



Ru Ru Jalbidhyut Pariyojana Ltd.

(Upper Hugdi Khola Hydro Power Project)

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Statement of Financial Position as at Ashad 32, 2079 (July 16, 2022)

Amount in NPR

Particulars	This Quarter Ending (Ashad End 2079)	This Quarter Ending (Chaitra End 2078)	Corresponding Previous Year Quarter Ending (Ashad 2078 Audited)
ASSETS			
Non-Current Assets			
Property, Plant and Equipments	4,240,656	4,285,953	4,498,817
Intangible Assets	554,796,899	560,322,764	576,900,361
Investment Property	14,123,311	14,123,311	6,583,500
Trade and other Receivables	13,500	13,500	13,500
Total Non-Current Assets	573,174,366	578,745,528	587,996,178
Current Assets			
Inventories	4,795,473	7,018,793	6,009,866
Prepayments	35,589,159	2,978,833	1,733,420
Financial Assets Measured at Amortised Cost	71,500,000		
Trade and other Receivables	104,780,553	95,837,158	84,188,417
Cash and Cash Equivalents	27,512,752	101,705,753	90,436,693
Total Current Assets	244,177,937	207,540,537	182,368,396
Total Assets	817,352,303	786,286,065	770,364,574
EQUITY AND LIABILITIES			
Equity			
Share Capital	448,476,050	448,476,050	407,705,500
Reserve and Surplus	138,266,699	126,096,195	131,847,913
Total Equity	586,742,749	574,572,245	539,553,413
Non Current Liabilities			
Financial Liabilities			
Borrowings	133,930,881	190,031,887	169,622,099
Trade & Other Payables	1,816,873	972,071	972,071
Total Non Current Liabilities	135,747,754	191,003,958	170,594,170
Current Liabilities			
Financial Liabilities			
Borrowings	86,432,164	11,370,000	55,000,000
Employee benefit liabilities	1,922,434	1,662,629	1,475,339
Trade and other payables	6,507,202	7,677,233	3,741,652
Total Current Liabilities	94,861,800	20,709,862	60,216,991
Total Equity & Liabilities	817,352,303	786,286,065	770,364,574

Statement of Profit or Loss and Other Comprehensive Income

For the Period from Shrawan 1, 2078 to Ashad 32, 2079 (July 16, 2021 to July 16, 2022)

Amount in NPR

Particulars	This Quarter Ending (Ashad End 2079)	Upto This Quarter (Chaitra End 2078)	Corresponding Previous Year Quarter Ending (Ashad 2078 Audited)
Revenue	161,925,539	132,146,561	149,626,443
Cost of sales	(44,783,391)	(32,366,431)	(42,787,197)
Gross profit	117,142,148	99,780,130	106,839,246
Finance income	4,300,978	2,369,808	317,662
Finance costs	(16,549,402)	(12,080,859)	(25,156,618)
Administrative expenses	(8,759,703)	(6,937,608)	(7,946,686)
Impairment losses			
Loss on Sale of Assets	(12,333)	-	(286,651)
Profit before taxes and staff bonus	96,121,688	83,131,471	73,766,953
Staff Bonus	(1,922,434)	(1,662,629)	(1,475,339)
Profit before taxes	94,199,254	81,468,842	72,291,614
Income tax expenses			
Current Tax	(1,109,072)	(585,129)	(80,717)
Previous Year Tax			(893,070)
Deferred Tax Income / (Expenses)			
Profit / (loss) for the period	93,090,182	80,883,713	71,317,827
Other comprehensive income			
Total comprehensive income	93,090,182	80,883,713	71,317,827
Reserve and Surplus			
Share Premium	55,510	55,510	55,510
Accumulated profit / (Loss)	138,211,189	126,040,685	131,792,403
Total	138,266,699	126,096,195	131,847,913

Fourth Quarter Disclosure 2078-79 as per Securities Registration and Issuance Regulation, 2073 (Rule 26(1), Annexure- 14)

1. Financials

- The unaudited interim financial statements (including Statement of Financial Position and Statement of Profit or Loss and other Comprehensive Income) for the fourth quarter of the financial year 2078-79 have been prepared by the management and reviewed and authorized to be published by Board of Director of the Company.
- Project Assets are amortized over useful life (Operation License period) of 30.10 years. The useful life of project asset is the tenure calculated from commercial date of operation. The amortization expense is included in the Cost of Sales.
- The receivable from Nepal Electricity authority for NPR 76,231,516.47 is pending as additional amount of 20% for the posted rate in accordance with the agreement entered between Nepal Electricity authority and the Company on 2072-06-07. The final amount of receivable may fluctuate in future.
- The Company's sales of electricity are subject to tax holiday as per section 11(3gha) of Income Tax Act, 2058. The Company enjoy the full tax concession for first 10 years of operation and 50% for next five years regarding income generated from electricity generation. The Company enjoy full tax concession upto Chaitra 08, 2081 and 50% tax exemption from Chaitra 09, 2081 to Chaitra 08, 2086.
- Company has Interest income which is not tax exempted as per Section 11 of Income Tax Act, 2058, so tax liability on Interest Income has been calculated at the rate of 25% after deducting the staff bonus on proportionate of interest income to electricity sales.
- The company has setoff the share issue expense of NRs. 8,098,610 from the retain earning on FY 2077/78 but now it has been setoff against the share premium of NRs. 8,154,120. Accordingly, the balance of retaining earning and share premium as on Ashad end 2078 has been reclassified.
- Key Financial Ratios

Period	Earnings per share	Net Worth Per Share	Book Value per share	Current Ratio	P/E Ratio	ROE	ROA
This Quarter End	20.76	130.83	182.25	2.57	37.10	15.87%	11.39%
Previous Quarter End	24.05	128.12	175.32	10.02	38.88	14.08%	10.29%
Corresponding Previous Year Quarter End, 2078 (audited)	20.42	132.34	188.95	3.03	44.37	13.22%	9.26%

2. Management Analysis

- Direct impact has been caused on the electricity production due to problem in 33 K.V. transmission line of NEA repeatedly.
- No incident or situation has been seen to adversely affect the financial condition of the company. However, problems in machinery equipment, floods, landslides, and natural disasters (out of control) can have an impact on business. In case of the other functions, they are going according to the business plan of the company.
- Revenue has been increased by 22.53% as compared to corresponding previous year quarter ending.
- Net Profit has been increased by 15.09% as compared to corresponding previous year quarter ending.

3. Legal proceedings

- Case filed by or filed against the company during the Quarter, if any: None
- Case filed by or filed against the company or its promoter or director for violation of prevailing law or commission of criminal offence, if any: None
- Case relating to commission of financial crime against any director or promoter: None

4. Analysis of Share Transactions

- 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	789	945	1,287
Minimum Price NPR	770.10	902	356
Closing Price NPR	770.10	935	906
Total Turnover NPR	37,494,335.85	169,904,862	234,995,242
No. of transactions Day	65	58	53
Total Traded Volume	44,687	162,666	234,243

5. Challenges

- Impact of Climate Change on amount of Rain/Snow Fall in Catchment area
- Difficulty in smooth office operation due to COVID-19 pandemic
- Lack of domestic suppliers and vendors for hydropower equipment and spare parts

The Company faces the similar challenges and problems as faced by other organizations in the industry. The board of directors from time to time analyses such problems and challenges and formulate the strategy to mitigate such problems and challenges.

6. Corporate Governance

The Company has regular Board meetings. The management team meet regularly for the smooth running of the Company.

7. Declaration from Chairman

I take the responsibility for the accuracy of financial and other information detailed in this report for the period ended and hereby declare that financial and other information detailed in this report are true, based on records and facts, and are complete to the best of my knowledge and that information necessary for taking informed decision by the investors are not concealed.