



# Swet Ganga Hydropower & Construction 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	Un-Audited This Quarter Ending as on 29-09-2080	Un-Audited Previous Quarter Ending as on 30-06-2080	Audited Corresponding Previous Year Quarter Ending as on 30-09-2079
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property Plant & Equipment	16,959,022	17,315,975	18,150,164
Intangible Assets	6,347,456,083	6,401,685,725	6,297,685,472
Intangible Assets Under Development	4,684,104	3,836,604	-
Deferred Tax Assets	-	-	5,583,180
<b>Current Assets</b>			
Advance and Receivables	186,506,845	238,167,509	207,334,235
Inventories	406,143	312,951	-
Other Current Assets	20,554,574	7,098,648	21,406,755
Cash and cash equivalents	26,396,357	4,953,316	2,267,738
Current tax assets	537,022	535,696	768,634
<b>Total Assets</b>	<b>6,603,500,149</b>	<b>6,673,906,425</b>	<b>6,553,196,178</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Borrowings	4,706,465,954	4,660,323,954	4,414,990,274
Other Financial Liabilities	173,551,429	180,112,315	376,270,211
Provisions	1,742,239	1,742,462	1,501,602
<b>Current Liabilities</b>			
Borrowings	300,531,182	284,346,933	158,785,000
Other Financial Liabilities	102,775,374	209,742,904	134,258,772
Other Liabilities	1,220,136	888,358	429,693
<b>Total Liabilities</b>	<b>5,286,286,314</b>	<b>5,337,156,926</b>	<b>5,086,235,553</b>
<b>Equity</b>			
Share Capital	1,593,000,000	1,593,000,000	1,593,000,000
Retained Earnings	(277,144,700)	(257,609,037)	(126,993,613)
Other Reserves	1,358,535	1,358,535	954,237
<b>Total Equity</b>	<b>1,317,213,835</b>	<b>1,336,749,498</b>	<b>1,466,960,624</b>
<b>Total Liabilities and Equity</b>	<b>6,603,500,149</b>	<b>6,673,906,425</b>	<b>6,553,196,178</b>

Statement of Profit or Loss	Un-audited Till This Quarter Ending	Un-audited till Previous Quarter Ending	Audited Corresponding till Previous Year Quarter Ending
Revenue (Construction)	48,920,868	46,279,157	457,272,570
Cost of Sales (Construction)	(48,920,868)	(46,279,157)	(457,272,570)
Revenue From Sale of Electricity	462,488,523	258,700,093	145,591,465
Plant operating expenses	(39,620,429)	(21,395,338)	(17,235,140)
<b>Gross Profit</b>	<b>422,868,094</b>	<b>237,304,755</b>	<b>128,356,325</b>
Other Income	-	-	13,382,230
Administrative and Other operating expenses	(133,040,238)	(67,310,915)	(55,620,834)
<b>Net Operating Profit</b>	<b>289,827,856</b>	<b>169,993,840</b>	<b>86,117,721</b>
Financial Cost	(289,475,664)	(148,140,188)	(96,262,952)
Financial Income	945,174	429,069	656,383
Foreign exchange gain/(loss)	(119,173)	(30,546)	-
<b>Profit/(Loss) Before Tax &amp; Bonus</b>	<b>1,178,193</b>	<b>22,252,175</b>	<b>(9,488,847)</b>
Provision for Staff Bonus	(23,564)	-	-
<b>Profit/(Loss) Before Tax</b>	<b>1,154,629</b>	<b>22,252,175</b>	<b>(9,488,847)</b>
Income Tax Expense	-	-	(3,219,188)
<b>Net Profit for the Year</b>	<b>1,154,629</b>	<b>22,252,175</b>	<b>(12,708,035)</b>

#### Major Financial Highlights

Earnings Per Share (EPS)	0.07	1.41	(0.81)
Current Ratio	0.58	0.51	0.79
Net worth Per Share	82.69	83.91	92.09
Return on Assets (ROA)	0.02%	0.33%	(0.19%)
Market Value Per Share	227	222.90	344.70

#### Financial Statements

- The Unaudited financial statement for the second quarter have been published as a part of this report.
- Service concession arrangements of SGHCL includes Project Work in Progress of Lower Likhu Hydropower Project (28.1 MW). Service concession arrangements are amortized over the contractual period as per the Power Purchase Agreement (PPA) of SGHCL. As per Generation License, life of Lower Likhu Hydropower Project 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 based on written down value as per the provisions of Income Tax Act, 2058.
- The financial cost includes interest paid on long term loan and working capital loan amounting NPR 289,475,664 up to 2nd quarter 2080.
- The Construction revenue and Construction cost as per IFRIC-12 is NPR 48,920,868 booked till construction period.

#### Management Analysis

- Lower Likhu Hydropower Plant has evacuated its power on the basis of dispatch availability in the 2nd quarter of the fiscal year 2080/081. The company has achieved commercial operation on 19th Kartik 2079.
- Till the end of Poush 2080, Lower Likhu Hydropower Project has generated income of NPR 462,488,523 from Sale of Electricity.

#### 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.	334	284	380
Minimum Price NPR.	205.1	205.1	202.1
Closing Price NPR.	227	222.9	344.70
Total Turnover NPR.	194,599,202.7	84,423,145.5	174,681,890.70
Total Transactions	10,066	9626	12,715
No. of Transaction Day	49	61	52
Total Traded volume	698,986	350,587	622,107

#### 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.
- Pandemics such as Covid-19, dengue, etc.

##### Strategies

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

##### 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 Executive Director 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, 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.