



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)	46.27	Net worth per share (NPR)	539.51
P/E ratio	18.28	Current Ratio	2.19
Total Assets per share (NPR)	749.93		

C. Related Party Disclosure

- The Company adheres to the requirements of NAS 24 "Related Parties" and other legal obligations regarding the disclosure of related party transactions and balances.
- The Group Financial Statements include Nepal Doorsanchar Company Limited (Parent Company) and Nepal Digital Payments Company Ltd. (Subsidiary Company).
- All transactions between the Company and its subsidiary are executed based on the arm's length principle. The effects of all inter-company transactions and outstanding balances are excluded from the Group Financial Statements.
- The Government of Nepal, which is the principal owner of the company, the employee retirement fund maintained with Citizen Investment Trust (CIT), the Nepal Telecom employee retirement fund managed with Employee Provident Fund, Nepal Bank Limited, Rastriya Banijya Bank Limited, and Agricultural Development Bank Limited, as well as Trishuli Jal Vidhyut Company Limited, Nagarik Stock Dealer Company Ltd., and Upper Tamakoshi Hydropower Ltd., are considered associated companies and related parties of the Company.
- The Board of Directors, Managing Director, other Key Management Personnel, and their relatives are also considered related parties of the Company.
- No transactions between the Company and Key Management Personnel, including the Managing Director, were observed except as prescribed under the Company's regulations.

2. Management Analysis

Amidst a challenging business landscape characterized by intensifying competition in the telecommunications sector and operational constraints arising from global shortages of equipment and goods, Nepal Telecom has managed to deliver satisfactory results through strategic diversification of its products and services, along with a commitment to a 'Service to All' approach in expanding its service coverage.

3. Details Related to Legal Proceedings

In the current reporting period, a total of Eight (8) legal cases have been filed against the company, whereas two (2) legal cases have been initiated by the company against other parties.

4. Analysis of Company's Shares Transactions

The trading of the Company's shares in the capital market has remained stable, supported by investor confidence and analysis of its financial performance. No significant fluctuations in the share price were observed during the period.

The table below presents the Company's share transactions in the capital market for the reported quarter:

• Maximum Share Price	: NPR 916.9
• Minimum Share Price	: NPR 840
• Closing Share Price	: NPR 847
• Total Number of Transactions	: 10,198
• Total Number of Shares Traded	: 850,256
• Total Number of Transaction Days	: 55

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

5. Problems and Challenges

External:

- Market competition, evolving customer behavior leading to lower tariffs, and the introduction of cost-effective packages to maintain competitiveness.
- Subscriber usage has been adversely affected by the ongoing financial difficulties.
- Rapid advancements in telecommunications technology often lead to the obsolescence of existing technologies and equipment.
- A global shift in user behavior from voice services to data and other digital services. Increasing migration of users from mobile data to fixed broadband services.
- Changes in government and regulatory policies directly impacting service tariffs.
- Service disruptions caused by adverse weather conditions, infrastructure works by other utility providers during the reporting period.
- Challenges in network expansion and service quality maintenance due to the lack of a reliable power grid in remote areas.


2072/90/20
Reena Dongol
Managing Director



- Declining revenue from international and domestic voice services due to the growing use of OTT (Over-The-Top) applications.
- Adherence to procurement rules and regulations may result in delays in acquiring essential equipment or services.

Internal:

- Challenges in delivering and maintaining services, especially in remote regions.

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

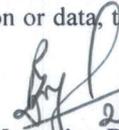
- The Company is committed to establishing modern telecommunication infrastructure across Nepal to deliver high-quality services and address changing customer needs. Nationwide 4G/LTE services have been deployed in all 77 districts, and efforts are underway to migrate customers from legacy PSTN/ADSL services to FTTH, which integrates voice, data, and IPTV services.
- To strengthen competitiveness, the Company continues to introduce new fixed and mobile services such as 4G/LTE, FTTH, data lease, and IoT, offering them at reasonable prices. Promotional offers and customer migration initiatives are being implemented to accelerate adoption of these advanced technologies.
- Expansion and reinforcement of backbone networks are being prioritized to ensure reliable service delivery. In collaboration with the Nepal Telecommunications Authority (NTA), optical fiber backbone networks are being expanded under the RTDF grant program.
- Regular network optimization through enhanced monitoring processes, 7-to-7 field support, and 24-hour technical assistance for core and backbone equipment are in place to maintain and improve service quality, particularly in remote areas.
- To adapt to evolving customer preferences, the Company is expanding its Value Added Services (VAS) portfolio and enhancing its billing system to provide an integrated, one-stop billing solution for all services.
- A Customer Relationship Management (CRM) system is being utilized to improve customer experience through multiple support channels, including call centers, complaint desks, mobile apps, websites, chatbots, and social media.
- To better respond to market dynamics, the Company is investing in business process automation, restructuring its organizational framework, and conducting customer-focused training programs for employees.
- A performance-based evaluation system, including incentives, has been implemented to motivate employees and improve overall service standards.
- The Company has also invested in commercially viable horizontal and vertical sectors to diversify revenue streams. Additionally, it is expanding services to local governments and corporate clients in collaboration with relevant government agencies.

6. Corporate Governance

- The Citizen Charter (Nagarik Badapatra), Employees Code of Conduct, and the Central Level Governance Unit have been implemented to strengthen corporate governance within the company.
 - The company has been providing necessary and important information to its customers, as well as other members of the public, through its website, frequent media announcements, and dissemination of information via its various social media platforms in order to maintain transparency.
7. To strengthen the internal control mechanism of the Company, a separate Internal Audit and Inspection Department has been established. The department conducts audits of various company departments on an ongoing basis and provides necessary recommendations to the Audit Committee. Accordingly, the Audit Committee holds regular meetings to implement these recommendations.

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.


2072/190/20

For Managing Director
Nepal Doorsanchar Company Limited

Reena Dongol
For Managing Director