

**TREND AND PATTERN OF NEPAL TELECOM ON  
GOVERNMENT REVENUE OF NEPAL**

A Thesis  
Submitted to the Department of Economics,  
Faculty of Humanities and Social Sciences of Tribhuvan University,  
in the partial fulfillment of the Requirements for the Degree of  
MASTERS OF ARTS  
in  
ECONOMICS

Submitted by  
PRAKASH REGMI  
Department of Economics  
Prithivi Narayan Campus, Pokhara  
Tribhuvan University

March, 2018

## LETTER OF RECOMMENDATION

This thesis entitled “*Trend and Pattern of Nepal Telecom on Government Revenue of Nepal*” is prepared by Prakash Regmi under my supervision. I hereby recommend this thesis for approval by the thesis committee.

Date: 26<sup>th</sup> March 2018

.....  
Prof. Deo Narayan Sutihar  
Thesis Supervisor

## APPROVAL LETTER

We certify that the thesis entitled “*Trend and Pattern of Nepal Telecom on Government Revenue of Nepal*” submitted by Prakash Regmi to Department of Economics, Prithivi Narayan Campus, Pokhara, Faculty of Humanities and Social Sciences, Tribhuvan University, in partial fulfillment of the requirements for the degree of *MASTER OF ARTS* in *ECONOMICS* has been found satisfactory in scope and quality. Therefore, we accept this thesis as a part of said Degree.

Thesis Committee

.....

Prof. Deo Narayan Sutihar

Head,

Department of Economics

.....

External Examiner

.....

Prof. Deo Narayan Sutihar

Thesis Supervisor

Date: 29<sup>th</sup> March, 2018

## Acknowledgements

This thesis report entitled “*Trend and Pattern of Nepal Telecom on Government Revenue of Nepal*” has been prepared under research methodology as partial fulfillment of Master of Arts under programs of Faculty of Humanities and Social Sciences of Tribhuban University, with the completion of this report, my greatest debt to thesis supervisor Prof. Deo Narayan Sutihar, Faculty of Economics, Prithivi Narayan Campus, Pokhara.

This report would not have been completed without the incredible amount of help and support I received from different groups of people. I would like to thank all of you for helping me to complete this report.

Finally, I would like to extend my sincere thanks to Nepal Telecom (NTC), Inland Revenue Department and to my friends for helping and giving continuous support throughout this research. I extend my sincere gratitude to all individuals who gave me their valuable inputs in this thesis work.

.....

Prakash Regmi

Campus Roll No. 02/068

Exam Roll No. 480335

T.U. Regd.No. 6-1-53-298-2002

Date: 26<sup>th</sup> March, 2018

## TABLE OF CONTANTS

ACKNOWLEDGMENTNS .....	iv
LIST OF TABLE .....	vii
LIST OF FIGURE .....	viii
LIST OF ACRONYMS .....	ix
CHAPTER 1. INTRODUCTION .....	1
1.1 Background of the Study .....	1
1.2 Statement of the problem .....	15
1.3 Objectives of the Study .....	16
1.4 Significance of the Study .....	16
1.5 Limitations of the Study .....	17
1.6 Organization of the Study .....	17
CHAPTER 2. REVIEW OF THE LITERATURE .....	19
2.1 Introduction .....	19
2.2 Theoretical Concept .....	19
2.3 Review of Related Studies .....	21
2.4 Research Gap .....	41
CHAPTER 3. METHODOLOGY .....	42
3.1 Theoretical Framework .....	42
3.2 Research Design .....	42
3.3 Source of Data .....	43
3.4 Data Collection Procedure .....	43

CHAPTER 4. DATA ANALYSIS .....	44
4.1 Trend and Structure of Government	
Revenue in Nepal .....	44
4.2 Financial Trend of NTC .....	54
4.3 Earning Trend of NTC .....	56
4.4 Tax Trend of NTC .....	57
4.5 Trend and Contribution of NTC in	
Government Revenue .....	59
 CHAPTER 5. SUMMARY AND CONSLUSIONS .....	 76
5.1 Summary .....	76
5.2 Conclusions .....	79
5.3 Recommendations .....	81
 BIBLOGRAPHY.....	 84

## **LIST OF TABLES**

4.1 Structure of Government Income in Nepal	45
4.2 Structure of Government Revenue in Nepal	46
4.3 Tax Revenue as Percentage of GDP	50
4.4 Composition of Tax and Non Tax Revenue in Nepal	52
4.5 Statement of financial position of NTC	54
4.6 Statement of Profit or Loss of NTC	55
4.7 Total Revenue, Total Profit & Net Profit Ratio of Nepal Telecom	56
4.8 Tax trend of NTC	57
4.9 Subscription of Voice Telephony Service	60
4.10 Data/Internet Services	61
4.11 The Shareholding Pattern of the company	63
4.12 Contribution of NTC to GDP of Nepal	63
4.13 Composition of revenue of NTC to Government Revenue	65
4.14 Contribution of NTC to Government Revenue of Nepal	67
4.15 Contribution of Tax Revenue from NTC to Tax Revenue	69
4.16 Contribution of Non Tax Revenue from NTC to Non Tax Revenue of Nepal	71

## **LIST OF FIGURES**

4.1 Tax Revenue as Percentage of GDP	51
4.2 Composition of Tax and Non Tax Revenue in Nepal	53
4.3 Total Revenue & Total Profit of Nepal Telecom	57
4.4 Market Share of NTC (Data)	61
4.5 Market Share of NTC (Telephone)	62
4.6 Contribution of NTC to GDP of Nepal	64
4.7 Percentage of Tax and Non-tax Revenue Contribution from NTC	66
4.8 Revenue from NTC as % of Government Revenue	68
4.9 Contribution of Tax Revenue from NTC to Tax Revenue of Nepal	70
4.10 Contribution of Non Tax Revenue from NTC to Total Non Tax Revenue of Nepal	72
4.11 Contribution to GDP and Government Revenue	73



## LIST OF ACRONYMS

<b>B.S.</b>	:	Bikram Sambat
<b>F/Y</b>	:	Fiscal Year
<b>GDP</b>	:	Gross Domestic Product
<b>IT</b>	:	Income Tax
<b>NTC</b>	:	Nepal Telecom
<b>Rs.</b>	:	Rupees
<b>TA</b>	:	Tax Administrator
<b>IRD</b>	:	Inland Revenue Department
<b>TU</b>	:	Tribhuvan University
<b>VAT</b>	:	Value Added Tax
<b>GON</b>	:	Government of Nepal
<b>TDS</b>	:	Tax Deducted at Source
<b>PAN</b>	:	Permanent Account Number