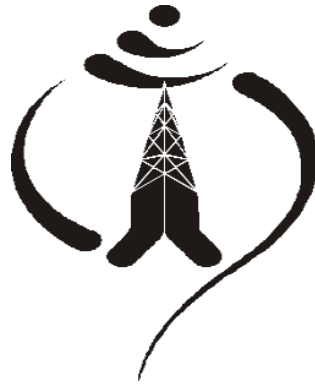


Nepal Doorsanchar Company Limited
Bhadrakali Plaza, Kathmandu



Interim Financial Statements
As at Ashwin 30, 2080 (As on 17 Oct, 2023)



Nepal Doorsanchar Company Limited
Bhadrakali Plaza, Kathmandu

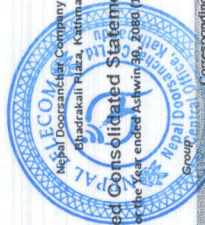
Condensed Consolidated Statement of Financial Position

As at Ashwin 30, 2080 (17 October 2023)

NPR in '000

| | Group | | Company | |
|---|-------------------------------|------------------------------|-------------------------------|------------------------------|
| | Current Period (Unaudited) | Previous Year (Unaudited) | Current Period (Unaudited) | Previous Year (Unaudited) |
| | As at Ashwin 30, 2080 | As at Ashadh 31, 2080 | As at Ashwin 30, 2080 | As at Ashadh 31, 2080 |
| Assets | | | | |
| Non- Current Assets | | | | |
| Intangible Assets | 1,845,902 | 1,881,188 | 1,773,122 | 1,807,123 |
| Property, Plant and Equipment | 50,428,528 | 51,900,389 | 50,366,477 | 51,834,800 |
| Right of Use (ROU) Assets | 1,766,100 | 1,989,024 | 1,766,100 | 1,989,024 |
| Capital Work-in-Progress | 4,934,489 | 4,039,900 | 4,933,109 | 4,035,702 |
| Long Term Loan and Advances | 994,788 | 986,504 | 994,788 | 986,504 |
| Investment | 19,895,183 | 19,256,584 | 19,889,072 | 19,235,473 |
| Deferred Tax Asset | 9,623,122 | 9,699,871 | 9,593,463 | 9,665,002 |
| Employee Loan | 3,796,756 | 3,793,981 | 3,796,756 | 3,793,981 |
| Contract Cost Assets | 355,011 | 382,885 | 355,011 | 382,885 |
| Total Non-Current Assets | 93,639,878 | 93,930,327 | 93,467,897 | 93,730,495 |
| Current Assets | | | | |
| Inventory | 706,365 | 695,082 | 705,856 | 694,587 |
| Prepayments & Non-Financial Assets | 4,550,952 | 2,044,312 | 4,549,477 | 2,043,372 |
| Current Tax Assets | 642,244 | 1,518,233 | 629,670 | 1,506,629 |
| Accruals, Advance & Others Receivables | 301,711 | 1,252,668 | 287,156 | 1,239,524 |
| Trade Receivable | 2,078,736 | 2,479,615 | 2,078,736 | 2,479,615 |
| Investment | 53,868,350 | 52,910,730 | 53,868,350 | 52,910,730 |
| Cash & Cash Equivalents | 4,260,604 | 5,443,801 | 4,245,372 | 5,430,131 |
| Total Current Assets | 66,408,962 | 66,344,442 | 66,364,617 | 66,304,589 |
| Total Assets | 160,048,840 | 160,274,769 | 159,832,514 | 160,035,084 |
| Equity and Liabilities | | | | |
| Equity | | | | |
| Share Capital | 18,000,000 | 18,000,000 | 18,000,000 | 18,000,000 |
| Reserve and Surplus | 78,072,277 | 75,780,120 | 78,133,915 | 75,828,193 |
| Total Equity attributable to Equityholders | 96,072,277 | 93,780,120 | 96,133,915 | 93,828,193 |
| Non Controlling Interest | 113,688 | 121,924 | - | - |
| Total Equity | 96,185,966 | 93,902,044 | 96,133,915 | 93,828,193 |
| Non-Current Liabilities | | | | |
| Post Employment Benefits | 21,384,288 | 22,949,429 | 21,384,288 | 22,949,429 |
| Deferred Government Grant | 1,771,749 | 1,603,657 | 1,771,749 | 1,603,657 |
| Subscriber Deposits | 57,961 | 57,505 | 57,961 | 57,505 |
| GSM License Renewal Fee Liability | - | - | - | - |
| Lease Liability | 1,908,663 | 2,219,650 | 1,908,663 | 2,219,650 |
| Total Non-Current Liabilities | 25,122,662 | 26,830,241 | 25,122,662 | 26,830,241 |
| Current Liabilities and Provisions | | | | |
| Current Tax Liabilities | - | - | - | - |
| GSM License Renewal Fee Liability | - | - | - | - |
| Provisions | 17,740,444 | 16,739,659 | 17,740,444 | 16,729,660 |
| Current Liabilities | 15,753,587 | 16,370,546 | 15,589,311 | 16,214,711 |
| Other Non-Financial Liabilities | 5,246,182 | 6,432,278 | 5,246,182 | 6,432,278 |
| Total Current Liabilities and Provisions | 38,740,213 | 39,542,483 | 38,575,937 | 39,376,649 |
| Total Equity and Liabilities | 160,048,840 | 160,274,769 | 159,832,514 | 160,035,084 |

Sangita Pahadee (Aryal)
For Managing Director



Nepal Doorsanchar Company Limited
Bhadrakali Plaza, Kathmandu

Condensed Consolidated Statement of Profit or Loss

For the Year ended Ashwin 30, 2080 (17 October, 2023)

NPR in '000

| Particulars | Current Year | | Corresponding Previous Year | | Company | |
|--|---------------------------|---------------------------|-----------------------------|---------------------------|---------------------------|---------------------------|
| | This Quarter | Year to Date | This Quarter | Year to Date | This Quarter | Year to Date |
| | [2080.04.01 - 2080.06.30] | [2080.04.01 - 2080.06.30] | [2079.04.01 - 2079.06.31] | [2080.04.01 - 2080.06.30] | [2079.04.01 - 2079.06.31] | [2079.04.01 - 2079.06.31] |
| Revenue from contract with customers | 8,588,873 | 9,081,160 | 8,585,063 | 9,077,585 | 8,585,063 | 9,077,585 |
| Finance Income | 1,763,112 | 1,910,798 | 1,757,047 | 1,905,215 | 1,757,047 | 1,905,215 |
| Other Income | 306,716 | 56,808 | 56,808 | 57,290 | 306,683 | 57,290 |
| Total Income | 10,658,701 | 11,048,766 | 10,648,793 | 11,040,090 | 10,648,793 | 11,040,090 |
| Employee Benefit Expenses | (2,041,964) | (2,105,471) | (2,035,324) | (2,101,943) | (2,035,324) | (2,101,943) |
| Operation and Maintenance Costs | (1,521,598) | (1,767,777) | (1,516,922) | (1,764,008) | (1,516,922) | (1,764,008) |
| Sales Channel, Marketing and Promotion Costs | (56,652) | (57,611) | (57,611) | (53,077) | (52,815) | (53,077) |
| Administrative Expenses | (274,476) | (274,476) | (274,476) | (273,247) | (272,715) | (273,247) |
| Regulatory Fees, Charges and Renewals | (1,907,706) | (1,945,384) | (1,945,384) | (1,945,384) | (1,907,706) | (1,945,384) |
| Foreign Exchange (Loss)/Gain | 58,026 | 58,026 | 70,575 | 59,916 | 59,916 | 70,575 |
| Shares or results of associates | | | | | | |
| Earning before interest, taxes, depreciation & amortisation (EBITDA) | 4,914,331 | 4,968,586 | 4,966,586 | 4,923,227 | 4,923,227 | 4,973,005 |
| Finance Cost | (39,342) | (73,374) | (39,342) | (73,374) | (39,342) | (73,374) |
| Depreciation | (1,408,884) | (1,548,746) | (1,405,451) | (1,541,975) | (1,405,451) | (1,541,975) |
| Amortisation | (298,987) | (47,724) | (294,879) | (47,724) | (294,879) | (47,724) |
| Impairments - net of reversals | 155,789 | (6,726) | 155,789 | (6,726) | 155,789 | (6,726) |
| Profit Before Tax | 3,322,807 | 3,292,016 | 3,292,016 | 3,339,344 | 3,339,344 | 3,303,206 |
| Income Tax Expenses | (1,240,373) | (1,271,072) | (1,271,072) | (1,271,072) | (1,240,373) | (1,271,072) |
| Current Income Tax | (67,410) | 205,983 | 205,983 | (71,539) | (71,539) | 183,373 |
| Deferred Taxes | | | | | | |
| Profit For the Period | 2,015,024 | 2,226,928 | 2,226,928 | 2,027,432 | 2,027,432 | 2,225,507 |

Condensed Consolidated Statement of Other Comprehensive Income

For the Year ended Ashwin 30, 2080 (17 October, 2023)

| | | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| Profit for the period | 2,015,024 | 2,226,928 | 2,226,928 | 2,027,432 | 2,225,507 | 2,225,507 |
| Other Comprehensive Income | | | | | | |
| Total Comprehensive Income for the Period | 2,015,024 | 2,226,928 | 2,226,928 | 2,027,432 | 2,225,507 | 2,225,507 |
| Net Profit attributable to: | | | | | | |
| Equity holders of the company | 2,015,024 | 2,226,928 | 2,226,928 | 2,027,432 | 2,225,507 | 2,225,507 |
| Non-controlling interest | (4,687) | 537 | 537 | | | |
| Earnings Per Share (Basic) | 44.78 | 49.49 | 49.49 | 45.05 | 49.46 | 49.46 |
| Earnings Per Share (Diluted) | 44.78 | 48.48 | 48.48 | 45.05 | 49.46 | 49.46 |

SM
Sangita Paradee (Aryal)
For Managing Director



Nepal Doorsanchar Company Limited
Bhadrakali Plaza, Kathmandu

Condensed Statement of Cash Flows

For the Year ended Ashwin 30, 2080 (17 October, 2023)

NPR in '000

| | Group | | Company | |
|---|-------------------------------|------------------------------|-------------------------------|------------------------------|
| | Current Period (Unaudited) | Previous Year (Unaudited) | Current Period (Unaudited) | Previous Year (Unaudited) |
| | As at Ashwin 30, 2080 | As at Ashadh 31, 2080 | As at Ashwin 30, 2080 | As at Ashadh 31, 2080 |
| Cash Flow from Operating Activities | | | | |
| Net Profit for the period | 2,015,023 | 7,760,735 | 2,027,432 | 7,804,527 |
| Adjustments | | | | |
| Income Tax expense recognised in profit or loss | 1,240,373 | 4,775,747 | 1,240,373 | 4,775,747 |
| Deferred Tax expense recognised in profit or loss | 67,410 | (504,736) | 71,539 | (478,668) |
| Depreciation | 1,408,984 | 6,213,041 | 1,405,451 | 6,199,496 |
| Finance Income | (1,666,222) | (7,644,665) | (1,660,157) | (7,615,147) |
| Impairment Loss | (155,789) | 150,697 | (155,789) | 150,697 |
| Finance Costs | 78,684 | 656,515 | 78,684 | 656,515 |
| Actuarial (Gain)/Loss | - | (2,918,000) | - | (2,918,000) |
| Amortization of License | 298,987 | 1,205,606 | 294,879 | 1,190,118 |
| Equity loss on Associate | - | 153,484 | 0 | 153,484 |
| Unrealised (Gain)/Loss on Cash and Cash equivalents | - | (3,886) | 0 | 0 |
| Movements in Working Capital | | | | |
| Decrease/(Increase) in Inventory | 5,806 | (410,687) | 5,967 | (410,770) |
| (Increase)/Decrease in Prepayments & Other Non-Financi | (2,506,483) | 118,022 | (2,506,105) | 118,310 |
| (Increase)/Decrease in Employee Loan | (2,774) | (181,476) | (2,774) | (181,476) |
| (Increase)/Decrease in Other Advances | 951,172 | (934,912) | 952,368 | (928,558) |
| (Increase)/Decrease in Trade Receivable | 539,752 | 150,349 | 539,752 | 150,349 |
| (Increase)/Decrease in Deferred Taxes | 0 | 0 | 0 | 0 |
| (Increase)/Decrease in Contract cost assets | (22,623) | (166,587) | (22,623) | (166,587) |
| Increase/(Decrease) in Non-Current Liability | (1,396,592) | 3,813,137 | (1,396,592) | 3,813,137 |
| Increase/(Decrease) in Provisions | 1,010,783 | 4,016,372 | 1,010,783 | 4,006,373 |
| Increase/(Decrease) in Current Liability | 367,310 | (5,023,791) | 368,360 | (5,016,026) |
| Increase/(Decrease) in Trade Payable | (1,072,613) | 711,507 | (1,072,445) | 702,828 |
| Increase/(Decrease) in Lease Liability | (310,987) | (269,211) | (310,987) | (269,211) |
| Increase/(Decrease) in Other Non-Financial Liabilities | (1,186,096) | (1,082,957) | (1,186,096) | (1,082,957) |
| NFRS Adjustments | - | 0 | 0 | 0 |
| Previous Year Adjustments | 277,650 | (1,775) | 278,290 | (1,775) |
| Income Taxes Paid | (364,343) | (4,627,354) | (363,414) | (4,622,932) |
| Total Adjustments | (2,437,611) | (1,805,560) | (2,430,536) | (1,775,053) |
| Net Cash flow from Operating Activities (A) | (422,588) | 5,955,175 | (403,104) | 6,029,473 |
| Cash Flow from Investing Activities | | | | |
| Internet License Fee Renewal | - | - | - | - |
| Acquisition of Intangible Assets | (128,282) | (513,126) | (128,282) | (513,126) |
| Acquisition of Property, Plant and Equipment | 59,693 | (6,461,704) | 62,552 | (6,457,095) |
| Decrease/ (Increase) in ROU Assets | 140,826 | - | 140,826 | - |
| Decrease/ (Increase) in Capital Work in Progress | (894,588) | 1,381,252 | (897,406) | 1,384,609 |
| Decrease/ (Increase) in long term loan and Advances | (8,283) | 197,167 | (8,283) | 197,167 |
| Decrease/ (Increase) in Investment | (1,596,219) | (1,243,318) | (1,611,219) | (1,297,318) |
| Income from Investment & Bank Deposit | 1,666,222 | 7,644,665 | 1,660,157 | 7,615,147 |
| Adjustment in Retained Earning | 21 | - | - | - |
| Investment in Subsidiary company | - | - | - | - |
| Net Cash Flow from Investing Activities (B) | (760,609) | 1,004,935 | (781,655) | 929,383 |
| Cash Flow from Financing Activities | | | | |
| Increase/(Decrease) in Share Capital | - | - | - | - |
| Proceeds from issuance of Share from Non-Controlling Interest | - | - | - | - |
| Dividend Paid | - | (7,200,000) | - | (7,200,000) |
| Net Cash Flow from Financing Activities (C) | - | (7,200,000) | - | (7,200,000) |
| Net Increase in Cash (A+B+C) | (1,183,197) | (239,890) | (1,184,759) | (241,144) |
| Effect of exchange rate fluctuations on Cash and Cash equivalents | - | 3,886 | - | - |
| Cash & Cash Equivalents at Beginning of the period | 5,443,801 | 5,679,805 | 5,430,131 | 5,671,274 |
| Cash & Cash Equivalents at the End of the period | 4,260,604 | 5,443,801 | 4,245,372 | 5,430,131 |

WwW hadee (Arya) Director



Nepal Bhojansanchar Company Limited
Bhadrakali Plaza, Kathmandu

Condensed Consolidated Statement of Changes in Equity

For the Year ended Ashwin 30, 2080 (17 October, 2023)

NPR in '000

| Particulars | Company | | | | | | Total |
|-------------------------------------|---------------|--|----------------------|----------------|---------------------|--|--|
| | Share Capital | Retained Earning | Deferred Tax Reserve | FV/OCI Reserve | Revaluation Reserve | | |
| Balance as on Shrawan 1, 2079 | 18,000,000 | 45,398,154 (1,775) | 8,310,934 | - | 23,558,954 | | 95,268,042 (1,775) |
| Previous Period Adjustments | | | | | | | |
| Restated Opening Balance | 18,000,000 | 45,396,379 5,761,926 (7,200,000) | 8,310,934 | - | 23,558,954 | | 95,266,267 5,761,926 (7,200,000) |
| Profit for the period | | | | | | | |
| Dividend for FY 2078-79 | | | | | | | |
| Transfer from Revaluation Reserve | | | | | | | |
| Transferred to Deferred Tax Reserve | | | 1,354,068 | | | | |
| Balance as on Ashadh 31, 2080 | 18,000,000 | 42,604,237 | 9,665,002 | - | 23,558,954 | | 93,828,193 |
| Balance as on Shrawan 1, 2080 | 18,000,000 | 42,604,237 | 9,665,002 | 0.00 | 23,558,954 | | 93,828,193 |
| Previous Period Adjustment | | 278,254 | | | | | 278,254 |
| Prior Period Income | | 339 | | | | | 339 |
| Prior Period Expenses | | (302) | | | | | (302) |
| Adjustment of Stock | | | | | | | |
| Restated Opening Balance | 18,000,000 | 42,682,527 2,027,432 | 9,665,002 | - | 23,558,954 | | 94,106,484 2,027,432 |
| Profit for the year | | | | | | | |
| Dividend to equity shareholder | | | | | | | |
| Bonus Share Issued | | | | | | | |
| Cash Dividend paid | | | | | | | |
| Transfer from Revaluation Reserve | | | | | | | |
| Transfer To Deferred Tax Reserve | | | (71,539) | | | | |
| Balance as on Ashwin 30, 2080 | 18,000,000 | 44,981,498 | 9,593,463 | 0 | 23,558,954 | | 96,133,915 |

Sangita Pahadee (Aryal)
For Managing Director



Nepal Doorsanchar Company Limited
Bhadrakali Plaza, Kathmandu



Condensed Consolidated Statement of Changes in Equity

For the Year ended Ashwin 30, 2080 (17 October, 2023)

NPR in '000

| Particulars | Group | Attributable to Equity holders of the company | | | | | | Non Controlling Interest | Total Equity |
|-------------------------------------|------------|---|------------------|----------------------|---------------|---------------------|----------|--------------------------|--------------|
| | | Share Capital | Retained Earning | Deferred Tax Reserve | FVOCI Reserve | Revaluation Reserve | Total | | |
| Balance as on Shrawan 1, 2079 | 18,000,000 | 45,377,329 | 8,310,934 | - | 23,558,954 | 95,247,217 | 138,468 | 95,385,685 | |
| Previous Period Adjustments | | (1,775) | - | - | - | (1,775) | | (1,775) | |
| Restated Opening Balance | 18,000,000 | 45,375,554 | 8,310,934 | - | 23,558,954 | 95,245,442 | 138,468 | 95,383,910 | |
| Profit for the period | | 5,734,678 | | | | 5,734,678 | (16,544) | 5,718,134 | |
| Dividend for FY 2076-77 | | (7,200,000) | | | | (7,200,000) | 0 | (7,200,000) | |
| Share of non controlling interest | | - | | | | - | | - | |
| Transfer from Revaluation Reserve | | (813,231) | 813,231 | | | - | | - | |
| Transferred to Deferred Tax Reserve | | 43,097,001 | 9,124,165 | | 23,558,954 | 93,780,120 | 121,924 | 93,902,044 | |
| Balance as on Ashadh 31, 2080 | 18,000,000 | 43,097,001 | 9,124,165 | 0 | 23,558,954 | 93,780,120 | 121,924 | 93,902,044 | |
| Balance as on Shrawan 1, 2080 | 18,000,000 | 272,407 | | | | 272,407 | (3,545) | 268,861 | |
| Previous Period Adjustment | | 339 | | | | 339 | | 339 | |
| Prior Period Income | | (302) | | | | (302) | | (302) | |
| Prior Period Expenses | | - | | | | - | | - | |
| Adjustment of Stock | | 43,369,444 | 9,124,165 | | 23,558,954 | 94,052,564 | 118,379 | 94,170,942 | |
| Restated Opening Balance | 18,000,000 | 2,019,711 | | | | 2,019,711 | (4,687) | 2,015,024 | |
| Profit for the period | | | | | | | | | |
| Dividend to equity shareholder | | | | | | | | | |
| Bonus Share Issued | | | | | | | | | |
| Cash Dividend paid | | | | | | | | | |
| Transfer Revaluation Reserve | | 71,539 | (71,539) | | | | | | |
| Transfer To Deferred Tax Reserve | | 45,460,694 | 9,052,627 | 0 | 23,558,954 | 96,072,275 | 113,691 | 96,185,966 | |
| Balance as on Ashwin 30, 2080 | 18,000,000 | 45,460,694 | 9,052,627 | 0 | 23,558,954 | 96,072,275 | 113,691 | 96,185,966 | |

(Signature)
Sangita Pahadee (Aryal)
For Managing Director



Notes to Condensed Consolidated Financial Statements:

- 1 The above financial statements are prepared in accordance with Nepal Financial Reporting Standards (NFRS).
- 2 The figures presented above are subject to change as per the instructions, if any, of Statutory Auditors.
- 3 Group Financial Statements include Nepal Doorsanchar Company Limited (Parent Co.) and Nepal Digital Payments Company Ltd. (Subsidiary Co.).
- 4 All inter-company transactions and outstanding balances among Group Companies are excluded in Group Financial Statements.
- 5 Employee Benefit Expenses includes provision for employee calculated in line with provisions of Bonus Act/Regulations and amortisation of deferred employee benefits of subsidised loan provided as per Employee bylaws of the company.
- 6 The company consistently follows accounting policies and applies accounting estimates on consistent basis.
- 7 There has been no material change in accounting policies from the policies that have been disclosed in the last published audited financial statements.
- 8 For interim financial 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 financial reports may, on occasions, approximate the financial position and performance of the company. The adjustments, if required, are given on annual basis in the audited financial statements.
- 9 The company was obligated to pay GSM License second renewal fee of NPR 20 billion. However Government of Nepal's decision dated 2076/02/10 rescheduled the payment of NPRs. 20 Billion with the due amount to be paid in five annual installments starting from FY 2075/76. The difference between the Present value calculated with applying company's discount rate and gross amount of liability has been credited to equity.
- 10 As per the Government of Nepal's decision dated 2076/02/10, the company renewed its GSM license for Period (2076 -2081 BS) by paying NPR 189 million during financial year 2075-76 . A provision has been made for upto this interim period based on past obligation imposed by GON's decision.
- 11 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.
- 12 Reduction in tariff for domestic interconnection as per Interconnection Guidelines issued by Nepal Telecommunication Authority in previous year. Similarly expenses related to international bandwidth has also been reduced significantly.
- 13 Previous period's figures are regrouped / rearranged/restated wherever necessary for consistent presentation and comparison.
- 14 The detailed interim financial statement has been published in the website "www.ntc.net.np" of the Company.

Sangita Pahadee (Aryal)
For Managing Director