



Swet Ganga Hydropower & Construction Limited

Dhumbarahi, KMC-4, Kathmandu, Nepal

Unaudited Financial Reports (Quarterly)

As on 3rd Quarter (2082.12.30) of the Fiscal Year 2082/083

THIRD QUARTER DISCLOSURE AS OF 2082.12.30 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	Un-Audited Corresponding Previous Year Quarter Ending
Assets			
Non-Current Assets			
Property Plant & Equipment	16,466,420	17,266,620	18,413,451
Intangible Assets	5,945,340,611	5,992,328,219	6,077,717,042
Intangible Assets Under Development	9,648,580	9,648,580	8,768,628
Right of Use Asset	8,008,728	8,254,957	-
Current Assets			
Advance and Receivables	165,018,804	197,112,453	137,515,391
Inventories	14,133,276	10,801,041	6,653,454
Other Current Assets	16,281,749	20,725,657	15,783,729
Cash and Cash Equivalents	4,705,070	1,876,817	20,851,020
Current Tax Assets	463,916	463,734	463,306
Total Assets	6,180,067,153	6,258,478,077	6,286,166,022
Liabilities			
Non-Current Liabilities			
Borrowings	4,365,763,682	4,429,840,930	4,520,647,263
Other Financial Liabilities	74,142,226	72,983,830	103,475,309
Provisions	4,791,780	4,429,587	2,294,300
Lease Liabilities	9,600,761	10,108,842	-
Current Liabilities			
Borrowings	380,855,078	415,768,525	422,422,577
Other Financial Liabilities	10,791,022	7,810,350	18,559,871
Other Liabilities	866,724	950,220	217,339
Lease Liabilities	325,496	1,939,641	-
Total Liabilities	4,847,136,768	4,943,831,925	5,067,616,659
Equity			
Share Capital	1,593,000,000	1,593,000,000	1,593,000,000
Less: Calls in Arrears	(28,000)	(51,000)	-
Net Share Capital	1,592,972,000	1,592,949,000	1,593,000,000
Retained Earnings	(262,674,945)	(280,936,177)	(376,627,748)
Other Reserves	2,633,329	2,633,329	2,177,111
Total Equity	1,332,930,384	1,314,646,152	1,218,549,363
Total Liabilities and Equity	6,180,067,153	6,258,478,077	6,286,166,022
Statement of Profit or Loss	Un-Audited This Quarter Ending	Un-Audited Previous Quarter Ending	Un-Audited Corresponding Previous Year Quarter Ending
Revenue From Sale of Electricity	676,602,132	505,741,083	657,413,018
Plant Operating Expenses	(59,609,138)	(40,062,448)	(65,951,948)
Gross profit	616,992,993	465,678,635	591,461,070
Amortization	(168,102,985)	(112,474,509)	(173,015,303)
Depreciation	(3,802,063)	(2,519,835)	(2,956,665)
Administrative and Other Operating Expenses	(17,748,436)	(13,081,256)	(19,301,582)
Net operating profit	427,339,510	337,603,035	396,878,787
Financial Costs	(239,586,765)	(170,289,311)	(321,837,945)
Financial Income	514,263	331,809	651,708
Foreign Exchange Gain/(Loss)	(7,120,471)	(5,132,908)	(5,529,441)
Profit/(Loss) before tax & bonus	181,146,536	162,512,626	70,163,109
Provision for Staff Bonus	(3,622,931)	(3,250,253)	(1,403,262)
Profit/(Loss) before tax	177,523,605	159,262,373	68,759,847
Income Tax Expense	-	-	(691,266)
Net Profit for the Year	177,523,605	159,262,373	68,068,581
Major Financial Highlights			
Earnings Per Share (EPS)	11.14	10.00	4.27
Return on Assets (ROA)	2.87%	2.54%	1.08%
Net worth Per Share	83.68	82.53	76.49
Current Ratio	0.51	0.54	0.41
P/E Ratio	33.83	37.56	118.64
Market Value Per Share	377.00	375.50	506.51

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

Financial Statements

- The Unaudited financial statement for the third 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 reallocated to eligible local shareholders. As at the reporting date, calls in arrears relate to 280 of these shares.
- The financial cost includes interest paid on long term loan and working capital loan amounting NPR 238,328,364 up to 3rd quarter 2082-083.

Management Analysis

- Till the end of Chaitra 2082, Tallo Likhu Jalavidyut Aayojana has generated income of NPR 676,602,132 from Sale of Electricity. The revenue from the sale of electricity has increased from last year's corresponding figures by 2.92 %.
- The Administrative and other operating expenses has decreased from last year's corresponding figures by 8.05%.
- The Finance cost has decreased from last year's corresponding figures by 25.56% 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.	487.60	448.80	649.50
Minimum Price NPR.	370.30	296.00	484.00
Closing Price NPR.	377.00	375.50	506.51
Total Turnover NPR.	1,700,456,266.40	922,142,593.60	1,212,142,809.30
Total Transactions	18,559	11,979	16,836
No. of Transaction Day	53	55	56
Total Traded volume	4,034,122	2,298,411	2,115,746

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 Third 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.