



**Nepal Telecom**  
(Nepal Doorsanchar Company Limited)

**Interim Financial Results (Quarterly)**

As at Third Quarter of the Fiscal Year 2075/76

Schedule - 1

**Condensed Statement of Financial Position**

	Current Period (Unaudited) As at Chaitra 30, 2075	Previous Period (Audited) As at Ashad 32, 2075	In NPR. Corresponding Previous Year (Unaudited) As at Chaitra 30, 2074
	<b>Assets</b>		
<b>Non- Current Assets</b>			
Intangible Assets	50,710,149	99,262,899	115,447,149
Property, Plant and Equipment	39,073,558,025	38,733,730,193	37,144,574,929
Capital Work-in-Progress	5,268,593,626	4,952,312,366	5,908,327,030
Investment	11,580,078,993	10,005,798,893	9,652,368,215
Deferred Tax Asset	6,433,896,495	6,066,490,432	4,678,494,643
Employee Loan	2,069,955,508	2,185,932,988	2,258,130,535
<b>Total</b>	<b>64,476,792,796</b>	<b>62,043,527,771</b>	<b>59,757,342,501</b>
<b>Current Assets</b>			
Inventory	293,271,594	424,996,011	489,621,375
Prepayment and Current Tax Assets	1,371,414,636	1,515,195,783	1,548,091,986
Accruals, Advance & Others Receivables	532,935,841	515,235,385	592,557,389
Trade Receivable	2,808,950,880	2,711,487,540	3,438,221,255
Investment	46,477,730,000	41,270,740,000	41,697,640,000
Cash & Cash Equivalents	20,563,224,732	23,410,997,112	22,379,446,554
<b>Total</b>	<b>72,047,527,683</b>	<b>69,848,651,831</b>	<b>70,145,578,459</b>
<b>Total Assets</b>	<b>136,524,320,479</b>	<b>131,892,179,602</b>	<b>129,902,920,960</b>
<b>Equity and Liabilities</b>			
Share Capital	15,000,000,000	15,000,000,000	15,000,000,000
Reserve and Surplus	86,408,242,188	84,665,117,700	79,690,515,236
<b>Total Equity</b>	<b>101,408,242,188</b>	<b>99,665,117,700</b>	<b>94,690,515,236</b>
<b>Non-Current Liabilities</b>			
Post Employment Benefits	12,164,599,598	11,305,643,764	10,184,761,676
Subscriber Deposits	2,050,653,732	1,939,289,820	1,971,852,260
GSM License Fee Renewal	2,364,540,466	1,958,161,866	2,454,307,016
<b>Non-Current Liabilities</b>	<b>16,579,793,796</b>	<b>15,203,095,450</b>	<b>14,610,920,952</b>
<b>Current Liabilities and Provisions</b>			
Current Tax Liabilities	-	-	-
Provisions	2,111,191,097	2,282,601,893	2,140,880,483
Current Liabilities	16,425,093,398	14,741,364,559	18,460,604,289
<b>Total</b>	<b>18,536,284,495</b>	<b>17,023,966,452</b>	<b>20,601,484,772</b>
<b>Total Equity and Liabilities</b>	<b>136,524,320,479</b>	<b>131,892,179,602</b>	<b>129,902,920,960</b>

**Condensed Statement of Profit or Loss**

	Current Year		Previous Year	
	This Quarter (2075.09.01 - 2075.12.30)	Year to Date (2075.04.01 - 2075.12.30)	This Quarter (2074.09.01 - 2074.12.30)	Year to Date (2074.04.01 - 2074.12.30)
<b>INCOME</b>				
Revenue from contract with customers	9,061,911,403	27,506,075,179	9,685,733,601	29,392,137,852
Other Income	1,701,454,727	4,969,733,572	1,797,621,075	4,461,133,043
<b>Total Income</b>	<b>10,763,366,130</b>	<b>32,475,808,751</b>	<b>11,483,354,676</b>	<b>33,853,270,895</b>
<b>EXPENDITURE</b>				
Employee Benefit Expenses	(1,600,069,376)	(4,678,556,503)	(1,566,968,190)	(4,745,981,340)
Operation and Maintenance Costs	(1,117,568,226)	(4,946,431,838)	(1,750,073,024)	(4,981,440,791)
Sales Channel, Marketing and Promotion Costs	(314,494,248)	(1,164,139,634)	(483,687,358)	(1,172,170,293)
Administrative Costs	(352,867,790)	(1,026,955,139)	(475,117,122)	(1,024,597,427)
Regulatory Fees, Charges and Renewals	(847,259,353)	(2,560,824,472)	(868,209,317)	(2,599,447,203)
Foreign Exchange (Loss)/Gain	(48,213,562)	81,486,721	547,556,947	71,239,579
Shares of results of associates	-	-	-	-
<b>Earning Before Interest, Tax, Depreciation, Amortisation (EBITDA)</b>	<b>6,482,893,575</b>	<b>18,180,387,886</b>	<b>6,886,856,612</b>	<b>19,400,873,420</b>
Finance Cost	(103,836,308)	(478,084,314)	(130,163,245)	(379,887,483)
Depreciation	(997,715,767)	(3,185,854,913)	(998,104,393)	(3,203,408,248)
Amortisation of License Fee	(16,184,250)	(48,552,750)	(16,184,250)	(48,552,750)
Impairments - net of reversals	-	(0)	-	-
<b>Profit Before Tax</b>	<b>5,365,157,250</b>	<b>14,467,895,909</b>	<b>5,742,404,723</b>	<b>15,769,024,939</b>
Income Tax Expenses				
Current Income Tax	(1,864,410,943)	(4,851,376,715)	(1,435,729,174)	(4,243,606,254)
Deferred Taxes- Normal	141,758,256	367,406,063	66,916,353	330,987,788
Deferred Taxes- Due to Change in Corporate Tax Rate	-	-	-	-
<b>Net Profit for the Period</b>	<b>3,642,504,563</b>	<b>9,983,925,257</b>	<b>4,373,591,902</b>	<b>11,856,406,473</b>
<b>Condensed Statement of Other Comprehensive Income</b>				
Profit for the period	3,642,504,563	9,983,925,257	4,373,591,902	11,856,406,473
Other Comprehensive Income	-	-	-	-
Remeasurements of defined retirement benefit plans of employees	-	-	-	-
Income Taxes relating to items	-	-	-	-
<b>Total Comprehensive Income for the Period</b>	<b>3,642,504,563</b>	<b>9,983,925,257</b>	<b>4,373,591,902</b>	<b>11,856,406,472</b>
<b>Earnings Per Share (Basic) - Annualized</b>	<b>97.13</b>	<b>88.75</b>	<b>116.63</b>	<b>105.39</b>
<b>Earnings Per Share (Diluted) - Annualized</b>	<b>97.13</b>	<b>88.75</b>	<b>116.63</b>	<b>105.39</b>

**Major Ratios**

	As at Chaitra 30, 2075	As at Ashad 32, 2075	As at Chaitra 30, 2074
Closing Market Price of Share (Rs.)	682	798	721
P/E Ratio	7.02	8.99	6.84
Net Worth Per Share (Rs.)	676.05	664.43	631.27
Current Ratio	3.89	4.10	

**Notes to condensed Financial Statements:**

- Above presented figures are subject to change as per the directions, if any, of Statutory Auditor
- The financial information has been prepared in accordance with Nepal Accounting Standard 34 "Interim Financial Reporting". Corresponding previous year figures in condensed Statement of Financial Position has been presented in addition as per Securities Regulation. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the last published audited financial statements.
- The company consistently follows accounting policies and applies accounting estimates on consistent basis.
- There has been no material change in accounting policies from the policies that have been disclosed in the last published audited financial statements.
- For quarterly unaudited interim reporting the company makes estimates and assumption, wherever required, on the basis of past experience, budget, performance achievements and annualization of transactions. Therefore, the quarterly published interim reports may, on occasions, approximate the financial position and performance of the company. The adjustments, if required, are affected on annual basis in the audited financial statements.
- In recent years, due to popularity of OTT services, interconnection business was negatively affected and the result of which is seen in the company's revenue from that service. The company has taken the effective measure to maintain the revenue and it is expected that aforementioned impact of interconnect revenue will be offset from new revenue sources.
- The issue of quantification of the GSM license renewal fee that expired on 2071.01.28 is still not settled within the regulatory authority. So, the company renewed its license fee by paying NPR. 18.90 crores and has amortized the cost accordingly based on its validity period. The fee liability, if confirmed and quantified, may result in further cost to the company and hence, net profit after tax will be adjusted by that extent.
- Finance costs comprises of the unwinding of the GSM license fee liability carried at fair value using the applicable discount rates. These are non-cash expenditures charged to Statement of Profit or Loss to comply with requirement of NFRS.
- The corporate tax has been changed from 25% to 30% by Finance Act, 2075 with effect from Shrawan 01, 2075. The current tax expenses has been increased by NPR 808,562,786.00 due to such changes. Subsequently, Net Profit after Tax decrease with the equal amount.
- The company provides discount in recharge card sales instead of commission expenses w.e.f. 2075/12/01. The Discount of NPR 100,559,465.85 during the interim period reduce both the income from services and expenses.
- Previous quarters' figures have been regrouped and rearranged wherever necessary.
- The detailed Interim Financial statement is published in the website "www.ntc.net.np" of the Company.