



# Swet Ganga Hydropower & Construction Ltd.

Dhumbarahi, KMC-4, Kathmandu, Nepal

## Unaudited Financial Reports (Quarterly)

As on 1st Quarter (2079.06.31) of the Fiscal Year 2079/080

FIRST QUARTER DISCLOSURE AS OF 2079.06.31

AS PER SECURITIES REGISTRATION AND ISSUANCE REGULATION

ANNEXURE-14 (RELATED TO SUB REGULATION 1 OF REGULATION 26)

Amount in NRs

Particulars	Un-Audited This Quarter Ending as on 31-06-2079	Un-Audited Previous Quarter Ending (Restated) as on 32-03-2079	Un-Audited Corresponding Previous Year Quarter Ending as on 31-06-2078
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property Plant & Equipment	20,050,401	19,940,061	23,379,440
Intangible Assets	6,292,672,908	5,882,267,781	4,696,539,272
Deferred Tax Assets	5,583,180	5,583,180	52,505
<b>Current Assets</b>			
Advance and Receivables	77,038,068	126,412,321	150,275,218
Other Current Assets	1,866,176	1,905,500	2,181,126
Cash and cash equivalents	16,981,846	27,024,955	868,909
Current tax assets	3,821,619	3,686,962	3,563,738
<b>Total Assets</b>	<b>6,418,014,198</b>	<b>6,066,820,759</b>	<b>4,876,860,209</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Borrowings	4,402,983,859	4,249,620,188	3,211,586,574
Other Financial Liabilities	375,506,990	363,768,102	321,547,196
Provisions	1,501,602	1,501,602	1,545,162
<b>Current Liabilities</b>			
Borrowings	113,285,000	169,850,998	287,433,608
Other Financial Liabilities	40,836,628	19,510,627	11,760,260
Other Liabilities	1,900,345	2,930,517	4,123,477
<b>Total Liabilities</b>	<b>4,936,014,424</b>	<b>4,807,182,034</b>	<b>3,837,996,278</b>
<b>Equity</b>			
Share Capital	1,593,000,000	1,365,997,500	1,115,100,000
Retained Earnings	(111,954,463)	(107,313,012)	(76,494,944)
Other Reserves	954,237	954,237	258,876
<b>Total Equity</b>	<b>1,481,999,774</b>	<b>1,259,638,725</b>	<b>1,038,863,931</b>
<b>Total Liabilities and Equity</b>	<b>6,418,014,198</b>	<b>6,066,820,759</b>	<b>4,876,860,209</b>

### Statement of Profit & Loss

For the period ended 31<sup>st</sup> Ashwin 2079

Particulars	Un-audited This Quarter Ending	Un-audited Previous Quarter Ending (Restated)	Un-Audited Corresponding Previous Year Quarter Ending
Construction Revenue	410,405,128	1,720,461,471	534,729,913
Cost of Sales	(410,405,128)	(1,720,461,471)	(534,729,913)
<b>Gross profit</b>	-	-	-
Other Income	38,500	2,491,000	-
Administrative and Other operating expenses	(5,968,086)	(31,459,518)	(5,406,579)
<b>Net operating profit</b>	<b>(5,929,586)</b>	<b>(28,968,518)</b>	<b>(5,406,579)</b>
Financial income	1,288,134	842,188	18,310
Foreign exchange gain/(loss)	-	(14,615,285)	-
<b>Profit/(Loss) before tax &amp; bonus</b>	<b>(4,641,452)</b>	<b>(42,741,615)</b>	<b>(5,388,268)</b>
Provision for Staff Bonus	-	-	-
<b>Profit/(Loss) before tax</b>	<b>(4,641,452)</b>	<b>(42,741,615)</b>	<b>(5,388,268)</b>
Income Tax Expense	-	4,373,285	-
Deferred Tax Income/(Expense)	-	-	-
<b>Net Profit for the Year</b>	<b>(4,641,452)</b>	<b>(38,368,330)</b>	<b>(5,388,268)</b>

### Major Financial Highlights

Earnings Per Share (EPS)	(0.30)	(3.31)	(0.48)
Current Ratio	0.64	0.83	0.52
Net worth Per Share	93.03	92.21	93.16
Return on Assets (ROA)	(0.07%)	(0.63%)	(0.11%)
Market Value Per Share	219	-	-

### Notes:

- The above mentioned figures are subject to change during statutory audit of books of account of the company.
- Previous period figures have been reclassified/ adjusted wherever considered necessary.
- Swet Ganga Hydropower & Construction Ltd. has achieved commercial operation on 19th Kartik 2079.

### Financial Statements

- 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 of 30 years 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. The Total Intangible Assets (Service Concession Arrangements) as on 31<sup>st</sup> Ashoj 2079 is NPR 6,292,672,908.
- The Construction revenue and Construction cost as per IFRIC-12 is NPR 410,405,128.

### 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.	357	-	-
Minimum price NPR.	269	-	-
Closing price NPR.	219	-	-
Total Turnover NPR.	138,482,078	-	-
Total Transactions	22,580	-	-
No. of transaction Day	40	-	-
Total traded volume	461,908	-	-

### 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.
- Engagement of stakeholder's from planning stages of projects under development.
- 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 first quarter of F.Y 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 Company Secretary Mrs. Ruchi Joshi for further inquiry about the company.