



# Ru Ru Jalbidhyut Pariyojana Ltd.

(Upper Hugdi Khola Hydro Power Project)

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## Statement of Financial Position as at 30th Poush, 2079 (January 14, 2023)

Amount in NPR

Particulars	This Quarter Ending (Poush End 2079)	Previous Quarter Ending (Ashwin End 2079)	Corresponding Previous Year Quarter Ending (Poush End 2078)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipments	4,226,472	4,077,533	4,414,490
Intangible Assets	543,745,168	549,271,034	565,848,630
Investment Property	14,123,311	14,123,311	6,583,500
Trade and other Receivables	13,500	13,500	13,500
<b>Total Non-Current Assets</b>	<b>562,108,451</b>	<b>567,485,378</b>	<b>576,860,120</b>
<b>Current Assets</b>			
Inventories	7,712,893	7,600,345	7,018,793
Prepayments	74,056,921	52,016,436	1,717,161
Financial Assets Measured at Amortised Cost	-	30,000,000	-
Trade and other Receivables	158,244	111,540	40,192
Receivable from Contract with Costumer	103,464,812	111,545,008	102,433,819
Cash and Cash Equivalents	76,611,730	39,013,737	97,673,210
<b>Total Current Assets</b>	<b>262,004,600</b>	<b>240,287,066</b>	<b>208,883,175</b>
<b>Total Assets</b>	<b>824,113,051</b>	<b>807,772,444</b>	<b>785,743,295</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share Capital	493,323,655	448,476,050	448,476,050
Reserve and Surplus	150,416,834	172,001,594	111,747,050
<b>Total Equity</b>	<b>643,740,489</b>	<b>620,477,644</b>	<b>560,223,100</b>
<b>Non Current Liabilities</b>			
Financial Liabilities			
Borrowings	122,594,834	133,738,939	201,228,625
Trade & Other Payables	1,769,347	1,814,347	972,071
<b>Total Non Current Liabilities</b>	<b>124,364,181</b>	<b>135,553,286</b>	<b>202,200,696</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	45,480,000	45,480,000	11,370,000
Employee benefit liabilities	2,281,372	705,593	1,345,921
Trade and other payables	8,247,009	5,555,921	10,603,578
<b>Total Current Liabilities</b>	<b>56,008,381</b>	<b>51,741,514</b>	<b>23,319,499</b>
<b>Total Equity &amp; Liabilities</b>	<b>824,113,051</b>	<b>807,772,444</b>	<b>785,743,295</b>

## Statement of Profit or Loss and Other Comprehensive Income For the Period from Shrawan 1, 2079 to Poush 30, 2079 (July 17, 2022 to January 14, 2023)

Amount in NPR

Particulars	This Quarter Ending (Poush End 2079)	Previous Quarter Ending (Ashwin End 2079)	Corresponding Previous Year Quarter Ending (Poush End 2078)
Revenue	91,550,881	50,048,056	99,652,924
Cost of sales	(20,886,118)	(10,949,945)	(19,984,863)
<b>Gross profit</b>	<b>70,664,763</b>	<b>39,098,111</b>	<b>79,668,061</b>
Finance income	1,627,876	2,388,563	909,354
Finance costs	(6,708,894)	(3,396,271)	(8,404,637)
Other Income	1,426,700		500
Administrative expenses	(5,416,691)	(2,810,770)	(4,877,206)
Impairment losses			
Loss on Sale of Assets	-	-	-
<b>Profit before taxes and staff bonus</b>	<b>61,593,754</b>	<b>35,279,633</b>	<b>67,296,072</b>
Staff Bonus	(1,231,875)	(705,593)	(1,345,921)
<b>Profit before taxes</b>	<b>60,361,879</b>	<b>34,574,040</b>	<b>65,950,151</b>
Income tax expenses			
Current Tax	(753,700)	(589,106)	(224,419)
Previous Year Tax		-	-
Deffered Tax Income / (Expenses)		-	-
<b>Profit / (loss) for the period</b>	<b>59,608,179</b>	<b>33,984,934</b>	<b>65,725,732</b>
<b>Other comprehensive income</b>			
<b>Total comprehensive income</b>	<b>59,608,179</b>	<b>33,984,934</b>	<b>65,725,732</b>
<b>Reserve and Surplus</b>			
Share Premium	55,510	55,510	8,154,120
Accumulated profit / (Loss)	197,569,329	171,946,084	103,592,930
Issue of Bonus Share	(47,208,005)		
<b>Total</b>	<b>150,416,834</b>	<b>172,001,594</b>	<b>111,747,050</b>

## Second Quarter Disclosure of FY 2079-80 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 Second quarter of the financial year 2079-80 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 contract with costumer represented the amount receivable from Nepal Electricity authority against the sale of electricity and classified as per the NFRS 15 "Revenue from contract with costumers"
- The receivable from Nepal Electricity authority for NPR 75,928,818 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 form electricity generation. The Company enjoy full tax concession up to 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.
- Key Financial Ratios

Period	Earnings per share (Annualized)	Net Worth Per Share	Book Value per share	Current Ratio	P/E Ratio	ROE	ROA
This Quarter End	24.17	130.49	130.49	4.68	31.67	9.26%	7.23%
Previous Quarter End	22.73	138.35	138.35	4.64	34.10	5.48%	4.21%
Corresponding Previous Year Quarter End	29.31	124.92	124.92	8.96	35.28	11.73%	8.36%

### 2. Management Analysis

- Direct impact has been caused on the electricity production due to occasional problem in 33 K.V. transmission line of NEA.
- 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 decreased by 8.13% as compared to corresponding previous year quarter ending.
- Net Profit has been decreased by 9.31% 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	858	776.90	1,035
Minimum Price NPR	705.6	761.10	1,000
Closing Price NPR	765.50	775	1,034
Total Turnover NPR	42,948,764.20	94,487,192.30	113,270,349
No. of transactions Day	52	66	57
Total Traded Volume	55,947	108,466	449,252

### 5. Challenges

- Impact of Climate Change on amount of Rain/Snow Fall in Catchment area
  - 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.