



Swet Ganga Hydropower & Construction Limited

Dhumbarahi, KMC-4, Kathmandu, Nepal

Unaudited Financial Reports (Quarterly)

As on 3rd Quarter (2079.12.30) of the Fiscal Year 2079/080

Third Quarter Disclosure as of 2079.12.30
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 as on 30-12-2079	Un-Audited Previous Quarter Ending as on 30-09-2079	Un-Audited Corresponding Previous Year Quarter Ending as on 30-12-2078
Assets			
Non-Current Assets			
Property Plant & Equipment	18,889,523	18,150,164	21,155,485
Intangible Assets	6,328,238,826	6,297,685,472	5,390,855,861
Deferred Tax Assets	5,583,180	5,583,180	52,505
Current Assets			
Advance and Receivables	229,015,837	207,334,235	134,455,252
Inventories	698,186	-	-
Other Current Assets	17,031,711	21,406,755	1,319,854
Cash and cash equivalents	14,996,772	2,267,738	73,141,320
Current tax assets	773,524	768,634	3,625,386
Total Assets	6,615,227,559	6,553,196,178	5,624,605,662
Liabilities			
Non-Current Liabilities			
Borrowings	4,528,604,754	4,414,990,274	3,866,539,996
Other Financial Liabilities	347,860,930	376,270,211	331,271,607
Provisions	1,390,272	1,501,602	1,123,474
Current Liabilities			
Borrowings	298,909,107	279,753,026	299,719,418
Other Financial Liabilities	17,985,319	13,290,746	17,440,778
Other Liabilities	515,109	429,693	1,650,031
Total Liabilities	5,195,265,492	5,086,235,553	4,517,745,303
Equity			
Share Capital	1,593,000,000	1,593,000,000	1,194,750,000
Retained Earnings	(173,992,170)	(126,993,613)	(88,148,516)
Other Reserves	954,237	954,237	258,876
Total Equity	1,419,962,067	1,466,960,624	1,106,860,359
Total Liabilities and Equity	6,615,227,559	6,553,196,178	5,624,605,662

Statement of Profit or Loss	Un-audited This Quarter Ending	Un-audited Previous Quarter Ending	Un-Audited Corresponding Previous Year Quarter Ending
Revenue (Construction)	541,545,731	457,270,310	1,229,046,670
Cost of Sales (Construction)	(541,545,731)	(457,270,310)	(1,229,046,670)
Revenue From Sale of Electricity	295,766,705	145,591,465	-
Plant operating expenses	(40,228,796)	(17,235,140)	-
Gross profit	255,537,909	128,356,325	-
Other Income	14,605,132	13,382,230	-
Administrative and Other operating expenses	(118,059,995)	(55,620,834)	(16,856,877)
Net operating profit	152,083,046	86,117,721	(16,856,877)
Financial Cost	(208,209,351)	(96,262,952)	-
Financial Income	688,979	656,383	429,300
Foreign exchange gain/(loss)	(1,050,080)	-	(483,965)
Profit/(Loss) before tax & bonus	(56,487,405)	(9,488,847)	(16,911,542)
Provision for Staff Bonus	-	-	-
Profit/(Loss) before tax	(56,487,405)	(9,488,847)	(16,911,542)
Income Tax Expense	(3,219,188)	(3,219,188)	-
Deferred Tax Income/(Expense)	-	-	-
Net Profit for the Year	(59,706,593)	(12,708,035)	(16,911,542)

Major Financial Highlights

Earnings Per Share (EPS)	(3.78)	(0.81)	(2.09)
Current Ratio	0.83	0.79	0.67
Net worth Per Share	89.14	92.09	92.64
Return on Assets (ROA)	(0.90%)	(0.19%)	(0.30%)
Market Value Per Share	369	344.70	-

Financial Statements

- The Unaudited financial statement for the third 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 208,209,351.
- The Construction revenue and Construction cost as per IFRIC-12 is NPR 541,545,731.

Management Analysis

- Lower Likhu Hydropower Plant has evacuated its power on the basis of dispatch availability in the 3rd quarter of the fiscal year 2079/080. The company has achieved commercial operation on 19th Kartik 2079.
- Till the end of Chaitra 2079, Lower Likhu Hydropower Project has generated income of NPR 295,766,705 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.	411.6	380	-
Minimum price NPR.	324	202.1	-
Closing price NPR.	369	344.70	-
Total Turnover NPR.	384,994,496.90	174,681,890.70	-
Total Transactions	18,313	12,715	-
No. of transaction Day	56	52	-
Total traded volume	1,022,147	622,107	-

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.

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 third quarter of FY 2079/080, 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)4372828/30 for further inquiry about the company.