

MABS & J Partners

Chartered Accountants

Member firm of Nexia International, UK

**Auditor's Report and Financial Statements
Of
Bangladesh Telecommunication Regulatory Commission
(BTRC)
For the year ended 30 June 2018**



INDEPENDENT AUDITORS' REPORT
TO THE BOARD
OF
BANGLADESH TELECOMMUNICATION REGULATORY COMMISSION
(BTRC)

We have audited the accompanying Financial Statements of **Bangladesh Telecommunication Regulatory Commission (BTRC)** which comprise the Statement of Financial Position as at 30 June 2018, the Statement of Income and Expenditure and the Statement of Cash Flows for the year ended 30 June 2018 and a summary of significant accounting policies and other explanatory notes and annexures thereto.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with Section 21 and 27 of the Bangladesh Telecommunication Act, 2001 (Act no. XVIII of 2001) as amended on 1st August 2010, Generally Accepted Accounting Principles (GAAP), Bangladesh Financial Reporting Standards (BFRSs), the relevant circulars issued by the Commission and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of **Bangladesh Telecommunication Regulatory Commission (BTRC)** as at 30 June 2018 and of its financial performance and its cash flows for the year then ended in accordance of Section 27 of the Bangladesh Telecommunication Act, 2001 (Act no. XVIII of 2001) as amended on 1st August 2010, Generally Accepted Accounting Principles (GAAP), Bangladesh Financial Reporting Standards (BFRSs) and the relevant circulars issued by the Commission

Report on Other Legal and Regulatory Requirements

In accordance with Section 27 of the Bangladesh Telecommunication Regulatory Commission Act, 2001 (Act No. XVIII of 2001) as amended on 1st August 2010 and the relevant circulars issued by the Commission, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by law have been kept by the Commission so far as it appeared from our examination of those books; and
- c) The Commission's Statement of Financial Position and Statement of Income and Expenditure dealt with the report are in agreement with the books of accounts.

Place: Dhaka
Dated: 25 November 2018

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Bangladesh Telecommunication Regulatory Commission (BTRC)

Statement of Financial Position

As at 30 June 2018

Particulars	Notes	Amount in Taka	
		30.06.2018	30.06.2017
Assets			
Non-current assets:			
Property, Plant and Equipment	4.00	35,533,114,397	426,802,728
SRCB-IDA Credit 3790-BD		71,918,554	44,798,336
Projects Assets (IDA PART)	4.01	308,377,682	382,004,391
Satellite System		35,152,818,161	-
Current Assets:			
Advances, Deposits and Pre-payments	5.00	53,833,814,305.25	22,885,386,660
Receivable from Operators	5.01	40,366,833	58,997,449
Other Receivables	5.02	6,312,814,382	5,810,547,733
Cash and Bank Balances	5.03	4,851,512	1,277,490
	5.04	47,475,781,578	17,014,563,988
Total Assets		89,366,928,702	23,312,189,388
Fund and Liabilities:			
Project Fund:			
Project (SRCB-IDA 3790-BD) Fund	6.00	8,057,967,445	455,631,100
Satellite Launching Project		455,631,100	455,631,100
		7,602,336,345	
Fund Account:			
Benevolent Reserve Fund	7.00	885,657,760	101,153,841
Gratuity Fund	7.01	1,678,301	1,297,579
Group Insurance Fund	7.02	74,893,361	52,836,017
Pension Fund	7.03	58,734,536	47,020,245
	7.04	750,351,562	-
Current Liabilities:			
Sundry Creditors	8.00	53,166,229,406	22,755,404,447
Payable to GOB Consolidated Fund	8.01	102,443,642	180,397,087
	8.02	53,063,785,764	22,575,007,360
Non-Current Liabilities:			
Long term loan from HSBC		27,257,074,092	-
Total Fund and Liabilities		89,366,928,702	23,312,189,388

The annexed notes form an integral part of these financial statements.

Md. Delowar Hossain
Deputy Director

Ashis Kumar Kundu
Director

Md. Rezaul Quader
Commissioner

Md. Jahurul Haque
Chairman

Place: Dhaka
Dated: 25 November 2018

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Bangladesh Telecommunication Regulatory Commission (BTRC)
Statement of Income and Expenditure
For the year ended 30 June 2018

Particulars	Notes	Amount in Taka	
		FY 2017-2018	FY 2016-2017
Income:			
Fees and charges	9.00	63,008,352,074	38,889,549,755
Administrative fines and late fees	10.00	436,496,072	453,505,341
Merger Fees-Mobile Operator			900,000,000
Finance income	11.00	987,030,822	419,019,776
Other income	12.00	21,760,769	2,724,721
Total Income (A)		64,453,639,738	40,664,799,593
Expenditure:			
Salary and benefits	13.00	195,197,850	185,850,790
Provident fund revenue expenses	14.00	12,623,296	15,055,431
Communication expenses		9,918,390	7,684,797
Legal expenses		9,543,506	16,145,909
Rents (Office and Accommodation)	15.00	79,071,600	67,919,016
Repairs and maintenance	16.00	6,702,357	6,463,398
Traveling expenses	17.00	35,286,657	32,322,596
Fuel expense (Petrol and CNG)	18.00	7,886,800	8,740,062
Electricity, Water and Gas	19.00	4,839,296	6,503,324
Administrative expenses	20.00	97,642,334	194,351,128
Satellite preparatory project	21.00	156,673,428	122,063,222
Training expenses	22.00	4,485,517	2,530,393
Printing & publication and stationery	23.00	3,179,460	2,980,206
Vehicle registration, insurance & tax expenses		1,894,215	1,412,694
Seminar and workshop		10,175,879	7,105,503
Computer software expenses		3,083,670	2,130,044
Depreciation expenses	4.00	7,749,251	10,703,480
Depreciation expense: SRCB IDA Project	4.01	73,626,709	73,626,709
Gratuity expenses		20,000,000	10,000,000
Recreation allowances/ entertainment		1,901,630	3,325,230
Pension Expenses		750,000,000	
Bank charges		307,763	486,648
Advertisement & publicity expenses		2,675,383	2,921,233
Map Purchase		673,750	
Miscellaneous expenses		568,134	707,297
Total Expenditure (B)		1,495,706,875	781,029,110
Excess of income over expenditure transferred to GOB consolidated fund account (A-B)		62,957,932,863	39,883,770,483
		64,453,639,738	40,664,799,593

The annexed notes form an integral part of these financial statements.

Md. Delowar Hossain
Deputy Director

Ashis Kumar Kundu
Director

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Md. Jahurul Haque
Chairman

Place: Dhaka
Dated: 25 November 2018

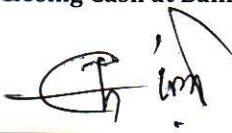
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Bangladesh Telecommunication Regulatory Commission (BTRC)

Statement of Cash Flows

For the year ended 30 June 2018

Particulars	Amount in Taka	
	FY 2017-2018	FY 2016-2017
Cash Flows from Operating Activities:		
Excess of Income over Expenditure	62,957,932,863	39,883,770,483
Adjustment for:		
Depreciation Expenses	81,375,960	84,330,189
	63,039,308,823	39,968,100,672
Changes in:		
Receivables from operators	(502,266,649)	355,899,098
Other Receivables	(3,574,022)	49,844
Advances, Deposits and Pre-payments	18,630,616	(45,841,577)
Sundry Creditors	(77,953,445)	131,363,504
Project (SRCB-IDA 3790-BD) Fund	-	-
Benevolent Reserve Fund	380,722	380,331
Pension Fund	750,351,562	-
Gratuity Fund	22,057,344	11,780,758
Group Insurance Fund	11,714,291	6,587,145
Cash generated from Operating Activities	219,340,419	460,219,103
A. Net Cash from Operating Activities	63,258,649,242	40,428,319,775
Cash Flows from Investing Activities:		
Acquisition of Furniture & Fixture	(809,231)	834,140
Acquisition of Office Equipment	(2,770,696)	541,212
Acquisition of Computer & Printer	(2,889,408)	3,240,674
Acquisition of Office Decoration	(564,880)	-
Acquisition of LAN Network Equipment	(376,000)	-
Telecom Equipment	(15,139,253)	-
Vehicles	(12,320,000)	-
Satellite System	(293,407,725)	-
B. Net Cash Used in Investing Activities	(328,277,193)	(4,616,026)
Cash Flows from Financing activities:		
Fund Transferred to GOB Accounts	(32,469,154,458)	(42,884,897,136)
C. Net Cash used in Financing Activities	(32,469,154,458)	(42,884,897,136)
D. Net increase/(decreas) in Cash at Bank Balances (A+B+C)	30,461,217,590	(2,461,193,387)
Opening Cash and Bank Balances	17,014,563,988	19,475,757,375
F. Closing Cash at Bank Balances (D+E)	47,475,781,578	17,014,563,988


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