

## **Directors' Report**

**Dear Shareholders,**

It is our pleasure to welcome you all on behalf of the Board of Directors of Teletalk Bangladesh Limited (TBL) to the 17<sup>th</sup> Annual General Meeting of the Company and to place herewith the report on the statement of your company's affairs and the financial statements of the Company for the year ended June 30, 2021, together with the Audited Financial Statements. I, on behalf of the Board of Directors of the Company, express my sincere gratitude to the shareholders, the customers and the employees for their support and trust extended to us throughout the years. The Directors have the pleasure of presenting this report to the members alongside the audited financial statements of the Company for the period ended June 30, 2021. This report has been prepared in compliance with section 184 of the Companies Act 1994.

### **Telecommunications Industry and the Present Scenario in Bangladesh**

The telecommunications sector of Bangladesh has proved to be one of the most promising sectors with significant growth potential. At the end of June, 2021, Bangladesh had 176.41 million active mobile subscribers. The subscriber base had seen increase in the past couple of years. The telecom sector in the country has flourished in recent years mainly due to competitive rates and affordable SIM prices offered by mobile network operators (MNO). The services of the MNOs are not limited to only voice calls or SMS. They have expanded their business rapidly by offering diversified products and services e.g. e-commerce, e-banking, mobile bill payment, call center, health care services, caller tune, mobile ticket reservation, mobile banking, voice based info, vehicle tracking systems, mobile money, news updates and many other services.

The telecom sector, particularly the mobile network operating, is a very competitive business sector in Bangladesh. The sector's business first started at 1991. Thereafter, many international telecom operators have entered the country's market. At present, 04 (four) mobile phone operators are operating in Bangladesh. These are- Grameenphone Ltd (GP), Robi Axiata Ltd (Robi), Banglalink Digital Communications Ltd (Banglalink) and Teletalk Bangladesh Limited (Teletalk). All of these companies, except Teletalk, are owned and controlled by different international telecommunications operators. All of these mobile network operators have been playing a vital part in the hypercompetitive telecommunications industry of the country under the regulations of Bangladesh Telecommunication Regulatory Commission (BTRC).

The telecom sector is also one of the sectors that had contributed the most in making the vision of Digital Bangladesh a reality. This sector has directly contributed in the fourth pillar of Digital Bangladesh (which is- connecting citizens), while indirectly facilitating in other three pillars (which are- Digital Government, Human Resource Development and IT Industry Promotion).



## Some Significant Events of Telecom Sector of Bangladesh in Last 5 Financial Years

FY2020-21 Covid-19 has significantly impacted the telecom section and Bangladesh is no exception. The country faced the second wave in FY2020-21 which led to decrease in customer acquisition and retention.

Work-from-home scenario has become the new normal during the pandemic, and telecommunication sector has been a vital part of it.

Tax structure for mobile internet is 21.75% (5% VAT, 15% supplementary duty & 1% surcharge) and for voice services is 33.25% (15% VAT, 15% supplementary duty & 1% surcharge)

FY2019-20 The country faced the first wave of Covid-19 pandemic. The telecom operators lost more than 46 lakh subscribers between February 2020 and May 2020. Meanwhile, subscription to broadband connections (the main alternative to mobile internet) increased by 41 percent during the mentioned months.

Mobile network operators became one of the frontline service providers of Bangladesh during the general holidays imposed to control Covid-19. The trend continued in the subsequent limited economic activity days as well.

MNO's contribution to the GDP in Bangladesh was approximately 7 per cent. (GSMA)

FY2018-19 The government reduced VAT rate on mobile internet to 5% to facilitate digitalization.

BTRC fixed Tk 0.45 per minute as the uniform minimum call rate for all mobile phone operators.

FY2017-18 Mobile number portability (MNP) service was launched.

BTRC issued 4G License to all four operators.

Teletalk launched 4G services in December 2018.

FY2016-17 Two mobile network operators, namely- Robi and Airtel Bangladesh merged. They started operating as a single entity with the name of Robi Axiata.

Biometric re-registration of all subscribers was completed by December, 2016. This limited the maximum number of SIMs a person can own and brought significant improvements in digital security environment of the country.



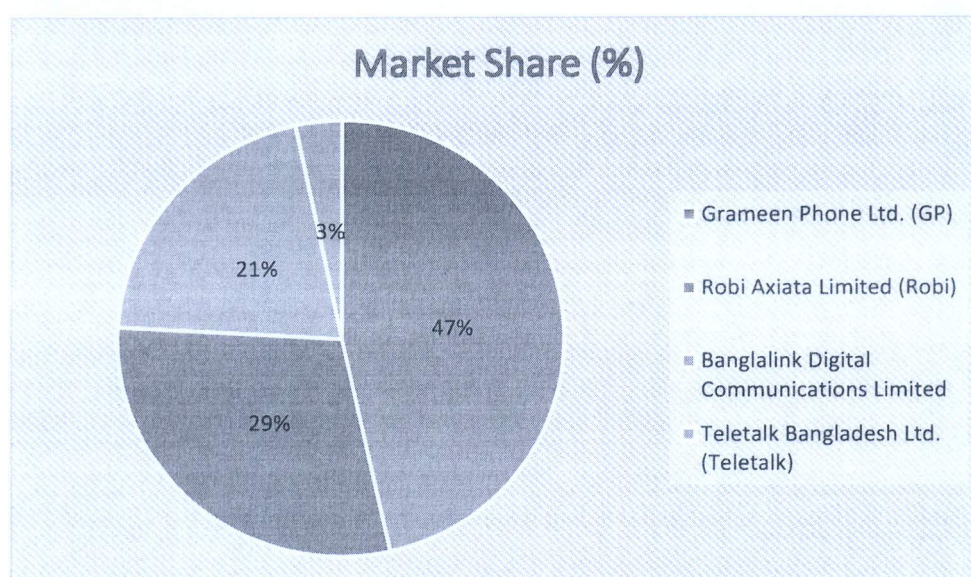


## Mobile Subscribers Information

The total number of Mobile Phone subscriptions has reached 176.41 million at the end of June, 2021. The Mobile Phone subscribers are shown below:

MNO	Subscriber (In Million)	Market Share (%)
Grameen Phone Ltd. (GP)	82.03	46.50%
Robi Axiata Limited (Robi)	51.84	29.39%
Banglalink Digital Communications Limited	36.56	20.72%
Teletalk Bangladesh Ltd. (Teletalk)	5.98	3.39%
Total	176.41	100.00%

(Source: BTRC website, June 2021 data)



## Teletalk's Position

With the vision to be the most affordable brand, offering the state-of-the-art mobile voice, digital services, and broadband access to every citizen in every corner of Bangladesh, started its journey on March 31, 2005. Total shares of this company is owned by the Government of the Peoples Republic of Bangladesh. Teletalk has been running its operations since its inception as a government tool or arms. It had disrupted the oligopolistic telecom market at that time and brought down the overall tariff rates to a much more affordable level for the citizens of Bangladesh. Teletalk was the first MNO in Bangladesh to launch 3G network in October, 2012. Teletalk is also the pioneer, among the four existing mobile phone operators, of coming up with exclusive VAS and Digital Services (i.e. online and SMS based public exam result publication services, admission services, government recruitment services, utility bill payment services etc.). Teletalk is enthusiastically working for providing exclusive digital services and is aiming towards building a Digital Bangladesh. Within the available capacity, Teletalk is

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providing differentiated services to align itself with the Government's vision of not considering only the business case but also the betterment of mass people. For example, Teletalk is the only operator providing mobile network coverage in remote areas (e.g. the Sundarbans, Chittagong Hill Tracts and Haors-Baors) where private operators are not interested in network expansion due to the lack of commercial viability.

As of now, Teletalk has already established 2G network in most of the upazilas and highways with 5425 BTS sites, 3G network in 64 districts with 4650 nodeB sites, and 4G network in major districts and upazilas with 3269 e-nodeB sites. Teletalk is continuing its network expansion to reach more corners of Bangladesh. However, the company is facing difficulties to compete commercially with the other giants of the sector. Top three market players hold 97% market share with strong network connectivity across the country. It is essential for Teletalk to rapidly increase its network coverage and quality of service in order to compete with the other well-established operators of this sector.

However, to sustain in the telecom market and to become a profitable state-owned company, Teletalk has made a business plan for five financial years (from FY2019-20 to FY2023-24). The goal of it is to establish a seamless high speed mobile broadband network throughout the country while ensuring proper service for its valued customers. Teletalk has set the following six strategies to face the challenges of the industry and to bring efficiency in business operations:

- |            |   |
|------------|---|
| Strategy 1 | To become a sustainable and robust state-owned mobile network operator with countrywide coverage      |
| Strategy 2 | To expand and maintain seamless Teletalk network up to villages                                       |
| Strategy 3 | To become a market leader in Value Added Services and to attain a sustainable market share            |
| Strategy 4 | To restructure 'Distribution Network' for availability of Teletalk products everywhere                |
| Strategy 5 | To initiate advertisements & campaigns to increase visibility of Teletalk services across the country |
| Strategy 5 | To increase organizational efficiency through office automation and organizational restructuring      |

### **Current Capacity and Coverage of Teletalk's Network**

- |           |   |
|-----------|---|
| Capacity  | About 10 million customers.   |
| Coverage  | Approx. 75%, 50% and 37% of population with 2G, 3G and 4G respectively. |
| Customers | 59.8 lakh as on June, 2021.   |



## Business of Teletalk during FY2020-21

The overall growth and subscriber acquisition pace faced a slowdown in the fiscal year 2020-2021 due to Covid-19 pandemic. Mobile telecom market is nearly saturated at the moment. As mentioned earlier, the top three operators hold around 97% market share and are providing services with the latest technology (4G) and with very good coverage across the country. Apart from 4G technology, Teletalk was behind in rendering 3G service all over the country. Insufficient network coverage to all areas of Bangladesh and slower rate of 4G/3G network expansion has significantly impacted Teletalk's ability to acquire new subscribers. As a result, Teletalk rate of penetrating the market was slower than what was anticipated. In addition, Telecom operators are losing a remarkable portion of voice revenue to the over-the-top (OTT) players (e.g. Viber, Skype, Imo, WhatsApp etc.). Furthermore, the shocking outbreak of COVID-19 pandemic has significantly contributed to the loss of operating profit as well as revenue earnings of Teletalk. Industries all around the world got hit hard due to the pandemic and are still struggling to recover. Bangladesh was hit by the second wave of the pandemic in FY2020-21 and almost all economic activities faced another round of slowdown like the prior financial year. However, Teletalk managed to limit the decline of revenue to a mere 5.46% compared to previous FY. The total revenue is 543.73 crore in this FY, while it was BDT 575.16 crore in 2019-20.

It is to be noted that, Teletalk Bangladesh Limited is giving maximum effort to come out of this adverse scenario. The projects named Modernization and Expansion Project (MEP) and 3G Phase-II to expand its 3G, 4G and 2.5G network across the country has been completed. Two other new projects named 'Hard to Reach Project' and 'Haor, Baor and Island Project' have been initiated by the company to expand its network in remote areas. In addition, Teletalk tried to penetrate the market targeting the women, the students and the government sector by introducing and modifying several voice and data packages. Also, Teletalk expanded its horizon of Value Added Services (VAS) by introducing various Digital Services. Teletalk added 12.3 lac subscribers in this fiscal year which contributed to reach a total 59.8 lac subscribers (at June, 2021) with a market share of 3.39%.

Teletalk has brought improvements in Customer Care Services for its valued customers by implementing IP based Call Centers. Around 50 agents are providing services in 3 shifts to address various issues faced by Teletalk's customers. They are providing support round the clock at 24×7×365 basis and more than 90% of the calling subscribers are being served. During the FY 2020-2021, Teletalk has 71 Customer Care Centers including 10 experience centers and 21 Customer Care Points to provide support to its customers all over Bangladesh. Around 350 personnel are extending various services like- selling new SIM, replacing faulty SIM, providing recharge facility and many more services along with giving customer supports. To ensure quality services from these personnel, Teletalk has provided training to them on various modules of CRM, ERP and DMS platforms.



Teletalk has taken the following activities to secure the supply chain of Teletalk's services:

- To strengthen the supply chain network of Teletalk up to district and upzilla level, the company has increased its retailer base to 54 thousand;
- The IP Call center facility is strengthened by ensuring 24×7 services;
- The customer care center centers and points have been extended to 91 locations of the country;
- Collaborative electronic recharge services have been inaugurated with Bkash, Nagad, Rocket, Qcash, Sure Cash, SSL, Paywell, etc.

### **Future Market Trend in the Mobile Industry of Bangladesh- Teletalk's Perspective**

The mobile market of Bangladesh is almost saturated now, and has experienced moderate growth over the last five years. However, the telecom sector is expected to see a significant jump with the introduction of 5<sup>th</sup> generation mobile network connectivity (5G) in the country. 5G will bring improvements in mobile broadband connectivity and open the doors to services based on the Internet of Things (IoT) and Artificial Intelligence (AI). It will create opportunities for mobile network operators to expand their network connectivity throughout the country and create new sources of revenues.

Bangladesh has seen a rapid increase in mobile broadband penetration over the past five years which was driven by a rising level of mobile subscribers. After commencing 4G operations in the country, revenue proposition has remarkably been changed and day by day non-voice revenue is growing over its voice counterpart. High speed data market is growing rapidly, while the dominant voice market is losing its share. This trend will continue with the aforementioned introduction of 5G enabled services. A strong growth is predicted for the next few years for data connectivity and usages. So, there is an opportunity for Teletalk to capture this potential data market and to attain a sustainable market share. In order to do so, establishment of strong data connectivity network up to rural areas within the shortest possible time is necessary. Leading operators have already strengthened their data connectivity network with strong 3G and 4G technology across the country, and they are competing among themselves to capture the rural data user segment of this market.

To ensure a strong and sustainable position in such a competitive market, Teletalk has set the following two major goals for FY2023-24 in its comprehensive 5 Year Business Plan:

- Grow Subscriber base up to 20.65 million (10.0 % market share)
- Achieve a revenue of BDT 3,715 crore (11.36% of total revenue of estimated telecom market).





## Target of Teletalk for 2021-2022 and 2022-2023

S/n	2021-2022	2022-2023
1.	Keeping Covid-19 into consideration, TBL will enhance its 4G network coverage to most parts of the country.	Expanding Teletalk's network up to rural areas and preparing network readiness for 5G services.
2.	Sales of 35 lakh connections including the introduction of IoT/M2M and enterprise market.	Acquiring 35 lakh new customers to Teletalk's network.
3.	Sales Force Monitoring Platforms will be updated to increase sales capacity. Also, Campaign Management System will be implemented to modernize marketing activities.	Launching of attractive packages in celebration of national festivals and celebrations.
4.	Initiatives such as- launching of attractive packages will be taken celebrating of the Golden Jubilee of Independent Bangladesh.	Introducing Holistic Marketing Strategy to retain existing customers and to bring satisfaction on Teletalk's experience.
5.	Existing voice and internet package will be further updated taking into account the Covid-19 situation.	Implementing Digital Financial Service (DFS) platform which would integrate with REB's billing platform to ensure Teletalk's presence in utility bill collection.
6.	TBL will explore opportunities in e-commerce. A web-store will be introduced and maintained following market trends.	Establishing Teletalk's own data center and digital archive for VAS and Digital Services while exploring innovations in Digital Services based on 5G.
7.	Digital media promotion (i.e. website and facebook pages) will be renovated further to provide timely customer support and to improve the Company's distribution network.	Modernizing various policies and charters (e.g. Standard Operating Procedures, Procurement Policy, Information Security Policy etc.) to increase operational efficiency.
8.	KPI based employee performance evaluation and management system will be fully implemented.	Updating HR policies (benefit rules, incentive schemes, performance-based awarding policies etc.), while implementing KPI based performance evaluation and management system.

## Business Development & Marketing Strategy

As Teletalk is a state-owned company, it not only looks for financial profit, but also socio-economic gains as well. In fact, out of the four objectives of Teletalk, the first three focuses on economic gains, which are- to provide mobile telephone service to the people from the public sector, to ensure fair competition between public and private sectors and thereby to safeguard public interest, and to meet a portion of unmitigated high demand of mobile telephone. This is why Teletalk is interested in establishing strong mobile telecommunications network in remote areas of Bangladesh where private operators are not interested due to insignificant business opportunities. In this regard, the following development projects are currently ongoing-

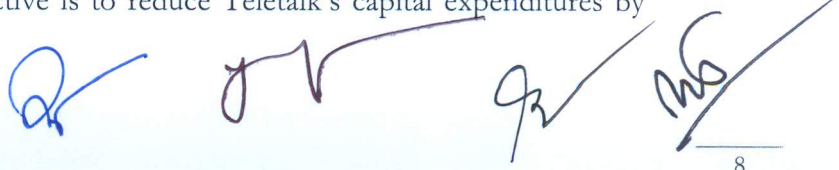
1. Establishment of Mobile Broadband Network in Haors and Island Areas
2. Solar based Base Stations for Hard-to-Reach Areas

However, Teletalk has taken initiatives to explore additional revenue source to meet its fourth objective, which is- to create a new source of revenue for the government. In order to do that, Teletalk has previously launched and successfully managed segmented products for the students, the mothers and the women of our country. To continue that trend, future business opportunities will be explored on several other segments as well. The target customer segments of Teletalk are:

- Citizens living in remote areas where Teletalk has established good 4G network coverage compared to the competitors;
- Innovative Digital Services for education, health, agriculture and other sectors;
- Low cost voice and internet services for students and women;
- Serving the mobile communications needs (Voice, Internet and Digital Services) of Government organizations.

Since Teletalk started its journey in an already established market with limited resources, its marketing strategy has been changing subject to the condition of telecom industry of the country. With limited budget for marketing and promotion, Teletalk tried its best to compete with other operators throughout the year to attract new customers to use its products and services. Teletalk has focused on customer retention as well and has taken initiatives in modernizing customer support. Promotion and advertisements highlighting the customer needs were visible in different print, electronic and digital media. Teletalk has been a strong advocate for practicing fair marketing policy in accordance with the rules and regulations set up by the concerned authorities. Teletalk has extensive plans for strengthen the loyalty of existing customer base and encourage users of other operators to switch to Teletalk's network.

Teletalk has policies for not only increasing its revenues, but also decreasing its costs as well. Teletalk has started using the sharing infrastructure and relevant resources of other operators in accordance to BTRC policy. The objective is to reduce Teletalk's capital expenditures by





discarding some of its network deployment cost. It has opened the opportunity to reduce the operating expenditures of the sites too. Also, Teletalk has started taking necessary steps to commence its business by sharing its BTS/node-B sites, transmission backbones and other resources with the other MNOs to open new revenue earning and cost cutting opportunities.

### **Improvement of Supply Chain Management: Distribution**

Teletalk maintains Dealer, Retailer based supply chain management system, which is managed by Sales & Distribution, CRM Department. After the completion of 3G project, subscriber base as well as the coverage area of Teletalk has been widened at a noticeable boundary. Teletalk has to restructure and rearrange its supply chain modality to curb the new development. Recently, all the mobile operators are in fierce competition to grasp the market sharing and increase the subscriber base. In this context, excellence in supplying of product and services to the valued subscriber come up with added importance. Visibility of products and keeping them available in every corner of the country is a must in the present scenario. To bring the excellence in Supply Chain Management Teletalk has implemented software based DMS system for delivering product & services and their tracking. Integration of ERP and CBS are going to be implemented along with the Revenue Assurance and Fraud Management (RAFM) Platform.

Teletalk has been trying to provide quality services by expanding the coverage of its network throughout the country, especially the remote areas such as the Sundarbans, Chittagong Hill Tracks, Haors-Baors-Islands and other hard to reach areas. In order to enhance the service quality, Teletalk is in the process of establishing country-wide telecom network with adequate coverage at all Districts, Upazilla and Highways. Teletalk has developed country wide strong distribution channels depending on target and market segmentation. In addition, it has nationwide retailer-based customer care points to provide necessary information to the subscribers. To provide the excellent and efficient supports to subscribers, Teletalk has now 91 Customer Care Centers, around 18 thousand SIM Retailer centers, more than 4 thousand SIM Replacement Points, and around 56 thousand Telecharge Centers. To support the Distribution Channels, Teletalk has already awarded dealership to 11 dealers distributed throughout the country. In addition, an app (Telepay) was launched in 2019 to enhance utility bill (Palli-bidyut) collection as well as to provide Telecharge in remote areas. Also, Teletalk has international roaming services with 35 operators of 22 countries worldwide. Management is taking measures to expand its International Roaming Service by establishing Roaming with other countries across the world.



## **VAS and Digital Service Innovations for the FY: 2020-2021**

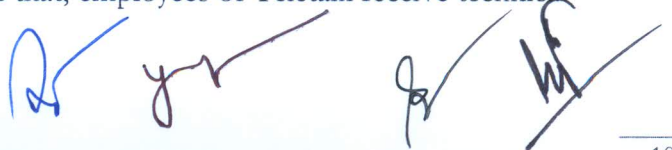
Teletalk is keeping its endeavor of generating in-house development of innovative services to make the subscribers' life easy and to enhance the ways of revenue generation. Utilizing the networks of established partnerships on win-win basis, Teletalk has been providing Value Added Digital Services to its valued customers. The major VAS and Digital Services that has been introduced are:

- i) Covid-19 response and disaster management response (toll free dialer-1090)
- ii) Introducing free of cost online class facilities to university student for using BdRen Distant Learning Platform. Almost 1 million students have used this facility during the pandemic.
- iii) Modernizing Teletalk's online job platform- AllJobs for easier and more convenient application process for both government and private jobs.
- iv) Introducing the iOS version of Teletalk's MyTeletalk app and introducing features like- Teleplan, Tele Points, Customer Care & Retailer Location etc. The app has been downloaded for more than 1.5 million times till June, 2021.
- v) Upgradation of Teletalk's official website to match it to industry standards, while adhering to the practices of other government websites.
- vi) Result processing, re-scrutiny, result archiving of PSC, JSC, SSC, and HSC.
- vii) Total Admission Process of School Level (Class I to IX), College, and University.
- viii) The portal Mobile Money Transfer services with partnership of MFS providers
- ix) Online Recharge Service through bKash, Dutch Bangla Bank
- x) Utility Bill payment System for BREB by own arrangement and through bKash
- xi) Bulk SMS and A2P SMS service.
- xii) Broadcasting Prime Minister's voice message service.
- xiii) Providing different types of services through Content Provider like mobile TV, CRBT, disaster management service, etc.

## **Improvement of Teletalk's Administration and Organizational Performance**

Teletalk has diversity among its 525 (as on June 30, 2021) employees to foster creativity and corporate success. Teletalk believes that the organizational efficiency is the instrument to achieve the organizational goal of the company. Increasing of employee engagement along with the quality, skilled and passionate employees are the key factors of organizational success. To attain preeminence and excellence of the company and to satisfy its customer, proper rules & regulations are incorporated in Teletalk's Service Manuals.

In relation with learning and development, Teletalk usually arranges regular induction program to orient its new incumbent with organizational vision, mission, values, culture, organogram, general rules, and regulations in a nut shell. After that, employees of Teletalk receive technical





training and industrial orientation at home and abroad. Teletalk has trained more than 500 employees in this fiscal year on different topics like “Implementation of E-filing System”, “National Integrity Strategy and Annual Performance Agreement”, “VAT & Tax”, “Public Procurement System”, etc. Now Teletalk is going to implement its Yearly Training Program (YTP) followed by Needs Assessment of respective employees.

For automation of regular Administrative activities like personnel database, leave administration, payroll activities, performance management system, training and development shall be deployed more efficiently through ERP of Teletalk. Commitment of building an innovative learning organization has been incorporated in Annual Performance Agreement (APA). KPI based employee performance evaluation and management system is planned.

### **Regulatory Environment**

Bangladesh Telecommunication Regulatory Commission (BTRC) was formed on January 31, 2002, under the Bangladesh Telecommunication Regulatory Act, 2001, to facilitate a quick and stable socio-economic development and to provide dependable telecommunication services.

As per the Telecommunication Act, the Commission is assigned with responsibilities to formulate policies for establishing, operating, regulating, maintaining telecommunications establishments and providing various telecom services in the country. Besides, fixing charges on the subscribers, ensuring the services for the subscribers and to ensure people’s right for the tele-services are also tasks of BTRC.

BTRC is performing the following tasks as well-

- Encouraging the orderly development of Telecommunication System;
- Ensuring reasonable price for modern, reliable, secure Telecommunication services and internet as per prevalent Social and economic realities of Bangladesh;
- Ensuring efficient and capable national Telecommunication System in respect to international standards;
- To prevent and eradicate discrimination in providing competitive telecommunication services to remove the digital divide of the country.

Teletalk Bangladesh Limited is a state-owned company established by the government of Bangladesh to serve the people across the country, and to perform as a market force (indirect regulation) in the mobile telecom industry for the greater interest of the People. Teletalk has already executed various activities in line with the following goals-

- Facilitated to reduce the prices of various telecom services by fixing reasonable rates (both voice & data);



- Commenced mobile operation across the country and ensured mobile services in underprivileged areas like rural areas, hill tracks, southern islands, the Sundarbans etc., as per the government desire to remove the digital divide;
- Ensured innovative various VAS and Digital Services for the people to enhance digitization process and to materialize the target "Digital Bangladesh" set by the government;
- Constructed 3G ecosystem by introducing 3G technology in Bangladesh for establishing better telecom infrastructure for the interest of the people.

Teletalk is performing as a sustainable service delivery-oriented organization rather than a fully profit maximizing commercial organization. Hence, the Company needs some policy supports. Few of them are stated below-

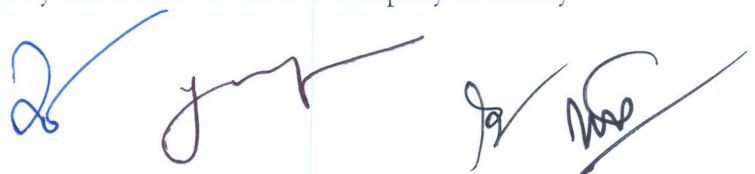
- Allotting Social Obligation Fund (SOF) for developing mobile telecom infrastructures at the remote areas.
- Implementing Significant Market Power (SMP) regulation to protect the interests of small operators like Teletalk.
- Preference may be given to use Teletalk services by government organizations.

### **Corporate Responsibilities**

As Teletalk Bangladesh Limited is a state-owned company, incorporated with RJSC and directly controlled and supervised by the Government, logically, it provides importance in the homogeneous development of the Country. Inclusively providing importance to its corporate interests, Teletalk always upholds the corporate ethics in dealing and conducting of its operations. The Company also focuses on the issues of preservation of environment, improving of community health and education, empowerment of women and flourishing of children's talents, and much more. Teletalk thoroughly supports the Government's policies by introducing special packages and services for the youths as well as the under-privileged people. Teletalk has been introducing new and innovative technology to reduce carbon emission, and is trying to implement automated paperless office to attain improvements in terms of efficiency and preservation of environment.

### **Board of Directors' Meeting**

Nine (9) Board Meetings were held in FY2020-21 to discuss the different business issues of the company, and necessary directives were provided by the Board to run the company smoothly and effectively as well.





## **Appointment/Reappointment of Directors**

Pursuant to the provision of the “Articles of Association” of the Company and in conjunction with the provisions of the “Companies Act, 1994”, one third of the Directors shall retire by rotation in every Ordinary General Meeting. Accordingly, three Directors shall retire at the 17<sup>th</sup> Annual General Meeting. The retiring Directors are-

1. Salima Sultana, Ndc, Additional Secretary, Posts and Telecommunications Division, MoPT&IT
2. Brigadier General Tamjidul Haque Chowdhury, NDC, AFWC, PSC, Brigade Commander, 86 Independent Signal Brigade, Dhaka Cantonment
3. Dr. Md. Rafiqul Matin, Managing Director, Bangladesh Telecommunications Company Limited (BTCL)

Being eligible, the retiring Directors named above offered themselves for re-election as Directors of the Company.

## **Appointment of Auditors**

Pursuant to Section 210 of the Companies Act, 1994, the existing auditor of the Company ‘MABS and J Partners Chartered Accountants’, retires at the 17<sup>th</sup> Annual General Meeting. The same Auditors expressed their willingness to be re-appointed for the financial year 2021-2022.

## **Risk Management**

Teletalk believes that risk management and internal control are fundamental to effective corporate governance and the development of a sustainable business as the company that operates in and understands emerging markets. The TBL Board retains full and effective control over and is responsible for the adoption of strategic plans, the development of appropriate and effective risk management policies and processes. Teletalk is committed to promoting the highest standards of ethical behavior among its Directors, Management and Employees. Teletalk has been conducting various business transactions and events in ERP platform with regards to risk management, specifically the aspects of combined revenue assurance and IT governance. Eight (08) modules namely Production Module, General Ledger (Finance & Accounts Module), Inventory Module, Sales Module, Purchase (Budget) Module, Office Organizer Module, Human Resource Module and System & Access Control Module of ERP are already functioning. Moreover, to minimize risk steps have been under taken to implement of Revenue Assurance and Fraud Management (RAFM) system.



## Financial Review

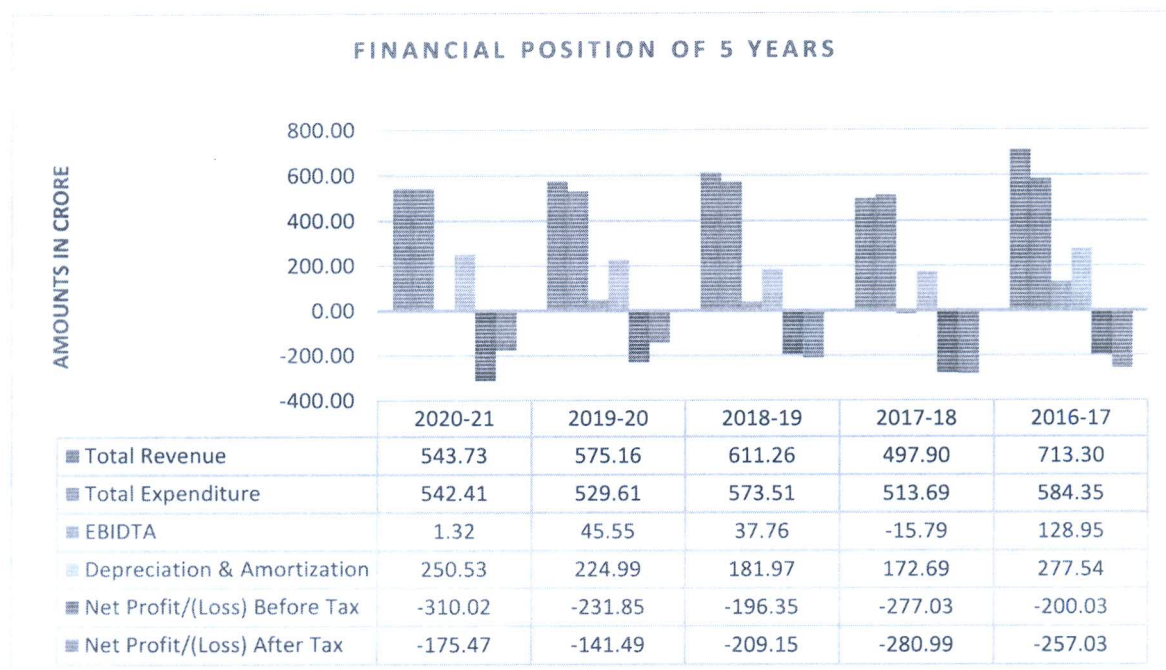
During the FY 2020-2021 ended on 30th June, 2021, the Company has registered gross revenue of TK.543.73 crore from operating its activities. A brief result is shown here:

<i>Particulars</i>	<b>2020-2021</b>	<b>2019-2020</b>	<b>Difference</b>
<i>Network Revenue</i>	4,28,39,75,598.00	5,09,63,35,167.00	-81,23,59,569.00
<i>Hardware Revenue</i>	34,79,13,793.00	16,61,30,390.00	18,17,83,403.00
<i>VAS Revenue</i>	80,53,94,500.00	48,91,33,699.00	31,62,60,801.00
<i>Total Revenue</i>	5,43,72,83,891.00	5,75,15,99,256.00	-31,43,15,365.00
<i>Direct cost of network revenue</i>	1,35,84,23,784.00	1,66,05,29,210.00	-30,21,05,426.00
<i>Direct cost of hardware revenue</i>	59,33,97,310.00	51,02,43,128.00	8,31,54,182.00
<i>Network O&amp;M expenses</i>	2,07,02,79,391.00	1,79,30,96,015.00	27,71,83,376.00
<i>General and administrative expenses</i>	85,87,73,005.00	85,03,67,479.00	84,05,526.00
<i>Selling and distribution expenses</i>	54,32,59,646.00	48,18,92,781.00	6,13,66,865.00
<i>Total Expenditure</i>	5,42,41,33,136.00	5,29,61,28,613.00	12,80,04,523.00
<i>EBITDA</i>	1,31,50,755.00	45,54,70,643.00	-44,23,19,888.00
<i>EBITDA % on Total Revenue</i>	0.24	7.92	-7.68
<i>Depreciation and amortization</i>	2,50,52,75,609.00	2,24,99,32,377.00	25,53,43,232.00
<i>Operating Profit</i>	-2,49,21,24,854.00	-1,79,81,91,231.02	-69,39,33,622.98
<i>Interest Expenses (Net)</i>	-60,80,97,428.00	-52,03,20,408.00	-5,62,12,877.00
<i>Net Profit/ (Loss) before Tax</i>	-3,10,02,22,282.00	-2,31,85,11,639.02	-75,01,46,499.98
<i>Income Tax</i>	-1,34,55,24,070.84	-90,36,05,203.03	-42,77,15,003.46
<i>Net Profit/ (Loss) after Tax</i>	-1,75,46,98,211.16	-1,41,49,06,435.99	-32,24,31,496.52

Major items of expenses include Direct Operating Costs, Network Operation and Maintenance Expenses and Depreciation & Amortization on Assets which were Tk.195.18 crore, Tk.207.02 crore and Tk.250.52 crore respectively. Total revenue was Tk.543.73 crore for the FY 2020-21 that results the EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) by Tk.1.31 crore in the FY 2020-21.

The books of accounts show a Net Loss after Tax amounting Tk.175.47 crore. Net profit would be attained in the next few years if the planned investments (short terms and long terms) can be arranged in due time.





### Fairness of the Financial Statements

It is the responsibility of the Directors, as per the provisions of the Companies Act 1994, to prepare financial statements for each year. The financial statements and other financial information included in this report fairly present all material aspects, the financial condition, results of operations, cash flows and the changes in equity of the Company for the year under review. The Company has used appropriate accounting policies in preparation of these financial statements supported by reasonable and prudent judgment and assumptions as necessary. International Accounting Standards (IASs), and International financial Reporting standards (IFRSs) have been followed in preparation of these financial statements in compliance to the relevant accounting principles.






## **Directors' Responsibility in relation to the preparation of Financial Statements**

We hereby confirm that, to the best of our knowledge:

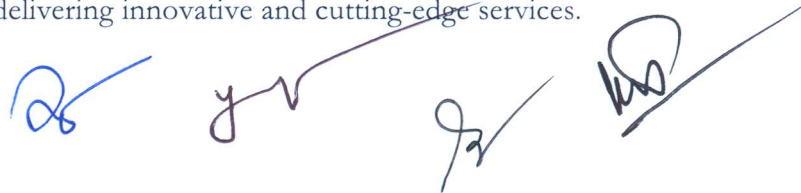
- The financial statements prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position, and profit and loss of the company;
- Adequate internal control system is in place to ensure integrity of financial report;
- Adequate disclosure has been provided for the users of financial statements to understand the impact of financial information, other events and conditions on the entity's financial position and financial performance;
- Reasonable efforts have been made to safeguard company assets and detect and prevent any fraud or other irregularities.

## **Recommended Steps for Better Performance of Teletalk**

- Strengthening and widening the Sales & Marketing activities to increase revenue and market share;
- Taking innovative measures to retain as well as increase Average Revenue Per User (ARPU) of the existing customer base;
- Expanding 4G network in the places of higher revenue earning potential;
- Improving the quality of the existing network to give customers better experience of Teletalk's voice and internet services;
- Keeping on adding innovative Digital Services to earn more revenue as well as to facilitate the materialization of 'Digital Bangladesh';
- Improving the Internal Control system of Teletalk to optimize the expenses and ensuring the best use of limited resources.

## **Acknowledgement**

The Board of Directors respects all of the valued customers of Teletalk Bangladesh Limited for choosing the only indigenous mobile network operator brand of Bangladesh as their preferred choice. The Board firmly believes that Teletalk will strive towards achieving the top position among the mobile network operators of Bangladesh with the blessing and continued loyal support of our valued customers who have carried our slogan "Amader Phone" in their hearts. The Directors would like to recognize that the employees are the most valuable resources of Teletalk and the pride of the company as well. Their endeavors and perseverance have helped Teletalk to show its existence profoundly by delivering innovative and cutting-edge services.

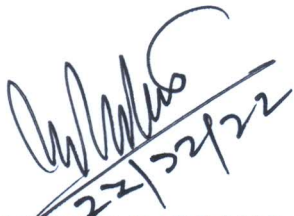




The Board of Directors respect the commitment, determination, and diligence of the employees and the management the company and believe that Teletalk will propel to a prestigious position in the industry and in the country.

The Board of Directors would like to take this opportunity to express special gratitude and extend appreciation to all our valued shareholders, customers, trading partners, utility providers, financiers, and others for their trust and confidence upon Teletalk Bangladesh Limited. The Board profoundly acknowledges the cooperation and assistance that it had received from the Ministry of Posts, Telecommunications and Information Technology, the Ministry of Finance, Bangladesh Telecommunication Regulatory Commission (BTRC), Registrar of Joint Stock Companies and Firms (RJSC), Bangladesh Telecommunications Company Limited (BTCL), Bangladesh Submarine Cable Company Limited (BSCCL), other stakeholders, partners, vendors, and other government organizations.

For and on behalf of the Board of Directors,



**MD KHAJILUR RAHMAN**  
**Chairman, Teletalk Bangladesh Limited**

&

Secretary, Posts & Telecommunications Division  
Ministry of Posts, Telecommunications and Information Technology  
Dated:

