

MABS & J Partners

Chartered Accountants

Member firm of Nexia International, UK

**Independent Auditors' Report and
Audited Financial Statements
Of
Bangladesh Telecommunication Regulatory Commission
(BTRC)
For the year ended 30 June 2019**



**INDEPENDENT AUDITORS' REPORT
TO THE BOARD**

**OF
BANGLADESH TELECOMMUNICATION REGULATORY COMMISSION
(BTRC)**

Opinion

We have audited the accompanying financial statements of **Bangladesh Telecommunication Regulatory Commission (BTRC)** which comprise the Statement of Financial Position as at 30 June 2019, the Statement of Income and Expenditure and the Statement of Cash Flows for the year ended 30 June 2019 and a summary of significant accounting policies and other explanatory notes and annexures thereto.

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 2019 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), International Financial Reporting Standards (IFRSs) and the relevant circulars issued by the Commission.

Basis for Opinion:

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Commission in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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), International Financial Reporting Standards (IFRSs), 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.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Commission either intends to liquidate or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company's to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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.

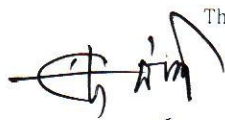
Place: Dhaka
Dated: 29 February 2020


MABS & J Partners
Chartered Accountants

Bangladesh Telecommunication Regulatory Commission (BTRC)
Statement of Financial Position
As at 30 June 2019


Particulars	Notes	Amount in BDT.	
		30.06.2019	30.06.2018
Assets			
Non-current assets:		26,978,225,097	35,533,114,397
Property, Plant and Equipment	4.00	85,576,243	71,918,554
SRCB-IDA Credit 3790-BD			
Projects Assets (IDA PART)	4.01	234,750,973	308,377,682
Satellite System		26,657,897,881	35,152,818,161
Current Assets:		5,488,974,400	53,833,814,305
Advances, Deposits and Pre-payments	5.00	20,046,631	40,366,833
Receivable from Operators	5.01	3,151,583,810	6,312,814,382
Other Receivables	5.02	4,002,678	4,851,512
Cash and Bank Balances	5.03	2,313,341,282	47,475,781,578
Total Assets	5.04	32,467,199,497	89,366,928,702
Fund and Liabilities:			
Project Fund:		12,893,919,328	8,057,967,445
Project (SRCB-IDA 3790-BD) Fund	6.00	455,631,100	455,631,100
Satellite Launching Project		12,438,288,228	7,602,336,345
Fund Account:		1,713,108,274	885,657,760
Benevolent Reserve Fund	7.00	1,901,008	1,678,301
Gratuity Fund	7.01	107,177,686	74,893,361
Group Insurance Fund	7.02	80,853,685	58,734,536
Pension Fund	7.03	1,029,192,031	750,351,562
Capital Expenditure Fund	7.04	493,983,865	
Current Liabilities:		4,269,849,992	53,166,229,406
Sundry Creditors	8.00	97,893,118	102,443,642
Payable to GOB Consolidated Fund	8.01	4,171,956,875	53,063,785,764
Non-Current Liabilities:			
Long term loan from HSBC	8.02	13,590,321,903	27,257,074,092
Total Fund and Liabilities	9.00	32,467,199,497	89,366,928,702

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


Md. Delowar Hossain
Deputy Director


Ashis Kumar Kundu
Director


Subrata Roy Mitra
Vice Chairman


Md. Jahurul Haque
Chairman

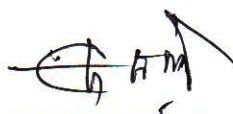
Place: Dhaka
Dated: 29 February 2020


MABS & J Partners
Chartered Accountants

Bangladesh Telecommunication Regulatory Commission (BTRC)
Statement of Income and Expenditure
For the year ended 30 June 2019

Particulars	Notes	Amount in Taka	
		FY 2018-2019	FY 2017-2018
Income:			
Fees and charges	9.00	29,936,449,183	63,008,352,074
Administrative fines and late fees	10.00	252,588,088	436,496,072
Merger Fees-Mobile Operator			
Finance income	11.00	365,871,101	987,030,822
Other income	12.00	33,928,972	21,760,769
Total Income (A)		30,588,837,344	64,453,639,738
Expenditure:			
Salary and benefits	13.00	208,274,711	195,197,850
Provident fund revenue expenses	14.00	14,745,975	12,623,296
Communication expenses		8,601,977	9,918,390
Legal expenses		14,494,891	9,543,506
Rents (Office and Accommodation)		78,211,983	79,071,600
Repairs and maintenance	15.00	5,561,341	6,702,357
Traveling expenses	16.00	40,616,815	35,286,657
Fuel expense (Petrol and CNG)	17.00	7,816,880	7,886,800
Electricity, Water and Gas	18.00	4,677,320	4,839,296
Administrative expenses	19.00	126,201,205	97,642,334
Satellite preparatory project	20.00	95,577,979	156,673,428
Training expenses	21.00	2,440,081	4,485,517
Printing & publication and stationery	22.00	4,451,236	3,179,460
Vehicle registration, insurance & tax expenses		2,384,773	1,894,215
Seminar and workshop		15,157,132	10,175,879
Computer software expenses		1,198,067	3,083,670
Depreciation expenses	4.00	12,055,499	7,749,251
Depreciation expense: SRCB IDA Project	4.01	73,626,709	73,626,709
Depreciation: Satellite Asset	4.02	1,190,220,970	
Gratuity expenses		30,000,000	20,000,000
Recreation allowances		1,145,140	1,901,630
Pension Expenses		250,000,000	750,000,000
Bank charges		210,409	307,763
Satellite Revenue Expense		455,514,449	
Advertisement & publicity expenses		1,606,683	2,675,383
Map Purchase		1,459,056	673,750
Miscellaneous expenses		775,419	568,134
Total Expenditure (B)		2,647,026,699	1,495,706,875
Excess of income over expenditure transferred to GOB consolidated fund account (A-B)		27,941,810,645	62,957,932,863
		30,588,837,344	64,453,639,738
Amount transferred to GOB Consolidated Fund Account:			
Excess of income over expenditure		27,941,810,645	62,957,932,863
Depreciation on Satellite Asset		1,190,220,970	
Total amount transferred to GOB Consolidated Fund Account		29,132,031,615	62,957,932,863

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


Md. Delowar Hossain
Deputy Director


Ashis Kumar Kundu
Director


Subrata Roy Mitra
Vice Chairman


Md. Jahurul Haque
Chairman

Place: Dhaka
Dated: 29 February 2020


MABS & J Partners
Chartered Accountants


Bangladesh Telecommunication Regulatory Commission (BTRC)
Statement of Cash Flows
For the year ended 30 June 2019

Particulars	Amount in Taka	
	FY 2018-2019	FY 2017-2018
Cash Flows from Operating Activities:		
Excess of Income over Expenditure	27,941,810,645	62,957,932,863
Adjustment for:		
Exchange Loss-HSBC Loan	232,807,215	
Depreciation Expense	1,275,903,177	81,375,960
	29,450,521,038	63,039,308,823
Changes in:		
Receivables from operators	3,161,230,573	(502,266,649)
Other Receivables	848,834	(3,574,022)
Advances, Deposits and Pre-payments	20,320,203	18,630,616
Sundry Creditors	(4,550,524)	(77,953,445)
Project (SRCB-IDA 3790-BD) Fund	-	-
Benevolent Reserve Fund	222,707	380,722
Pension Fund	278,840,469	750,351,562
Gratuity Fund	32,284,325	22,057,344
Group Insurance Fund	22,119,149	11,714,291
Cash generated from Operating Activities	3,511,315,735	219,340,419
A. Net Cash from Operating Activities	32,961,836,773	63,258,649,242
Cash Flows from Investing Activities:		
Acquisition of Furniture & Fixture	(1,393,397)	(809,231)
Acquisition of Office Equipment	(1,876,474)	(2,770,696)
Acquisition of Computer & Printer	(3,824,491)	(2,889,408)
Acquisition of Office Decoration	-	(564,880)
Acquisition of LAN Network Equipment	(676,925)	(376,000)
Telecom Equipment	(18,002,442)	(15,139,253)
Vehicles	-	(12,320,000)
Fire Extinguisher	(58,980)	
Reimbursement of overpayment on acquisition of Telecom Equipment	119,523	
Satellite System	(88,962,653)	(293,407,725)
B. Net Cash Used in Investing Activities	(114,675,839)	(328,277,193)
Cash Flows from Financing activities:		
Repayment of Long Term HSBC Loan	(1,669,945,559)	
Fund Transferred to GOB Accounts	(76,339,655,670)	(32,469,154,458)
C. Net Cash used in Financing Activities	(78,009,601,228)	(32,469,154,458)
D. Net increase/(decreas) in Cash at Bank Balances (A+B+C)	(45,162,440,295)	30,461,217,590
Opening Cash and Bank Balances	47,475,781,578	17,014,563,988
F. Closing Cash at Bank Balances (D+E)	2,313,341,283	47,475,781,578


Md. Delowar Hossain
Deputy Director


Ashis Kumar Kundu
Director


Subrata Roy Mitra
Vice Chairman


Md. Jahurul Haque
Chairman

Place: Dhaka
Dated: 29 February 2020


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