Swet Ganga Hydropower & Construction Limited

Dhumbarahi, KMC-4, Kathmandu, Nepal

Unaudited Financial Reports (Quarterly)

As on 4th Quarter (2083.03.32) of the Fiscal Year 2082/083

FOURTH QUARTER DISCLOSURE AS OF 2083.03.32
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	Audited Corresponding Previous Year Quarter Ending
Assets			
Non-Current Assets			
Property Plant & Equipment	14,266,201	16,466,420	19,187,325
Intangible Assets	5,886,505,209	5,945,340,611	6,033,203,918
Intangible Assets Under Development	9,648,580	9,648,580	9,593,502
Right of Use Asset	7,769,142	8,008,728	8,727,485
Current Assets	-		
Advance and Receivables	185,828,497	165,018,804	158,752,076
Inventories	13,771,456	14,133,276	11,316,249
Other Current Assets	11,434,790	16,281,749	5,710,050
Cash and Cash Equivalents	3,483,180	4,705,070	2,175,601
Current Tax Assets	464,340	463,916	463,692
Total Assets	**6,133,171,395**	**6,180,067,153**	**6,249,129,898**
Liabilities			
Non-Current Liabilities			
Borrowings	4,319,916,682	4,365,763,682	4,497,298,036
Other Financial Liabilities	76,088,189	74,142,226	69,552,101
Provisions	5,009,053	4,791,780	1,183,368
Lease Liabilities	8,410,339.31	9,600,761	8,963,641
Current Liabilities			
Borrowings	379,873,961	380,855,078	443,759,937
Other Financial Liabilities	9,660,312	10,791,022	71,537,370
Other Liabilities	318,837	866,724	251,416
Lease Liabilities	1,419,905	325,496	1,243,249
Total Liabilities	**4,800,697,277**	**4,847,136,768**	**5,093,789,118**
Equity			
Share Capital	1,593,000,000	1,593,000,000	1,593,000,000
Less: Calls in Arrears	(21,000)	(28,000)	(94,000)
Net Share Capital	1,592,979,000	1,592,972,000	1,592,906,000
Retained Earnings	(264,893,710)	(262,674,945)	(440,198,550)
Other Reserves	4,388,828	2,633,329	2,633,329
Total Equity	**1,332,474,117**	**1,332,930,384**	**1,155,340,780**
Total Liabilities and Equity	**6,133,171,395**	**6,180,067,153**	**6,249,129,898**
Statement of Profit or Loss	**Un-Audited This Quarter Ending**	**Un-Audited Previous Quarter Ending**	**Audited Corresponding Previous Year Quarter Ending**
Revenue From Sale of Electricity	847,095,435	676,602,132	786,525,863
Plant Operating Expenses	(87,801,562)	(59,609,138)	(100,823,826)
Gross profit	**759,293,873**	**616,992,993**	**685,702,038**
Other Income	1,677,383		28,500
Amortization	(226,938,387)	(168,102,985)	(226,027,268)
Depreciation	(5,035,182)	(3,802,063)	(5,084,634)
Administrative and Other Operating Expenses	(23,969,906)	(17,748,436)	(25,605,636)
Net operating profit	**505,027,781**	**427,339,510**	**429,012,999**
Financial Costs	(314,798,544)	(239,586,765)	(422,790,720)
Financial Income	766,381	514,263	900,970
Foreign Exchange Gain/(Loss)	(10,026,993)	(7,120,471)	(5,287,115)
Profit/(Loss) before tax & bonus	**180,968,625**	**181,146,536**	**1,836,134**
Provision for Staff Bonus	(3,619,372)	(3,622,931)	(36,723)
Profit/(Loss) before tax	**177,349,252**	**177,523,605**	**1,799,411**
Income Tax Expense	-	-	-
Net Profit for the Year	**177,349,252**	**177,523,605**	**1,799,411**
Major Financial Highlights			
Earnings Per Share (EPS)	11.13	11.14	0.11
Return on Assets (ROA)	2.89%	2.87%	0.03%
Net worth Per Share	83.65	83.68	72.53
Current Ratio	1.68	0.51	0.34
P/E Ratio	28.74	33.83	3512.80
Market Value Per Share	320.00	377.00	396.82

Financial Statements

- The Unaudited financial statement for the fourth quarter have been published as a part of this report.
- Service concession arrangements of Swet Ganga Hydropower & Construction Ltd. (SGHCL) includes 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.
- During the period, 1,070 disqualified local shares were reallotted to eligible local shareholders. As at the reporting date, calls in arrears relate to 210 of these shares.
- The financial cost includes interest paid on long term loan and working capital loan amounting NPR 308,234,086 up to 4th quarter 2082-083.

Management Analysis

- Till the end of Asadh 2083, Tallo Likhu Jalavidyut Aayojana has generated income of NPR 847,095,435 from Sale of Electricity. The revenue from the sale of electricity has increased from last year's corresponding figures by 7.70%.
- The Administrative and other operating expenses has decreased from last year's corresponding figures by 6.39%.
- The Finance cost has decreased from last year's corresponding figures by 25.54% 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.	408.00	487.60	520
Minimum Price NPR.	315.10	370.30	390
Closing Price NPR.	320.00	377.00	396.82
Total Turnover NPR.	299,370,454.20	1,700,456,266.40	354,709,590.60
Total Transactions	7,157	18,559	7,329
No. of Transaction Day	64	53	63
Total Traded volume	810,673	4,034,122	802,744

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.
- Cascading effect of upstream hydropower projects.

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 Fourth Quarter of FY 2082/083, 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.