



Swet Ganga Hydropower & Construction Limited

Dhumbbarahi, KMC-4, Kathmandu, Nepal

Unaudited Financial Reports (Quarterly)

As on 2nd Quarter (2082.09.30) of the Fiscal Year 2082/083

SECOND QUARTER DISCLOSURE AS OF 2082.09.30 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	17,266,620	18,166,156	18,228,070
Intangible Assets	5,992,328,219	5,975,768,360	6,135,803,779
Intangible Assets Under Development	9,648,580	9,648,580	5,209,632
Right of Use Asset	8,254,957	8,491,222	-
Current Assets	-		
Advance and Receivables	197,112,453	226,702,144	183,162,332
Inventories	10,801,041	5,735,204	5,547,948
Other Current Assets	20,725,657	6,886,700	20,080,373
Cash and Cash Equivalents	1,876,817	2,580,437	24,571,755
Current Tax Assets	463,734	463,734	463,005
Total Assets	6,258,478,077	6,254,442,537	6,393,066,894
Liabilities			
Non-Current Liabilities			
Borrowings	4,429,840,930	4,465,538,581	4,584,172,062
Other Financial Liabilities	72,983,830	71,916,616	104,616,478
Provisions	4,429,587	1,183,368	3,011,640
Lease Liabilities	10,108,842	8,905,613	-
Current Liabilities			
Borrowings	415,768,525	397,090,015	368,062,341
Other Financial Liabilities	7,810,350	55,098,144	79,349,297
Other Liabilities	950,220	162,276	797,907
Lease Liabilities	1,939,641	1,900,957	-
Total Liabilities	4,943,831,925	5,001,795,570	5,140,009,725
Equity			
Share Capital	1,593,000,000	1,593,000,000	1,593,000,000
Less: Calls in Arrears	(51,000)	(52,000)	-
Net Share Capital	1,592,949,000	1,592,948,000	1,593,000,000
Retained Earnings	(280,936,177)	(342,934,362)	(342,119,942)
Other Reserves	2,633,329	2,633,329	2,177,111
Total Equity	1,314,646,152	1,252,646,967	1,253,057,169
Total Liabilities and Equity	6,258,478,077	6,254,442,537	6,393,066,894
Statement of Profit or Loss	Un-Audited This Quarter Ending	Un-Audited Previous Quarter Ending	Un-Audited Corresponding Previous Year Quarter Ending
Revenue (Construction)		-	-
Cost of Sales (Construction)		-	-
Revenue From Sale of Electricity	505,741,083	275,156,302	512,657,884
Plant Operating Expenses	(40,062,448)	(20,039,459)	(46,093,768)
Gross profit	465,678,635	255,116,843	466,564,115
Other Income		-	-
Amortization	(112,474,509)	(57,435,558)	(114,928,566)
Depreciation	(2,519,835)	(1,257,432)	(1,869,646)
Administrative and Other Operating Expenses	(13,081,256)	(5,771,273)	(13,836,459)
Net operating profit	337,603,035	190,652,580	335,929,444
Financial Costs	(170,289,311)	(91,130,180)	(225,424,490)
Financial Income	331,809	106,303	316,419
Foreign Exchange Gain/(Loss)	(5,132,908)	(2,364,515)	(5,446,217)
Profit/(Loss) before tax & bonus	162,512,626	97,264,188	105,375,156
Provision for Staff Bonus	(3,250,253)	-	(2,107,503)
Profit/(Loss) before tax	159,262,373	97,264,188	103,267,653
Income Tax Expense	-	-	(691,266)
Net Profit for the Year	159,262,373	97,264,188	102,576,387

Major Financial Highlights

Earnings Per Share (EPS)	10.00	6.11	6.44
Return on Assets (ROA)	2.54%	1.56%	1.60%
Net worth Per Share	82.53	78.64	78.66
Current Ratio	0.54	0.53	0.52
P/E Ratio	37.56	55.07	79.67
Market Value Per Share	375.50	336.26	513.00

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

Financial Statements

- The Unaudited financial statement for the second 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 Jalavidyu Aayojana (28.1 MW). Service concession arrangements are amortized over the contractual period as per the Power Purchase Agreement (PPA) of Tallo Likhu Jalavidyu Aayojana. As per Generation License, life of Tallo Likhu Jalavidyu 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 reallocated during the period to qualifying Local shareholders. Out of which Calls in Arrears remains of 510 shares.
- The financial cost includes interest paid on long term loan and working capital loan amounting NPR 167,854,857 up to 2nd quarter 2082-083.

Management Analysis

- Till the end of Poush 2082, Tallo Likhu Jalavidyu Aayojana has generated income of NPR 505,741,083 from Sale of Electricity. The revenue from the sale of electricity has decreased from last year's corresponding figures by 1.35% 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 5.46%.
- The Finance cost has decreased from last year's corresponding figures by 24.46% 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.	448.80	501.80	534
Minimum Price NPR.	296.00	335.00	378.20
Closing Price NPR.	375.50	336.26	513
Total Turnover NPR.	922,142,593.60	482,468,182.00	881,298,491.80
Total Transactions	11,979	9,648	13,533
No. of Transaction Day	55	37	55
Total Traded volume	2,298,411	1,152,382	1,878,896

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 Second 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.