, and Management Team are committed to strengthening good corporate governance within the Company. Sanima Middle Tamor Hydropower Ltd. has written manuals, policies, rules & guidelines for the proper functioning of the operation of the Company.

#### Declaration

I, the Chief Executive Officer of this Company, take the responsibility for the accuracy of the information and details mentioned in this report for the period up to the Second Quarter of FY 2080/081. I 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 any information necessary for taking informed decision by the investors are not concealed.

Please contact at 01-4372828/4373030 for any further inquiry about the Company.