



Swet Ganga Hydropower & Construction Limited

Dhumbarahi, KMC-4, Kathmandu, Nepal

Unaudited Financial Reports (Quarterly)

As on 2nd Quarter (2081.09.29) of the Fiscal Year 2081/082

SECOND QUARTER DISCLOSURE AS OF 2081.09.29 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	Un-Audited Previous Quarter Ending	Un-Audited Corresponding Previous Year Quarter Ending
Assets			
Non-Current Assets			
Property Plant & Equipment	18,228,070	18,917,113	16,959,022
Intangible Assets	6,135,803,779	6,192,221,208	6,347,456,083
Intangible Assets Under Development	5,209,632	4,692,360	4,684,104
Deferred Tax Assets	-	-	-
Current Assets			
Advance and Receivables	183,162,332	248,131,679	186,506,845
Inventories	5,547,948	5,212,753	406,143
Other Current Assets	20,080,373	6,811,460	20,554,574
Cash and Cash Equivalents	24,571,755	2,343,770	26,396,357
Current Tax Assets	463,005	462,343	537,022
Total Assets	6,393,066,894	6,478,792,686	6,603,500,149
Liabilities			
Non-Current Liabilities			
Borrowings	4,584,172,062	4,636,837,884	4,706,465,954
Other Financial Liabilities	104,616,478	170,957,279	173,551,429
Provisions	3,011,640	1,813,678	1,742,239
Current Liabilities			
Borrowings	368,062,341	420,737,865	300,531,182
Other Financial Liabilities	79,349,297	31,370,640	102,775,374
Other Liabilities	797,907	964,499	1,220,136
Total Liabilities	5,140,009,725	5,262,681,845	5,286,286,314
Equity			
Share Capital	1,593,000,000	1,593,000,000	1,593,000,000
Retained Earnings	(342,119,942)	(379,066,270)	(277,144,700)
Other Reserves	2,177,111	2,177,111	1,358,535
Total Equity	1,253,057,169	1,216,110,841	1,317,213,835
Total Liabilities and Equity	6,393,066,894	6,478,792,686	6,603,500,149

Statement of Profit or Loss	Un-Audited This Quarter Ending	Un-Audited Previous Quarter Ending	Un-Audited Corresponding Previous Year Quarter Ending
Revenue (Construction)	-	-	48,920,868
Cost of Sales (Construction)	-	-	(48,920,868)
Revenue From Sale of Electricity	512,657,884	291,401,533	462,488,523
Plant Operating Expenses	(46,093,768)	(25,626,613)	(39,620,429)
Gross profit	466,564,115	265,774,921	422,868,094
Other Income	-	-	-
Administrative and Other Operating Expenses	(130,634,671)	(67,662,986)	(133,040,238)
Net operating profit	335,929,444	198,111,934	289,827,856
Financial Costs	(225,424,490)	(128,191,860)	(289,475,664)
Financial Income	316,419	109,574	945,174
Foreign Exchange Gain/(Loss)	(5,446,217)	(3,708,323)	(1,551,099)
Profit/(Loss) before tax & bonus	105,375,156	66,321,325	(253,733)
Provision for Staff Bonus	(2,107,503)	-	-
Profit/(Loss) before tax	103,267,653	66,321,325	(253,733)
Income Tax Expense	(691,266)	(691,266)	-
Net Profit for the Year	102,576,387	65,630,059	(253,733)

Major Financial Highlights

Earnings Per Share (EPS)	6.44	4.12	-0.02
Return on Assets (ROA)	1.60%	1.01%	0.0%
Net worth Per Share	78.66	76.34	82.69
Current Ratio	0.52	0.58	0.58
P/E Ratio	79.67	99.73	3,131.84
Market Value Per Share	513.00	412.00	227

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

Financial Statements

- The Unaudited financial statement for the second 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 225,174,434 up to 2nd quarter 2081-082.

Management Analysis

- Till the end of Poush 2081, Tallo Likhu Jalavidyut Aayojana has generated income of NPR 512,657,884 from Sale of Electricity. The revenue from the sale of electricity has increased from last year's corresponding figures by 10.85%.
- The Administrative and other operating expenses has decreased from last year's corresponding figures by 1.81%.
- The Finance cost has decreased from last year's corresponding figures by 22.13% 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.	534	535.50	334
Minimum Price NPR.	378.20	351.90	205.10
Closing Price NPR.	513	412	227
Total Turnover NPR.	881,298,491.80	966,889,167.00	194,599,202.70
Total Transactions	13,533	20,325	10,066
No. of Transaction Day	55	57	49
Total Traded volume	1,878,896	2,235,651	698,986

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 Second 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.