

Independent Performance Evaluation (IPE) Report
on
Bangladesh Telecommunication Regulatory
Commission (BTRC)
For 2022-23

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Executive Summary

The Finance Division of the Ministry of Finance is implementing the "Strengthening Public Financial Management Program to Enable Service Delivery (SPFMS)." One of the key components of this program is the "Strengthening of State-owned Enterprises' Governance" scheme, which aims to strengthen the governance of State-owned Enterprises (SOEs) and Autonomous Bodies (ABs). To achieve this, the Finance Division has developed and approved an Independent Performance Evaluation Guideline (IPEG) for SOEs and ABs to evaluate their performance independently. Based on selection parameters of IPEG, Monitoring Cell, Finance Division has selected 10 (ten) more SOEs and ABs in addition to previously selected 10 (ten) SOEs/ABs in total 20 (twenty) SOEs/ABs to conduct Independent Performance Evaluation for the fiscal year 2022-23.

Bangladesh Telecommunication Regulatory Commission (BTRC) is among the 20 selected State-Owned Enterprises (SOEs) and Autonomous Bodies (ABs) for the Independent Performance Evaluation (IPE) for FY 2022-23. Based on the evaluation results, BTRC achieved a weighted average score of 2.85 out of 4.00, earning a grade of "Good" for the fiscal year.

1. Introduction

The Bangladesh Telecommunication Regulatory Commission (BTRC) was established under the Bangladesh Telecommunication Act of 2001, which was later amended in 2006 and subsequently replaced by the Bangladesh Telecommunication Act, 2010. BTRC's prime mission is to ensure access to reliable, affordable, and advanced telecommunication and internet services for the country's large population. It plays a crucial role in driving the socio-economic development of Bangladesh by regulating telecommunication systems and services. Additionally, BTRC is tasked with ensuring digital security across the nation. The commission operates under the oversight of the Posts and Telecommunications Division within the Ministry of Posts, Telecommunications & Information Technology. Below are the key operational activities of BTRC:

Key operational Activities:

SL#	Particulars	Unit	FY 2020-21	FY2021-22	FY 2022-23
01.	Number of mobile subscriptions	Nos.	176,400,000	184,400,000	186,100,000
02.	Number of internet subscribers	Nos.	120,900,000	126,200,000	129,400,000
03.	Number of 4G subscribers	Nos.	59,200,000	79,100,000	93,800,000
04.	Tele density	%	103.69%	106.23%	105.81%
05.	Bandwidth capacity	Gbps	2,710.36	3,746.989	5,805.049
06.	Bandwidth usage	Gbps	2,465.03	2,936.501	4,865.439
07.	Optical fiber Expansion	Km	137,000	152,900	161,966

The operational activities of BTRC show consistent growth across most key metrics over the past three fiscal years. The number of mobile subscriptions increased from 176.4 million in FY 2020-21 to 186.1 million in FY 2022-23, reflecting a year-on-year (YoY) growth of 4.5% in FY 2021-22 and 0.9% in FY 2022-23. Internet subscribers rose from 120.9 million to 129.4 million over the same period, with a YoY growth of 4.4% in FY 2021-22 and 2.5% in FY 2022-23. The number of 4G subscribers saw the most significant increase, growing by 33.6% in FY 2021-22 and 18.6% in FY 2022-23, reaching 93.8 million.

Tele density slightly increased by 2.45% in FY 2021-22 but decreased marginally by 0.4% in FY 2022-23 to 105.81%. Bandwidth capacity showed remarkable growth, increasing by 38.3% in FY 2021-22 and 55% in FY 2022-23, reaching 5,805.049 Gbps. Bandwidth usage also rose significantly, with YoY growth of 19.1% in FY 2021-22 and 65.7% in FY 2022-23, reaching 4,865.439 Gbps. The expansion of optical fiber networks grew steadily, with an 11.6% increase in FY 2021-22 and 5.9% in FY 2022-23, totaling 161,966 km. This data highlights BTRC's substantial progress in expanding telecommunication infrastructure and services.

2. Role and Functions:

The Bangladesh Telecommunication Regulatory Commission (BTRC) performs the following key functions:

- i. Formulating regulations for the establishment, operation, and maintenance of telecommunication systems in Bangladesh.
- ii. Implementing guidelines for managing internet domains.
- iii. Protecting consumer interests by determining tariffs and service rates for telecommunications providers.
- iv. Promoting competition among service providers to ensure high-quality telecommunications services.
- v. Ensuring privacy within telecommunication networks.
- vi. Developing a telecommunication numbering plan.
- vii. Setting technical standards and criteria for telecommunication services.
- viii. Monitoring the service quality of operators to ensure compliance with the Commission's established standards.

3. Core Business:

- i. Supervising telecom operators, maintaining telecommunication systems, and regulating telecommunication services across Bangladesh.
- ii. Issuing licenses and permits for communication equipment and providing technical fitness certifications.
- iii. Allocating radio frequencies and authorizing their usage for licensed operators.

4. Evaluation Parameters

Criteria: Business and Governance

Indices: A. Business Strategy and Social Responsibility

Table 1(a): Standard of Indices A

FY 2022-23

Serial No.	Indicators & Sub-indicators	* Standard						
		Types of Measurement	Weight for Sub-indicators	Grade: Excellent Score: 4	Grade: Very Good Score: 3	Grade: Good Score: 2	Grade: Fair Score: 1	Grade: Under-performing Score: 0
1	Entity Strategy							
	Entity Strategic Plan	QL	5	91-100%	81-90%	71-80%	41-70%	Below 41%
2	Growth Trajectory							
	2a. Net Income Growth	QN	5	10.00% or more	8.00 % to 9.99%	6.00% to 7.99%	4.00% to 5.99%	Below 4.00%
	2b. Service Revenue Growth	QN	5	15.00% or more	12.00% to 14.99%	9.00% to 11.99%	6.00% to 8.99%	Below 6.00%
	2c. Other Growth	QL	5	91-100%	81-90%	71-80%	41-70%	Below 41%
3	Social Contribution • Environmental Contribution • CSR/WPPF • Training/Volunteering	QL	5	91-100%	81-90%	71-80%	41-70%	Below 41%

Table 1(b): Achievement of Indices A

Serial No.	Indicators & Sub-Indicators	Types of Measurement	Weight for sub-indicators	Actual Performance	Achievement		Basis of Performance Measuring
					Grade	Score	
1	Entity Strategy						
	Entity Strategic Plan	QL	5	91.00%	Excellent	4	Note 1
2	Growth Trajectory						
	2a.Net Income Growth	QN	5	19.28%	Excellent	4	AFS
	2b. Service Revenue Growth	QN	5	(5.13%)	Under Performing	0	AFS Note-2
	2c. Other Growth	QL	5	91.00%	Excellent	4	Note 3
3	Social Contribution	QL	5	91.00%	Excellent	4	Note 4
Sub-Total			25				

Note-1: The Bangladesh Telecommunication Regulatory Commission (BTRC) has a strategic plan that supports national development priorities and the Sustainable Development Goals (SDGs). Key plans are expanding high-speed broadband to underserved areas and enabling nationwide 5G services—advance SDG 9 (Industry, Innovation, and Infrastructure) and SDG 10 (Reduced Inequalities), aligning with the National Strategic Plan, government policy directives of the national budget. The implementation of the Telecom Monitoring System (TMS) and strengthening of the Cyber Security Cell contribute to SDG 16 (Peace, Justice, and Strong Institutions).

Note-2: In the fiscal year 2022-23, BTRC's service revenue has declined. This was primarily due to significant reductions in license fees from ICX, IGW, and IIG operators, spectrum charges for TV channels and mobile operators, and revenue sharing from PSTN, mobile, and call center operators compared to the fiscal year 2021-22. The entity had no revenue from spectrum auction. Additionally, the entity generated no revenue from spectrum auctions during the year.

Note-3: BTRC has undertaken the following initiatives to enhance its operational processes:

- i. **Vehicle Tracking Service (VTS):** Enables tracking and monitoring of vehicles for enhanced security and efficient transportation management.
- ii. **National Equipment Identity Register (NEIR):** Manages the registration of mobile devices to prevent the use of stolen or counterfeit equipment.
- iii. **Call Sign Management:** Issues unique call signs to radio operators, ensuring proper identification and communication protocols.
- iv. **Telecom Monitoring System (TMS):** Ensures Quality of Service (QoS) for telecom users by monitoring network performance and compliance.
- v. **Maritime Radio Service:** Provides communication support for maritime activities, enhancing safety and coordination at sea.
- vi. **Aeronautical Radio Service:** Facilitates reliable communication for aviation operations, ensuring safe and efficient air traffic management.
- vii. **Satellite Television Broadcasting:** Regulates satellite TV services to ensure content compliance and service quality.
- viii. **Internet of Things (IoT):** Supports the expansion of IoT applications to improve connectivity across devices and industries.
- ix. **Automated Spectrum Management System (ASMS):** Manages the allocation of radio spectrum efficiently through automation, supporting various communication services.
- x. **IMEI Database System:** Maintains a database of mobile device IMEI numbers to prevent the use of unauthorized devices on networks.
- xi. **Vo-WiFi/Broadband WiFi:** Enables voice calls over WiFi networks, improving coverage and connectivity in areas with limited cellular service.
- xii. **Interactive GIS Mapping:** Provides geospatial data for planning and managing telecom infrastructure and coverage.

Note-4: BTRC has initiated the following social and environmental activities:

- i. **Implementing Eco-Friendly Telecom Technology:** Implementing sustainable and environmentally conscious solutions for radiation measurement across the country, including the use of Fixed Broadband Meters and Area Monitoring Devices.
- ii. **Monitoring Mobile Tower Radiation:** The entity regularly measuring radiation levels from mobile towers to ensure safety standards. During FY 2022-23 EMF Radiation was averagely Watt/Square Meter range 1.591 to 0.0016 which were below the ICNIRP (GP-1998) Standard Watt/Square Meter 2.106 that indicates tolerable position.
- iii. **Employee Welfare Funds:** Providing provident fund, gratuity fund, and pension fund facilities for its employees.
- iv. **Social Obligation Fund (SOF):** A Social Obligation Fund has been implemented by the commission in accordance with provisions of section 21Kha of the act of Bangladesh Telecommunication Act 2001 (As amended on August 2010). Maintaining a fund to extend telecommunication and ICT services to underserved areas, including providing broadband WiFi access in disadvantaged

regions (such as Haor and Baor areas), and supporting digital education in remote government primary schools.

Indices: B. Operational Efficiency

Table 2(a): Standard of Indices B

FY 2022-23

Serial No.	Indicators & Sub-indicators	* Standard						
		Types of Measurement	Weight for Sub-indicators	Grade: Excellent Score: 4	Grade: Very Good Score: 3	Grade: Good Score: 2	Grade: Fair Score: 1	Grade: Under-performing Score: 0
1	Service Delivery							
	Service Benefit & Accessibility	QL	5	91-100%	81-90%	71-80%	41-70%	Below 41%
2	Labor Productivity							
	. Added Value per Employee (million Tk.)	QN	4	Tk 125.00 mil or more	Tk.115.00 to 124.99 mil	Tk105.00 to 114.99 mil	Tk95.00 to 104.99 mil	Below Tk. 95.00 mil
3	Capital Productivity							
	3a. Added Value per Tk. Value of Assets	QN	4	Tk. 4.00 or more	Tk.3.50 to 3.99	Tk.3.00 to 3.49	Tk.2.50to 2.99	Below Tk. 2.50
	3b. Added Value Per Tk. Value of PPE	QN	4	Tk. 45.00 or more	Tk. 35.00 to 44.99	Tk.25.00 to 34.99	Tk15.00 to 24 .99	Below Tk. 15.00.
4	Production							
	4a Assets Turnover (Times)	QN	4	3.00 or more	2.50 to 2.99	2.00 to 2.49	1.50.00 to 1.99	Below 1.50
	4b. Capacity Utilization (%)	QN	4	91-100%	81-90%	71-80%	41-70%	Below 41%
Sub-total			25					

Table 2(b): Achievement of Indices B

Serial No.	Indicators & Sub-Indicators	Types of Measurement	Weight for sub-indicators	Actual Performance	Achievement		Basis of Performance Measuring
					Grade	Score	
1	Service Delivery						
	Service Benefit & Accessibility	QL	5	91%	Excellent	4	Note-5
2	Labor Productivity						
	Added Value per Employee (million Tk.)	QN	4	Tk.119.58 mil	Very Good	3	AFS
3	Capital Productivity						
	3a. Added Value per Tk. Value of Assets	QN	4	Tk. 3.84	Very Good	3	AFS
	3b. Added Value Per Tk. Value of PPE	QN	4	Tk 40.52	Very Good	3	AFS
4	Production						
	4a. Asset Turnover (Times)	QN	4	3.84	Excellent	4	AFS
	4b. Capacity Utilization (%)	QN	4	83.81%	Very Good	3	AFS
Sub-total			25				

Note 5: BTRC has introduced several initiatives to enhance service delivery for stakeholders:

- i. BTRC issued 'ANS Operators Quality of Service Regulations 2018' with an aim to assess the quality of customer service. Based on this regulation Call Drop, throughput, Network Coverage and other key performance indicators of Network, BTRC Monitoring and ensuring the Quality of Service (QoS) to meet customer needs.
- ii. Establishing emergency telecommunication systems through Satellite to address natural disasters and calamities.
- iii. Implemented a Grievance Redress System (GRS) and resolved 77.01% of 15,335 complaints in FY 2022-23.

Indices: C. Financial

Table 3(a): Standard of Indices C

FY 2022-23

		* Standard						
Serial No.	Indicators & Sub-indicators	Types of Measurement	Weight for Sub-indicators	Grade: Excellent Score: 4	Grade: Very Good Score: 3	Grade: Good Score: 2	Grade: Fair Score: 1	Grade: Under-performing Score: 0
	i. Financial							
1	Operating profit	QN	2	Tk. 40,000 mil or more	Tk. 35,000 to Tk. 39,999 mil	Tk30,000 to Tk34,999 mil	Tk.25,000 to Tk. 29,999 mil	Below Tk. 25,000 mil
2	Profit before Tax	QN	2	Tk.42,00 00 milor more	Tk.37,000 to Tk. 41,999 mil	Tk. 32,000 to Tk. 36,999 mil	Tk.27,000 to Tk.31,999 mil	Below Tk. 27,000 mil
3	Return on Assets (%)	QN	2	150 % or more	125% to 149 %	100% to 124%	75% to 99%	Below 75%
4	Return on Service Revenue (%)	QN	2	90.00% or more	80.00%to 89.99%	70.00% to 79.99%	60.00% to 69.99%	Below 60.00%
5	Return on Equity (%)	QN	2	10.00% or more	8.00%to 9.99%	6.00 % to 7.99%	4.00 % to5.99%	Below 4.00%
6	Net Worth Growth (%)	QN	2	8.00 or more	6.00%to 7.99%	4.00% to 5.99%	2.00% to 3.99%	Below 2.00%
7	Capital Budget Utilization (%)	QN	2	91-100%	81-90%	71-80%	41-70%	Below 41%
	ii. Financial Risk							
1	Debt Equity Ratio (Times)	QN	2	1.50or less	1.51 to 2.00	2.01 to 2.50	2.51 to 3.00	More than 3.00
2	Debt to Assets (Times)	QN	3	0.60or less	0.61 to 1.00	1.01 to 1.40	1.41 to 1.80	More than 1.80
3	Debt Coverage Ratio (Times)	QN	3	2.00 or more	1.75to 1.99	1.50to 1.74	1.25to 1.49	Below 1.25
4	Current Ratio (Times)	QN	3	2.00 or more	1.75to 1.99	1.50to 1.74	1.25to 1.49	Below 1.25
5	Accounts Receivable Period (Days)	QN	2	120 days or less	121 days to 140 days	141 days to 160 days	161 days to 180 days	More than 180 days
	iii. Transactions with Govt.							
1	Taxes Paid	QN						
2	Fees & Charges Paid	QN						
3	Debt Service Liabilities Paid	QN	3	91-100%	81-90%	71-80%	41-70%	Below 41%

Table 3 (b): Achievement of Indices C

Serial No.	Indicators & Sub-Indicators	Types of Measurement	Weight for sub-indicators	Actual Performance	Achievement		Basis of Performance measuring
					Grade	Score	
	i. Financial						
1	Operating profit	QN	2	Tk. 40,033.74 mil	Excellent	4	AFS
2	Profit before Tax	QN	2	Tk. 38,361.49 mil	Very Good	3	AFS
3	Return on Assets (%)	QN	2	357.03%	Excellent	4	AFS
4	Return on Service Revenue (%)	QN	2	92.91%	Excellent	4	AFS
5	Return on Equity (%)	QN	2	Negative	Under Performing	0	AFS Note-7
6	Net Worth Growth (%)	QN	2	Negative	Under Performing	0	AFS Note-7
7	Capital Budget Utilization (%)	QN	2	11%	Under Performing	0	SL-27,28 of Annexure -1 Note-6
	ii. Financial Risk						
1	Debt Equity Ratio (Times)	QN	2	Negative	Under Performing	0	AFS Note-7
2	Debt to Assets (Times)	QN	3	1.39	Good	2	AFS
3	Debt Coverage Ratio (Times)		3	25.01	Excellent	4	AFS
4	Current Ratio (Times)	QN	3	1.83	Very Good	3	AFS
5	Accounts Receivable Period (Days)	QN	2	361.98	Under Performing	0	AFS
	iii) Transactions with Government						
1	Taxes Paid	QN					Note 8
2	Dividend Paid	QN					Note 8
3	Debt Service Liabilities Paid	QN	3	100%	Excellent	4	SL-33,34 of Annexure -1
Sub-total			30				

Note 6: In FY 2022-23, the BTRC did not procure the planned equipment as outlined in their program, resulting in underutilization of the capital budget.

Note 7: BTRC does not have an Equity Account in its financial statements. However, the Commission maintains 6 (six) fund accounts, 5 (five) of which are related to employee benefits, and 1 (one) designated as the Capital Expenditure Fund. This fund serves as an adjustment account for fixed asset purchases, loan repayments, foreign exchange gains or losses, and depreciation transactions. In FY 2022-23, the Capital Expenditure Fund account reported a negative balance of TK 6,971.06 million and cumulative balance of rest 5 (five) of Fund Account shows positive balance of Tk. 2,829.21 million. After adjustment of negative and positive balances of different fund accounts the Total Fund Account stands negative amount of Tk.4,141.85 million. So, Fund Account indicate negative figure. As a result, net worth growth shows negative.

Note 8: As per government directives, the BTRC transfers its entire surplus fund annually to the GOB Consolidated Fund. In return, the government exempts the entity from tax and dividend payment obligations.

Indices: D. Corporate Governance Practices

Table 4(a): Standard of Indices D

FY 2022-23

Serial No.	Indicators & Sub-indicators	* Standard						
		Types of Measurement	Weight for Sub-indicators	Grade: Excellent Score: 4	Grade: Very Good Score: 3	Grade: Good Score: 2	Grade: Fair Score: 1	Grade: Under-performing Score: 0
1	Commitment to Corporate Governance: Code of Conduct <ul style="list-style-type: none"> • Ethics • Key policies of Board • Board structure • Employees service rules/ regulations • Appointment of Board Secretary 	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
2	Board Practices: <ul style="list-style-type: none"> • Composition of Board of Directors and number of meetings held • TOR of board • Number of independent Board Directors • Name & Number of board committees and number of meetings held • Number of board decisions that have been implemented 	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
3	Transparency and Disclosure: <ul style="list-style-type: none"> • Board of directors and Senior managers name and biographies • Audited financial statement • Citizen charter • APA • Code of conduct 	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
4	Control Environment and Process: <ul style="list-style-type: none"> • Entity's internal control systems for different departments • Internal audit procedure and reporting authority • Entity's computer-based management information system (database) • Any authority of the board to mitigate the entity's emergency situation • Measures taken for safe working environment in the entity's premises 	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
5	Performance against the key Indicators of APA¹: <ul style="list-style-type: none"> • Total Performance score achieved on APA 	QN	4	100%	90%	80%	70%	60%

¹Standard of APA Indicator is set on the basis of Annual Performance Agreement (APA) Guideline.

Table 4 (b): Achievement of Indices D

Serial No.	Indicators & Sub-Indicators	Types of Measurement	Weight for sub-indicators	Actual Performance	Achievement		Basis of Performance Measuring
					Grade	Score	
1	Commitment to Corporate Governance	QL	4	79%	Good	2	Note 9
2	Board Practices	QL	4	75%	Good	2	Note 10
3	Transparency and Disclosure	QL	4	92%	Excellent	4	Note 11
4	Control Environment and Process.	QL	4	75%	Good	2	Note 12
5	Performance against the key Indicators of APA	QN	4	91.32 %	Very Good	3	Score of APA for FY 2022-23
Sub-total			20				
Grand Total (A+B+C+D):			100				

* Standard for Financial and Non-Financial indicators are set on the basis of IPE process.

Note-9: BTRC operates under the Bangladesh Telecommunication Act, 2010, and adheres to the National Telecommunication Policy 2018, the International Long Distance Telecommunication Services (ILDTS) Policy 2010, and the National Information and Communication Technology (ICT) Policy 2002. It also follows its Code of Conduct, employee service rules and regulations, key Board policies, the ethics of the National Integrity Strategy, and the Citizen Charter to uphold corporate governance standards. Additionally, the BTRC has a Corporate Secretary for its Board.

Note-10: BTRC's Commission consists of five members: 1 (one) Chairman, 1 (one) Vice Chairman, and 3 (three) Commissioners, all appointed by the government on a contractual basis in accordance with the Bangladesh Telecommunication Act, 2010. The Commission operates based on its Terms of Reference (TOR) and has not formed committees for audit, NRC, or similar functions. During FY 2022-23, the Commission held 11 (eleven) meetings and implemented 277 (two hundred seventy-seven) decisions. BTRC has no Independent Member.

Note-11:

- BTRC's website provides access to the entity's Board of Directors and senior managers' names and biographies, audited financial statements, Citizen Charter, Annual Performance Agreement (APA).
- BTRC published its Audited Financial Statement within 3 (three) months after closing FY 2022-23 and uploaded it to their website without disclosing Notes on Audited Account though it is the integral part of accounts.
- The entity is governed by its acts adhering to the entity's rules, regulations, and code of conduct.

Note-12: BTRC has implemented the following measures to enhance internal control and safety:

- i. Established an Audit Wing to coordinate among various departments for internal control and oversee auditing activities of the Commission, reporting directly to the Director (Finance).
- ii. Engaged audit firms to conduct financial and information management audits of operators, ensuring security, accountability, and responsibility among licensed operators in the telecommunication sector.
- iii. Installed safety devices, emergency exits, and fire extinguishers on its premises as part of its safety and security measures.

5. IPE Process

- i. Performances of non-financial indicators of Bangladesh Telecommunication Regulatory Commission (BTRC) has been evaluated using information and documents of the inception report provided by BTRC.
- ii. Actual performance of non-financial indicators is determined through the collective decision of ERT members.
- iii. According to IPEG, actual financial performances of BTRC are to be evaluated on the basis of national best practices/standard. However, due to the non-availability of such standard and comparable entities in the country, BTRC's financial performance was assessed based on its performance over the last five years on respective financial indicators.
- iv. Performances of all financial indicators are evaluated based on audited financial statements.
- v. Measurement tools used for financial indicators are suggested by IPEG.
- vi. Grades and scores are assigned according to the IPEG.

6. Performance Evaluation Results

Bangladesh Telecommunication Regulatory Commission (BTRC)

Fiscal Year: 2022-23

Serial No	Name of Indices, Indicators and Sub-indicators	Weight for Indices	Weight for Sub indicators	Score Obtained	Weighted Score
a	b	c	d	e	f
A	Business Strategy and Social Responsibility:	25			
1	Entity Strategy: • Entity Strategic Plan		5	4	0.20
2	Growth Trajectory: 2a. Net Income Growth		5	4	0.20
	2b. Service Revenue Growth		5	0	0.00
	2c. Other Growth		5	4	0.20
3	Effective Implementation of Public Policy: • Implement activities to achieve policy goal				
4	Efficiency of Project Implementation/ Project Goal Achievement: • Percentage of estimated target achieved				
5	Social Contribution: • Environmental Contribution • CSR / WPPF • Training / Volunteering		5	4	0.20
Sub Total			25		0.80
B	Operational Efficiency:	25			
1	Service Delivery: • Service benefits and Accessibility		5	4	0.20
2	Labor Productivity: • Added Value Per Employee		4	3	0.12
3	Capital Productivity: 3a. Added Value Per TK Value of Assets		4	3	0.12
	3b. Added Value Per TK Value of PPE		4	3	0.12
4	Production:				
	4a. Asset Turnover		4	4	0.16
	4b. Capacity Utilization		4	3	0.12
Sub Total			25		0.84

Serial No	Name of Indices, Indicators and Sub-indicators	Weight for Indices	Weight for Sub indicators	Score Obtained	Weighted Score
C	Financial:	30			
	i. Financial Performance:				
1	Operating profit		2	4	0.08
2	Profit before tax		2	3	0.06
3	Return on assets		2	4	0.08
4	Return on Service Revenue		2	4	0.08
5	Return on equity		2	0	0.00
6	Net worth growth		2	0	0.00
7	Capital budget utilization		2	0	0.00
	ii. Financial Risk:				
1	Debt equity ratio		2	0	0.00
2	Debt to assets		3	2	0.06
3	Debt coverage ratio		3	4	0.12
4	Current ratio		3	3	0.09
5	Accounts receivable period		2	0	0.00
6	Accounts payable period				
	iii. Transactions with Government:				
1	Taxes paid				
2	Fees & charges paid				
3	Debt Service Liabilities Paid		3	4	0.12
	Sub Total		30		0.69

Serial No	Name of Indices, Indicators and Sub-indicators	Weight for Indices	Weight for Sub indicators	Score Obtained	Weighted Score
D	Corporate Governance Practices:	20			
1	Commitment to Corporate Governance: <ul style="list-style-type: none"> • Code of Conduct • Ethics • Key policies of Board • Board structure • Employee's service rules/ regulations • Appointment of Board Secretary 		4	2	0.08
2	Board Practices: <ul style="list-style-type: none"> • Composition of Board of Directors and number of meetings held • TOR of board • Number of independent Board Directors • Name & Number of board committees and number of meetings held • Number of board decisions that have been implemented 		4	2	0.08
3	Transparency and Disclosure: <ul style="list-style-type: none"> • Board of directors and Senior managers name and biographies • Audited financial statement • Citizen charter • APA • Code of conduct 		4	4	0.16
4	Control Environment and Process: <ul style="list-style-type: none"> • Entity's internal control systems for different departments • Internal audit procedure and reporting authority • Entity's computer-based management information system (database) • Any authority of the board to mitigate the entity's emergency situation • Measures taken for safe working environment in the entity's premises 		4	2	0.08
5	Performance against the key Indicators of APA: <ul style="list-style-type: none"> • Total Performance score achieved on APA 		4	3	0.12
	Sub Total				0.52
	Grand Total (A+B+C+D)	100	100		2.85

7. Interpretation of Results

As per Independent Performance Evaluation (IPE) Bangladesh Telecommunication Regulatory Commission (BTRC) Scored 2.85 out of 4.00 in the year 2022-23.

7. (A) The performance of BTRC is graded “Excellent” in the following areas:

- i. Service Delivery
- ii. Entity Strategic Plan
- iii. Social Contribution
- iv. Other Growth
- v. Transparency and Disclosure
- vi. Assets Turnover
- vii. Return on Service Revenue
- viii. Net Income Growth
- i. Debt Coverage Ratio
- ii. Return on Assets

The performance of BTRC is graded “Very Good” in the following areas:

- iii. Annual Performance Agreement (APA)
- iv. Labour Productivity
- v. Capital Productivity
- vi. Capacity Utilization
- vii. Current Ratio

The performance of BTRC is graded “Good” in the following areas:

- i. Board Practices
- ii. Control Environment and Process
- iii. Corporate Governance
- iv. Debt to Assets

The performance of BTRC is graded “Under Performing” in the following areas:

- i. Return on Equity
- ii. Debt Equity Ratio
- iii. Service Revenue Growth
- iv. Accounts Receivable Period
- v. Capital Budget Utilization
- vi. Net Worth Growth

7. (B) Other important aspects of Performance during FY 2022-23:

- a) BTRC has earned an operating profit of Tk. 40,033.74 million.
- b) The entity incurred net profit (after tax) of Tk. 38,361.49 million.
- c) BTRC Current Ratio (Times) 1.83 which indicates entity is in a moderate position to meet its current liabilities in due period.

8. Findings from the Audit Report 2022-2023

In the BTRC Audit Report 2022-23, the auditor emphasized and drew attention on Revenue Recognition of the following issues:

- The commission is maintaining cash basis accounting on account of revenue sharing from mobile operators such as few spectrum charges, ISP, DDCSP, VAT and other revenue which is non-compliance of IFRS- 15, Due to non – compliance of accrual basis of accounting it could impact the completeness, accuracy and fair presentation of the financial position & financial Performance of commission.

9. Recommendation for Performance Based Incentives

Bangladesh Telecommunication Regulatory Commission (BTRC) has obtained a weighted score of 2.85 out of a scale 4.00 and is graded “Good”. Therefore, IPEC recommended non-financial incentive for the employees of BTRC. Also, a certificate from Finance Division may be awarded to BTRC for being graded “Good” in IPE for the FY 2022-23.

10. Recommendations for Improvements:

Based on the findings of IPE, the following recommendations are proposed to improve BTRC’s performance:

- i. Update Cybersecurity Plans: BTRC should finalize and update its cybersecurity system plan to enhance internet user safety and security.
- ii. Implement Digital Broadcasting Switchover: Develop and execute an action plan for transitioning to digital broadcasting, upgrading, and expanding the spectrum monitoring system to benefit stakeholders.
- iii. Facilitate 5G Infrastructure: Construct the necessary infrastructure to provide 5G mobile services across all mobile service providers.
- iv. Expand High-Speed Broadband Access: Execute plans to extend high-speed broadband internet facilities to underserved and marginal areas.
- v. Establish Governance Committees: Form committees such as an Audit Committee and Nomination & Remuneration Committee to strengthen internal control and compliance.
- vi. Adopt IFRS-15 Compliance: Align revenue recognition practices with IFRS-15 to ensure reliable and fair presentation of financial statements for consistent reporting.
- vii. Maintain Equity/Capital Fund Accounts: Establish and manage Equity or Capital Fund accounts against commission assets to ensure fair representation of its accounts.
- viii. Optimize Fund Management: Assess weekly fund requirements and deposit surplus funds into the Government of Bangladesh (GOB) accounts on a weekly basis.
- ix. Public Hearing: The entity should organize a public hearing prior to fix the price of services.

- x. Improved Financial Reporting: Prepare financial statements in compliance with applicable International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) to strengthen financial discipline, transparency, and reporting.
- xi. Provision for Accounts Receivable: The entity should maintain a specific provision for the significant amount of accounts receivable in accordance with IAS 36, due to the potential risk of non-recovery of long-outstanding receivables. In line with the Prudence Principle, an adequate provision should be ensured to cover such risks.

11. Conclusion

Based on Audited Financial Statements, data and documents of Bangladesh Telecommunication Regulatory Commission (BTRC), Independent Performance Evaluation (IPE) report has been prepared for FY 2022-23. In the report it is found that BTRC's financial performance during FY 2022-23 is moderate and non-financial performance has improved compared to last fiscal year. Hence, to improve the overall performance of BTRC, the entity should execute their plan and program that will enrich their operational efficiency. BTRC should take appropriate steps to comply with the relevant IAS/IFRS and resolve the financial anomalies mentioned in BTRC Audit Report 2022-23.

Bangladesh Telecommunication Regulatory Commission (BTRC)
Financial & Other Information

Amount in BDT

Serial No	Statement of Financial Position (Balance Sheet)	Evaluate Fiscal Year	Previous Fiscal Year
		2022-23	2021-22
1	Current Assets:		
	i. Inventories		
	• Material		
	• Accessories/ Supplies		
	• Others (including spare parts)		
	ii. Receivable:		
	• Trade	5,020,174,057	4,183,947,136
	• Others	1,336,012	1,336,012
	iii. Cash and Cash Equivalent	4,671,729,068	9,062,283,618
	iv. Others Current Assets	4,085,868	7,165,244
2	Total Current Assets (i+ii+iii+iv)	9,697,325,004	13,254,732,009
3	Total Non-Current Assets		
	• Property, Plant & Equipment (PPE)	1,018,145,054	937,129,161
	• Capital Work in Progress	29,165,852	58,331,704
	• Other Non Current Assets		
4	Total Assets (2+3)	10,744,635,909	14,250,192,874
5	Current Liabilities:		
	i. Payables:		
	• Trade		
	• Others	115,583,818	97,074,853
	ii. Other Current Liabilities	5,184,444,424	10,787,830,116
6	Total Current Liabilities (i+ii)	5,300,028,242	10,884,904,969
7	Non-Current Liabilities:		
	i. Long Term Loans/Debts	9,130,829,293	9,157,683,770
	ii. Deferred Liabilities		
	iii. Other Non-Current Liabilities		
8	Project Fund (SRCB-IDA 3790 BD))	455,631,100	455,631,100
9	Total Non-Current Liabilities (i+ii+iii)	9,586,460,393	9,613,134,870
10	Total Liabilities (6+8)	14,886,488,635	20,498,219,839
11	Fund Account:		
	i. Capital Expenditure Fund	(6,971,057,962)	(8,617,854,007)
	ii. Pension Fund	2,328,030,619	1,947,751,002
	iii. Gratuity Fund	247,321,745	214,707,651
	iv. Group Insurance Fund	176,622,865	152,214,023
	V. Benevolent Fund	6,413,054	5,169,672
	vi. Leave Encashment Reserve Fund	70,816,954	49,984,695
11	Total Equity (i+ii+iii+iv+v)	(4,141,852,726)	(6,248,026,965)
12	Total Equity and Liabilities (9+11)	10,744,635,909	14,250,192,874

Serial No	Statement of Profit or Loss and Other Comprehensive Income (Income Statement)	2022-23		2021-22	
		Amount	Percentage	Amount	Percentage
13	Net Sales / Service Revenue	41,287,685,749	100%	43,521,171,370	100%
14	Less: Cost of Services	584,396,404	1.42%	452,286,746	1.04%
15	Gross Profit/(Loss) (13-14)	40,703,289,345	98.58%	43,068,884,624	98.96%
16	Less: Operating Expenses:				
	i. Administrative Expenses	669,554,341	1.62%	576,046,336	1.32%
	ii. Marketing Expenses				
17	Total Operating Expenses (i+ii)	669,554,341	1.62%	576,046,336	1.32%
18	Operating Profit/(Loss) (15-17)	40,033,735,004	96.96%	42,492,838,288	97.64%
19	Add: Non-Operating Income	207,284,343		164,904,240	
20	Less: Financial Expenses				
21	Less: Satellite Expenses	1,879,526,722		10,496,502,026	
22	Net Profit/(Loss) before Tax (18+19 – 20-21)	38,361,492,625		32,161,240,502	
23	Less: Provision for Tax				
	i. Current tax				
	ii. Deferred tax				
24	Net Profit/(Loss) After Tax (22-23)	38,361,492,625		32,161,240,502	

Serial No	Other Information	Evaluate Fiscal Year	Previous Fiscal Year
		2022-23	2021-22
25	Credit Sales	5,062,103,700	4,225,876,779
26	Credit Purchases		
27	Capital Budget Allocation	2,607,425,000	3,767,570,000
28	Actual Capital Expenditure	286,828,889	771,089,850
29	Dividend Payable		
30	Dividend Paid		
31	Taxes Payable		
32	Taxes Paid		
33	Debt Service Liabilities (DSL) Payable	1,594,946,005	1,616,984,044
34	Debt Service Liabilities (DSL) Paid	1,594,946,005	1,616,984,044
35	Fees, Fine and Charges Payable		
36	Fees, Fine and Charges Paid		
37	New Government Investment:		
	• Equity		
	• Debts/Loan		
38	Total Government Fund Transferred to SOE/AB under the following heads:		
	• Grants		
	• Subsidies		
	• Other Transfer (Specify)		
39	Operating Cash Surplus/(Deficit)	39,890,824,862	38,745,416,272
40	Added Value	41,256,688,876	43,477,031,786
41	Employee's cost includes wages, salaries, bonus, provident fund contribution and other allowances		
42	Capacity Utilization (%)		
43	Input use Efficiency (%)		
44	Number of Employees (Nos)	345	345
45	Performance score achieved on APA	91.32	

Schedule – 2

Non-financial Information format

Sl.	Particulars	
A	Enterprise Information and Legal Framework	
2	Sector	Telecommunication
3	Name of Entity	Bangladesh Telecommunication Regulatory Commission (BTRC)
4	Number of Subsidiaries	N/A
5	Number of Branches	N/A
6	Website	www.btrc.gov.bd
7	Email Address	
8	Year of Incorporation	2002
9	Governing Law	Bangladesh Telecommunication Act, 2001 (Amended in 2010)
10	Other relevant Governing Laws & Regulations	BTRC Service Rules, 2002
11	Incorporation Structure	Statutory Body
12	Listed in the Stock Exchange	No
B	Ownership and Shareholder Protection	
14	Administrative Ministry	Posts, Telecommunications and Information Technology
15	Structure of Organization	Statutory
C	Strategy and Governance Information	
17	Board of Directors (Number disaggregated by gender and profile)/Commissioners	5
18	Qualification of Board Members/Commissioners	As stated in Bangladesh Telecommunication Act, 2001
19	Number of Independent Director	N/A
20	Chairman to be Independent of Board	N/A
21	Board Committees	N/A
22	Number of Board Meetings held/Commission Meeting	12
23	Board Sitting Fees	
24	Executive Management	
25	Selection process of Board Members	As per Govt policy

26	Strategic Plan/Public Policy Goal (copy required)	N/A
27	Innovative work (Description)	N/A
28	Project Completion Rate: Actual Achievement /Target	N/A
D	Ownership Structure	
30	Govt. Shareholding	N/A
31	Private Shareholding	N/A
32	Others	N/A
E	Fiscal and Financial Discipline	
34	Who are the Primary Lenders to the Enterprise	N/A
F	Controls, Transparency and Disclosure	
36	Latest Audited Financial Statement	2022-23
37	Audited by	Syful Shamsul Alam & Co.
38	Risk Assessment Report	N/A
39	Internal Control	
40	Timely public disclosure of financial statements	Yes
41	Measures for safe working Environment/Process (Description)	Fire Extinguishers, Safe exit
G	Human Resources	
43	Number of employees	345
44	Number of New Job Creation (Regular, Internship, etc.)	
H	Employee and Social Welfare	
46	CSR, WPPF, Provident Fund, Gratuity Fund etc.	PF, Gratuity, Leave encashment fund

Note: Above mentioned non-financial information to be provided for IPE.