Swet Ganga Hydropower & Construction Limited

Dhumbarahi, KMC-4, Kathmandu, Nepal

Unaudited Financial Reports (Quarterly)

As on 1st Quarter (2082.06.31) of the Fiscal Year 2082/083

FIRST QUARTER DISCLOSURE AS OF 2082.06.31
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	Audited Previous Quarter Ending	Un-Audited Corresponding Previous Year Quarter Ending
Assets			
Non-Current Assets			
Property Plant & Equipment	18,166,156	19,187,325	18,917,113
Intangible Assets	5,975,768,360	6,033,203,918	6,192,221,208
Intangible Assets Under Development	9,648,580	9,593,502	4,692,360
Right of Use Asset	8,491,222	8,727,485	-
Current Assets			
Advance and Receivables	226,702,144	158,752,076	248,131,679
Inventories	5,735,204	5,710,050	5,212,753
Other Current Assets	6,886,700	11,316,249	6,811,460
Cash and Cash Equivalents	2,580,437	2,175,601	2,343,770
Current Tax Assets	463,734	463,692	462,343
Total Assets	**6,254,442,537**	**6,249,129,898**	**6,478,792,686**
Liabilities			
Non-Current Liabilities			
Borrowings	4,465,538,581	4,497,298,036	4,636,837,884
Other Financial Liabilities	71,916,616	69,552,101	170,957,279
Provisions	1,183,368	1,183,368	1,813,678
Lease Liabilities	8,905,613	8,963,641	-
Current Liabilities			
Borrowings	397,090,015	443,759,937	420,737,865
Other Financial Liabilities	55,098,144	71,537,370	31,370,640
Other Liabilities	162,276	251,416	964,499
Lease Liabilities	1,900,957	1,243,249	-
Total Liabilities	**5,001,795,570**	**5,093,789,118**	**5,262,681,845**
Equity			
Share Capital	1,593,000,000	1,593,000,000	1,593,000,000
Less: Calls in Arrears	(52,000)	(94,000)	-
Net Share Capital	1,592,948,000	1,592,906,000	1,593,000,000
Retained Earnings	(342,934,362)	(440,198,550)	(379,066,270)
Other Reserves	2,633,329	2,633,329	2,177,111
Total Equity	**1,252,646,967**	**1,155,340,780**	**1,216,110,841**
Total Liabilities and Equity	**6,254,442,537**	**6,249,129,898**	**6,478,792,686**

Statement of Profit or Loss	Un-Audited This Quarter Ending	Audited Previous Quarter Ending	Un-Audited Corresponding Previous Year Quarter Ending
Revenue (Construction)	-	467,594	-
Cost of Sales (Construction)	-	(467,594)	-
Revenue From Sale of Electricity	275,156,302	786,525,863	291,401,533
Plant Operating Expenses	(20,039,459)	(100,823,826)	(25,626,613)
Gross profit	**255,116,843**	**685,702,038**	**265,774,921**
Other Income	-	28,500	-
Amortization	(57,435,558)	(226,027,268)	(58,511,137.27)
Depreciation	(1,257,432)	(5,084,634)	(888,013.30)
Administrative and Other Operating Expenses	(5,771,273)	(25,605,636)	(8,263,836)
Net operating profit	**190,652,580**	**429,012,999**	**198,111,934**
Financial Costs	(91,130,180)	(422,790,720)	(128,191,860)
Financial Income	106,303	900,970	109,574
Foreign Exchange Gain/(Loss)	(2,364,515)	(5,287,115)	(3,708,323)
Profit/(Loss) before tax & bonus	**97,264,188**	**1,836,134**	**66,321,325**
Provision for Staff Bonus	-	36,723	-
Profit/(Loss) before tax	**97,264,188**	**1,799,411**	**66,321,325**
Income Tax Expense	-	-	(691,266)
Net Profit for the Year	**97,264,188**	**1,799,411**	**65,630,059**

Major Financial Highlights

Earnings Per Share (EPS)	6.11	0.11	4.12
Return on Assets (ROA)	1.56%	0.03%	1.01%
Net worth Per Share	78.64	72.53	76.34
Current Ratio	0.54	0.35	0.58
P/E Ratio	55.07	3512.80	99.73
Market Value Per Share	336.26	396.82	412.00

Financial Statements

- The Unaudited financial statement for the first 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.
- Total disqualified local shares of 1,070 was reallotted during the period to qualifying Local shareholders. Out of which Calls in Arrears remains of 520 shares.
- The financial cost includes interest paid on long term loan and working capital loan amounting NPR 90,190,221 up to 1st quarter 2082-083.

Management Analysis

- Till the end of Ashoj 2082, Tallo Likhu Jalavidyut Aayojana has generated income of NPR 275,156,302 from Sale of Electricity. The revenue from the sale of electricity has decreased from last year's corresponding figures by 5.57% mostly due to the non-dispatch instruction received from NEA .
- The Administrative and other operating expenses has decreased from last year's corresponding figures by 30%.
- The Finance cost has decreased from last year's corresponding figures by 29% 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.	501.80	520.00	535.50
Minimum Price NPR.	335.00	390.00	351.90
Closing Price NPR.	336.26	396.82	412
Total Turnover NPR.	482,468,182.00	354,709,590.60	966,889,167.00
Total Transactions	9648	7,329	20,325
No. of Transaction Day	37	63	57
Total Traded volume	1,152,382	802,744	2,235,651

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 First 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.