

# **Teletalk Bangladesh Limited**

**Rajuk Commercial Complex, Holding # 3/A, 5/A, 7/A, Road # 17,  
Gulshan-1, Dhaka – 1212, Bangladesh**

**Auditor's Report and Financial Statements  
As at and for the year ended 30 June 2023**

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**Mahfel Huq & Co.**

Chartered Accountants

The first registered accounting firm in independent Bangladesh



An independent member firm of AGN International

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## **Independent Auditor's Report**

### **To the Shareholders of Teletalk Bangladesh Limited**

#### **Report on the Audit of the Financial Statements**

##### **Qualified Opinion**

We have audited the financial statements of **Teletalk Bangladesh Limited** (the "Company"), which comprise the Statement of Financial Position as at 30 June 2023, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

##### **Basis for Qualified Opinion**

IAS 12 requires that a deferred tax asset shall be recognized for all deducted temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized in the foreseeable future. However, the company has recognized deferred tax assets in its financial statements on business loss and unabsorbed depreciation as the company has been incurring continuous net losses from inception except for two years. Therefore, we believe that there is a limited probability of recovering the accumulated losses and unabsorbed depreciation through the taxable profit in the near future.

IFRS 16 requires a lessee to recognize Right-of-Use Assets and Lease Liabilities for material leased assets with a lease term of more than 12 months. The Company is yet to account for these leases in accordance with for its Network Base Stations, Corporate Offices as well as project offices.

Disclosed in note no. 9 and 25 to the financial statements, Accounts Receivable from BTCL amounted to BDT 696,648,973. However, as per external confirmation from BTCL amounting to BDT 521,035,369 leading to unresolved difference of BDT 175,613,604. Additionally, Accounts payable to BTCL stood at BDT 953,512,689. However, as per external confirmation received from BTCL the payable stood at BDT 5,264,711,635 leading to a difference of BDT 4,311,198,946. We could not obtain an appropriate explanation and reconciliation regarding this difference.

The company has been incurring losses for several years and in accumulation the total loss was BDT 13,369,754,568 for the year ended 30 June 2023 and, as of that date the Company's accumulated loss exceeded its share capital by BDT 253,745,678. These conditions or events could indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a





going concern. However, Teletalk is entirely state-owned and the equity injection through government projects is evident here. The company has taken necessary steps to increase revenue and decrease expenses, which resulted in a decrease in net loss from the prior financial year.

We conducted our audit by International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company by the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities by these ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### **Emphasis of Matters**

We draw attention to the note no. 46(ii) of the financial statements, where the company disclosed, "No intangible asset is shown in the financial statements of the company for the 3G Cellular Mobile Phone Operator License acquired from the Bangladesh Telecommunication Regulatory Commission (BTRC) in October 2013." In addition, in note no. 45.1 to the financial statements, the Company has explained the circumstances of writ petitions related to issues of VAT and supplementary Duty on SIM cards as Contingent liabilities. However, our opinion is not modified in respect of these matters.

### **Other Matter**

The financial statements of Teletalk Bangladesh Limited for the year 30 June 2022, were audited by MABS & J Partners, Chartered Accountants who expressed qualified audit opinion on these statements on 23 November, 2022.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **Revenue Recognition**

Referring to note no. 26-28 to the financial statements, Revenue of amounting to BDT 5,020,116,771 is recognized in the income statement of Teletalk Bangladesh Limited. Revenues are recognized when the company transfers control over service/goods to the customer of satisfies the performance obligation to a customer. This material item is subject to considerable inherent risk due to the complexity of the systems necessary for properly recording and identifying revenue and the impact of ever-changing business, price and tariff models (including tariff structures, and bundled subscription-based products). Against this background, the proper application of accounting standards is considered to be complex and to a certain extent based on estimates and assumptions made by management.



### **How our audit addressed the key audit matter**

Our audit procedures have a focus on information technology systems and controls due to the pervasive nature and complexity of the IT environment, and the reliance on automated and IT-dependent manual controls. Our areas of audit focus included user access management! Developer access to the operation environments and charges to the IT environment. These are key matters to ensuring whether IT-dependent and application-based revenue recognition is operating effectively.

In light of the fact that the high degree of complexity and estimates and assumptions give rise to an increased risk of accounting misstatements, we assessed the Company's processes and controls for recognizing revenue as part of our audit. Our audit approach included testing of the control and substantive audit procedures.

- We assessed the relevant systems supporting the accounting of revenue,
- Tested controls for IT systems and procedures supporting revenue recognition;
- Assessed the invoicing and measurement systems up to entries in the general ledger.
- Analyzed and tested customer contracts, invoices and receipts on a sample basis.
- Analyzed the revenue charging model against the regulatory guidelines on a sample basis.

Furthermore, we assessed the accounting effects of new business and price models. We read and analyzed the disclosures made in the financial statements.

### **Property, Plant & Equipment (PPE)**

The carrying value of the Company's Property, Plant and Equipment (PPE] amounting to BDT 29,104,664,697 on 30 June 2023. Expenditures are capitalized if they create new assets or enhance the existing assets, and expenses if they relate to the repair or maintenance of the assets. Classification of the expenditures involves judgment. The useful lives of PPE items are based on management's estimates regarding the period during which the assets or their significant components will be used. The estimates are based on historical experience and market practice and take into consideration the physical condition of the assets. In considering the Valuation of capital work in progress to PPE, the management needs to ensure the assets under construction or pending installation and not yet ready for intended use are classified as work in progress. An appropriate system needs to be put in place to capture all directly identifiable costs, which can be capitalized, to be so accumulated to capital work in progress whilst expenses are identified and charged to revenue in the normal course.

The valuation of PPE was identified as a key audit matter due to the significance of this balance to the financial statements and that there is significant measurement uncertainty involved in this valuation.

Please see note no. 4 "property, plant and Equipment" to its financial statements.

### **How our audit addressed the key audit matter**

- We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IAS and found them to be consistent.





- We inspected a sample of invoices and supporting documents to determine whether the classification between capital and revenue expenditure was appropriate.
- We evaluated whether the useful lives determined and applied by the management were in line with historical experience and market practice.
- We evaluated the assumptions made by management in the determination of useful lives to ensure that these are consistent with the principles of IAS 16. "Property, plant and Equipment.
- We compared the useful lives of each class of asset in the current year to the prior year to determine whether there were any significant changes in the useful lives of assets, and considered the reasonableness of changes based on our knowledge of the business and the industry.
- We verified records e.g., contractor bills, work orders and certification of work performed by the specialized personnel to ensure that the assets under construction or pending installation and not yet ready for intended use are classified as work in progress. We also verified the date on which the assets are moved from the capital work in progress account to the property plant and equipment (the date on which the asset is ready for intended use), so that the depreciation on property, plant and equipment may be computed correctly.
- We reconciled the movement of capital work in progress from opening to closing, specifically verifying additions during the year, capital assets completed during the year and impairment of any opening capital work in progress items.

We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from capital work in progress to ready for use, with the date of the act of completion of the work.

### **Other Information**

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein of this other information, we are required to communicate the matter to those charged with governance.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls**



Management is responsible for the preparation and fair presentation of the financial statements of the Company and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, 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 management either intends to liquidate the Company 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 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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

### **Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act, 1994, we also report that:

- (i) We, except as mentioned above 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;
- (ii) In our opinion, except as mentioned above, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- (iii) Except as mentioned above, the company's statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns.

**Howlader Mahfel Huq, FCA**

Partner

ICAB Enrollment No. 105

**Mahfel Huq & Co.**

Chartered Accountants

DVC: **2312100105AS901654**

Dhaka,

**07 DEC 2023**



**Teletalk Bangladesh Limited**  
**Statement of Financial Position**  
As at 30 June 2023

Particular	Notes	Amount in Taka		
		30 June 2023	30 June 2022 (Restated)	01 July 2021 (Restated)
<b>Non-Current Assets</b>				
Property plant and equipment	4	29,104,664,697	31,592,187,124	30,811,178,505
Capital work-in-progress	5	86,855,087	107,762,102	758,681,420
Intangible assets	6	398,305,204	437,471,554	473,317,904
Deferred tax Assets (Liabilities)	7	6,445,810,193	4,607,836,389	2,244,209,813
<b>Total non-current assets</b>		<b>36,035,635,181</b>	<b>36,745,257,169</b>	<b>34,287,387,642</b>
<b>Current assets</b>				
Inventories	8	50,991,106	55,643,928	68,615,906
Sundry debtors	9	1,044,813,940	1,163,348,414	968,345,067
Advances, deposits and prepayments	10	4,290,946,286	1,027,933,521	1,000,741,546
Advance income tax	11	1,019,158,150	882,392,567	772,009,890
Accrued interest against fixed deposit receipts		9,967,317	7,043,710	7,424,402
Cash and cash equivalents	12	2,999,916,111	1,805,005,724	2,177,225,472
<b>Total current assets</b>		<b>9,415,792,911</b>	<b>4,941,367,864</b>	<b>4,994,362,283</b>
<b>Total Assets</b>		<b>45,451,428,092</b>	<b>41,686,625,033</b>	<b>39,281,749,925</b>
<b>Shareholders' equity</b>				
Share capital	13	13,116,008,890	13,116,008,890	6,438,661,000
Accumulated loss	14	(13,369,754,568)	(11,400,070,746)	(8,955,868,224)
Share money deposit	15	1,400,608,926	1,790,701	6,677,347,897
<b>Total Shareholders' equity</b>		<b>1,146,863,247</b>	<b>1,717,728,846</b>	<b>4,160,140,673</b>
<b>Non-Current liabilities</b>				
Loan from GoB	16	25,427,042,092	23,316,474,629	22,567,464,947
Grant from GoB	17	3,432,536,967	3,599,770,426	2,656,682,668
Deposits from subscribers, dealers and agents	18	185,085,907	181,020,497	175,571,209
Gratuity Fund	19	25,709,650	-	27,837,180
Long term Loan from Bank	20	989,053,522	1,022,749,030	624,784,224
<b>Total Non-Current liabilities</b>		<b>30,059,428,137</b>	<b>28,120,014,582</b>	<b>26,052,340,228</b>
<b>Current liabilities and Provisions</b>				
Short term Loan from Bank	21	635,236,899	134,055,649	-
Payable to BTRC	22	1,343,670,742	891,061,358	591,893,195
Provision for income tax	23	790,892,182	684,918,542	578,798,141
Security deposits from suppliers		98,776,540	104,346,529	111,714,953
Unearned revenue	24	1,078,402,152	1,312,983,490	2,126,036,820
Sundry creditors	25	10,298,158,192	8,721,516,036	5,660,825,914
<b>Total Current Liabilities</b>		<b>14,245,136,708</b>	<b>11,848,881,605</b>	<b>9,069,269,023</b>
<b>Total Shareholders' Equity &amp; Liabilities</b>		<b>45,451,428,092</b>	<b>41,686,625,033</b>	<b>39,281,749,924</b>

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

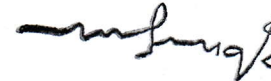
  
General Manager (F&A)

  
Managing Director

  
Director

  
Director

*Signed in terms of our separate report of even date annexed*

  
**Howlader Mahfel Huq, FCA**  
Partner  
ICAB enrollment No. 0105  
Mahfel Huq & Co.  
Chartered Accountants  
DVC:

Dhaka,


07 DEC 2023

2312100105AS901054


**Teletalk Bangladesh Limited**  
**Statement of Profit or Loss and Other Comprehensive Income**  
For the year ended 30 June 2023

Particulars	Notes	Amount in Taka	
		30 June 2023	30 June 2022
<b>Revenue</b>			
Network revenue	26	4,057,139,865	4,051,888,150
Hardware revenue	27	109,478,757	231,074,605
VAS revenue	28	853,498,149	706,252,463
<b>Revenue</b>		<b>5,020,116,771</b>	<b>4,989,215,218</b>
<b>Less: Direct Operating expenses</b>			
Direct cost of network revenue	29	1,023,772,525	1,274,192,638
Direct cost of hardware revenue	30	191,482,868	384,437,511
Direct cost for VAS revenue	31	76,086,450	96,284,908
<b>Less: Direct Operating expenses</b>		<b>1,291,341,843</b>	<b>1,754,915,057</b>
<b>Gross profit</b>		<b>3,728,774,928</b>	<b>3,234,300,161</b>
<b>Less: Other operating expenses</b>			
Network operation and maintenance expenses	32	3,539,232,290	3,342,184,980
General and administrative expenses	33	974,225,702	897,391,321
Selling and distribution expenses	34	365,626,751	407,358,504
Depreciation and amortization	35	2,614,968,191	2,595,114,144
<b>Less: Other operating expenses</b>		<b>7,494,052,934</b>	<b>7,242,048,949</b>
<b>Operating Profit/(Loss)</b>		<b>(3,765,278,006)</b>	<b>(4,007,748,788)</b>
Earning Before Interest Tax Depreciation and Amortisation		(1,150,309,815)	(1,412,634,644)
Add: Non-operating income	36	162,124,676	111,449,957
Less: Non-operating Expenses	37	98,530,655	805,409,867
<b>Net Non-operating income (Expenses)</b>		<b>63,594,021</b>	<b>(693,959,910)</b>
<b>Net profit before WPPF &amp; Tax</b>		<b>(3,504,622,675)</b>	<b>(3,090,888,964)</b>
Less: Workers' Profit Participation Fund (WPPF)			
<b>Net profit/(Loss) before Tax</b>		<b>(3,701,683,985)</b>	<b>(4,701,708,698)</b>
Less: Income tax expense/(income)			
Current tax	38	105,973,641	106,120,401
Deferred tax Expense/(Income)	7	(1,837,973,804)	(2,363,626,577)
		(1,732,000,163)	(2,257,506,176)
<b>Net Profit/(loss) after tax</b>		<b>(1,969,683,823)</b>	<b>(2,444,202,522)</b>
<b>Earnings per share of Taka 10.00 each</b>	39	<b>(1.50)</b>	<b>(1.86)</b>

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

  
General Manager (F&A)

  
Managing Director

  
Director

  
Director

*Signed in terms of our separate report of even date annexed*



**Howlader Mahfel Huq, FCA**  
Partner  
ICAB enrollment No. 0105  
Mahfel Huq & Co.  
Chartered Accountants  
DVC:

Dhaka,

07 DEC 2023

2312100105AS901654





**Teletalk Bangladesh Limited**  
**Statement of Changes in Equity**  
For the year ended 30 June 2023

Particulars	Amount in Taka			
	Share capital	Share money deposit	Accumulated loss	Total
Opening Balance	13,116,008,890	1,790,701	(11,400,070,746)	1,717,728,845
Increase during the year	-	1,398,818,224	-	1,398,818,224
Net Profit/(Loss) for the Year	-	-	(1,969,683,823)	(1,969,683,823)
Closing balance	13,116,008,890	1,400,608,926	(13,369,754,569)	1,146,863,247

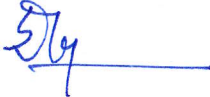
For the year ended 30 June 2022

Particulars	Amount in Taka			
	Share capital	Share money deposit	Accumulated loss	Total
Opening Balance	6,438,661,000	6,677,347,897	(8,955,868,224)	4,160,140,673
Increase during the year	6,677,347,890	(6,675,557,196)	-	1,790,694
Net Profit/(Loss) for the Year	-	-	(2,444,202,522)	(2,444,202,522)
Closing balance	13,116,008,890	1,790,701	(11,400,070,746)	1,717,728,845

  
General Manager (F & A)  
Dhaka,

  
Managing Director

  
Director

  
Director

07 DEC 2023



**Teletalk Bangladesh Limited**  
**Statement of Cash Flows**  
For the year ended 30 June 2023

Particulars	Amount in Taka	
	2022-23	2021-22
<b>A. Cash flows from operating activities</b>		
Network revenue	3,986,186,343	3,044,497,564
Hardware revenue	109,478,757	231,074,605
VAS revenue	823,687,926	706,252,463
Non-operating income	159,201,068	111,830,650
Deposits from subscribers, dealers and agents	4,065,410	5,449,288
Security deposits received from/ (refund to) suppliers	(5,569,989)	(7,368,424)
Direct cost of network revenue	(602,175,857)	(1,020,520,281)
Direct cost of hardware revenue	(186,830,046)	(371,465,533)
Direct cost for VAS revenue	(76,086,450)	(96,284,908)
Network operation and maintenance expenses	(2,596,342,414)	(2,692,745,440)
General and administrative expenses	(897,528,131)	(941,112,361)
Selling and distribution expenses	(379,018,642)	(398,490,661)
Advance from various Vas Service	864,812,740	1,708,959,012
Non-operating expenses	(609,930)	(58,545,746)
Tax expenses	(136,765,584)	(110,382,676)
<b>Net cash generated from operating activities</b>	<b>1,066,505,200</b>	<b>111,147,552</b>
<b>B. Cash flows from investing activities</b>		
Purchase of Asset	(557,237,376)	(528,178,015)
Capital Work in Progress (CWIP)	199,459,430	(1,707,989,688)
LC Margin	(3,440,539,889)	139,821,194
Intangible assets	-	(3,320,000)
<b>Net cash used in investing activities</b>	<b>(3,798,317,835)</b>	<b>(2,099,666,509)</b>
<b>C. Cash flows from Financing Activities</b>		
Long term Loan Received from Bank	100,000,000	633,290,464
Long term Loan Paid to Bank	(213,618,107)	(105,781,722)
Short term Loan Received from Bank	500,000,000	-
Share money deposit	1,398,818,224	1,790,701
Loan from GoB	2,093,750,586	7,162,802
Grant from BTRC	12,482,000	-
Grant from GoB	35,290,320	1,079,836,963
<b>Net cash generated from financing activities</b>	<b>3,926,723,023</b>	<b>1,616,299,208</b>
<b>Net cash flows (A+B+C)</b>	<b>1,194,910,388</b>	<b>(372,219,749)</b>
Cash and cash equivalents at the beginning of the year	1,805,005,724	2,177,225,472
<b>Cash and cash equivalents at the end to the year</b>	<b>2,999,916,111</b>	<b>1,805,005,724</b>

General Manager (F&A)

Managing Director

Director

Director

Dhaka,

07 DEC 2023





**Teletalk Bangladesh Limited**  
**Notes to the Financial Statements**  
For the year ended 30 June 2023

**1. Background**

Teletalk Bangladesh Limited (hereinafter referred to as the “Company”) was incorporated in Bangladesh as a public limited company on December 26, 2004, under the Companies Act 1994. The present authorized capital is BDT 20,00,00,00,000 divided into 2,00,00,00,000 ordinary shares of BDT 10 each. The Company is entirely owned by the Government of the People’s Republic of Bangladesh, and represented by various The Executive Committee of the National Economic Council (ECNEC) decided in 2002 that a State-Owned Enterprise (SOE) in the form of a public limited company would be established in the telecommunications sector to provide mobile telephone service to the people from the public sector, to ensure fair competition between public and private sectors and thereby safeguard the public interest, to meet a portion of the unmitigated high demand for mobile telephone, and to create a new source of revenue for the government. For that purpose, the Government initiated the “10 (Ten) Lakh T&T Mobile Telephone Project (1st Phase-2.5 lac)” through Bangladesh Telegraph & Telephone Board (BTTB) (currently Bangladesh Telecommunications Company Limited). On December 26, 2004, Teletalk Bangladesh Limited, was incorporated to implement the objectives of the Government. The company was given the Certificate of Commencement of Business by the Registrar of Joint Stock Companies and Firms (RJSC) on the same day, and the commercial operation was launched on March 31, 2005. Upon completion of the BTTB project, its assets (worth BDT 643.86 crore) were handed over to Teletalk in 2008 via MoPTIT.

**2. Nature of business**

The principal activities of the Company are to promote and develop telecommunication and ancillary services, to promote and undertake programs or activities to extend wireless and cellular mobile telephone services, to enable the people to resell telephone services on a commercial basis and also to develop a network that would meet the telecommunication needs of the subscribers and to provide access to similar services at a most competitive price.

**3. Significant accounting policies**

**3.1 Basis of accounting**

The financial statements have been prepared on going concern basis under the historical cost convention on Generally Accepted Accounting Principles in accordance with International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs), the Companies Act, 1994 and other applicable laws and regulations.

**3.2 Recognition of property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation. Cost includes expenditure directly attributable to the acquisition and installation of the assets. Any repairs and maintenance expenses are charged to the income statement during the period when these are incurred.

**3.3 Going concern review**

The company has been incurring operating losses since inception with an exception during the years 2010-11 and 2012-2013, experiencing deficiencies in working capital and the key financial ratios had been unfavorable. However, it is anticipated that the planned expansion of 3G & 2.5G networks and rigorous marketing effort to increase subscribers will result in positive operating performance for the company and the financial performance would improve significantly in the years to come. Under such circumstances, the company does not anticipate any adverse situation that may affect the going concern status of the company.

**3.4 Capital work-in-progress**

Capital work-in-process consists of acquisition cost of network plant and machinery and capital components and related installation cost till the date of use in network service. In case of import of components, capital work in progress is recognized when their shipment is confirmed by the supplier.



### 3.5 Depreciation of property, plant and equipment

Depreciation on all fixed asset and floating assets, including plant and equipment, has been charged on straight-line method considering the economic and technical lives of the same. Day basis depreciation is charged on assets during the day of acquisition irrespective of their date of acquisition and no depreciation will be charged on assets during the day of disposal.

Depreciation rates used are as follows:

Name of the Assets	Rate
Base Station	5%
BTS Support Equipment	20%
Switching equipment	10%
Transmission equipment	10%
Office equipment	15%
Furniture & fixture	10%
Computers	15%
Transport vehicles	15%

### 3.6 Intangible assets

Intangible assets are stated at cost less accumulated amortization using the straight-line method. Intangible assets include cost of acquisition of operating software, accounting & inventory software, 3G License and 4G License. All intangible assets, other than license, are being amortized over a period of three years from the year of acquisition irrespective of its date of acquisition and no amortization will be charged on assets. Amortization on License fee is being charged monthly over their useful life. Monthly amortization is charged on License fee during the month of acquisition irrespective of their date of acquisition and no amortization will be charged on assets during the month of disposal.

### 3.7 Inventories

Inventories consist of SIM cards, scratch cards Modem & cash cards. Those are measured at lower of cost and net realizable value. Cost is determined using weighted average method.

### 3.8 Sundry debtors

Sundry debtors consist of receivable from distributors, dealers, inter-operators and unrealized bills for network revenue which are recognized at the balance sheet date. However, proper age analysis of all debts is being done and the unrealized bills are never allowed to exceed the respective security deposit. Specific provisions for debtors are made in the financial statements in the following ways:

Debtors Age (Year)	Provision Rate
Up to 1 Year	0%
More than 1 Year to 2 Years	15%
More than 2 Years to 3 Years	50%
Above 3 Years	100%

### 3.9 Taxation

Income tax expenses comprise current and deferred taxes. Income tax expenses are recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

#### Current Tax

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. The tax rate used for the reporting periods is 2% (As per sec-16CCC of Income Tax Ordinance-1984) and

#### Deferred Tax

Deferred tax is recognized in compliance with IAS 12: *Income Taxes*, providing for temporary differences





between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the date of statement of financial position. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilised. Deferred tax assets are reviewed at each date of statement of financial position and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### **3.10 Foreign currency transactions**

Transactions in foreign currencies are converted into equivalent Taka applying the ruling rate at the date of such transactions. Assets and liabilities outstanding at 30 June 2023 denominated in foreign currencies have been translated into Taka at the rates ruling on the Balance Sheet date.

### **3.11 Revenue recognition**

#### **Network revenue**

Network revenue consists of airtime, interconnection and roaming revenue. Airtime revenue includes prepaid and post paid network revenue.

#### **Prepaid revenue**

Prepaid revenue is recognized (exclusive of VAT) as per actual usage of prepaid/ scratch cards and telecharge recorded in the network. The unused portion of the prepaid cards and telecharge remains as unearned revenue and recognized as liability of the Company.

#### **Postpaid revenue**

Postpaid revenue is recognized on accrual basis and recorded as income (exclusive of VAT) on delivery of the bill to subscribers on a monthly basis.

#### **Interconnection revenue**

Interconnection revenue consists of charges imposed to other cellular operators for receiving calls from their subscribers' cellular numbers. These are recognized as per invoices raised on a monthly basis.

#### **Roaming revenue**

Roaming revenue consists of charges imposed to other cellular operators outside Bangladesh for using the network of the company in the country. It is recognized as per invoices raised on a monthly basis.

#### **VAS revenue**

VAS revenue includes charges imposed to different parties for using the Company's network facilities and is recognized on the basis of issuance of invoice.

#### **Hardware revenue**

Hardware revenue is recognized at the time of sale to the subscribers.

#### **Sale of SIM card**

Sale of SIM card is recognized as income when SIM cards are sold and delivered to the dealers/ subscribers.

#### **SIM replacement revenue**

This represents charges realized from subscribers in case of replacement of new SIM cards and recognized as income when received.

#### **Customer support revenue**

The amount of charges received from subscribers for rendering various services provided to them, and it is recognized on collection basis.

### **3.12 Employees' benefit plan**

#### **Provident Fund**



The company has established a recognized Contributory Provident Fund (CFP) Scheme for permanent employees of the company which was effective from 01 July 2014. The Fund is wholly administered by Board of Trustee (BoT). No part of fund is included in the assets of the Company. However, the officers on deputation, although drawing monthly salary & allowances and other benefits from the Company, are continuing with the provident fund of their organization, as per terms of the memo issued by the Ministry of Posts & Telecommunications. No provision for such accrued liabilities for termination benefit to employees has been made in these financial statements in absence of any agreement with PTD. EPF is in practice as per the rules formatted by the company necessary for this subscription and contribution to PF has been made by the company by maintaining separate account of PF fund. The PF rules has been recognized with the NBR.

#### **Gratuity Fund**

The company has established Gratuity Fund for permanent employee of the Company, who have been in continuous employment in the company at least 5 (Five) years. The amount of the gratuity is equivalent to 1(one) month basic salary for each completed year of service.

#### **Workers' Profit Participation Fund**

The company has a policy to make allocation of 5% on Net Profit before tax as per provisions of Chapter-15, Labour Act 2006.

#### **3.13 Events after the reporting period**

Events after the reporting period that provide additional information about the company's position at the reporting date or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

#### **3.14 General**

- i. Previous year's figures have been rearranged, wherever considered necessary, to conform with current year's presentation.
- ii. These financial statements are presented in Bangladesh Taka (Taka/Tk/BDT) which is both functional currency and presentation currency of the Company. The amounts in these financial statements have been rounded off to the nearest Taka.





#### 4 Property, plant and equipment

For the year ended 30 June 2023

Name of assets	Cost			Depreciation			Amount in Taka
	Balance 1 July 2022	Addition during the year	Balance 30 June 2023	Balance 1 July 2022	Charged during the year	Balance 30 June 2023	WDV 30 June 2023
Base station	45,332,836,456	20,358,191	45,353,194,647	17,685,627,343	2,091,971,522	19,777,598,865	25,575,595,782
BTS Support Equipment	833,631,158	27,006,111	860,637,269	272,335,413	176,863,997	449,199,410	411,437,859
Switching equipment	4,809,590,750	243,558,078	5,053,148,828	3,009,237,403	294,157,747	3,303,395,150	1,749,753,678
Transmission equipment	3,423,711,198	2,285,454	3,425,996,652	2,106,061,057	162,638,445	2,268,699,502	1,157,297,150
Office equipment	505,323,051	1,861,522	507,184,573	446,614,942	19,116,815	465,731,757	41,452,816
Furniture and fixtures	178,016,182	1,684,452	179,700,634	127,200,814	10,517,525	137,718,339	41,982,294
Computers	311,558,620	6,531,387	318,090,007	174,630,035	28,361,157	202,991,192	115,098,815
Motor vehicles	141,968,149	-	141,968,149	122,741,434	7,180,414	129,921,848	12,046,301
<b>Total 30 June 2023</b>	<b>55,536,635,564</b>	<b>303,285,195</b>	<b>55,839,920,760</b>	<b>23,944,448,441</b>	<b>2,790,807,620</b>	<b>26,735,256,061</b>	<b>29,104,664,697</b>

For the year ended 30 June 2022

Name of assets	Cost			Depreciation			Amount in Taka
	Balance 1 July 2021	Addition during the year	Balance 30 June 2022	Balance 1 July 2021	Charged during the year	Balance 30 June 2022	WDV 30 June 2022
Base station	43,121,528,374	2,211,308,082	45,332,836,456	15,648,491,047	2,037,136,296	17,685,627,343	27,647,209,113
BTS Support Equipment	544,476,572	289,154,586	833,631,158	126,729,002	145,606,411	272,335,413	561,295,745
Switching equipment	4,438,453,739	371,137,011	4,809,590,750	2,722,289,826	286,947,577	3,009,237,403	1,800,353,347
Transmission equipment	2,949,376,425	474,334,773	3,423,711,198	1,946,313,254	159,747,803	2,106,061,057	1,317,650,141
Office equipment	484,801,748	20,521,303	505,323,051	420,883,666	25,731,276	446,614,942	58,708,109
Furniture and fixtures	171,646,166	6,370,016	178,016,182	116,120,141	11,080,673	127,200,814	50,815,368
Computers	210,678,775	100,879,845	311,558,620	155,363,486	19,266,549	174,630,035	136,928,585
Motor vehicles	141,968,149	-	141,968,149	115,561,020	7,180,414	122,741,434	19,226,715
<b>Total 30 June 2022</b>	<b>52,062,929,948</b>	<b>3,473,705,617</b>	<b>55,536,635,564</b>	<b>21,251,751,442</b>	<b>2,692,696,999</b>	<b>23,944,448,441</b>	<b>31,592,187,124</b>



Notes	Particulars	Amount in Taka	
		30 June 2023	30 June 2022 Restated)
<b>4.01</b>	<b>Property, plant and equipment-Addition</b>		
	Capital Work-in-progress	253,952,183	2,945,527,602
	Local Purchases	49,333,012	528,178,015
		<b>303,285,195</b>	<b>3,473,705,617</b>
<b>5</b>	<b>Capital work-in-progress</b>		
	Opening balance	107,762,102	758,681,420
	Add: Addition during the year (Annexure-A)	233,045,168	2,294,608,284
	Less: Capitalized during the year (Annexure-A)	(253,952,183)	(2,945,527,602)
		<b>86,855,087</b>	<b>107,762,102</b>
<b>6</b>	<b>Intangible assets</b>		
	<b>Cost</b>		
	Opening balance	1,732,937,177	1,729,617,177
	Add: Addition during the year	-	3,320,000
		1,732,937,177	1,732,937,177
	<b>Less: Accumulated amortization</b>		
	Opening balance	1,295,465,623	1,256,299,273
	Amortized during the year	39,166,350	39,166,350
		1,334,631,973	1,295,465,623
		<b>398,305,204</b>	<b>437,471,554</b>
<b>7</b>	<b>Deferred tax Assets (Liabilities)</b>		
	Opening Balance	4,607,836,389	2,244,209,812
	Deferred tax Income During the Year	1,837,973,804	2,363,626,577
		<b>6,445,810,193</b>	<b>4,607,836,389</b>
<b>8</b>	<b>Inventories</b>		
	SIM cards (note- 8.1)	13,646,009	16,498,257
	Scratch cards (Note- 8.2)	9,020,107	9,518,876
	Dongle/Router (Note-8.3)	28,324,990	29,626,796
		<b>50,991,106</b>	<b>55,643,928</b>
<b>8.1</b>	<b>SIM cards</b>		
	Cost of Opening SIM Cards	16,498,257	27,475,601
	Add: Addition during the year	19,219,600	20,882,160
		35,717,857	48,357,761
	Less: SIM cards Consumption During the year	22,071,848	31,859,505
	Cost of Closing SIM Cards	<b>13,646,009</b>	<b>16,498,257</b>
<b>8.2</b>	<b>Scratch cards</b>		
	Cost of Opening Scratch Cards	9,518,876	10,470,964
	Add: Addition during the year	-	-
		9,518,876	10,470,964
	Less: Scratch Cards Consumption During the year	498,769	952,088
	Cost of Closing Scratch Cards	<b>9,020,107</b>	<b>9,518,876</b>
<b>8.3</b>	<b>Dongle/Router</b>		
	Cost of Opening Dongle/Router	29,626,796	30,669,341
	Add: Addition during the year	-	-
		29,626,796	30,669,341
	Less: Dongle/Router Consumption During the year	1,301,806	1,042,545
	Cost of Closing Dongle/Router	<b>28,324,990</b>	<b>29,626,796</b>
<b>9</b>	<b>Sundry debtors</b>		
	Post paid Bill, PCO & MER	168,983,051	160,820,885
	Interconnection Operators	778,396,091	794,782,521
	Dealers and distributors	160,708,677	307,763,731
	DBBL Mobile Bank for Telecharge	46,380,863	43,242,152
	Roaming operators	4,170,823	3,915,194





Notes	Particulars	Amount in Taka	
		30 June 2023	30 June 2022 Restated)
	Receivable for VAS revenue	70,671,089	40,860,866
	Receivable for Tower Sharing	3,540,280	-
		1,232,850,874	1,351,385,348
	Less: Provision for bad & doubtful debts	188,036,934	188,036,934
		<b>1,044,813,940</b>	<b>1,163,348,414</b>
<b>10</b>	<b>Advances, deposits and prepayments</b>		
	<b>Advances</b>		
	Advance against expenses	15,970,994	32,499,929
	Advance paid to various suppliers	3,619,975,520	178,635,630
	Adjustable VAT on bills	160,457,272	300,420,262
	Advance to PBTL Optical Fiber	88,624,099	107,425,919
	Advance to staff against petty cash	5,174,118	4,779,118
		3,890,202,002	623,760,858
	<b>Deposits</b>		
	Security deposit to DESCO & PDB- for electricity	16,500	16,500
	Bangladesh Submarine Cable Co. Ltd.	30,000	30,000
	Security deposit to T & T - for telephone	5,989,200	5,989,200
		6,035,700	6,035,700
	<b>Short Term Deposit more than 3 Months</b>	210,278,882	200,000,000
	<b>Prepayments</b>		
	Office rent	8,226,804	21,879,292
	BTS rent	176,202,898	176,257,671
		184,429,702	198,136,963
	<b>Total</b>	<b>4,290,946,286</b>	<b>1,027,933,521</b>
<b>11</b>	<b>Advance income tax</b>		
	Advance Company Tax	73,358,479	49,465,754
	Deducted at sources by bank & others		
	- against interest from short term deposits	84,753,684	67,350,646
	- against interest from fixed deposits	213,409,787	200,004,358
	-MEP Advance Tax Paid on Bank Deposits	379,432	379,432
	- against others	647,256,768	565,192,377
		945,799,671	832,926,813
		<b>1,019,158,150</b>	<b>882,392,567</b>



Notes	Particulars	Amount in Taka																	
		30.06.23	30.06.2022 (Restated)																
<b>12</b>	<b>Cash and cash equivalents</b>	<b>3,243,088,753</b>	<b>2,986,429,008</b>																
	Cash in hand	1,103,403	1,104,454																
	Cash at Bank (Note: 12.1)	2,998,812,708	1,803,901,270																
		<b>2,999,916,111</b>	<b>1,805,005,724</b>																
<b>12.1</b>	<b>Cash at Bank</b>																		
	Short Term deposit	2,094,646,379	954,020,187																
	Total Fixed Deposit	1,114,445,211	1,049,881,083																
	Fixed deposit more than 3 month (Note: 10)	(210,278,882)	(200,000,000)																
	Fixed deposit less than 3 month	904,166,329	849,881,083																
		<b>2,998,812,708</b>	<b>1,803,901,270</b>																
<b>13</b>	<b>Authorized Share Capital</b>																		
	2,000,000,000 ordinary shares of Taka 10 each	<b>20,000,000,000</b>	<b>20,000,000,000</b>																
	<b>Issued and paid up share capital</b>																		
	131,16,00,889 ordinary shares of Taka 10 each fully paid up	<b>13,116,008,890</b>	<b>13,116,008,890</b>																
<b>13.1</b>	<b>Composition of shareholdings</b>																		
	<table> <tr> <th>Name of shareholders</th><th>Nationality</th><th>No. of shares</th><th>Value in Taka</th></tr> <tr> <td>1 Ministry of Post, Telecommunications and Information Technology</td><td>Bangladeshi</td><td>1,311,598,890</td><td>13,115,988,900</td></tr> <tr> <td>2 Directors</td><td>Bangladeshi</td><td>2,000</td><td>20,000</td></tr> <tr> <td></td><td></td><td><b>1,311,600,890</b></td><td><b>13,116,008,900</b></td></tr> </table>	Name of shareholders	Nationality	No. of shares	Value in Taka	1 Ministry of Post, Telecommunications and Information Technology	Bangladeshi	1,311,598,890	13,115,988,900	2 Directors	Bangladeshi	2,000	20,000			<b>1,311,600,890</b>	<b>13,116,008,900</b>		
Name of shareholders	Nationality	No. of shares	Value in Taka																
1 Ministry of Post, Telecommunications and Information Technology	Bangladeshi	1,311,598,890	13,115,988,900																
2 Directors	Bangladeshi	2,000	20,000																
		<b>1,311,600,890</b>	<b>13,116,008,900</b>																
<b>13.2</b>	<b>A distribution schedule of the shares as at 30 June 2023 is given below as required by listing regulations:</b>																		
	<table> <tr> <th>Slabs by number of shares</th><th>Number of shareholders</th><th>Number of shares</th><th>% of shareholdings</th></tr> <tr> <td>1 to 500</td><td>9</td><td>2,000</td><td>0.00015%</td></tr> <tr> <td>Above 1,000,000</td><td>1</td><td>1,311,598,890</td><td>99.99985%</td></tr> <tr> <td></td><td></td><td><b>1,311,600,890</b></td><td><b>100%</b></td></tr> </table>	Slabs by number of shares	Number of shareholders	Number of shares	% of shareholdings	1 to 500	9	2,000	0.00015%	Above 1,000,000	1	1,311,598,890	99.99985%			<b>1,311,600,890</b>	<b>100%</b>		
Slabs by number of shares	Number of shareholders	Number of shares	% of shareholdings																
1 to 500	9	2,000	0.00015%																
Above 1,000,000	1	1,311,598,890	99.99985%																
		<b>1,311,600,890</b>	<b>100%</b>																
<b>14</b>	<b>Accumulated loss</b>																		
	Opening balance	(11,400,070,746)	(8,955,868,224)																
	Add: Net profit/(loss) for the year	(1,969,683,823)	(2,444,202,522)																
		<b>(13,369,754,568)</b>	<b>(11,400,070,746)</b>																
<b>15</b>	<b>Share money deposit</b>																		
	Opening balance	1,790,701	6,677,347,897																
	Add: Share Money Deposit 5G Project (Note: 15.1)	1,398,818,224	1,790,701																
	Less Transfer to Paidup Capital (3G Phase I)	-	6,677,347,897																
		<b>1,400,608,926</b>	<b>1,790,701</b>																
<b>15.1</b>	<b>Equity fund from 5G Project</b>																		
	Investment at 5G Project	3,512,612,778	18,825,385																
	Less: TBL Contribution to the 5G Project	11,090,464	9,871,882																
	Fund from GoB under 5G Readiness Project	<b>3,501,522,314</b>	<b>8,953,503</b>																
	Less: Loan Portion of GoB Fund(80%)	2,100,913,388	7,162,802																
	Share Money Deposit 5G Project (20%)	<b>1,400,608,925</b>	<b>1,790,701</b>																
<b>16</b>	<b>Loan from GoB</b>																		
	Loan from GoB 3G Project Phae I (Note: 16.1)	16,819,261,529	16,819,261,529																
	Loan from GoB under 3G project Phase II (Note: 16.2)	6,506,867,175	6,490,050,298																
	Loan from GoB under 5G Readiness project (Note: 16.3)	2,100,913,388	7,162,802																
		<b>25,427,042,092</b>	<b>23,316,474,629</b>																





Notes	Particulars	Amount in Taka	
		30.06.23	30.06.2022 (Restated)
<b>16.1</b>	<b>Loan from GoB 3G Project Phase I</b>		
	Loan from GoB under 3G project Phase I	10,754,670,000	10,754,670,000
	Interest on Loan payable on foreign loan	6,064,591,529	6,064,591,529
		<b>16,819,261,529</b>	<b>16,819,261,529</b>
<b>16.2</b>	<b>Loan from GoB under 3G project Phase II</b>		
	Loan from GoB under 3G project Phase II	6,400,135,974	6,400,135,974
	Interest on Loan payable on 3G project Phase II	106,731,201	89,914,324
		<b>6,506,867,175</b>	<b>6,490,050,298</b>
<b>16.3</b>	<b>Loan from GoB under 5G Readiness project</b>		
	Loan from GoB under 5G Readiness project	2,801,217,851	7,162,802
		<b>2,801,217,851</b>	<b>7,162,802</b>
<b>17</b>	<b>Grant from GoB</b>		
	H&I Project [Funded by BTRC] (Noe: 17.1)	3,156,224,053	3,356,643,708
	Solar Base Station Project [Funded by GoB] (Noe: 17.2)	263,830,914	243,126,718
	C&H Project [Funded by BTRC]	12,482,000	-
		<b>3,432,536,967</b>	<b>3,599,770,426</b>
<b>17.1</b>	<b>Fund Received From BTRC for H&amp;I Project</b>		
	Opening Balance	3,356,643,708	2,463,145,361
	Add: Received Durring the Year	-	1,027,840,245
	Less: Depreciation on Grant Assets of H&I Project	200,419,655	134,341,898
		<b>3,156,224,053</b>	<b>3,356,643,708</b>
<b>17.2</b>	<b>Fund received from Gov for Solar Base Station Project</b>		
	Investment at Solar Base Station Project	284,823,658	249,533,338
	Less: Fund from TBL	3,454,168	3,454,168
	Fund from GoB	281,369,490	246,079,170
	Less: Depreciation on Grant Assets of SBS Project	17,538,576	2,952,452
		<b>263,830,914</b>	<b>243,126,718</b>
<b>18</b>	<b>Deposits from subscribers, dealers and agents</b>		
	Deposits from PCO subscribers	97,591,547	97,591,547
	Deposits from postpaid subscribers	20,892,496	14,950,896
	Deposits from dealers and distributors	66,601,865	68,478,055
		<b>185,085,907</b>	<b>181,020,497</b>
<b>19</b>	<b>Gratuity Fund</b>		
	Opening Balance	-	27,837,180
	Addition : During the Year	39,782,914	-
	Less : Transfer to Gratuity Fund	14,073,264	27,837,180
		<b>25,709,650</b>	<b>-</b>
<b>20</b>	<b>Long term Loan from Bank</b>		
	Principal Loan (Note: 20.01)	1,113,835,154	1,147,890,803
	Interest Due (Note: 20.02)	9,913,601	8,913,876
		<b>1,123,748,754</b>	<b>1,156,804,679</b>
	Less: Payable within next 12 month	134,695,232	134,055,649
		<b>989,053,522</b>	<b>1,022,749,030</b>
<b>20.1</b>	<b>Principal Loan</b>		
	Opening Balance	1,147,890,803	620,382,061
	Add: Loan received during the period (Note: 20.01.01)	100,000,000	633,290,464
	Less: Principal repaid (Note: 20.01.02)	(134,055,649)	(105,781,722)
		<b>1,113,835,154</b>	<b>1,147,890,803</b>



Notes	Particulars	Amount in Taka	
		30.06.23	30.06.2022 (Restated)
<b>20.2 Interest Due</b>			
	Opening Balance	8,913,876	4,402,163
	Add: Interest charged during the period	77,976,206	59,654,496
	Less: Interest paid during the period	(76,976,482)	(55,142,783)
		<b>9,913,601</b>	<b>8,913,876</b>
<b>21 Short term Loan from Bank</b>			
	Principal Loan (Note: 20.01)	500,000,000	-
	Interest Due (Note: 20.02)	541,667	-
		500,541,667	-
	Add: Payable within next 12 month of Long Term Loan (Note 20)	134,695,232	134,055,649
		<b>635,236,899</b>	<b>134,055,649</b>
<b>22 Payable to BTRC</b>			
	Frequency charges for 2G	402,207,518	201,103,760
	Revenue sharing charges	418,897,480	189,059,013
	Revenue sharing for SoF	522,509,669	500,896,778
	Coastal & Hill tracts Interest	56,075	1,807
		<b>1,343,670,742</b>	<b>891,061,358</b>
<b>23 Provision for income tax</b>			
	Opening	684,918,541	578,798,141
	Addition : During the Year	105,973,641	106,120,401
	Less : Adjustment During the Year	-	-
		<b>790,892,182</b>	<b>684,918,542</b>
<b>24 Unearned revenue</b>			
	Scratch cards	86,707,895	66,557,421
	TBPS	90,837,282	71,870,577
	Tele charges	900,856,974	1,174,555,491
		<b>1,078,402,152</b>	<b>1,312,983,490</b>

Prepaid revenue is recognized (exclusive of VAT) as per actual usage of prepaid/ scratch cards and telecharge recorded in the network. The unused portion of the prepaid cards and telecharge remains as unearned revenue and recognized as liability of the Company.





Notes No.	Particulars	Amount in Taka	
		30.06.23	2021-2022 (Restated)
<b>25</b>	<b>Sundry creditors</b>		
	Outstanding electricity bills & others	190,100,255	145,857,142
	Audit fee payable	434,750	379,500
	Tax & VAT deducted at source	77,742,011	209,549,188
	Payable to suppliers	3,682,998,690	2,958,269,162
	Payable for various Vas Service	4,807,678,485	3,927,582,626
	Interconnection charge payable	1,132,576,770	1,166,697,698
	Payable to roaming operators	25,307,413	22,199,201
	SD,VAT& Surcharge Payable	331,172,990	261,980,940
	Provision for office rent	50,146,828	29,000,579
		<b>10,298,158,192</b>	<b>8,721,516,036</b>
<b>26</b>	<b>Network revenue</b>		
	Traffic revenue (Note: 26.01)	3,786,081,132	3,790,906,388
	Interconnection revenue	267,577,637	260,417,739
	Roaming revenue	246,592	96,022
	Revenue from Infrastructure Rent	3,234,504	468,004
		<b>4,057,139,865</b>	<b>4,051,888,154</b>
<b>26.01</b>	<b>Traffic revenue</b>		
	Voice Revenue	2,382,764,378	2,678,622,812
	Data Revenue	1,292,904,256	1,007,370,575
	SMS Revenue	110,412,498	104,913,001
		<b>3,786,081,132</b>	<b>3,790,906,388</b>
<b>27</b>	<b>Hardware revenue</b>		
	Sale of SIM cards	74,640,367	198,270,030
	Replacement of SIM cards	33,307,180	30,911,230
	Modem Sales	1,383,960	1,699,295
	Router Sales	95,050	159,750
	Customers support revenue	52,200	34,100
		<b>109,478,757</b>	<b>231,074,605</b>
<b>28</b>	<b>VAS revenue</b>		
	Commission from Admission and Recruitment & Others	305,401,337	257,907,300
	Commission from Bill Collection	247,330,865	217,257,480
	Bulk SMS	209,435,931	136,258,300
	VAS Revenue for Result Publications	10,478,444	5,624,370
	Standard VAS Revenue	80,851,572	89,205,009
		<b>853,498,149</b>	<b>706,252,460</b>
<b>29</b>	<b>Direct cost of network revenue</b>		
	Interconnection charges	545,319,744	644,281,581
	Revenue sharing- BTRC	229,838,467	269,379,876
	Frequency charges- BTRC	201,103,758	303,656,760
	Revenue Sharing for SoF- BTRC	41,658,919	48,697,599
	Roaming expenses	5,352,868	7,224,734
	Cost of Scratch cards	498,769	952,088
		<b>1,023,772,525</b>	<b>1,274,192,638</b>
<b>30</b>	<b>Direct cost of hardware revenue</b>		
	Cost of SIM cards (Note: 30.1)	189,412,648	380,867,905
	Cost of Dongle/Router (Note: 30.2)	1,301,806	1,042,545
	Packing expenses	768,414	2,527,061
		<b>191,482,868</b>	<b>384,437,511</b>



Notes No.	Particulars	Amount in Taka	
		30.06.23	2021-2022 (Restated)
<b>30.1</b>	<b>Cost of SIM Cards</b>		
	Cost of Opening SIM Card	16,498,257	27,475,601
	Add: Addition during the year SIM	19,219,600	20,882,160
		<b>35,717,857</b>	<b>48,357,761</b>
	Less: Cost of Closing SIM Card	13,646,009	16,498,257
	SIM Card Consumption During the year	<b>22,071,848</b>	<b>31,859,505</b>
	Add: Subsidy of SD & VAT on SIM Card sales	167,340,800	349,008,400
		<b>189,412,648</b>	<b>380,867,905</b>
<b>30.2</b>	<b>Cost of Dongle /Router</b>		
	Cost of Opening Dongle	29,626,796	30,669,341
	Add: Addition during the year	-	-
		<b>29,626,796</b>	<b>30,669,341</b>
	Less: Cost of Closing Dongle	28,324,990	29,626,796
	Dongle Consumption During the year	<b>1,301,806</b>	<b>1,042,545</b>
<b>31</b>	<b>Direct cost for VAS revenue</b>		
	Cost of content	44,070,039	40,453,954
	Software Cost	32,016,411	55,830,954
		<b>76,086,450</b>	<b>96,284,908</b>
<b>32</b>	<b>Network operation and maintenance expenses</b>		
	BTS rental charges	358,569,436	357,658,401
	BTS electricity bill	811,114,996	776,844,345
	BTS Site Sharing Rent	1,045,988,037	989,336,658
	Maintenance expenses	612,246,578	578,639,531
	BTS relocation cost & Others	11,522,679	7,701,468
	Rental charge of optical fiber network	699,790,563	632,004,578
		<b>3,539,232,290</b>	<b>3,342,184,980</b>
<b>33</b>	<b>General and administrative expenses</b>		
	Personnel Cost ( Note: 33.1)	742,282,582	656,759,795
	Printing and stationery	9,310,851	7,947,056
	Repair and maintenance expenses	23,732,251	20,668,716
	Office rent	85,576,659	93,929,165
	Car rental expenses	34,855,184	36,547,413
	Distribution of hand sets	599,598	574,999
	Travelling expenses	8,345,636	7,936,828
	Utilities	8,323,461	8,105,430
	Entertainment	3,769,641	7,368,739
	Legal and professional fees	1,867,346	640,000
	Office expenses	250,378	275,845
	Board meeting fees	677,997	365,700
	Audit fee (including VAT)	580,250	334,500
	Membership fee & subscriptions	6,786,464	3,264,249
	Fuel & lubricant	38,543,476	37,278,026
	GSM Association fee	489,322	401,190
	Employee training expenses	896,211	1,757,307
	Recruiting expenses	1,162,276	18,614
	BVS Expenses	3,254,068	9,831,280
	Postage & courier	1,532,282	1,704,844
	Other Expenses (General)	1,389,769	1,681,624
		<b>974,225,702</b>	<b>897,391,321</b>





Notes No.	Particulars	Amount in Taka	
		30.06.23	2021-2022 (Restated)
<b>33.1 Personnel Cost</b>			
	Salary and allowances	557,549,241	528,648,800
	Managing Director's remuneration	2,917,420	3,090,000
	Contribution of Provident Fund by TBL	19,988,185	18,794,128
	Gratuity Expenses	25,709,650	-
	Security guard and cleaning hire expenses	136,118,086	106,226,867
		<b>742,282,582</b>	<b>656,759,795</b>
<b>34 Selling and distribution expenses</b>			
	Advertisement	44,483,947	60,007,545
	Business promotion	5,778,995	18,525,363
	Sales commission	315,363,809	328,825,596
		<b>365,626,751</b>	<b>407,358,504</b>
<b>35 Depreciation and Amortization</b>			
	Depreciation on Property, plant and equipment (note - 4)	2,790,807,620	2,692,696,999
	Depreciation on Grant Assets of H&I Project	(200,419,655)	(134,341,898)
	Depreciation on Grant Assets of SBS Project	(14,586,124)	(2,407,307)
	Amortization on intangible assets	39,166,350	39,166,350
		<b>2,614,968,191</b>	<b>2,595,114,144</b>
<b>36 Non-operating income</b>			
	Interest on fixed deposits	73,338,165	55,941,762
	Interest on short term deposit	87,530,591	55,508,195
	Miscellaneous income	1,255,920	-
		<b>162,124,676</b>	<b>111,449,957</b>
<b>37 Non-operating Expenses</b>			
	Foreign Exchange Loss	843,734	505,528
	Interest on Loan - Gov Loan	16,816,877	741,846,880
	Interest on Bank Loan	79,562,457	61,494,365
	Bank charges & commission	1,307,586	1,563,094
		<b>98,530,655</b>	<b>805,409,867</b>
<b>38 Income tax expenses</b>			
	Current year tax	105,973,641	106,120,401
	Final Tax for Assessment	-	-
		<b>105,973,641</b>	<b>106,120,401</b>
<b>39 Earnings Per Share</b>			
	<b>Basic earnings per share</b>		
	Profit attributable to the ordinary shareholders-A	(1,969,683,823)	(2,231,099,079)
	Weighted average number of shares outstanding-B	1,311,600,889	1,311,600,889
	Basic earnings per share-A/B	<b>(1.50)</b>	<b>(1.70)</b>
<b>40 Related Party Transactions</b>	The Company has no related party transactions as per IAS-24 except those made with its managing director, which have already been disclosed under note # 31 in the accompanying financial statements.		
<b>41 Particulars of employees</b>	The number of employees engaged for the year ended 30 June 2023 or part thereof who received a total salary of Taka 36,000 per annum and above was 493 persons (30 June 2022: 519 persons).		
<b>42 Subscriber-base</b>			
		No. of Subscribers	No. of Subscribers
	Present capacity	12,400,000	12,400,000
	Active subscribers	6,488,626	6,749,733
	Attainment in %	52%	54%



Notes No.	Particulars	Amount in Taka	
		30.06.23	2021-2022 (Restated)
43	Foreign currencies payments and receipts		
	Purpose of payments		
	Import of telecommunication equipment		
	Roaming expenses		
	GSM association fees		
	Others- signaling		
	Received for		
	Roaming revenue		
44	Commitments and Contingencies:		
	Commitments		
	i. Letter of Credit		
	ii. Suppliers		





#### 45 Contingent liabilities

- 45.1 i. A writ petition was filed by a subscriber with the Hon'ble High Court Division against the NBR challenging fixation of tariff value by the Government and imposition of VAT & Supplementary Duty of Taka 800 (previously Taka 1,200) per SIM card (Civil petition No. 4356 of 2005). On 24 August 2006 Hon'ble High Court, upon hearing the case, declared that fixation of any tariff value without complying with the provision of the VAT Act as illegal and without any lawful authority. Teletalk followed the order of the Hon'ble High Court and stopped collecting any VAT & Supplementary Duty from subscriber during the period from 24 August 2006 to date. Subsequently, the Hon'ble Appellate Division of the Supreme Court has imposed a temporary stay upon the order of the Hon'ble High Court Division for a period of three months which is still in force.

However, the VAT authority has conducted an audit of the documents of the Company. Upon completion of the audit, the Commissioner, Customs, Excise & VAT, Dhaka (South) on 8 August, 2007 has issued an ex-party order to pay an amount of Taka 851,337,774 as unpaid VAT and SD along with penalty on the alleged charge of evasion by the Company. However, on 6 November, 2007, the Company has filed an appeal with the President of Customs, Excise & VAT Appellate Tribunal, Dhaka against such order of the Commissioner upon payment of 10% of the demand. Upon hearing the case, the Appellate Tribunal issued an order maintaining the order of the Commissioner. Being aggrieved, the Company filed a Writ Petition with the Hon'ble High Court Division and the Hon'ble High Court Division issued a stay order for 6 months which has since been extended up to 10 August 2010. The order of Stay granted earlier by the Hon'ble High Court has been extended till disposal of the Rule.

- 45.2 i. A legal notice has been received from one Mr. Md. Akhter Hossain Mozumder, Advocate, Bangladesh Supreme Court in favor of Bangladesh Telecommunication Business Association (BTBA) against the approximate claim amount of Taka 51,694,944 for payment within 15 days from the receipts of such notice. This notice has been issued resorting to Corporate PCO Client Service agreement dated 5 January 2006 signed and executed among Teletalk Bangladesh Limited (TBL) and Bangladesh Telecommunication Business Association (BTBA). The Company has also given reply through legal adviser in this regard. The issue is yet to be settled as the party applied for arbitration and the arbitration has not yet be started. As per the decision of BoD meeting a legal notice has been served upon BTBA on 26 June 2018.
- ii. An arbitration case has been filed by Opex Telecom Limited, one of the dealers, against the Company under Arbitration Act for its claim amounting Taka 23.4 million. The case has been lying pending before the Hon'ble district Court of Dhaka.

#### 46 Other matters

- i. As per "SRO No. 179-Act/2012/637-VAT Act 1991 (Act No. 22 of 1991)" published on Bangladesh Gazette (Dated 07 June, 2012), mobile phone operators are required to pay VAT at 15% on BTRC license fee, revenue sharing fee and on any other payment to BTRC. Teletalk Bangladesh Limited did not charge VAT @15% on Spectrum Charge paid to BTRC for FY 2014-15, 2015-16 & 2016-17.
- ii. Teletalk Bangladesh Limited (TBL) acquired 3G license from BTRC on October 2013 for Taka 17,143,875,000 including VAT @5%. No agreement was initiated for such license. A letter # BTRC /LL/3G(5)/Teletalk/2013-1093 dated 05 November 2013 was issued from BTRC where it was stated that 60% of this amount would have to be paid within 30 working days and the remaining 40% would have to be paid within next 180 working days. But only Taka 500,000,000 of this amount was paid during the FY2013-14. And the rest of the amount is shown as payable to BTRC (frequency charge for 3G). Without a valid agreement between Teletalk Bangladesh Limited and Bangladesh Telecommunication Regulatory Commission (BTRC) it could not be possible for us to verify the whole amount and any other clauses relevant with such agreement.

  
General Manager (F&A)

  
Managing Director

  
Director

  
Director



**Capital Work in Progress:**

**Annexure:A**

**30-Jun-23**

Sl. No.	Particulars	Openning Balance	Addition during the Year	Capitalized during the Year	Closing Balance
1	2	3	4	5	6 = (3+4+5)
1	3G Phase II Project	-	6,060,152	(6,060,152)	-
2	Solar Based Station Project	74,644,921	171,900,837	(246,545,757)	0
3	Teletalk Bangladesh Limited	23,676,084	15,356,786	(127,692)	38,905,179
4	5G Readiness Project	9,153,759	30,297,393	(1,218,582)	38,232,570
5	Coastal & Hill Tracts Project	287,338	9,430,000	-	9,717,338
<b>Total Capital Work in Progress</b>		<b>107,762,102</b>	<b>233,045,168</b>	<b>(253,952,183)</b>	<b>86,855,086</b>

**30-Jun-22**

Sl. No.	Particulars	Openning Balance	Addition during the Year	Capitalized during the Year	Closing Balance
1	2	3	4	5	6 = (3+4+5)
1	Modernization and Expantion Project	2,467,766	4,233,820	(6,701,586)	(0)
2	3G Phase II Project	59,926,364	535,728,292	(595,654,656)	-
3	Solar Based Station Project	84,529,474	28,679,977	(38,564,531)	74,644,921
4	Haor & Island Project	537,475,715	1,683,177,387	(2,220,653,102)	-
5	Teletalk Bangladesh Limited	74,282,101	23,676,084	(74,282,101)	23,676,084
6	5G Readiness Project	-	18,825,385	(9,671,626)	9,153,759
7	Coastal & Hill Tracts Project	-	287,338	-	287,338
<b>Total Capital Work in Progress</b>		<b>758,681,420</b>	<b>2,294,608,284</b>	<b>(2,945,527,602)</b>	<b>107,762,102</b>

