

**Independent Auditor's Report & audited
Financial Statements**

Of

Teletalk Bangladesh Limited

As at & for the year ended 30 June 2024

**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 accompanying financial statements of Teletalk Bangladesh Limited. ("the Company"), which comprise the Statement of Financial Position as at 30 June 2024, 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 matters 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 2024, and its financial performance and its cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994.

Basis for Qualified Opinion

- As disclosed in note 16.1 Loan from GoB for 3G Project Phase-I was Tk. 16,819,261,529. This loan has taken through govt. from China Exim Bank in USD currency which include a schedule for interest charge and repayment. No interest has been charged and payment made as per schedule. In addition, IAS 21 requires foreign currency items shall be translated using closing rate. But the company did not comply with this standard. As per IAS 21 loan balance need to be shown at Tk. 22,403,453,690 (*equivalent to USD 191,482,510 as per repayment schedule*) for the year ended 30 June 2024 which leading to a difference of Tk. 5,584,192,161. Furthermore, disclosed in note 16.2 Loan from GoB for 3G Project Phase-II was Tk. 6,506,867,175 but as per repayment schedule balance should be Tk. 6,277,156,000 leading to an over charged by Tk. 229,711,175.
- IAS 12 requires that a deferred tax asset shall be recognized for all deductible 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. 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 (Sundry Debtors) from BTCL shown amounting to Tk. 700,597,291. However, as per external confirmation received from BTCL receivables stood at Tk. 498,315,710 leading to unresolved difference of Tk. 202,281,581. Additionally, Accounts payable (Sundry creditors) to BTCL shown amounting to Tk. 1,015,291,427. However, as per external confirmation received from BTCL the payable stood at BDT 5,586,888,282 leading to unsolved difference of Tk. 4,571,596,855. We are unable to obtain an appropriate explanation and reconciliation regarding these differences.

We conducted our audit in accordance with International Standards on Auditing (IASs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with 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 in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our qualified opinion.

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Emphasis of Matters:

Without qualifying our opinion, we draw attention to this following:

- 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.
- We draw attention to the note no. 3.13 of the financial statements, where management states that unified license fee for 2G, 3G, 4G & 5G amounting to Tk. 10 crore per year for which most government cellular phone operators worldwide do not pay a license fee to the regulatory authority. Teletalk is actively pursuing the cancellation of the unified annual license fee. Given this situation, Teletalk has not made a provision for the unified license fee in its financial statements.

Material Uncertainty Related to Going Concern

We draw attention to Note 3.3 in the financial statements which indicates that the Company incurred a net loss of Tk. 1,798,890,172 during the year ended 30 June 2024 and as of that date accumulated loss comes to Tk. 15,168,644,740. Current liabilities exceeded the current assets by Tk. 6,320,723,576. As stated in Note 3.3 these events or conditions along with other matters as set forth in Note 3.3 indicates that a material uncertainty exist that may cast significant doubt on the Company's ability to continue as a going concern. However, Management anticipated that the planned expansion of 4G 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. Our opinion is not qualified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. Those matters were addressed in 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. For each matter below, our description of how our audit addressed the matter is produced in the context.

Risk	Our response to the risk
Property, plant and equipment (PP&E)	
<p>The carrying value of PP&E as at 30 June 2024 was BDT. 26,553,618,224 which is 46% of total assets. There are a number of areas where management judgment impacts the carrying value of PP&E, and the related depreciation profiles. These include:</p> <ul style="list-style-type: none"> Determining which costs meet the criteria for capitalization; 	<p>Our audit procedures to assess the carrying value of PP&E included the following:</p> <ul style="list-style-type: none"> assessing the design, implementation and operating effectiveness of key internal controls over the completeness, existence and accuracy of property, plant and equipment, including the key internal controls over the estimation of useful economic lives and residual values;
<ul style="list-style-type: none"> The estimation of economic useful lives and residual values assigned to property, plant and equipment. <p>We identified the carrying value of property, plant and equipment as a key audit matter because of the high level of management judgment involved and because of its significance to the financial statements.</p>	<ul style="list-style-type: none"> assessing, on a sample basis, costs capitalized during the year by comparing the costs capitalized with the relevant underlying documentation, which included purchase agreements and invoices, and assessing whether the costs capitalized met the relevant criteria for capitalization; and evaluating management's estimation of useful economic lives and residual values by considering our knowledge of the business. We have physically checked some assets including BTS and found satisfactory.
See note no. 4 of the financial statements.	

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Risk	Our response to the risk
<p>Revenue</p> <p>Referring to note 26, 27 & 28 to the financial statements, Revenue of Tk. 5,245,445,837 is recognized in the income statement of Teletalk Bangladesh Limited. Revenue are recognized when the company transfers control over goods or service 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 structure, and bundled subscription based products). Against this background, the proper application of the accounting standards is considered to be complex and to a certain extent based on estimates and assumptions made by management.</p>	<p>How the matter was addressed in our audit Our audit procedures in this area included, among others:</p> <p>Our audit procedures have a focus on information technology and control due to pervasive nature and complexity of the IT environment, the reliance on automated and IT dependent manual controls. Our areas of audit focus including user access management developer access to the operation environment and charges to the IT environment. These are key matter to ensuring whether IT dependent and application based revenue recognition is operating effectively.</p> <p>In light of the fact that high degree of complexity and estimates and assumptions give rise to an increased risk of accounting misstatements, we assessed the company's process and controls for recognizing revenue as part of our audit. Our audit approach included testing of the controls and substantive audit procedures.</p> <ul style="list-style-type: none"> • 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 sample basis. • Analyzed the revenue charging model against the regulatory guidelines on sample basis. • We assessed the reporting environment of the Company as well as other relevant systems supporting the accounting of revenue; • We tested the internal control over financial reporting, we also assessed the existence and accuracy of the sales recorded; • We summarized Mushak 9.1, month wise sales and cross checked with financial statements; • Finally assessed the appropriateness and presentation of disclosures against IFRS-15.
See note no. 26, 27 & 28 of the financial statements.	
Loan from Government, Long term loan & short term loan	
<p>As at 30 June 2024, the reported amount of total Loan from Government, long-term loan and Short-term loan is Tk. 29,020,870,922, 1,571,773,335 & Tk. 145,942,293 respectively.</p> <p>We identified the long-term loan & short-term loan balances as a key audit matter because of the significance of these balances to company's Financial Position.</p>	<p>Our audit procedures to address the matter included the following:</p> <ul style="list-style-type: none"> • Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that the proper use of loan; • We verified sanction letter, DPP, RDPP, loan schedule and bank statements to confirm the loan outstanding and found that the balance had been reported in the financial statements accurately; • We also sent and obtain the outstanding balance confirmation to the respective banks; • We also checked the financial expenses and classification of loan and repayment schedule as well; and



Risk	Our response to the risk
	<ul style="list-style-type: none"> We had checked the recording date of transactions and found the recording date is in line with the loan disbursement date. We also confirmed that the company had paid its installments within due time.
See note no. 16, 20 & 21 of the financial statements.	
Measurement of Deferred Tax Liability	
<p>The Company reported deferred tax liability of Tk. 7,837,156,545 in total as at 30 June 2024.</p> <p>Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.</p> <p>Significant judgement is required in relation to deferred tax liability as it is dependent on forecasts of future profitability over a number of years.</p>	<p>We obtained an understanding of the Company's key controls over the recognition and measurement of deferred tax assets and liabilities and the assumptions used in estimating the future taxable expense of the Company. Our audit included the following procedure:</p> <ul style="list-style-type: none"> We evaluated the reasonableness of key assumptions, timing of reversal of temporary differences and expiration of tax loss carry forwards, recognition and measurement of deferred tax liability; We performed the mathematical accuracy of the deferred tax calculation; We assessed the adequacy of the Company's disclosures setting out the basis of deferred tax liability balances and the level of estimation involved; We also assessed the tax implications as per Income Tax Act- 2023, the reasonableness of estimates and calculations determined by management; and Finally assessed the appropriateness and presentation of disclosures as per IAS-12: Income Taxes.
See note no. 7 of the financial statements.	
Legal and regulatory matters	
<p>We focused on this area because the Company operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents best estimate for existing legal matters that have a probable and estimable impact on financial position.</p>	<p>We have obtained and understanding, evaluate the design and tested the operational effectiveness of key controls over the legal provisions and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p>
Capital work in progress	
<p>The Company's assets held under capital work in progress as on 30 June 2024 are amounting to Tk. 8,976,257,323. Due to the nature of transactions, terms and valuation of these assets, it was considered significant to our audit.</p>	<p>Our audit procedures to address the risk of material misstatement relating to capital work in progress includes obtaining an understanding of the internal control over capital work in progress, assessing the risks</p>

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Risk	Our response to the risk
	<p>of material misstatement to the financial statements included:</p> <ul style="list-style-type: none"> • Obtaining and assessing the movement of the capital work in progress; • Verifying the records to ensure that the assets under construction or pending installation and not yet ready for intended use are classified as work-in-progress; • Verifying the supporting documents with reference to the underlying contractor bills, work orders, certification of work performed by expert personnel, comparison of the progress and the costs incurred up-to-date with the budgets, policy and plan; • Reconciling the movement of capital work in progress from opening to closing, specifically verifying additions during the year and transferred to Property, Plant and Equipment during the year; • Verifying the dates on which the assets are moved from the capital work-in-progress account to the fixed assets so that the depreciation on fixed assets may be computed correctly, and; • Site visit and physical observations of the work on-going for capital work in progress.
See note no. 5 of the financial statements.	

Other Matter

The Financial Statements of Teletalk Bangladesh Limited for the year ended 30 June 2023 were audited by Md. Howlader Mahfel Huq, FCA partner of Mahfel Huq & Co. Chartered Accountants who expressed qualified opinion dated on 07 December, 2023.

Reporting on 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. As of our reporting date, we were not provided with the draft copy of the Annual report and we have nothing to report in this regard. 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 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. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 in accordance with IFRSs, the Companies Act, 1994, and other applicable laws and regulations 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.

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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 a part of an audit in accordance with ISAs, we exercise professional judgement 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, misrepresentation, 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.
- 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 doubts on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is 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.

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

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

From the matter communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would be reasonably be expected to outweigh the public interest benefits of such communication.

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Report on other Legal and Regulatory Requirements

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

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books; and
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Signed for & on behalf of
Ahsan Manzur & Co.
Chartered Accountants
Firm Registration no with FRC: CAF-001-127



Place: Dhaka
Dated: 07 October, 2024

Md. Abdullah Al Amin, FCA
Partner
Enrollment:1463
DVC: 2410071463AS661122

Teletalk Bangladesh Limited
Statement of Financial Position
As at 30 June 2024

Particular	Notes	Amount in Taka	
		30 June 2024	30 June 2023
Non-Current Assets			
Property plant and equipment	4	26,553,618,224	29,104,664,697
Capital work-in-progress	5	8,976,257,323	86,855,087
Intangible assets	6	355,986,161	398,305,204
Deferred tax Assets	7	7,837,156,545	6,445,810,193
Total non-current assets		43,723,018,253	36,035,635,181
Current assets			
Inventories	8	45,161,002	50,991,106
Sundry debtors	9	1,207,339,273	1,044,813,940
Advances, deposits and prepayments	10	2,225,283,945	4,290,946,286
Advance income tax	11	1,312,620,599	1,019,158,150
Accrued interest against fixed deposit receipts		18,246,575	9,967,317
Cash and cash equivalents	12	8,756,712,200	2,999,916,111
Total current assets		13,565,363,594	9,415,792,911
Total Assets		57,288,381,847	45,451,428,092
Shareholders' equity			
Share capital	13	13,116,008,890	13,116,008,890
Retained earnings	14	(15,168,644,740)	(13,369,754,568)
Share money deposit	15	3,796,494,812	1,400,608,926
Total Shareholders' equity		1,743,858,962	1,146,863,248
Non-Current liabilities			
Loan from GoB	16	29,020,870,922	25,427,042,092
Grant from GoB	17	4,865,309,770	3,432,536,967
Deposits from subscribers, dealers and agents	18	185,423,002	185,085,907
Gratuity Fund	19	15,058,686	25,709,650
Long term Loan from Bank	20	1,571,773,335	989,053,522
Total Non-Current liabilities		35,658,435,715	30,059,428,137
Current liabilities and Provisions			
Short term Loan from Bank	21	145,942,293	635,236,899
Payable to BTRC	22	1,798,851,201	1,343,670,742
Provision for income tax	23	903,508,555	790,892,182
Security deposits from suppliers		81,025,679	98,776,540
Payable to BoT		91,800	-
Unearned revenue	24	3,446,445,578	1,078,402,152
Sundry creditors	25	13,510,222,064	10,298,158,192
Total Current Liabilities		19,886,087,170	14,245,136,708
Total Shareholders' Equity & Liabilities		57,288,381,847	45,451,428,092

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

Signed for & on behalf of
Ahsan Manzur & Co.
Chartered Accountants
Firm Registration No With FRC: CAF-001-127



Md. Abdullah Al Amin, FCA
Partner
Enrollment: 1463
DVC: 2410071463AS661122

Place: Dhaka
Date: 07 October, 2024



Teletalk Bangladesh Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2024

Particulars	Notes	Amount in Taka	
		30 June 2024	30 June 2023
Revenue			
Network revenue	26	4,214,225,732	4,057,139,865
Hardware revenue	27	123,000,637	109,478,757
VAS revenue	28	908,219,468	853,498,149
Total Revenue		5,245,445,837	5,020,116,771
Direct Operating expenses			
Direct cost of network revenue	29	1,022,718,900	1,023,772,525
Direct cost of hardware revenue	30	182,693,248	191,482,868
Direct cost for VAS revenue	31	167,899,121	207,597,562
Less: Direct Operating expenses		1,373,311,269	1,422,852,955
Gross profit		3,872,134,568	3,597,263,816
Less: Other operating expenses			
Network operation and maintenance expenses	32	3,285,456,551	3,539,232,290
General and administrative expenses	33	974,089,342	974,225,702
Selling and distribution expenses	34	226,000,492	234,115,640
Depreciation and amortization	35	2,557,049,898	2,614,968,191
Less: Other operating expenses		7,042,596,283	7,362,541,823
Operating Profit /(Loss)		(3,170,461,715)	(3,765,278,007)
 Add: Non-operating income	36	 239,223,213	 162,124,676
Less: Non-operating Expenses	37	146,381,649	98,530,655
Net Non-operating income (Expenses)		92,841,564	63,594,021
Net profit/(Loss) before Tax		(3,077,620,151)	(3,701,683,985)
Less: Income tax expense /(income)			
Current tax	38	112,616,373	105,973,641
Deferred tax Expense /(Income)	7	(1,391,346,352)	(1,837,973,804)
		(1,278,729,979)	(1,732,000,163)
Net Profit/(loss) after tax		(1,798,890,172)	(1,969,683,823)
Earnings per share of Taka 10.00 each	39	(1.37)	(1.50)

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

Signed for & on behalf of
Ahsan Manzur & Co.
Chartered Accountants
Firm Registration No With FRC: CAF-001-127



Place: Dhaka
Date: 07 October, 2024

Md. Abdullah Al Amin, FCA
Partner
Enrollment: 1463
DVC: 2410071463AS661122



Teletalk Bangladesh Limited
Statement of Changes in Equity
For the year ended 30 June 2024

Particulars	Amount in Taka			
	Share capital	Share money deposit	Retained earnings	Total
Opening Blanace	13,116,008,890	1,400,608,926	(13,369,754,569)	1,146,863,247
Increase during the year	-	2,395,885,886	-	2,395,885,886
Net Profit/(Loss) for the Year	-	-	(1,798,890,172)	(1,798,890,172)
Closing balance	13,116,008,890	3,796,494,812	(15,168,644,741)	1,743,858,961

For the year ended 30 June 2023

Particulars	Amount in Taka			
	Share capital	Share money deposit	Retained earnings	Total
Opening Blanace	13,116,008,890	1,790,701	(11,400,070,746)	1,717,728,845
Increase during the year	-	1,398,818,225	-	1,398,818,225
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


General Manager (F & A)


Managing Director


Director


Director



Teletalk Bangladesh Limited
Statement of Cash Flows
For the year ended 30 June 2024

Particulars	Amount in Taka	
	FY 2023-24	FY 2022-23
A. Cash flows from operating activities		
Network revenue	4,298,186,543	3,951,936,519
Hardware revenue	123,000,637	109,478,757
VAS revenue	742,698,558	823,687,926
Non-operating income	230,943,955	159,201,068
Deposits from subscribers, dealers and agents	337,095	4,065,410
Security deposits received from/ (refund to) suppliers	(17,750,861)	(5,569,989)
Direct cost of network revenue	(524,404,473)	(602,175,857)
Direct cost of hardware revenue	(176,863,144)	(186,830,046)
Direct cost for VAS revenue	(167,899,125)	(207,597,562)
Network operation and maintenance expenses	(3,457,521,009)	(2,351,831,559)
General and administrative expenses	(941,903,074)	(897,528,131)
Selling and distribution expenses	(226,000,492)	(234,115,640)
Non-operating expenses	(107,492,195)	(80,714,054)
Tax expenses	(293,462,449)	(136,765,584)
Net cash generated from operating activities other than VAS service	(518,130,033)	345,241,259
Advance from various Vas Service	5,683,477,057	899,062,564
Net cash generated from operating activities	5,165,347,024	1,244,303,823
B. Cash flows from investing activities		
Purchase of Asset	(60,630,724)	(49,333,010)
Capital Work in Progress (CWIP)	(9,881,774,238)	(215,099,230)
Short Term Deposit more than 3 Months	(789,721,118)	(10,278,882)
LC Margin	3,611,024,675	(3,781,509,461)
Intangible assets	-	-
Net cash used in investing activities	(7,121,101,405)	(4,056,220,583)
C. Cash flows from Financing Activities		
Long term Loan Received from Bank	830,000,000	100,000,000
Long term Loan Paid to Bank	(274,922,580)	(134,055,649)
Short term Loan Received from Bank	(500,541,667)	500,541,667
Share money deposit	2,395,885,886	1,398,818,224
Loan from GoB	3,593,828,830	2,093,750,586
Grant from BTRC	1,668,300,000	47,772,320
Net cash generated from financing activities	7,712,550,470	4,006,827,148
Net cash flows (A+B+C)	5,756,796,089	1,194,910,388
Cash and cash equivalents at the beginning of the year	2,999,916,111	1,805,005,724
Cash and cash equivalents at the end to the year	8,756,712,200	2,999,916,112


General Manager (F&A)


Managing Director


Director


Director



Teletalk Bangladesh Limited
Notes to the Financial Statements
For the year ended 30 June 2024

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 Ministries of the Government.

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

According to statement of profit or loss and other comprehensive income the company incurred a net loss of Tk. 1,798,890,172 during the year ended 30 June 2024 and as of that date accumulated loss comes to Tk. 15,168,644,740. Current liabilities exceeded the current assets by Tk. 6,320,723,576. The company is highly geared as current ratio & quick ratio is 0.682 and 0.680 % respectively.

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, management anticipated that the planned expansion of 4G 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. All cost for purchasing equipments is initial booking to Capital work-in-progress.



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 during the year of disposal.

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 section-163 (5) of Income Tax Act, 2023) and 45% tax applied according to Topshel-2 (kha) of Income Tax Act, 2023.

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 same tax authority on the same taxable entity.

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 PTB. 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 Amendment 2013.

3.13 Annual License Fee

Teletalk Bangladesh Ltd has been renewed unified license as on March 11, 2024. Unified License fee for 2G,3G,4G & 5G amounting Tk. 10,00,00,000/- (Ten Crore) per Year. Most of the Govt. Cellular Phone Operator in the world is not give License Fee to regulatory authority. Teletalk is working to cancel the unified annual license fee. In this circumstance Teletalk don't provision the unified license fee in financial statements.

3.14 Share money deposit

This represents money received from GoB against various project as equity as per Development Project Proposal (DPP) which is 40% of disbursement amount received from Govt. as on 30 June 2024. After completion of the project this amount will be available for transfer to paid-up share capital.

3.15 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.

3.16 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 2024

Name of assets	Cost				Depreciation				WDV 30 June 2024
	Balance 01 July 2023	Addition during the year	Disposal during the year	Balance 30 June 2024	Balance 01 July 2023	Charged during the year	Disposal during the year	Balance 30 June 2024	
Base station	45,353,194,647	109,298,947		45,462,493,594	19,777,598,865	2,096,253,047		21,873,851,912	23,588,641,682
BTS Support Equipment	860,637,269	48,930,013		909,567,282	449,199,410	137,126,904		586,326,314	323,240,968
Switching equipment	5,053,148,828	18,808,396		5,071,957,224	3,303,395,150	297,343,713		3,600,738,863	1,471,218,361
Transmission equipment	3,425,996,652	18,102,036		3,444,098,688	2,268,699,502	161,704,720		2,430,404,222	1,013,694,465
Office equipment	507,184,573	1,259,151	91,460	508,352,264	465,731,757	13,864,300	47,185	479,548,872	28,803,392
Furniture and fixtures	179,700,634	1,430,079		181,130,713	137,718,339	10,258,678		147,977,017	33,153,696
Computers	318,090,007	1,820,214	345,800	319,564,421	202,991,192	26,770,459	197,002	229,564,648	89,999,773
Motor vehicles	141,968,149	-		141,968,149	129,921,848	7,180,414		137,102,262	4,865,887
Total	55,839,920,759	199,648,835	437,260	56,039,132,335	26,735,256,063	2,750,502,235	244,187	29,485,514,110	26,553,618,224

For the year ended 30 June 2023

Name of assets	Cost				Depreciation				Amount in Taka
	Balance 01 July 2022	Addition during the year	Disposal during the year	Balance 30 June 2023	Balance 01 July 2022	Charged during the year	Disposal 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
Total 30 June 2023	55,536,635,564	303,285,195	-	55,839,920,760	23,944,448,441	2,790,807,620	-	26,735,256,061	29,104,664,697



Notes	Particulars	Amount in Taka	
		30 June 2024	30 June 2023
4.01	Property, plant and equipment-Addition		
	Capital Work-in-progress	138,580,851	253,952,183
	Local Purchases	61,067,984	49,333,012
		199,648,835	303,285,195
5	Capital work-in-progress		
	Opening balance	86,855,087	107,762,102
	Add: Addition during the year (Annexure-A)	9,027,983,087	233,045,168
	Less: Capitalized during the year (Annexure-A)	(138,580,851)	(253,952,183)
		8,976,257,323	86,855,087
6	Intangible assets		
	Cost		
	Opening balance	1,732,937,177	1,732,937,177
	Add: Addition during the year	-	-
		1,732,937,177	1,732,937,177
	Less: Accumulated amortization		
	Opening balance	1,334,631,973	1,295,465,623
	Amortized during the year	42,319,043	39,166,350
		1,376,951,016	1,334,631,973
		355,986,161	398,305,204
7	Deferred tax Assets		
	Opening Balance	6,445,810,193	4,607,836,389
	Deferred tax Income During the Year	1,391,346,352	1,837,973,804
		7,837,156,545	6,445,810,193
8	Inventories		
	SIM cards (note- 8.1)	8,323,736	13,646,009
	Scratch cards (Note- 8.2)	8,825,787	9,020,107
	Dongle/Router (Note-8.3)	28,011,479	28,324,990
		45,161,002	50,991,106
8.1	SIM cards		
	Cost of Opening SIM Cards	13,646,009	16,498,257
	Add: Addition during the year	7,280,000	19,219,600
		20,926,009	35,717,857
	Less: SIM cards Consumption During the year	12,602,273	22,071,848
	Cost of Closing SIM Cards	8,323,736	13,646,009
8.2	Scratch cards		
	Cost of Opening Scratch Cards	9,020,107	9,518,876
	Add: Addition during the year	-	-
		9,020,107	9,518,876
	Less: Scratch Cards Consumption During the year	194,320	498,769
	Cost of Closing Scratch Cards	8,825,787	9,020,107
8.3	Dongle/Router		
	Cost of Opening Dongle/Router	28,324,990	29,626,796
	Add: Addition during the year	-	-
		28,324,990	29,626,796
	Less: Dongle/Router Consumption During the year	313,511	1,301,806
	Cost of Closing Dongle/Router	28,011,479	28,324,990



Notes	Particulars	Amount in Taka	
		30 June 2024	30 June 2023
9	Sundry debtors		
	Post paid Bill, PCO & MER	169,369,872	168,983,051
	Interconnection Operators	799,898,887	778,396,091
	Dealers and distributors	160,623,358	160,708,677
	DBBL Mobile Bank for Telecharge	17,907,100	46,380,863
	Roaming operators	4,518,104	4,170,823
	Receivable for VAS revenue	236,191,999	70,671,089
	Receivable for Tower Sharing	6,866,886	3,540,280
		1,395,376,207	1,232,850,874
	Less: Provision for bad & doubtful debts	188,036,934	188,036,934
	Opening balance	188,036,934	188,036,934
		1,207,339,273	1,044,813,940
10	Advances, deposits and prepayments		
	Advances		
	Advance against expenses	18,556,959	15,970,994
	Advance paid to various suppliers	508,950,845	3,619,975,520
	Adjustable VAT on bills	427,983,155	160,457,272
	Advance to PBTL Optical Fiber	69,822,278	88,624,099
	Advance to staff against petty cash	5,674,118	5,174,118
		1,030,987,356	3,890,202,002
	Deposits		
	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
	Short Term Deposit more than 3 Months	1,000,000,000	210,278,882
	Prepayments		
	Office rent	6,902,858	8,226,804
	BTS rent	181,358,031	176,202,898
		188,260,889	184,429,702
	Total	2,225,283,945	4,290,946,286
11	Advance income tax		
	Advance Company Tax	83,358,479	73,358,479
	Deducted at sources by bank & others		
	- against interest from short term deposits	121,934,804	84,753,684
	- against interest from fixed deposits	228,944,431	213,409,787
	-MEP Advance Tax Paid on Bank Deposits	379,432	379,432
	- against others	878,003,453	647,256,768
		1,229,262,120	945,799,671
		1,312,620,599	1,019,158,150



Notes	Particulars	Amount in Taka																	
		30 June 2024	30 June 2023																
12	Cash and cash equivalents																		
	Cash in hand	1,315,395	1,103,403																
	Cash at Bank (Note: 12.1)	8,755,396,805	2,998,812,708																
		8,756,712,200	2,999,916,111																
12.1	Cash at Bank																		
	Short Term deposit	8,755,396,805	2,094,646,379																
	Total Fixed Deposit	1,000,000,000	1,114,445,211																
	Fixed deposit more than 3 month (Note: 10)	(1,000,000,000)	(210,278,882)																
	Fixed deposit less than 3 month	-	904,166,329																
		8,755,396,805	2,998,812,708																
13	Authorized Share Capital																		
	2,000,000,000 ordinary shares of Taka 10 each	20,000,000,000	20,000,000,000																
	Issued and paid up share capital																		
	131,16,00,889 ordinary shares of Taka 10 each fully paid up	13,116,008,890	13,116,008,890																
13.1	Composition of shareholdings																		
	<table><tr><th>Name of shareholders</th><th>No. of shares</th></tr><tr><td>Director</td><td>2,000</td></tr><tr><td>Ministry of Posts, Telecommunications and Information Technology</td><td>1,311,598,889</td></tr><tr><td>Total</td><td>1,311,600,889</td></tr></table>	Name of shareholders	No. of shares	Director	2,000	Ministry of Posts, Telecommunications and Information Technology	1,311,598,889	Total	1,311,600,889	<table><tr><th>Value in Taka</th><th>Value in Taka</th></tr><tr><td>20,000</td><td>20,000</td></tr><tr><td>13,115,988,890</td><td>13,115,988,890</td></tr><tr><td>13,116,008,890</td><td>13,116,008,890</td></tr></table>	Value in Taka	Value in Taka	20,000	20,000	13,115,988,890	13,115,988,890	13,116,008,890	13,116,008,890	
Name of shareholders	No. of shares																		
Director	2,000																		
Ministry of Posts, Telecommunications and Information Technology	1,311,598,889																		
Total	1,311,600,889																		
Value in Taka	Value in Taka																		
20,000	20,000																		
13,115,988,890	13,115,988,890																		
13,116,008,890	13,116,008,890																		
13.2	A distribution schedule of the shares as at 30 June 2024 is given below as required by listing regulations:																		
	<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>1,800</td><td>0.00014%</td></tr><tr><td>Above 1,000,000</td><td>1</td><td>1,311,599,089</td><td>99.99986%</td></tr><tr><td></td><td></td><td>1,311,600,889</td><td>100%</td></tr></table>	Slabs by number of shares	Number of shareholders	Number of shares	% of shareholdings	1 to 500	9	1,800	0.00014%	Above 1,000,000	1	1,311,599,089	99.99986%			1,311,600,889	100%		
Slabs by number of shares	Number of shareholders	Number of shares	% of shareholdings																
1 to 500	9	1,800	0.00014%																
Above 1,000,000	1	1,311,599,089	99.99986%																
		1,311,600,889	100%																
14	Retained earnings																		
	Opening balance	(13,369,754,568)	(11,400,070,746)																
	Add: Net profit/(loss)for the year	(1,798,890,172)	(1,969,683,823)																
		(15,168,644,740)	(13,369,754,568)																
15	Share money deposit																		
	Opening balance	1,400,608,925	1,790,701																
	Add: Share Money Deposit 5G Project (Note: 15.1)	2,395,885,887	1,398,818,224																
		3,796,494,812	1,400,608,926																
15.1	Equity fund from 5G Project																		
	Investment at 5G Project	9,502,489,074	3,512,612,778																
	Less: TBL Contribution to the 5G Project	11,252,043	11,090,464																
	Fund from GoB under 5G Readiness Project	9,491,237,031	3,501,522,314																
	Less: Loan Portion of GoB Fund(60%)	5,694,742,218	2,100,913,388																
	Share Money Deposit 5G Project (40%)	3,796,494,812	1,400,608,925																
16	Loan from GoB																		
	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	6,506,867,175																
	Loan from GoB under 5G Readiness project (Note: 16.3)	5,694,742,218	2,100,913,388																
		29,020,870,922	25,427,042,092																



Notes	Particulars	Amount in Taka	
		30 June 2024	30 June 2023
16.1	Loan from GoB 3G Project Phase I		
	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
		16,819,261,529	16,819,261,529
16.2	Loan from GoB under 3G project Phase II		
	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	106,731,201
		6,506,867,175	6,506,867,175
16.3	Loan from GoB under 5G Readiness project		
	Loan from GoB under 5G Readiness project	5,694,742,218	2,100,913,388
		5,694,742,218	2,100,913,388
17	Grant from GoB		
	H&I Project [Funded by BTRC] (Noe: 17.1)	2,951,674,848	3,156,224,053
	Solar Base Station Project [Funded by GoB] (Noe: 17.2)	232,852,922	263,830,914
	C&H Project [Funded by BTRC]	1,680,782,000	12,482,000
		4,865,309,770	3,432,536,967
17.1	Fund Received From BTRC for H&I Project		
	Opening Balance	3,156,224,049	3,356,643,708
	Add: Received Durring the Year	-	-
	Less: Depreciation on Grant Assets of H&I Project	204,549,201	200,419,655
		2,951,674,848	3,156,224,053
17.2	Fund received from Gov for Solar Base Station Project		
	Investment at Solar Base Station Project	284,823,658	284,823,658
	Less: Fund from TBL	3,454,168	3,454,168
	Fund from GoB	281,369,490	281,369,490
	Less: Depreciation on Grant Assets of SBS Project	48,516,568	17,538,576
		232,852,922	263,830,914
18	Deposits from subscribers, dealers and agents		
	Deposits from PCO subscribers	97,591,547	97,591,547
	Deposits from postpaid subscribers	10,591,496	20,892,496
	Deposits from dealers and distributors	77,239,960	66,601,865
		185,423,002	185,085,907
19	Gratuity Fund		
	Opening Balance	25,709,650	-
	Addition : During the Year	28,885,994	39,782,914
	Less : Transfer to Gratuity Fund	39,536,958	14,073,264
		15,058,686	25,709,650
20	Long term Loan from Bank		
	Principal Loan (Note: 20.01)	1,668,912,574	1,113,835,154
	Interest Due (Note: 20.02)	48,803,055	9,913,601
		1,717,715,628	1,123,748,754
	Less: Payable within next 12 month	145,942,293	134,695,232
		1,571,773,335	989,053,522
20.1	Principal Loan		
	Opening Balance	1,113,835,154	1,147,890,803
	Add: Loan received during the period	830,000,000	100,000,000
	Less: Principal repaid	(274,922,580)	(134,055,649)
		1,668,912,574	1,113,835,154



Notes	Particulars	Amount in Taka	
		30 June 2024	30 June 2023
20.2 Interest Due			
	Opening Balance	9,913,601	8,913,876
	Add: Interest charged during the period	139,879,083	77,976,206
	Less: Interest paid during the period	(100,989,629)	(76,976,482)
		48,803,055	9,913,601
21 Short term Loan from Bank			
	Principal Loan	-	500,000,000
	Interest Due	-	541,667
		-	500,541,667
	Add: Payable within next 12 month of Long Term Loan (Note 20)	145,942,293	134,695,232
		145,942,293	635,236,899
22 Payable to BTRC			
	Frequency charges for 2G	603,311,277	402,207,518
	Revenue sharing charges	643,543,154	418,897,480
	Revenue sharing for SoF	541,490,821	522,509,669
	Coastal & Hill tracts Interest	10,505,949	56,075
		1,798,851,201	1,343,670,742
23 Provision for income tax			
	Opening	790,892,182	684,918,541
	Addition : During the Year	112,616,373	105,973,641
	Less : Adjustment During the Year	-	-
		903,508,555	790,892,182
24 Unearned revenue			
	Scratch cards	97,187,685	86,707,895
	TBPS	2,004,046,906	90,837,282
	Tele charges	1,345,210,987	900,856,974
		3,446,445,578	1,078,402,152

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	Particulars	Amount in Taka	
		30 June 2024	30 June 2023
25 Sundry creditors			
	Outstanding electricity bills & others	156,788,245	190,100,255
	Audit fee payable	386,500	434,750
	Tax & VAT deducted at source	139,827,678	77,742,011
	Payable to suppliers	3,114,722,737	3,682,998,690
	Payable for various Vas Service	8,577,945,918	4,807,678,485
	Interconnection charge payable	1,171,046,781	1,132,576,770
	Payable to roaming operators	29,971,370	25,307,413
	SD, VAT & Surcharge Payable	224,830,306	331,172,990
	Provision for office rent	94,702,529	50,146,828
		13,510,222,064	10,298,158,192
26 Network revenue			
	Traffic revenue (Note: 26.01)	3,923,301,573	3,786,081,132
	Interconnection revenue	283,416,715	267,577,637
	Roaming revenue	247,663	246,592
	Revenue from Infrastructure Rent	7,259,781	3,234,504
		4,214,225,732	4,057,139,865
26.1 Traffic revenue			
	Voice Revenue	2,469,995,720	2,382,764,378
	Data Revenue	1,335,155,765	1,292,904,256
	SMS Revenue	118,150,087	110,412,498
		3,923,301,573	3,786,081,132
27 Hardware revenue			
	Sale of SIM cards	83,042,637	74,640,367
	Replacement of SIM cards	39,542,240	33,307,180
	Modem Sales	343,330	1,383,960
	Router Sales	32,530	95,050
	Customers support revenue	39,900	52,200
		123,000,637	109,478,757
28 VAS revenue			
	Commission from Admission and Recruitment & Others	333,211,027	305,401,337
	Commission from Bill Collection	374,537,415	247,330,865
	Bulk SMS	118,717,501	209,435,931
	VAS Revenue for Result Publications	844,904	10,478,444
	Standard VAS Revenue	80,908,621	80,851,572
		908,219,468	853,498,149
29 Direct cost of network revenue			
	Interconnection charges	550,630,709	545,319,744
	Revenue sharing- BTRC	224,645,674	229,838,467
	Frequency charges- BTRC	201,103,758	201,103,758
	Revenue Sharing for SoF- BTRC	40,594,044	41,658,919
	Roaming expenses	5,550,394	5,352,868
	Cost of Scratch cards	194,320	498,769
		1,022,718,900	1,023,772,525



Notes	Particulars	Amount in Taka	
		30 June 2024	30 June 2023
30	Direct cost of hardware revenue		
	Cost of SIM cards (Note: 30.1)	175,897,802	189,412,648
	Cost of Dongle/Router (Note: 30.2)	313,511	1,301,806
	Packing expenses	6,481,935	768,414
		182,693,248	191,482,868
30.1	Cost of SIM Cards		
	Cost of Opening SIM Card	13,646,009	16,498,257
	Add: Addition during the year SIM	7,280,000	19,219,600
		20,926,009	35,717,857
	Less: Cost of Closing SIM Card	8,323,736	13,646,009
	SIM Card Consumption During the year	12,602,273	22,071,848
	Add: Subsidy of SD & VAT on SIM Card sales	163,295,529	167,340,800
		175,897,802	189,412,648
30.2	Cost of Dongle /Router		
	Cost of Opening Dongle	28,324,990	29,626,796
	Add: Addition during the year	-	-
		28,324,990	29,626,796
	Less: Cost of Closing Dongle	28,011,479	28,324,990
	Dongle Consumption During the year	313,511	1,301,806
31	Direct cost for VAS revenue		
	Cost of content	36,107,214	44,070,039
	Sales commission	128,308,918	131,511,112
	Software Cost	3,482,988	32,016,411
		167,899,121	207,597,562
32	Network operation and maintenance expenses		
	BTS rental charges	381,806,082	358,569,436
	BTS electricity bill	951,279,580	811,114,996
	BTS Site Sharing Rent	1,135,804,022	1,045,988,037
	Maintenance expenses	156,265,686	612,246,578
	BTS relocation cost & Others	5,420,791	11,522,679
	Rental charge of optical fiber network	654,880,390	699,790,563
		3,285,456,551	3,539,232,290
33	General and administrative expenses		
	Personnel Cost (Note: 33.1)	706,254,101	742,282,582
	Printing and stationery	5,452,150	9,310,851
	Repair and maintenance expenses	19,899,419	23,732,251
	Office rent	112,348,797	85,576,659
	Car rental expenses	34,203,757	34,855,184
	Distribution of hand sets	95,900	599,598
	Travelling expenses	6,271,245	8,345,636
	Utilities	7,169,310	8,323,461
	Entertainment	5,090,039	3,769,641
	Legal and professional fees	4,825,976	1,867,346
	Office expenses	777,834	250,378
	Board meeting fees	1,738,157	677,997
	Audit fee (including VAT)	366,750	580,250
	Membership fee & subscriptions	1,835,527	6,786,464
	Fuel & lubricant	30,990,541	38,543,476
	GSM Association fee	7,398,830	489,322
	Employee training expenses	1,148,750	896,211
	Recruiting expenses	708,486	1,162,276
	Biometric Verification Expenses	24,920,210	3,254,068
	Postage & courier	759,881	1,532,282
	Other Expenses (General)	1,833,682	1,389,769
		974,089,342	974,225,702

Notes	Particulars	Amount in Taka	
		30 June 2024	30 June 2023
33.1 Personnel Cost			
	Salary and allowances	556,837,140	557,549,241
	Managing Director's remuneration	2,882,723	2,917,420
	Contribution of Provident Fund by TBL	20,421,467	19,988,185
	Gratuity Expenses	15,058,686	25,709,650
	Security guard and cleaning hire expenses	111,054,086	136,118,086
		706,254,101	742,282,582
34 Selling and distribution expenses			
	Advertisement	18,614,281	44,483,947
	Business promotion	3,964,944	5,778,995
	Sales commission	203,421,268	183,852,697
		226,000,492	234,115,640
35 Depreciation and Amortization			
	Depreciation on Property, plant and equipment (note - 4)	2,750,258,048	2,790,807,620
	Depreciation on Grant Assets of H&I Project	(204,549,201)	(200,419,655)
	Depreciation on Grant Assets of SBS Project	(30,977,992)	(14,586,124)
	Amortization on intangible assets	42,319,043	39,166,350
		2,557,049,898	2,614,968,191
36 Non-operating income			
	Interest on fixed deposits	85,952,478	73,338,165
	Interest on short term deposit	153,010,566	87,530,591
	Sale of tender document	260,000	-
	Miscellaneous income	168	1,255,920
		239,223,213	162,124,676
37 Non-operating Expenses			
	Foreign Exchange Loss	895,587	843,734
	Interest on Loan - Gov Loan	-	16,816,877
	Interest on Bank Loan	139,879,083	79,562,457
	Bank charges & commission	5,606,979	1,307,586
		146,381,649	98,530,655
38 Income tax expenses			
	Current year tax	112,616,373	105,973,641
	Final Tax for Assessment	-	-
		112,616,373	105,973,641
39 Earnings Per Share			
	Basic earnings per share		
	Profit attributable to the ordinary shareholders-A	(1,798,890,172)	(1,969,683,823)
	Weighted average number of shares outstanding-B	1,311,600,889	1,311,600,889
	Basic earnings per share-A/B	(1.37)	(1.50)



Notes	Particulars	Amount in Taka	
		30 June 2024	30 June 2023
40	Related Party Transactions 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 # 32.1 in the accompanying financial statements.		
41	Particulars of employees The number of employees engaged for the year ended 30 June 2024 or part thereof who received a total salary of Taka 36,000 per annum and above was 494 persons (30 June 2023: 493 persons).		
42	Subscriber-base		
		No. of Subscribers	No. of Subscribers
	Present capacity	12,400,000	12,400,000
	Active subscribers	6,559,967	6,488,626
	Attainment in %	53%	52%
43	Foreign currencies payments and receipts		
	Purpose of payments		
	Import of telecommunication equipment		
	Roaming expenses		
	GSM association fees		
	Received for		
	Roaming revenue		
		Currencies	
		2023-24	2022-23
		USD	1,054,830
		EURO	4,346,170
		USD	13,712
		GBP	14,325
		USD	-
44	Commitments and Contingencies:		
	Commitments		
	i. Letter of Credit		
		2023-24	2022-23
		USD	8,533,334
		EURO	28,163,495
		36,696,830	28,485,900
	ii. Suppliers		
	Huawei Technologies (Bangladesh) Limited		
	Nokia Solutions Bangladesh Ltd.		
		2023-24	2022-23
		-	308,142,000
		-	301,873,738
		-	610,015,738



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-parte 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 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

For the year ended 30 June 2024

Sl. No.	Particulars	Opening Balance	Addition during the Year	Capitalized during the Year	Closing Balance
1	2	3	4	5	6 = (3+4+5)
1	Haor & Island Project	-	80,417,525	(80,417,525)	-
2	Teletalk Bangladesh Limited	38,905,179	38,673,254	(58,163,326)	19,415,106
3	5G Readiness Project ***	38,232,570	8,437,192,982	-	8,475,425,552
4	Coastal & Hill Tracts Project	9,717,338	471,699,326	-	481,416,664
Total Capital Work in Progress		86,855,086	9,027,983,087	(138,580,851)	8,976,257,323

***	5G Readiness Project	38,232,570	9,052,141,332	-	9,090,373,902
	Less VAT & AIT Adjustment		(614,948,350)		(614,948,350)
	Net Capital Work in Process (5G Readiness Project)	38,232,570	8,437,192,982	-	8,475,425,552

For the year ended 30 June 2023

Sl. No.	Particulars	Opening 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
Total Capital Work in Progress		107,762,102	233,045,168	(253,952,183)	86,855,086

