



NEPAL DOORSANCHAR COMPANY LTD.
RELATED TO SUB-REGULATION (1) OF REGULATION (26) OF SECURITIES REGISTRATION
AND ISSUE REGULATIONS, 2073
Report: 4th Quarter of F.Y. 2075/76 (2018/19)

1. Financial Statements

The Financial Statements for 4th Quarter of F.Y. 2075/76 has been shown in Schedule -1.

2. Management Analysis

Despite the challenging business environment in terms of competitive telecom landscape as well as increase in competition and operating expenses, Nepal Telecom has managed to record a noteworthy growth in performance by expanding its products/ services. It has adequate facilities in place and robust cash flows to meet its liquidity requirements for executing its business plans and meeting with any evolving requirements.

3. Details Related to Legal Proceedings

In the current period, there has been 6 (six) legal cases registered against the company and 1 (one) legal case registered 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 for the period of 4th Quarter of F.Y. 2075/76 (2018/19):

Maximum Share Price	: Rs. 754
Minimum Share Price	: Rs. 675
Last Share Price	: Rs. 693
Total Number of Transactions	: 2584
Total Number of Shares Traded	: 713,753
Total Number of Transaction Days	: 64

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

5. Problems and Challenges

External:

- Market Competition
- Rapid Development and advancement in telecom technologies
- Illegal Transactions in International Calls
- Changes in Tastes & Preferences of Customers
- Customers' expectation of services
- Slow growth of labour migration in key employment destinations.

Internal:

- Change in the work style of employees
- Lengthy deployment time for expansion projects affecting improvement in quality of services.
- Delay in service deliveries and maintenance.

Strategies Initiated by Management to Solve the Problems and Challenges:

- Establishing Modern Telecommunication Infrastructures for providing quality services in all the areas of Nepal.
- In order to gain competitive advantage over competitors, focus has been on new technologies such as GSM (4G, 3G), FTTH, NGN, IP CDMA, EVDO & Wi-Max, for providing customers with adequate services at affordable prices.
- Increasing Value Added Services (VAS) to cater the service expectation of the customers.
- Installation of additional and new equipments of GSM and CDMA wireless services in order to cater the need created by the state restructuring and several districts of Terai Region uncovered in existing network. Initiation of regular process for monitoring and optimization of existing networks of the company.
- Initiation for introducing Strategic Partner to contribute in long term Shareholders' Wealth Maximization.
- Implementing Convergent Real Time Billing (CRTB) system for convergence of all the services of the company in order to provide one stop billing charging solution to valued customers.
- Establishing the technology related Customer Relationship Management (CRM) in order to solve the customer queries and grievances through Call Centers, Complain Desk.
- Identification of possible areas and implementation of outsourcing mechanism of job performance on regular basis to increase the efficiency as well as effectiveness of the services provided by the company, as per necessity.
- Providing counseling/ trainings to employees with customer focus to adopt in competitive business environment.
- Introduction of well-facilitated "Customer Experience Centre" where the customers can test the services of the company before purchasing them. This is expected to enhance the image of the company and to establish a distinct way of achieving customers' satisfaction.
- Planning to introduce Enterprise Risk Management and Revenue Assurance technologies.

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.
- Company has been providing necessary and important information to its customers along with other public through its website as well as frequent media announcements in order to maintain transparency.
- 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 analyze the recommendations and bring about necessary changes.

7. 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 to 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