

PRIVATE & CONFIDENTIAL



S.R. ISLAM & CO.

CHARTERED ACCOUNTANTS

**Auditor's Report and Financial Statements
Of
Bangladesh Telecommunication Regulatory Commission
(BTRC)
For the year ended 30 June 2020**

REGISTERED OFFICE ADDRESS :

3B, PURANA PALTAN, (2ND FLOOR), SUITE : 301, 302 & 305, NAVANA MUKHLES MONARCH SHOPPING COMPLEX, DHAKA-1000
Phone : +88-02-57160573, +88-02-57160574, Cell : +88 01814 644444, +88 01670 044444, +88 01964 888111
E-mail : srislamnco@gmail.com, audit_bg@yahoo.com
www.srislam.com

**Independent Auditors' Report
To the Board of Commission
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 2020 and Statement of Income and Expenditure and the statement of Cash Flow for the year ended 30 June 2020 and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of **Bangladesh Telecommunication Regulatory Commission (BTRC)** as on 30 June 2020 and of its Statement of Income and Expenditure for the year then ended in accordance with Generally Accepted Accounting Principles in Bangladesh.

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.

Basis of accounting and restriction on distribution and use

The statements of accounts are prepared for internal use and record and also to provide information to Bangladesh Income Tax Authority. As a result, the statements of accounts may not be suitable for any other purpose. Our report is intended solely for the commission and members of **Bangladesh Telecommunication Regulatory Commission (BTRC)** and should not be distributed to or used by other party.

Responsibilities of Management and those Charged with Governance 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), 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 Statement that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company'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 Company'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.

Dhaka, Bangladesh
Dated: 22 October 2020

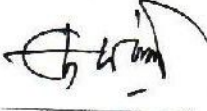
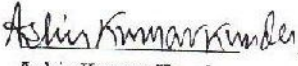



S.R. Islam & Co.
Chartered Accountants



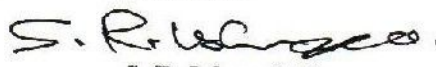
Bangladesh Telecommunication Regulatory Commission (BTRC)
Statement of Financial Position
As at 30 June 2020

Particulars	Notes	Amount in BDT.	
		30.06.2020	30.06.2019
Assets			
Non-current assets:		25,069,037,366	26,978,225,097
Property, Plant and Equipment	4.00	106,556,477	85,576,243
SRCB-IDA Credit 3790-BD			
Projects Assets (IDA PART)	5.00	161,124,265	234,750,973
Bangabandhu Satellite System	6.00	24,801,356,624	26,657,897,881
Current Assets:		4,092,433,043	5,488,974,400
Advances, Deposits and Pre-payments	7.00	12,524,368	20,046,631
Receivable from Operators	8.00	149,820	3,151,583,810
Other Receivables	9.00	4,002,678	4,002,678
Cash and Cash Equivalents	10.00	4,075,756,177	2,313,341,282
Total Assets		29,161,470,409	32,467,199,497
Fund and Liabilities:			
Project Fund:		12,893,919,328	12,893,919,328
Project (SRCB-IDA 3790-BD) Fund	11.00	455,631,100	455,631,100
Satellite Launching Project		12,438,288,228	12,438,288,228
Fund Account:		3,849,703,761	1,713,108,274
Benevolent Reserve Fund	12.00		
Gratuity Fund	13.00	2,436,322	1,901,008
Group Insurance Fund	14.00	142,342,341	107,177,686
Pension Fund	15.00	104,546,794	80,853,685
Leave Encashment Reserve Fund	16.00	1,584,989,227	1,029,192,031
Capital Expenditure Fund	17.00	19,449,549	-
	18.00	1,995,939,529	493,983,865
Current Liabilities:		634,916,959	4,269,849,992
Account Payable	19.00	97,230,844	97,367,285
Accrued Expenses	20.00	1,937,032	525,862
Payable to GOB Consolidated Fund	21.00	535,749,084	4,171,956,875
Non-Current Liabilities:			
Long term loan from HSBC	22.00	11,782,930,361	13,590,321,903
Total Fund and Liabilities		29,161,470,409	32,467,199,497

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

			
Md. Delowar Hossain Deputy Director	Ashis Kumar Kundu Director	Subrata Roy Maitra Vice Chairman	Md. Jahurul Haque Chairman

Place: Dhaka
Dated: 22 October, 2020

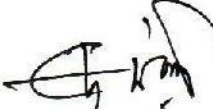

S. R. Islam & Co.
Chartered Accountants



Bangladesh Telecommunication Regulatory Commission (BTRC)
Statement of Income and Expenditure
For the year ended 30 June 2020


Particulars	Notes	Amount in Taka	
		FY 2019-2020	FY 2018-2019
Income:			
Fees and charges	23.00	25,557,409,044	29,936,449,183
Administrative fines and late fees	24.00	171,505,073	252,588,088
Audit Finding Revenue	24.00	21,380,000,000	-
Finance income	25.00	88,823,673	365,871,101
Other income	26.00	437,852	33,928,972
Total Income (A)		47,198,175,642	30,588,837,344
Expenditure:			
Salary and benefits	27.00	234,845,748	208,274,711
Provident fund revenue expenses	28.00	18,152,387	14,745,975
Repairs and maintenance	29.00	4,815,461	5,561,341
Traveling expenses	30.00	24,757,680	40,616,815
Fuel expense (Petrol and CNG)	31.00	6,291,918	7,816,880
Electricity, Water and Gas	32.00	8,250,872	4,677,320
Administrative expenses	33.00	773,357,475	531,236,325
Satellite preparatory project	34.00	-	95,577,979
Training expenses	35.00	3,831,517	2,440,081
Printing & publication and stationery	36.00	3,072,623	4,451,236
Finance Expenses	37.00	47,134	210,409
Depreciation expenses	4.00	16,584,073	12,055,499
Depreciation expense: SRCB IDA Project	5.00	73,626,709	73,626,709
Depreciation: Satellite Asset	6.00	1,856,541,257	1,190,220,970
Satellite Revenue Expense		168,035,454	455,514,449
Total Expenditure (B)		3,192,210,287	2,647,026,699
Excess of income over expenditure transferred to GOB consolidated fund account (A-B)		44,005,965,355	27,941,810,645
		47,198,175,642	30,588,837,344
Amount transferred to GOB Consolidated Fund Accounts			
Excess of income over expenditure		44,005,965,355.32	27,941,810,645
Depreciation on Satellite Asset		1,856,541,257	1,190,220,970
		45,862,506,612	29,132,031,615

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


Md. Delowar Hossain
Deputy Director


Ashis Kumar Kundu
Director


Subrata Roy Maitra
Vice Chairman


Md. Jahurul Haque
Chairman

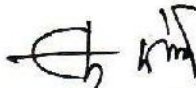
Place: Dhaka
Dated: 22 October, 2020

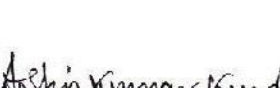



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Bangladesh Telecommunication Regulatory Commission (BTRC)
Statement of Cash Flows
For the year ended 30 June 2020

Particulars	Amount in Taka	
	FY 2019-2020	FY 2018-2019
Cash Flows from Operating Activities:		
Excess of Income over Expenditure	44,005,965,355	27,941,810,645
Adjustment for:		
Exchange loss- HSBC Loan	-	232,807,215
Depreciation Expenses	1,946,752,038	1,275,903,177
	45,952,717,393	29,450,521,038
Changes in:		
Receivables from operators	3,151,433,990	3,161,230,573
Other Receivables	-	848,834
Advances, Deposits and Pre-payments	7,522,258	20,320,201
Sundry Creditors	(136,411)	(4,550,524)
Accrued Expenses	1,411,170	-
Leave Encashment Reserve Fund	19,449,549	-
Benevolent Reserve Fund	535,314	222,707
Pension Fund	555,797,196	278,840,469
Gratuity Fund	35,164,655	32,284,325
Group Insurance Fund	23,693,109	22,119,149
Cash generated from Operating Activities	3,794,870,831	3,511,315,735
A. Net Cash from Operating Activities	49,747,588,225	32,961,836,773
Cash Flows from Investing Activities:		
Acquisition of Furniture & Fixture	(377,052)	(1,393,397)
Acquisition of Office Equipment	(1,099,001)	(1,876,474)
Acquisition of Computer & Printer	(2,797,914)	(3,824,491)
Acquisition of LAN Network Equipment	(110,000)	(676,925)
Telecom Equipment	(23,700,741)	(18,002,442)
Vehicles	(9,479,600)	-
Fire Extinguisher	-	(58,900)
Reimbursement of overpayment on acquisition of Telecom Equipment	-	119,523
Bangabandhu Satellite System	-	(88,962,653)
B. Net Cash Used in Investing Activities	(37,564,308)	(114,675,839)
Cash Flows from Financing activities:		
Repayment of Long Term HSEC loan	(1,807,391,542)	(1,669,945,559)
Fund Transferred to GOB Accounts	(46,140,217,483)	(76,339,655,670)
C. Net Cash used in Financing Activities	(47,947,609,025)	(78,009,601,228)
D. Net Increase/(decrease) in Cash at Bank Balances (A+B+C)	1,762,414,892	(45,162,440,295)
Opening Cash and Bank Balances	2,313,341,283	47,475,781,578
F. Closing Cash at Bank Balances (D+E)	4,075,756,177	2,313,341,283


Md. Delowar Hossain
Deputy Director


Ashis Kumar Kundu
Director


Subrata Roy Maitra
Vice Chairman


Md. Jahurul Haque
Chairman

Place: Dhaka
Dated: 22 October, 2020


S. R. Islam & Co.
Chartered Accountants

