



Swet Ganga Hydropower & Construction Limited

Dhumbarahi, KMC-4, Kathmandu, Nepal

Unaudited Financial Reports (Quarterly)

As on 3rd Quarter (2080.12.30) of the Fiscal Year 2080/081

THIRD QUARTER DISCLOSURE AS OF 2080.12.30 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 as on 30-12-2080	Un-Audited Previous Quarter Ending as on 29-09-2080	Un-Audited Corresponding Previous Year Quarter Ending as on 30-12-2079
Assets			
Non-Current Assets			
Property Plant & Equipment	16,569,889	16,959,022	18,889,523
Intangible Assets	6,304,639,744	6,347,456,083	6,328,238,826
Intangible Assets Under Development	4,684,104	4,684,104	-
Deferred Tax Assets	-	-	5,583,180
Current Assets			
Advance and Receivables	137,128,333	186,506,845	229,015,837
Inventories	528,099	406,143	698,186
Other Current Assets	16,467,674	20,554,574	17,031,711
Cash and cash equivalents	6,865,477	26,396,357	14,996,772
Current tax assets	538,191	537,022	773,524
Total Assets	6,487,421,511	6,603,500,149	6,615,227,559
Liabilities			
Non-Current Liabilities			
Borrowings	4,745,157,954	4,706,465,954	4,528,604,754
Other Financial Liabilities	164,036,792	173,551,429	347,860,930
Provisions	1,701,829	1,742,239	1,390,272
Current Liabilities			
Borrowings	320,772,673	300,531,182	298,909,107
Other Financial Liabilities	21,030,596	102,775,374	17,985,319
Other Liabilities	1,536,854	1,220,136	515,109
Total Liabilities	5,254,236,697	5,286,286,314	5,195,265,492
Equity			
Share Capital	1,593,000,000	1,593,000,000	1,593,000,000
Retained Earnings	(361,173,721)	(277,144,700)	(173,992,170)
Other Reserves	1,358,535	1,358,535	954,237
Total Equity	1,233,184,814	1,317,213,835	1,419,962,067
Total Liabilities and Equity	6,487,421,511	6,603,500,149	6,615,227,559
Statement of Profit or Loss	Un-audited Till This Quarter Ending	Un-audited till Previous Quarter Ending	Un-Audited Corresponding Previous Year Quarter Ending
Revenue (Construction)	62,063,424	48,920,868	541,545,731
Cost of Sales (Construction)	(62,063,424)	(48,920,868)	(541,545,731)
Revenue From Sale of Electricity	597,656,434	462,488,523	295,766,705
Plant operating expenses	(62,622,193)	(39,620,429)	(40,228,796)
Gross Profit	535,034,241	422,868,094	255,537,909
Other Income	-	-	14,605,132
Administrative and Other operating expenses	(193,927,332)	(133,040,238)	(118,059,995)
Net Operating Profit	341,106,909	289,827,856	152,083,046
Financial Cost	(423,205,804)	(289,475,664)	(208,209,351)
Financial Income	1,338,582	945,174	688,979
Foreign exchange gain/(loss)	(2,114,079)	(119,173)	(1,050,080)
Profit/(Loss) Before Tax & Bonus	(82,874,392)	1,178,193	(56,487,405)
Provision for Staff Bonus	-	(23,564)	-
Profit/(Loss) Before Tax	(82,874,392)	1,154,629	(56,487,405)
Income Tax Expense	-	-	(3,219,188)
Net Profit/(Loss) for the Year	(82,874,392)	1,154,629	(59,706,593)
Major Financial Highlights			
Earnings Per Share (EPS)	(5.20)	0.07	(3.78)
Return on Assets (ROA)	(1.28%)	0.02%	(0.90%)
Net worth Per Share	77.41	82.69	89.14
Current Ratio	0.47	0.58	0.83
P/E Ratio	(60.43)	4511.50	(97.57)
Market Value Per Share	314.40	327.00	369.00

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 422,471,943 up to 3rd quarter 2080.
- The Construction revenue and Construction cost as per IFRIC-12 is NPR 62,063,424 booked till construction period.

Management Analysis

- Lower Likhu Hydropower Plant has evacuated its power on the basis of dispatch availability in the 3rd quarter of the fiscal year 2080/081. The company has achieved commercial operation on 19th Kartik 2079.
- Till the end of Chaitra 2080, Lower Likhu Hydropower Project has generated income of NPR 597,656,434 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.	363	334	411.6
Minimum Price NPR.	295.2	205.1	324
Closing Price NPR.	314.4	327	369
Total Turnover NPR.	512,233,120.1	194,599,202.7	384,994,496.90
Total Transactions	16,013	10,066	18,313
No. of Transaction Day	58	49	56
Total Traded volume	1,567,518	698,986	1,022,147

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.
- 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 and force majeure.
- Maintaining adequate stock of spare parts & equipment.
- Timely supervision, inspection & 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 third 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.