



## Nepal Telecom

(Nepal Doorsanchar Company Limited)

### Interim Financial Results (Quarterly)

As at Fourth Quarter of the Fiscal Year 2075/76

#### Condensed Statement of Financial Position

In NPR.

	Current Period (Unaudited) As at Ashadh 31, 2076	Previous Period (Audited) As at Ashad 32, 2075	Current Year (Unaudited) As at Chaitra 30, 2075
<b>Assets</b>			
<b>Non- Current Assets</b>			
Intangible Assets	223,525,899	99,262,899	50,710,149
Property, Plant and Equipment	40,176,193,922	38,733,730,193	39,073,558,025
Capital Work-in-Progress	6,007,205,465	4,952,312,366	5,268,593,626
Investment	11,773,338,886	10,005,798,893	11,580,078,993
Deferred Tax Asset	6,425,951,438	6,066,490,432	6,433,896,495
Employee Loan	2,084,906,323	2,185,932,988	2,069,955,508
	<b>66,691,121,933</b>	<b>62,043,527,771</b>	<b>64,476,792,796</b>
<b>Current Assets</b>			
Inventory	226,399,780	424,996,011	293,271,594
Prepayment and Current Tax Assets	1,067,913,811	1,515,195,783	2,262,909,636
Accruals, Advance & Others Receivables	549,383,141	515,235,385	532,935,841
Trade Receivable	2,720,002,652	2,711,487,540	2,808,950,880
Investment	43,421,960,000	41,270,740,000	46,477,730,000
Cash & Cash Equivalents	18,905,575,289	23,410,997,112	20,563,224,732
	<b>66,891,234,673</b>	<b>69,848,651,831</b>	<b>72,939,022,683</b>
<b>Total Assets</b>	<b>133,582,356,606</b>	<b>131,892,179,602</b>	<b>137,415,815,479</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share Capital	15,000,000,000	15,000,000,000	15,000,000,000
Reserve and Surplus	86,731,701,875	84,665,117,700	84,328,087,188
<b>Total Equity</b>	<b>101,731,701,875</b>	<b>99,665,117,700</b>	<b>99,328,087,188</b>
<b>Non-Current Liabilities</b>			
Post Employment Benefits	12,506,864,596	11,305,643,764	12,164,599,598
Subscriber Deposits	1,842,552,624	1,939,289,820	2,050,653,732
GSM License Fee Renewal	0	1,958,161,866	2,364,540,466
<b>Non-Current Liabilities</b>	<b>14,349,417,220</b>	<b>15,203,095,450</b>	<b>16,579,793,796</b>
<b>Current Liabilities and Provisions</b>			
Current Tax Liabilities	-	-	-
Provisions	2,086,033,397	2,282,601,893	2,111,191,097
Current Liabilities	15,415,204,114	14,741,364,559	19,396,743,398
	<b>17,501,237,511</b>	<b>17,023,966,452</b>	<b>21,507,934,495</b>
<b>Total Equity and Liabilities</b>	<b>133,582,356,606</b>	<b>131,892,179,602</b>	<b>137,415,815,479</b>
	0	0	0

**Condensed Statement of Profit or Loss**

In NPR.

	Current Year		Previous Year	
	This Quarter	Year to Date	This Quarter	Year to Date
	(2076.01.01 - 2076.03.31)	(2075.04.01 - 2076.03.31)	(2075.01.01 - 2075.3.32)	(2074.04.01 - 2075.03.32)
<b>INCOME</b>				
Revenue from contract with customers	9,278,799,795	36,784,874,974	9,631,121,886	39,023,259,738
Other Income	1,727,402,293	6,697,135,865	1,785,092,176	6,246,225,219
<b>Total Income</b>	<b>11,006,202,088</b>	<b>43,482,010,839</b>	<b>11,416,214,062</b>	<b>45,269,484,957</b>
<b>EXPENDITURE</b>				
Employee Benefit Expenses	(1,207,684,450)	(5,886,240,953)	(1,211,895,946)	(5,957,877,286)
Operation and Maintenance Costs	(1,807,208,402)	(6,753,640,240)	(1,764,160,990)	(6,745,601,781)
Sales Channel, Marketing and Promotion Costs	(131,369,859)	(1,295,509,493)	(470,858,042)	(1,643,028,335)
Administrative Costs	(477,432,828)	(1,504,387,967)	(294,909,626)	(1,319,507,053)
Regulatory Fees, Charges and Renewals	(957,201,633)	(3,518,026,105)	(937,097,486)	(3,536,544,689)
Foreign Exchange (Loss)/Gain	(235,285,333)	(153,798,612)	564,315,552	635,555,131
Shares of results of associates	(12,500,000)	(12,500,000)	(12,584,012)	(12,584,012)
<b>Earning Before Interest, Tax, Depreciation, Amortisation (EBITDA)</b>	<b>6,177,519,583</b>	<b>24,357,907,469</b>	<b>7,289,023,512</b>	<b>26,689,896,932</b>
Finance Cost	105,154,147	(372,930,167)	(129,792,254)	(509,679,737)
Depreciation	(1,465,731,702)	(4,651,586,615)	(996,697,572)	(4,200,105,820)
License Fee Expense	(1,006,734,250)	(4,026,937,000)	(16,184,250)	(64,737,000)
<b>Impairments - net of reversals</b>	<b>(50,000,000)</b>	<b>(50,000,000)</b>	<b>10,730,977</b>	<b>10,730,977</b>
<b>Profit Before Tax</b>	<b>3,760,207,778</b>	<b>15,256,453,687</b>	<b>6,157,080,413</b>	<b>21,926,105,352</b>
Income Tax Expenses				
Current Income Tax	(1,447,864,528)	(5,407,746,243)	(1,607,722,211)	(5,851,328,465)
Deferred Taxes- Normal	62,538,422	359,461,006	66,955,413	397,943,201
Deferred Taxes- Due to Change in Corporate Tax Rate	-	-	252,770,435	1,011,081,739
<b>Net Profit for the Period</b>	<b>2,374,881,672</b>	<b>10,208,168,450</b>	<b>4,869,084,050</b>	<b>17,483,801,827</b>

**Condensed Statement of Other Comprehensive Income**

<b>Profit for the period</b>	2,374,881,672	10,208,168,450	4,869,084,050	17,483,801,827
<b>Other Comprehensive Income</b>	-	-	-	-
Remeasurements of defined retirement benefit plans of employees	-	-	-	(1,033,195,455)
Income Taxes relating to items	-	-	-	309,958,637
<b>Total Comprehensive Income for the Period</b>	<b>2,374,881,672</b>	<b>10,208,168,450</b>	<b>4,869,084,050</b>	<b>16,760,565,009</b>
<b>Earnings Per Share (Basic) - Annualized</b>	<b>63.33</b>	<b>68.05</b>	<b>129.84</b>	<b>116.56</b>
<b>Earnings Per Share (Diluted) - Annualized</b>	<b>63.33</b>	<b>68.05</b>	<b>129.84</b>	<b>116.56</b>

**Major Ratios**

	As at Ashadh 31, 2076	As at Ashad 32, 2075
Closing Market Price of Share (Rs.)	693	721
P/E Ratio	10.94	6.19
Net Worth Per Share(Rs.)	678.21	664.43
Current Ratio	3.82	4.10

## **Notes to condensed Financial Statements:**

- 1 Above presented figures are subject to change as per the directions, if any, of Statutory Auditor
- 2 The financial information has been prepared in accordance with Nepal Accounting Standard 34 "Interim Financial Reporting". Previous interim period's of current financial year figures in condensed statement of Financial position has been presented in addition. 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.
- 3 The company consistently follows accounting policies and applies accounting estimates on consistent basis.
- 4 There has been no material change in accounting policies from the policies that have been disclosed in the last published audited financial statements.
- 5 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.
- 6 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.
- 7 Despite the dispute with the regulating authority on payment of GSM License second renewal fee which had become due on 2071/01/29, the company was obligated to pay NPR 20 Billion. However Government of Nepal's decision dated 2076/02/10 rescheduled the payment of NRs. 20 Billion with the due amount to be paid in 5 annual installments starting from FY 2075/76.
- 8 The issue of quantification of the GSM license renewal fee that expired on 2076.01.28 is 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.
- 9 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.
- 10 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 901,291,040.65 due to such changes. Subsequently, Net Profit after Tax decrease with the equal amount.
- 11 The impact of corporate tax rate changes has been provided in Financial Statements of FY 2074/75. For comparison of current year's interim period, comparative of previous year is adjusted accordingly.
- 12 The company provides discount in recharge card sales instead of commission expenses w.e.f. 2075/12/01. The Discount of NPR 337,353,423.09 and NPR 437,912,888.94 has impact on both revenue and expenses during the interim period and current fiscal year to date respectively.
- 13 Previous quarters' figures have been regrouped and rearranged wherever necessary.
- 14 The detail Condensed Financial Statements is published in the website "www.ntc.net.np" of the Company.