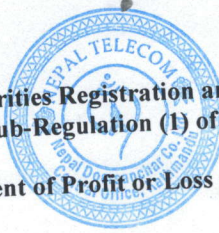


**Disclosure as per Securities Registration and Issue Regulations, 2073
Related to sub-Regulation (1) of Regulation (26)**



1. Financial Statements

A. Statement of Financial position and Statement of Profit or Loss

Published along with this report

B. Major Financial Ratios

Earnings Per Share – (NPR)	41.44	Net worth per share (NPR)	512.99
P/E ratio	20.13	Current Ratio	1.66
Total Assets per share (NPR)	879.65		

C. Related Party Disclosure

- The Company follows requirements of NAS 24 “Related Parties” and other legal requirements for disclosures of related party transactions and balances.
- Group Financial Statements include Nepal Doorsanchar Company Limited, (Parent Co.) and Nepal Digital Payments Company Ltd. (Subsidiary Co.).
- All transaction between the Company and the subsidiary are executed on arm’s length principle. Effects of all inter-company transactions and outstanding balances are excluded in the Group Financial Statements.
- The Government of Nepal - which is the principal owner of the company, employee retirement fund maintained with Citizen Investment Trust (CIT), Nepal telecom employee retirement fund earmarked with Nepal Bank Limited, Rastriya Banijya Bank Limited and Agricultural Development Bank Limited and Trishuli Jal Vidhyut Company Limited, Nagarik Stock Dealer Company Ltd., Upper Tamakoshi Hydropower Ltd. are Associate companies considered to be related party to the company.
- The Board of Directors, Managing Director and other Key Management Personnel and their relatives are considered to be related party of the company as well.
- No transaction between the company and Key Management Personnel along with Managing Director was observed other than as prescribed under the company’s regulations.

2. Management Analysis

Despite the challenging business environment in terms of ever-increasing competitive telecom industry and operational unease created by shortage of equipment/goods due to global issues, Nepal Telecom has managed to record satisfactory performance by diversifying its products/services and pursuing “Service to all” approach while expanding its service coverage.

3. Details Related to Legal Proceedings

In the current period, there has been eight (8) legal cases registered against the company and five (5) legal case lodged by the company.

4. Analysis of Company’s Shares Transactions

Since shares of the company are traded based on the trust of investors towards the company and analysis of its returns, no major fluctuations are noted in the share price of the Company and there has been satisfactory trading of shares in the capital market. The following figures depict the transactions of the company’s share in capital market during the quarter:

• Maximum Share Price	: NPR 951.50
• Minimum Share Price	: NPR 825.20
• Closing Share Price	: NPR 834.00
• Total Number of Transactions	: 17,626
• Total Number of Shares Traded	: 12,83,576
• Total Number of Transaction Days	: 58

* Source: As published in the website of Nepal Stock Exchange (www.nepalstock.com.np)

5. Problems and Challenges

External:

- Intense market competition, shifts in customer behavior prompting lower tariffs, and the introduction of cost-effective packages to sustain competitiveness in the business environment
- The subscriber’s utilization of services has been adversely affected by the financial crisis
- Rapid development and advancement in telecom technologies often result in the obsolescence of technology and equipment.
- Shift in user behavior from voice to data and other services as per global trends.
- Users shifting from mobile data to other fixed broadband services.
- Changes in Government and Regulatory rules and regulations directly related to service tariff.
- Service disruption due to unfavorable weather conditions, service expansion by other utility service providers, city beautification movement adopted by the local government during the reporting period.
- Difficulty in expansion of network coverage and maintaining quality of services due to unavailability of reliable power grid supply in remote areas.

Sangita Pahadee (Aryal)
Managing Director



- The international and domestic voice business, along with its revenue, is experiencing a negative impact due to OTT applications.
- Adhering to procurement rules and regulations sometimes requires additional time to acquire necessary equipment or services.

Internal:

- Difficulty in service delivery and maintenance mostly in remote areas.

Strategies Initiated by the Management to Solve the Problems and Challenges:

- Establishing modern telecommunication infrastructures for providing quality services in all the areas of Nepal and cater to changing customer needs and demands.
- To gain a competitive advantage, the focus is on offering new fixed and mobile services via 4G/LTE, FTTH, Data Lease service and IoT service, providing customers with quality services at reasonable prices. At the same time, the company has been migrating customers from older technologies to these newer technologies.
- The company has rolled out nationwide 4G/LTE services across all 77 districts to meet the growing demands of customers.
- The company is expanding and reinforcing its backbone networks to ensure reliable services. Additionally, it is collaborating with NTA to expand optical fiber backbone networks through the RTDF grant.
- The company has initiated a regular monitoring process to optimize its existing networks.
- Increasing Value Added Services (VAS) to cater changing customer preferences of telecommunication services.
- Upgradation of billing system for convergence of all the services of the company to provide one stop billing solution to the customers.
- Operating a Customer Relationship Management (CRM) system to enhance customer experience by addressing queries and grievances through call centers, complaint desks, mobile apps, websites, chat boxes, and social media platforms.
- Company has initiated 7 to 7 field support for enhancing customer experience and 24 hours support for core and backbone equipment.
- Offering customer-focused orientation and training sessions to employees to adapt to the competitive business environment.
- Emphasizing the automation of business processes to decrease operational costs and enhance operational efficiency
- Implementing performance-based evaluation of employee and incentives based on their performance.
- Restructuring the organizational structure to align with its business requirements.
- The company has invested in commercially viable horizontal and vertical industries to explore additional sources of revenue.
- The company is executing a migration plan from PSTN/ADSL services to FTTH service, offering voice, data, and IPTV services. Various promotional offers have been initiated to encourage customers to migrate from PSTN/ADSL to FTTH service.
- In collaboration with concerned government agencies, the company has been expanding services to all local government and company has also been focusing on expanding its corporate business.

6. Corporate Governance

- Citizen Charter (Nagarik Badapatra), Employees Code of Conduct, Central level Governance Unit has been in practice in order to strengthen the Corporate Governance in the company.
- The company has been providing necessary and important information to its customers along and other members of the public through its website, frequent media announcements as well as dissemination of the information from its different social media presence in order to maintain transparency.

7. In order to strengthen the internal control mechanism of the Company, a separate Internal Audit and Inspection Department has been established. The department carries out audits of various departments of the company on a continuous manner and makes necessary recommendations to the Audit Committee. Accordingly, the Audit Committee holds regular meetings to implement the recommendations thereof.

8. Declaration by Managing Director on Truthfulness of Information

I, hereby, declare that all the information provided in this document is true, complete and factual and that I take personal responsibility for any deviations thereof. I also declare that the Company's information or data, that assist investors in making informed investment decisions, have not been misstated in any way.

Managing Director
Nepal Doorsanchar Company Limited

Sangita Pahadee (Aryal)
For Managing Director