



# Swet Ganga Hydropower & Construction Limited

Dhumbarahi, KMC-4, Kathmandu, Nepal

## Unaudited Financial Reports (Quarterly)

As on 3<sup>rd</sup> Quarter (2081.12.31) of the Fiscal Year 2081/082

### THIRD QUARTER DISCLOSURE AS OF 2081.12.31 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	Un-Audited Previous Quarter Ending	Un-Audited Corresponding Previous Year Quarter Ending
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property Plant & Equipment	18,413,451	18,228,070	16,569,889
Intangible Assets	6,077,717,042	6,135,803,779	6,304,639,744
Intangible Assets Under Development	8,768,628	5,209,632	4,684,104
Deferred Tax Assets	-	-	-
<b>Current Assets</b>			
Advance and Receivables	137,515,391	183,162,332	137,128,333
Inventories	6,653,454	5,547,948	528,099
Other Current Assets	15,783,729	20,080,373	16,467,674
Cash and Cash Equivalents	20,851,020	24,571,755	6,865,477
Current Tax Assets	463,306	463,005	538,191
<b>Total Assets</b>	<b>6,286,166,022</b>	<b>6,393,066,894</b>	<b>6,487,421,511</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Borrowings	4,520,647,263	4,584,172,062	4,745,157,954
Other Financial Liabilities	103,475,309	104,616,478	164,036,792
Provisions	2,294,300	3,011,640	1,701,829
<b>Current Liabilities</b>			
Borrowings	422,422,577	368,062,341	320,772,673
Other Financial Liabilities	18,559,871	79,349,297	21,030,596
Other Liabilities	217,339	797,907	1,536,854
<b>Total Liabilities</b>	<b>5,067,616,659</b>	<b>5,140,009,725</b>	<b>5,254,236,697</b>
<b>Equity</b>			
Share Capital	1,593,000,000	1,593,000,000	1,593,000,000
Retained Earnings	(376,627,748)	(342,119,942)	(361,173,721)
Other Reserves	2,177,111	2,177,111	1,358,535
<b>Total Equity</b>	<b>1,218,549,363</b>	<b>1,253,057,169</b>	<b>1,233,184,814</b>
<b>Total Liabilities and Equity</b>	<b>6,286,166,022</b>	<b>6,393,066,894</b>	<b>6,487,421,511</b>

Statement of Profit or Loss	Un-Audited This Quarter Ending	Un-Audited Previous Quarter Ending	Un-Audited Corresponding Previous Year Quarter Ending
Revenue (Construction)	-	-	62,063,424
Cost of Sales (Construction)	-	-	(62,063,424)
Revenue From Sale of Electricity	657,413,018	512,657,884	597,656,434
Plant Operating Expenses	(65,951,948)	(46,093,768)	(62,622,193)
<b>Gross profit</b>	<b>591,461,070</b>	<b>466,564,115</b>	<b>535,034,241</b>
Other Income	-	-	-
Administrative and Other Operating Expenses	(194,582,283)	(130,634,671)	(193,927,332)
<b>Net operating profit</b>	<b>396,878,787</b>	<b>335,929,444</b>	<b>341,106,909</b>
Financial Costs	(321,837,945)	(225,424,490)	(423,205,804)
Financial Income	651,708	316,419	1,338,582
Foreign Exchange Gain/(Loss)	(5,529,441)	(5,446,217)	(2,114,079)
<b>Profit/(Loss) before tax &amp; bonus</b>	<b>70,163,109</b>	<b>105,375,156</b>	<b>(82,874,392)</b>
Provision for Staff Bonus	(1,403,262)	(2,107,503)	-
<b>Profit/(Loss) before tax</b>	<b>68,759,847</b>	<b>103,267,653</b>	<b>(82,874,392)</b>
Income Tax Expense	(691,266)	(691,266)	-
<b>Net Profit for the Year</b>	<b>68,068,581</b>	<b>102,576,387</b>	<b>(82,874,392)</b>

#### Major Financial Highlights

Earnings Per Share (EPS)	4.27	6.44	(5.20)
Return on Assets (ROA)	1.08%	1.60%	(1.28%)
Net worth Per Share	76.49	78.66	77.41
Current Ratio	0.41	0.52	0.47
P/E Ratio	118.64	79.67	(60.43)
Market Value Per Share	506.51	513.00	314.40

\*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 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.
- The financial cost includes interest paid on long term loan and working capital loan amounting NPR 321,117,605 up to 3rd quarter 2081-082.

#### Management Analysis

- Till the end of Chaitra 2081, Tallo Likhu Jalavidyut Aayojana has generated income of NPR 657,413,018 from Sale of Electricity. The revenue from the sale of electricity has increased from last year's corresponding figures by 10%.
- The Administrative and other operating expenses has increased from last year's corresponding figures by 0.34%.
- The Finance cost has decreased from last year's corresponding figures by 24% 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.	649.50	534.00	363.00
Minimum Price NPR.	484.00	378.20	295.2
Closing Price NPR.	506.51	513	314.4
Total Turnover NPR.	1,212,142,809.30	881,298,491.80	512,233,120.1
Total Transactions	16,836	13,533	16,013
No. of Transaction Day	56	55	58
Total Traded volume	2,115,746	1,878,896	1,567,518

#### 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.

##### 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 2081/082, 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.