



# Swet Ganga Hydropower & Construction Limited

Dhumbarahi, KMC-4, Kathmandu, Nepal

## Unaudited Financial Reports (Quarterly)

As on 1st Quarter (2081.06.30) of the Fiscal Year 2081/082

### FIRST QUARTER DISCLOSURE AS OF 2081.06.30 AS PER SECURITIES REGISTRATION AND ISSUANCE REGULATION ANNEXURE-14 (RELATED TO SUB REGULATION 1 OF REGULATION 26)

Statement of Financial Position	Un-Audited This Quarter Ending	Audited Previous Quarter Ending	Un-Audited Corresponding Previous Year Quarter Ending
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property Plant & Equipment	18,917,113	16,352,642	17,529,580
Intangible Assets	6,192,221,208	6,250,732,345	6,401,685,725
Intangible Assets Under Development	4,692,360	4,684,104	3,836,604
Deferred Tax Assets	-	-	-
<b>Current Assets</b>			
Advance and Receivables	248,131,679	179,985,180	238,167,509
Inventories	5,212,753	11,839,993	312,951
Other Current Assets	6,811,460	395,575	7,098,648
Cash and Cash Equivalents	2,343,770	3,247,582	4,953,316
Current Tax Assets	462,343	462,072	535,696
<b>Total Assets</b>	<b>6,478,792,686</b>	<b>6,467,699,492</b>	<b>6,674,120,029</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Borrowings	4,636,837,884	4,650,006,884	4,660,323,954
Other Financial Liabilities	170,957,279	99,905,405	180,112,315
Provisions	1,813,678	1,821,799	1,742,462
<b>Current Liabilities</b>			
Borrowings	420,737,865	437,235,464	284,346,933
Other Financial Liabilities	31,370,640	127,592,526	206,135,134
Other Liabilities	964,499	656,633	888,358
<b>Total Liabilities</b>	<b>5,262,681,845</b>	<b>5,317,218,711</b>	<b>5,333,549,156</b>
<b>Equity</b>			
Share Capital	1,593,000,000	1,593,000,000	1,593,000,000
Retained Earnings	(379,066,270)	(444,696,329)	(253,787,662)
Other Reserves	2,177,111	2,177,111	1,358,535
<b>Total Equity</b>	<b>1,216,110,841</b>	<b>1,150,480,782</b>	<b>1,340,570,873</b>
<b>Total Liabilities and Equity</b>	<b>6,478,792,686</b>	<b>6,467,699,492</b>	<b>6,674,120,029</b>
<b>Statement of Profit or Loss</b>			
Revenue (Construction)	-	68,999,382	46,279,157
Cost of Sales (Construction)	-	(68,999,382)	(46,279,157)
Revenue From Sale of Electricity	291,401,533	747,200,927	258,700,093
Plant Operating Expenses	(25,626,613)	(85,170,160)	(17,787,568)
<b>Gross profit</b>	<b>265,774,921</b>	<b>662,030,767</b>	<b>240,912,525</b>
Other Income	-	532,985	-
Administrative and Other Operating Expenses	(67,662,986)	(267,540,835)	(67,097,310)
<b>Net operating profit</b>	<b>198,111,934</b>	<b>395,022,917</b>	<b>173,815,214</b>
Financial Costs	(128,191,860)	(559,823,527)	(148,140,188)
Financial Income	109,574	1,519,066	429,069
Foreign Exchange Gain/(Loss)	(3,708,323)	(2,799,446)	(30,546)
<b>Profit/(Loss) before tax &amp; bonus</b>	<b>66,321,325</b>	<b>(166,080,989)</b>	<b>26,073,550</b>
Provision for Staff Bonus	-	-	-
<b>Profit/(Loss) before tax</b>	<b>66,321,325</b>	<b>(166,080,989)</b>	<b>26,073,550</b>
Income Tax Expense	(691,266)	-	-
<b>Net Profit for the Year</b>	<b>65,630,059</b>	<b>(166,080,989)</b>	<b>26,073,550</b>
<b>Major Financial Highlights</b>			
Earnings Per Share (EPS)	4.12	(10.43)	1.65
Return on Assets (ROA)	1.01%	-2.57%	0.39%
Net worth Per Share	76.34	72.22	84.15
Current Ratio	0.58	0.35	0.51
P/E Ratio	99.73	(35.30)	135.28
Market Value Per Share	412.00	368.00	222.90

\*Considering the seasonality of electricity generation and revenue EPS has not been annualized.

#### Financial Statements

- The Unaudited financial statement for the first quarter have been published as a part of this report.
- Service concession arrangements of Swet Ganga Hydropower & Construction Ltd. (SGHCL) includes Project Work in Progress of Tallo Likhu Jalavidyut Aayojana (28.1 MW). Service concession arrangements are amortized over the contractual period as per the Power Purchase Agreement (PPA) of Tallo Likhu Jalavidyut Aayojana. As per Generation License, life of Tallo Likhu Jalavidyut Aayojana is up to 2108/12/27. Pursuant to the life of the project, the company has amortized the intangible assets. In case of Property Plant & Equipment, depreciation has been calculated on written down value based upon useful life of assets.
- The financial cost includes interest paid on long term loan and working capital loan amounting NPR 127,854,075 up to 1st quarter 2081-082.

#### Management Analysis

- Till the end of Ashoj 2081, Tallo Likhu Jalavidyut Aayojana has generated income of NPR 291,401,533 from Sale of Electricity. The revenue from the sale of electricity has increased from last year's corresponding figures by 13%.
- The Administrative and other operating expenses has increased from last year's corresponding figures by 1%.
- The Finance cost has decreased from last year's corresponding figures by 14% since the rate of interest has decreased and principal amount is being repaid.

#### 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.	535.50	391	284
Minimum Price NPR.	351.90	308.10	205.1
Closing Price NPR.	412	368	222.9
Total Turnover NPR.	966,889,167.00	475,269,015.10	84,423,145.5
Total Transactions	20,325	12,711	9,626
No. of Transaction Day	57	61	61
<b>Total Traded volume</b>	<b>2,235,651</b>	<b>1,140,169</b>	<b>350,587</b>

#### Problems & Challenges

##### Internal Challenges

- Retention of skilled human resources.

##### 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.
- Natural disaster such as flood, earthquake, drought, etc.
- Lack of domestic suppliers for hydropower equipment and spare parts.
- Climatic Changes & Hydrological Risk.

##### Strategies

- Fund management and strategic investment as per the project investment plan.
- Maintaining adequate stock of spare parts & equipment.
- Timely supervision, inspection & maintenance of project assets.
- Adequate insurance policies against the loss due to natural disaster and force majeure.
- Lobbying with government agencies for investment friendly environment.
- Implementation of HR optimization plan.

##### Corporate Governance

The Board of Directors, Audit Committee, other Committees, and Management Team are committed to strengthening good corporate governance within the company. Swet Ganga Hydropower & Construction Ltd. 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 of First Quarter of FY 2081/082, 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.