



Swet Ganga Hydropower & Construction Limited

Dhumbarahi, KMC-4, Kathmandu, Nepal

Unaudited Financial Reports (Quarterly)

As on 1st Quarter (2080.06.30) of the Fiscal Year 2080/081

FIRST QUARTER DISCLOSURE AS OF 2080.06.30 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	Un-Audited Previous Quarter Ending	Audited Corresponding Previous Year Quarter Ending
	as on 30-06-2080	as on 31-03-2080	as on 30-06-2079
Assets			
Non-Current Assets			
Property Plant & Equipment	17,529,580	15,885,338	20,050,401
Intangible Assets	6,401,685,725	6,411,273,678	6,292,672,908
Intangible Assets Under Development	3,836,604	912,164	-
Deferred Tax Assets	-	5,583,180	5,583,180
Current Assets			
Advance and Receivables	238,167,509	173,328,765	77,038,068
Inventories	312,951	313,542	-
Other Current Assets	7,098,648	11,880,523	1,866,176
Cash and cash equivalents	4,953,316	5,133,312	16,981,846
Current tax assets	535,696	903,806	3,821,619
Total Assets	6,674,120,029	6,625,214,307	6,418,014,198
Liabilities			
Non-Current Liabilities			
Borrowings	4,660,323,954	4,412,928,492	4,402,983,859
Other Financial Liabilities	180,112,315	357,025,112	375,506,990
Provisions	1,742,462	1,670,996	1,501,602
Current Liabilities			
Borrowings	284,346,933	516,268,319	113,285,000
Other Financial Liabilities	206,135,134	16,222,919	40,836,628
Other Liabilities	888,358	1,027,693	1,900,345
Total Liabilities	5,333,549,156	5,305,143,530	4,936,014,424
Equity			
Share Capital	1,593,000,000	1,593,000,000	1,593,000,000
Retained Earnings	(253,787,662)	(273,883,460)	(111,954,463)
Other Reserves	1,358,535	954,237	954,237
Total Equity	1,340,570,873	1,320,070,777	1,481,999,774
Total Liabilities and Equity	6,674,120,029	6,625,214,307	6,418,014,198

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)	46,279,157	419,861,047	410,405,128
Cost of Sales (Construction)	(46,279,157)	(419,861,047)	(410,405,128)
Revenue From Sale of Electricity	258,700,093	436,943,065	-
Plant operating expenses	(17,787,568)	(64,942,282)	-
Gross profit	240,912,525	372,000,784	-
Other Income	-	14,606,632	38,500
Administrative and Other operating expenses	(67,097,310)	(182,656,645)	(5,968,086)
Net operating profit	173,815,214	203,950,771	(5,929,586)
Financial Cost	(148,140,188)	(355,729,175)	-
Financial Income	429,069	1,543,421	1,288,134
Foreign exchange gain/(loss)	(30,546)	(6,143,712)	-
Profit/(Loss) before tax & bonus	26,073,550	(156,378,695)	(4,641,452)
Provision for Staff Bonus	-	-	-
Profit/(Loss) before tax	26,073,550	(156,378,695)	(4,641,452)
Income Tax Expense	-	(3,219,188)	-
Deferred Tax Income/(Expense)	-	-	-
Net Profit for the Year	26,073,550	(159,597,883)	(4,641,452)

Major Financial Highlights

Earnings Per Share (EPS)	1.65	(10.09)	(0.30)
Current Ratio	0.51	0.36	0.64
Net worth Per Share	84.15	82.87	93.03
Return on Assets (ROA)	0.39%	(2.41%)	(0.07%)
Market Value Per Share	222.90	262.70	219.00

Financial Statements

- The Unaudited financial statement for the first 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 148,140,188.
- The Construction revenue and Construction cost as per IFRIC-12 is NPR 46,279,157 booked till construction period.

Management Analysis

- Lower Likhu Hydropower Plant has evacuated its power on the basis of dispatch availability in the 1st quarter of the fiscal year 2080/081. The company has achieved commercial operation on 19th Kartik 2079.
- Till the end of Ashwin 2080, Lower Likhu Hydropower Project has generated income of NPR 258,700,093 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.	284	369.9	357
Minimum price NPR.	205.1	262.7	269
Closing price NPR.	222.9	262.7	219
Total Turnover NPR.	84,423,145.5	240,873,369.30	138,482,078
Total Transactions	9626	10,974	22,580
No. of transaction Day	61	57	40
Total traded volume	350,587	819,838	461,908

Problems & Challenges

Internal Challenges

- Retention of skilled human resources.
- To maintain 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.
- 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.
- Maintenance of stock of spare parts & equipment.
- Timely Supervision inspection and 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 first 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.