



Revenue Collection in Nepal Telecom and strengthening it in future

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Nepal Telecom generates its revenue by providing different types of services like Basic fixed line services, GSM Mobile, Internet, Lease line etc. Apart from these the source which generates significant revenue for the company is international settlements. As the organization is growing more and more, our way of collecting revenue and attention required towards this will be different in order to avoid defaults. Nepal Telecom, due to its nature of business, has to transact with significant number of customers in addition to dealing with foreign carriers for its international sharing revenue.

Revenue collection is always a much contemplated topic in our company. If we review the following data related to annual revenue and annual cash collection of past few years, it is satisfying considering the defaults of dues in other businesses in our country.

Data relating to total revenue of Nepal Telecom and cash collection of last four years

(Figures in Rupees '000)

| Financial Year | Audited/Unaudited | Revenue(Rs) | Cash Collection(Rs) | Cash/Revenue(%) |
|----------------|-------------------|-------------|---------------------|-----------------|
| F. Y. 2057/58 | Audited | 5,487,308 | 6,775,016 | 123.46 |
| F. Y. 2058/59 | Audited | 6,156,022 | 5,798,062 | 94.18 |
| F. Y. 2059/60 | Audited | 7,208,087 | 7,000,102 | 97.11 |
| F. Y. 2060/61 | Unaudited | 8,107,806 | 8,475,654 | 104.53 |

In Nepal Telecom, standard Cash Collection/Revenue ratio has been taken as 98% though some portion of cash collected during the year may pertain to previous years. In above presented data, we analyze why the actual cash/revenue percentage fluctuated from the standard.

Year 2057/58

PSTN cash collection ratio was around 94% and New services (Mobile, internet) cash collection ratio was around 80%. But in that year international sharing revenue realized Rs227 crore as against that year's annual revenue of 67 crore and which was mainly due

to realization of old dues from foreign carriers.

Year 2058/59

In this year PSTN's cash collection ratio improved to 104% due to tremendous efforts put by different regional directorates in blacklisting of defaulters and disconnection of lines. New services cash collection ratio also improved to 95% but this year there was again a downfall in international sharing revenue collection which performed mere 48% of the annual revenue.

Year 2059/60

In this year also PSTN performed well and New services performing very well not only in its cash but also tremendous increase in its annual revenue. Also traffic revenue increased but still not at par with what

has increased in traffic revenue.

Year 2060/61

In this year also both PSTN and New services performing almost at par with the standard but this year certainly belongs to international sharing revenue collection which was around 200 Crore rupees.

Last few years data suggest that the collection is performing almost at par with the annual revenue. But still we need to be vigilant on our collection daily, weekly, monthly and four monthly basis and some extra attention needs to be given to international revenue collection process.



If we analyze our collection process then we can divide our collection in two different ways

(i) Collection at our counters

In smaller exchanges collection is being done manually but in almost 50 places collection of cash has been done through online cash collection process which has far better efficiency than manual cash collection. For the sake of increasing efficiency Nepal Telecom is collecting its revenues online in exchanges having lines more than 1000.

(ii) Collection through the banks

Now Nepal Telecom has started collecting its revenue through the banks also. Like in Mobile's case Nepal Investment Bank, Bank of Kathmandu, Kumari Bank are collecting our revenue through their counters. As a result subscribers are able to pay their dues at their nearest bank's counters as per their convenience.

Similarly also in PSTN's case herein Kathmandu Valley, already Bank of Kathmandu, Laxmi Bank are collecting the revenues for Nepal Telecom. And in near future few other banks will also be participating in PSTN's revenue collection process.

Likewise in 50 places different banks visit our company premises to collect the cash. And these banks are providing interest in the range of 2.50 to 4.25 percent per annum.

Few areas which deserve appreciation in our collection strategy is establishment of advance payment facility, weekly bill paying facility for high paying

subscribers, anywhere payment in Kathmandu valley, introduction of token system at our counters.

The area which always deserve special attention is international settlements. This of course requires continuous monitoring of carrier's accounts, regular follow up, frequent bilateral visits, timely fixation and revision of TAR & dispute management in traffic details.

Collection efforts of Nepal Telecom can be better seen from the following table which reflects how the cash and Bank balances have improved in last few years.

| | | | | |
|----------------------|----------------------------|----------------------------|----------------------------|------------------------------|
| Cash & Bank Balances | As on 31.03.2058 (Audited) | As on 31.03.2059 (Audited) | As on 31.03.2060 (Audited) | As on 31.03.2061 (Unaudited) |
| (In Rupees) | 7,062,789,272 | 8,242,138,736 | 10,097,737,590 | 11,818,968,272 |

In future, considering the growth, we foresee, of our company some improvements may be needed in this area. Concept of Anywhere payment will be needed not only in Kathmandu valley but also throughout the kingdom. Subscribers should be able to make E-payment sitting at home. Introduction of prepaid schemes like Prepaid Mobile, Prepaid calling card need to be continued and further introduction of prepaid schemes in CDMA connections, expansion of Intelligent Network based services are always desirable in the years to come. High paying subscribers deserve special treatment, extended hours of collection at our office counters, Pleasant atmosphere at our counters, establishment of information desk at our counters may be some of the areas which will certainly facilitate our revenue collection process.

What is Bluetooth ?

Bluetooth is a technology that connects electronic devices—from camcorders to PDAs to computers—without using wires. A Bluetooth device uses radio signals to send information from one Bluetooth device to another through the air. For example, if you are trying to transfer a PC's address book to a PDA, first the data in an address book is translated into a language that the PDA can understand by a conduit. The data goes through the conduit to

the Bluetooth device. The Bluetooth device is made up of a base-band processor, a radio, and an antenna. The base-band processor transfers the data into signals that the radio can understand, and the radio puts out signals in a frequency (2.4 gigahertz) that the antenna transmits through the air to another antenna on another Bluetooth device within 30-feet. The other device receives the data and processes it in the reverse order.