

Annual Report: 2015-16



Bangladesh Telecommunications Company Limited

www.btcl.com.bd

বিটিসিএল.বাংলা



Annual Report Committee:

- **Sarker Md Zbed Robbani, Board Secretary, BTCL**
- **Mir Mohammed Morshed, Director, Public Relations and Printing, BTCL**
- **Mamlukar Rahman, Deputy Director (Telegraphs), BTCL**

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Our Vision

Our vision is to turn BTCL into a vibrant dynamic organization and lead the country's telecommunication sector by establishing a sound and cost-effective telecommunication infrastructure.

Our Mission

We strive to provide telecommunication services to the nation with the state-of-art telecommunication technology at an affordable cost without compromising quality. To deliver customers with enhanced values, the following steps are being implemented:

- Improve quality of customer services;
- Meet the demand of telephone connections and develop proper infrastructure;
- Increase institutional efficiency;
- Adopt marketing principles and practices;
- Employ modern network planning;
- Augment revenue management.

Our objective

- To engage in the business of telecommunication by way of acquiring operation, management, improvements, installations, sales and re-sales of both local and long distance telecommunication services.
- To undertake programs pertaining to the creation and operation of other services including data network delivery and other newly invented telephone services,
- To provide subscribers easy access to an effective intra-national and international telecommunication network.
- To carry on activities as stated in the Memorandum of Association etc.

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DIRECTORS' REPORT

Under Section 184 of the Companies Act, 1994

Dear Shareholders

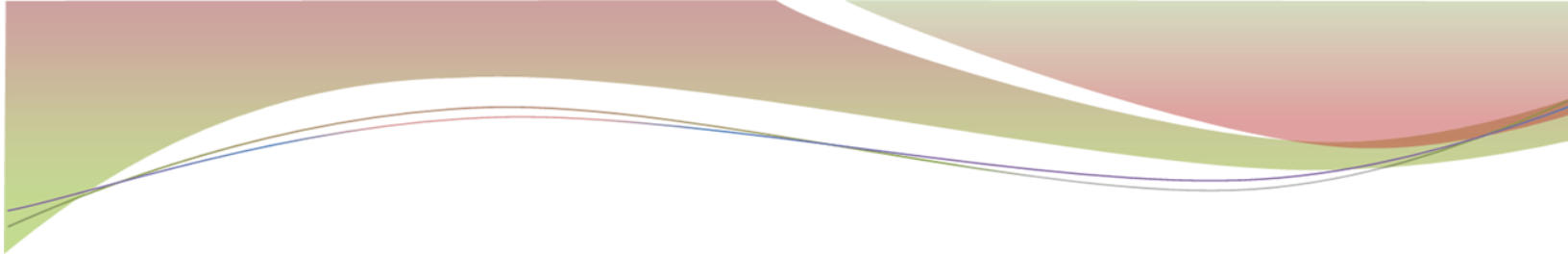
The Directors are pleased to welcome you to the 8th Annual General Meeting of Bangladesh Telecommunications Company Limited (BTCL) (the "Company") and present herewith the audited Balance Sheet as on 30 June 2016 and the Income Statement along with the Cash Flow Statement for the period of 01 July 2015 to 30 June 2016 (the "Accounts").

2. Background of the Company

The Telegraph branch under the Posts and Telegraph Department was created in 1853 in the then British India and was regulated afterward under the Telegraph Act of 1885. Pakistan Telegraph and Telephone Department was created in 1962. After the independence of the People's Republic of Bangladesh in 1971, Bangladesh Telegraph and Telephone Department was set up under the Ministry of Posts and Telecommunications. This was converted into a corporate body named 'Telegraph and Telephone Board' by promulgation of Telegraph and Telephone Board Ordinance, 1975. In pursuance of Ordinance No. XII of 1979, promulgated on 24th February 1979, Telegraph and Telephone Board was converted to "Bangladesh Telegraph and Telephone Board (BTTB)" as a Government Board. In pursuance of "Bangladesh Telegraph and Telephone Board (Amendment) ordinance, 2008" dated 01 June, 2008, (Later on Bangladesh Telegraph and Telephone Board (Amendment) Act 2009) a company namely "Bangladesh Telecommunications Company Limited (BTCL)" was incorporated and registered in Bangladesh under the Companies Act, 1994 as a public limited company having its registered head office situated at 37/E, Eskaton Garden, Dhaka. The entire undertaking (As per Sec 5A of said ordinance) of the BTTB was transferred to BTCL through a Deed of Agreement between Ministry of Post Telecommunications and BTCL signed on 30 June, 2008. From 01 July 2008, BTCL started its journey.

3. Objective of forming the company

- i. To engage in the business of telecommunications by way of acquiring operation, management, improvements, installations, sales and re-sales of both local and long distance telecommunication services and to promote the development of telecommunications and related services in Bangladesh including the application of new technologies within the telecommunications field.

- 
- ii. To undertake programs pertaining to the creation and operation of other services including data network delivery and other newly invented telephone services throughout Bangladesh while enabling commercial subscribers to resell telephone services to their customers.
 - iii. To provide subscribers easy access to an effective intra-national and international telecommunication network and to develop network to meet the telecommunication needs of the whole nation and to improve and provide connectivity access to national and global network.
 - iv. To carry on activities as stated in the Memorandum of Association etc.

4. Board of Directors (up to date):

SI	Name of Directors	Designation	Remark
1	Mr. Md Faizur Rahman Chowdhury	Secretary Posts & Telecommunications Division, Ministry of Posts, Telecommunications & Information Technology, Bangladesh Secretariat, Dhaka.	Director & Chairman
2	Mr. Jalal Ahmed	Additional Secretary Finance Division, Ministry of Finance, Bangladesh Secretariat, Dhaka.	Director
3	Mr. Shawkat Mostafa	Additional Secretary Posts & Telecommunications Division, Ministry of Posts, Telecommunications & Information Technology, Bangladesh Secretariat, Dhaka.	Director
4	Mr. A S M Mahbubul Alam	DG Monotoring, LGED Ex. Additional Secretary Ministry of Information Bangladesh Secretariat, Dhaka.	Director
5	Mr. Md. Zahangir Alam,ndc (Additional Secretary)	Director General Department of Telecommunications, Tejgaon, Dhaka.	Director
6	Brig. Gen. Rashedul Mannan, lsc,	Director, FSIB, DGFI, Dhaka Cantonment.	Director
7	Dr. Satya Prasad Majumder	Professor, Dept. of EEE, BUET	Director
8	Mr. Md. Syful Islam, FCA	Former President ICAB, Karwanbazar, Dhaka.	Director
9	Mrs. Monowara Hakim Ali	Director (ex.1 st Vice-President), FBCCI, Dhaka	Director
10	Mr. Mahfuz Uddin Ahmad	Managing Director, BTCL	Director

5. Board Meetings.

17 Board meetings were held during 2015-2016, where about 130 agenda on different issues were discussed by the Board of Directors and necessary directives were given by the Board to run the company smoothly. Also the 7th AGM of the Shareholders of the Company was held on 22 December, 2015.

6. Management & Manpower

BTCL inherited an Organogram along with human resources from erstwhile BTTB during its beginning on 01 July, 2008. Since then BTCL's operational activities carried on according to erstwhile BTTB Organogram with BTTB employees. In the mean time, government has formed the

'Department of Telecommunications (DOT)' and retained all the BTTB employees to DOT. Afterwards on 25 June, 2015 government sent 6,536 employees from DOT to BTCL on deputation. At present total 5,664 employees from DOT are working on deputation at BTCL (Class I+II+III+IV :269+158+4878+359=5664). Besides this, 2776 Work Charged employees and 1585 Master Roll employees from erstwhile BTTB are also working at BTCL since beginning.

However BTCL Board of Directors has approved its Company Organogram, which is ready for implementation. Total 8703 posts are created in the approved Organogram. Transition from the erstwhile BTTB Organogram to the newly created BTCL Organogram is still waiting due to some unavoidable reasons.

BTCL has taken initiative to recruit its own employee as per its organogram. During 2015-2016 year 64 (sixty four) graduate engineers have been recruited as Assistant Manager (Technical). 07 (seven) graduate engineers and 42 (forty two) diploma engineers (as Junior Assistant Manager) were recruited on contract basis during this period. Earlier Accounts executive, Junior Assistant Manager, Junior Law Officer etc. were recruited on contract basis and they are continuing service at BTCL. The process of recruitment as per requirement will go on regularly.

7. Licenses as Operator

- i. PSTN license.
- ii. International Gateway (IGW) service operator license.
- iii. Interconnection Exchange (ICX) service operator license.
- iv. International Internet Gateway (IIG) service operator license.

- v. Internet Service Provider (ISP) license.
- vi. ITC (International Terrestrial Cable) license
- vii. NTTN (National Telecommunications Transmission Network) license
- viii. Broadband Wireless Access license.

8. Telecommunication services provided by BTCL

8.1. Services Provided

- Landline phone services throughout the country (PSTN-Local, NWD, ISD)
 - Copper line based Optical Fiber based GPON Virtual Phone
- Value added services in land phones:
 - Call Barring Abbreviated Dial Conference Call
 - Call Waiting Wake Up Call Subscriber Absence Message
 - Don't Disturb Message Call Forwarding Hot Line
- RED Telephone service
- Internet Services:
 - a) Dial up Service (56 kbps max)
 - b) ADSL (256 kbps to 1.5 Mbps)
 - c) GPON (1,2 and 4 Mbps)
 - d) Leased Internet (64 kbps, 1 Mbps & Multiple)
 - e) MPLS VPN and P2P & P2MP VPN
 - f) IP Address
- Point to Point and Point to Multi-point Voice Grade local leased Line
- Digital Data Node (DDN) services (n x 64kbps, E1 etc)
- GPON service
- Telegraph Service
- International Private Leased Circuit (IPLC) – Voice or Data (nx64 kbps, E1, E3, STM1, STM4)
- **.bd** Domain Name Registration (online)
- Transmission Bandwidth leasing (E1,E3, STM1, STM4, STM-16 & STM-64)
- Dark fiber leasing for Transmission and Last mile
- Co-location Services (With Other Operators)
- International Bi-lateral Voice Carrier

- www.btcl.gov.bd provides Telephone and ADSL Bill check and print.
- Web based complain to call centre
- Call Centre (Interactive Voice Response) at head office: 16402
- SSI Cell at head office to receive complaints

8.2 BTCL at a Glance (2015-16):

1. License:	PSTN/ IGW/ IIG/ ICX/ ISP/ITC/ NTTN/ BWA
2. Telecommunication Regions:	Dhaka East/ Dhaka West/ Dhaka North/ Dhaka South/ Dhaka Central/ Chittagong/ Sylhet/ Rangpur/Rajshahi/ Khulna/ Transmission/ Overseas/ Upazilla/ Palli/ Planning & Development
3. ICX:	Dhaka (SBN)/ Dhaka (Mohakhali)/ Chittagong/ Sylhet/ Bogra/ Khulna
4. Satellite Earth Station:	Mohakhali. Betbunia
5. Telephone Connection:	7.16 lac
6. Telephone Capacity:	14.44 lac
7. Telephone Coverage:	all (64) districts, 277 Upazillas and 49 growth centres
8. Internet (ADSL) Capacity:	100 K
9. Internet (ADSL) Connection:	20 K
10. Internet (ADSL) Coverage:	64 districts
11. GPON Capacity:	129 K
12. GPON Connection:	132
13. GPON Coverage:	Mirpur, Baridhara DOHS, Gulshan, Ramna, SBNagar, Mogbazar, Uttara, Nilkhet, Fakirapool exchange areas & Chittagong
14. Dial-up Internet Users (daily average) (56Kbps)	66
15. Leased Line Connection:	640
16. MPLS VPN Connection:	67 Organizations
17. DDN Connection:	6
18. Domain (.bd) registrants:	35K
19. Voice Bandwidth (Submarine Cable):	20xSTM-1
20. Voice Bandwidth (Satellite):	4x2 Mbps Duplex
21. IPLC (Submarine Cable):	8 Mbps (4xE1)
22. Internet IIG Bandwidth (Submarine Cable):	35 Gbps
23. Internet Bandwidth (International Terrestrial Cable):	2.5 Gbps
24. BTCL to BTCL Call:	412 Million Minutes
25. BTCL to Other Operators Call:	1,648 Million Minutes
26. Other Operators to BTCL Call:	173 Million Minutes
27. International Incoming Call:	4,617 Million Minutes
28. International Outgoing Call:	34 Million Minutes
29. Optical Fiber Network:	17500 Km (GIS : 6062 Km)
30. Optical Fiber Coverage:	64 Zillas + 277 Upazillas
31. Maintenance and Operation expenditure	Tk 49 Crore
32. Asset Procurement expenditure	Tk 35 Crore

8.3 Transmission System of BTCL in Bangladesh:

8.3.1 Transmission Network for Nationwide Communication.

Transmission region is responsible to connect the submarine backhaul connectivity for international user, ITC connectivity, nationwide digital exchanges connectivity, internet connectivity, corporate connectivity and data nodes connectivity. BTCL has a strong nationwide transmission network up to Upazilla level and in some cases the network is extended up to Union Parishad level. This Nationwide transmission network (NTTN) of BTCL is mostly composed of Optical Fiber except few districts and a number of upazillas, which are still connected through Radio links. The transmission backbone connecting the district head quarters is mostly Optical Fiber based; few district head quarters (5 nos.) are still connected to the transmission backbone through radio links. Though most of the Upazila head quarters are presently connected to the respective district head quarters through radio links, but BTCL's ongoing two projects is changing the scenario . Presently Only 179 Upazila head quarters (other than sadar upazila) are connected through Optical fiber but around 169 Upazila are almost ready to connect.

BTCL is also providing backhaul connectivity for submarine landing station of Bangladesh at Cox's Bazar through a high capacity of 240Gb/s which has redundant optic fiber transmission link between Dhaka (Moghbazar station of BTCL) and Cox's Bazar. The redundancy of the link has been provisioned through Optical Fiber of the Power Grid Company of Bangladesh.

BTCL is providing backhaul connectivity of 10 Gb/s internet bandwidth for Agortola, India from Cox'sbazar to Akhaura. Recently BTCL launched ITC connectivity from Benapole to Dhaka and started with 10Gb/s internet bandwidth from Tata, India. BTCL transmission capacity increased with their existing facilities without bearing any cost.

The length of the optical fiber cable in BTCL's transmission network was around 6,000 Km in 2015. Recently BTCL has taken several projects through which seven out of the rest eight districts head quarters will come under Optical Fiber Cable network, also 290 Upazila and 1006 Union Parishad will be connected with optical fiber. Till November 2016 around 6,000 Km Optical Fiber cable has been layed throughout the country under the running projects and total length of transmission Optical fiber cable is around 12,000 Km which will be more after finishing of the projects.

8.3.2 IP and Data Network

BTCL has a strong IP based data network through which all the district head quarters have been brought under the IP Cloud of BTCL. Now BTCL can provide Internet bandwidth from its IP PoPs (Point of Presence) located at all the district head quarters. BTCL is also providing point to point and point to multi point MPLS VPN services at all the district HQs through its IP Cloud. BTCL is providing retail broadband Internet services (256 kbps to 1.5 Mbps) to its customers through its legacy copper network using ADSL technology in almost all the district head

quarters. For customers using higher bandwidth (2 Mbps or more), connectivity is provided directly from the BTCL IP PoP nearest to the customer using optic fiber cable. At present BTCL is also providing Internet broadband in around 800 Union Parishads at a speed of 2Mbps in each union. Hopefully, BTCL will be able to provide Internet broadband in more than 1100 Union Parishads by the end of 2016.

9. Projects implemented by BTCL during 2015-16 Fiscal Year

9.1 Projects Financed by BTCL's own fund

9.1.1 Replacement of Old Digital Telephone System of Dhaka City Project: Phase II.

The project financed by BTCL's own fund for "Replacement of Old Digital Telephone System of Dhaka City Project: Phase II" at a cost of TK 32.67 crore was started in November, 2015 and will be completed by April, 2017. Under this project, 1.0 lac old digital telephone systems in Dhaka will be replaced and 1.39 lac new telephone connections will be made available for subscribers. As a result, BTCL telephone subscribers in Dhaka will be able to avail modern Data Service along with voice service. Also, some NGN based switches, new 35,000 ADSL connection capacity and 450 km Optical fiber cable has been installed under this project.

9.1.2 Installation of High Capacity DWDM Optical Fiber Transmission Network to connect Kuakata, Benapole and Akhaura.

'Installation of High Capacity DWDM Optical Fiber Transmission Network to connect Kuakata, Benapole and Akhaura' project, financed by BTCL, is under implementation process. Project cost is 49.909 crore BDT. Implementation period of this project is from February, 2016 to January, 2017. Under this project, Backhaul connection for 2nd Submarine Cable from Kuakata will be established. Also, for the purpose of Bandwidth transportation, high capacity Transmission equipment at Benapole and Akhaura will be established under this project. Procurement process of High Capacity Optical Fiber Transmission Network Equipment from government owned 'Telephone Shilpa Shangstha Ltd' has already been completed.

9.2. GoB Financed Projects

9.2.1 Optical Fiber Cable Network Development in 1000 Union Parishads.

Implementation work of the project titled "Optical Fiber Cable Network Development in 1000 Union Parishads" at the cost of Tk679.87 crore, financed by GoB fund, is going on in BTCL. The said project was started in January 2012 and will be completed by December 2016. Under the scope of the project around 8,000 km OFC along with necessary transmission and D.C power equipment will be deployed in 1109 unions of 114 upazilas. As a result, people from distant part of the country will be able to connect to the information super highway through Broadband Internet.

9.2.2 Optical Fiber Cable Network Development at Upazila level.

With the view of connecting all the Upazila sadars of the country through Optical Fiber cable network, a project titled "Optical Fiber Cable Network Development at Upazila level" has been taken by BTCL at a cost of TK 590.61 crore which is being financed by GoB. Official implementation of the project was started in July, 2013 and is expected to be completed by June, 2017. The project covers installation of 9000 km of OFC and associated transmission, DC power and IP network equipment in 339 Upazilas (Zila to Upazila connectivity). After completion of the project people from almost all the Upazilas of the country will be able to have modern telecom facilities including high speed Broadband Internet Services.

9.3 Foreign Aided Projects

9.3.1 Telecommunication Network Development Project

"Telecommunication Network Development" Project at the cost of TK 533.069 crore (including Japan Government aid of TK 409.49 crore) is implemented by BTCL. The project started in July 2009 and was completed by June 2016. Under the project around 210,000 telephone lines of modern IMS technology has been installed in Dhaka city. All the old NEC digital telephone exchanged of Dhaka city installed in 1988 has been replaced. Also, around 80,000 line capacity GPON based FTTx system has been installed at Dhaka and Chittagong cities under the project. An IGW (International Gateway), Intelligent Network (IN), Network Operation Center (NOC) have been installed at Dhaka city and IP Routers, Switches and ADSL based broadband system have also been installed at different district cities under the project.

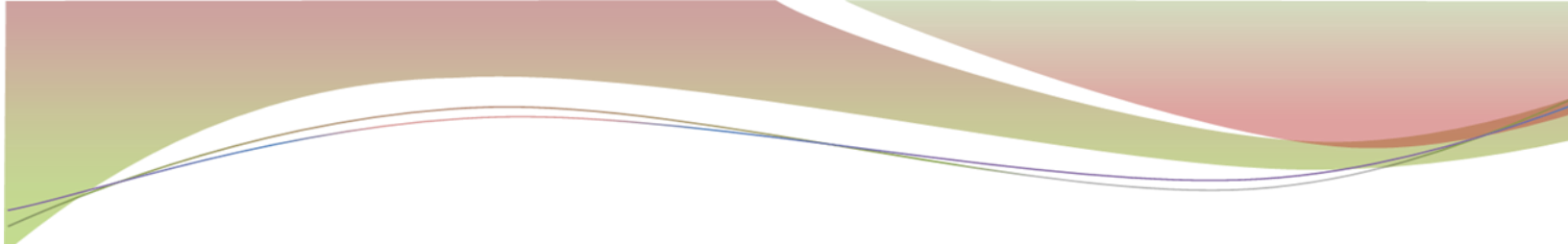
9.3.2 Installation of Wireless Broadband Network (4G, LTE) for Digital Bangladesh.

"Installation of Wireless Broadband Network (4G, LTE) for Digital Bangladesh" Project at the cost of TK 956.84 crore (including Korea Government aid of TK 612.15 crore) is under implementation by BTCL. The project started in May 2014 and will be completed by June 2017. To facilitate high speed wireless Broadband Internet Services throughout the country, e-Node B (BTS) will be installed in various Metropolitan Cities, District Towns and, Upazilas. Also, 300 km Optical Fiber backhaul and a number of Microwave radio backhaul will be installed under this project to connect the e-Node Bs to the core equipment. LTE (Long-Term Evolution) network will ensure Broadband service facility throughout the country. At present, Tender Evaluation is under process.

9.4 Future Workplan of BTCL

9.4.1 Modernization of Telecommunication Network for Digital Connectivity.

DPP of a new project named 'Modernization of Telecommunication Network for Digital Connectivity' (Project cost: TK 2576.8213 crore; Project aid: TK 1817.2794 crore and Local



currency: TK 759.5418 crore) has been sent to Planning Commission for final approval. Under this project, installation of IMS (IP Multimedia Subsystem) platform in three places, AGW (Access Gateway) of FTTX technology, GPON (Gigabit passive optical network) and MDU (Multi dwelling unit) based Fixed Access Network, DWDM and SDH technology based Transmission network, etc will be completed. Also, installation of BTCL's IP network will be completed under the scope of work of this project. A Commercial Contract for this project between BTCL and Consortium of M/s ZTE Holding Co.ltd and M/s ZTE Corporation has been signed on 27/09/2016.

9.4.2 BTCL has planned to develop its Geographical Information Service (GIS) map.

9.4.3 Installation of a Tower Building at CTS compound, Tejgaon is under planning process.

11. Income Statement (for the year ended 30 June 2016)

Particulars		2014-2015 (Taka)	2015-2016 (Taka)
Revenue		5,044,929,854	11,405,246,472
Less:	Cost of services	1,354,727,425	4,637,691,961
	Administrative expenses	3,670,037,208	4,149,078,234
	Repairs and Maintenance	379,974,229	594,680,813
	Depreciation	5,631,256,720	5,145,066,286
		11,035,995,582	14,526,517,294
Operating Profit/(Loss)		(5,991,065,728)	(3,121,270,821)
Add:	Unrealized gain from investment	-	17,853,061
Add:	Non-operating income	1,153,004,494	997,008,456
		(4,838,061,234)	(2,106,409,304)
Less:	Bank Charges	(8,581,700)	(8,402,063)
	Foreign Exchange Gain/(Loss)	2,014,328,203	(1,168,615,382)
Net Profit / (Loss) Before Tax		(2,832,314,731)	(3,283,426,750)
Less: Provision for Income tax		(18,500,000)	(81,000,000)
Net Profit / (Loss) After Tax		(2,850,814,731)	(3,364,426,750)

Management Response:

There was phenomenal increase of Gross revenue this year (126%) compared to the last 2014-15 financial years. The current year's gross revenue was Tk. 1,140.52 crores compared to the last year's revenue of Tk 504.49 crores. Analysis shows causes of such increase, among others, are as follows:

- a) This year there was increase of international incoming traffic toward BTCL network by about 15 times. Last year other IGW operators increased the termination rate from 1.50 US cent to 2.00 US cent but BTCL maintained the termination rate at 1.50 US Cent. Which caused increase of incoming traffic flow toward BTCL network. Income from overseas calls (IGW) this year was Tk. 583.17 crore compared to last year's revenue of Tk. 40.29 crore only.
- b) There was a fall of PSTN Local revenue by 11%. This caused due to decrease of PSTN customers, as well as, decrease of average revenue per telephone (ARPU). Current year's total PSTN revenue was Tk. 281.28 crore against last year's revenue of Tk 316.59 crore
- c) There was an increase of revenue from internet service and data service. Revenue from this service was Tk.73.69 crores compared to last year's revenue of Tk.46.16 crore, a growth of 60%. Revenue increased due to increase of new connections and coverage area.
- d) Due to increase of traffic and settlement rates, revenue from other related services like ICX has increased.
- e) Due to fall of traffic, revenue from ANS and ISD service has gone down.

BTCL could reduce its operating loss by Tk. 286.98 crore. This year's operating loss was Tk 312.12 crore compared to last year's operating loss of Tk. 599.10 crore. This loss occurred due to huge depreciation expenses. BTCL's has faced after net loss of Tk. 338.22 crore which is higher than last year by Tk 53.15 crores only. This happened due to foreign exchange loss of Tk. 116.86 crore.

12. Directors

Pursuant to the provision of Article 121 of the Articles of Association of the Company read in conjunction with those of the Company Act, 1994, 03 (three) Directors shall retire from office in the Annual General Meeting. Being eligible, the retiring Directors may offer themselves for re-election.

13. Auditors

Pursuant to Section 210 of the Companies Act, 1994, the existing Auditors of the Company M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants, will retire at the 8th Annual General Meeting. Being eligible, the same Auditors M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants, expressed their willingness to be re-appointed.

14. Conclusion

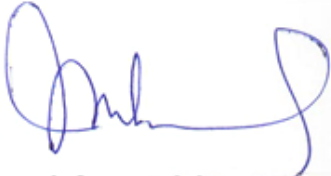
The Company realizes its potential to progress and create values for the stakeholders and subscribers by steadily pursuing a coherent strategy. There is clearly further potential for enhanced value creation at our operations and in growth of investment opportunities. We have

a strong technical human resource team with dedicated and hard working people looking for new service opportunities and putting them in action.

The Company also acknowledges its responsibilities towards the stakeholders and subscribers by providing quality services thereby adopting the norms of transparent corporate governance.

The Board of Directors of the Company would like to put on record the appreciation of the cooperation and support that were received from the Ministry of Post & Telecommunications, Bangladesh Telecommunications Regulatory Commission (BTRC), Department of Telecommunications (DOT), Teletalk Bangladesh Ltd, Bangladesh Submarine Cable Co. Ltd (BSCCL), Telephone Shilpa Shangstha Ltd. (TSS), Bangladesh Cable Shilpa Ltd. (BCS), other government organizations and private telecom operators & entities. The Directors also express gratitude to its management and employees of all levels whose dedication and hard work made it possible to elevate the Company to the stage at which it has put its standing today.

For and on behalf of the Board of Directors:



Mahfuz Uddin Ahmad
Managing Director, BTCL



Shawkat Mostafa
Director, BoD, BTCL

Top Executives

The following officers served as top officials of BTCL during the period 2015-2016.

Managing Director:

Mr. Md. Kabir Hossain Bhuiyan

Member, Administration:

Mr. Dr. Md. Abu Sayed Khan

Member, Maintenance & Operation:

Mr. Abu Aiuhal Md. Moyashir

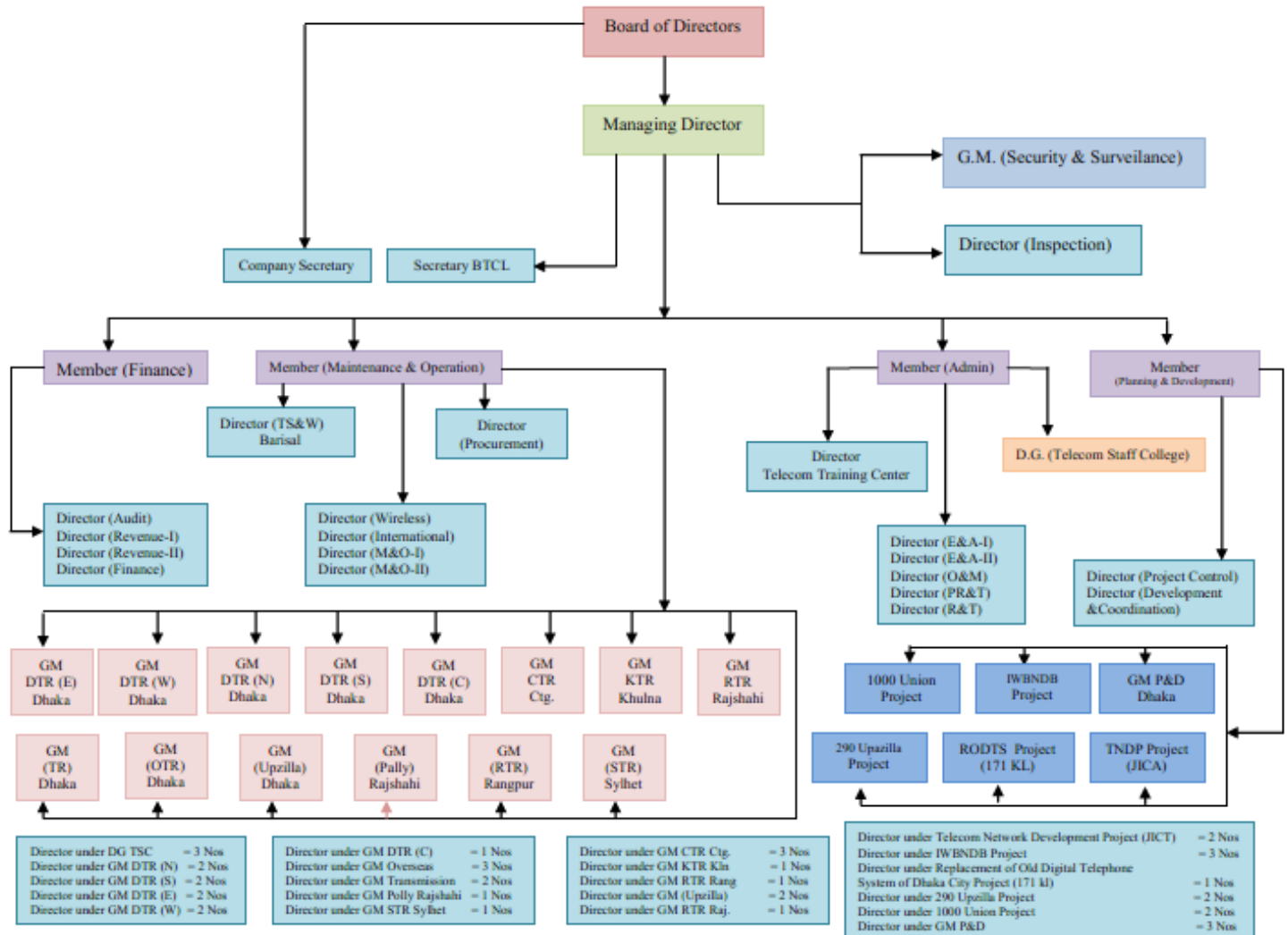
Member, Planning & Development:

Mr. Md. Kabir Hossain Bhuiyan

Member, Finance:

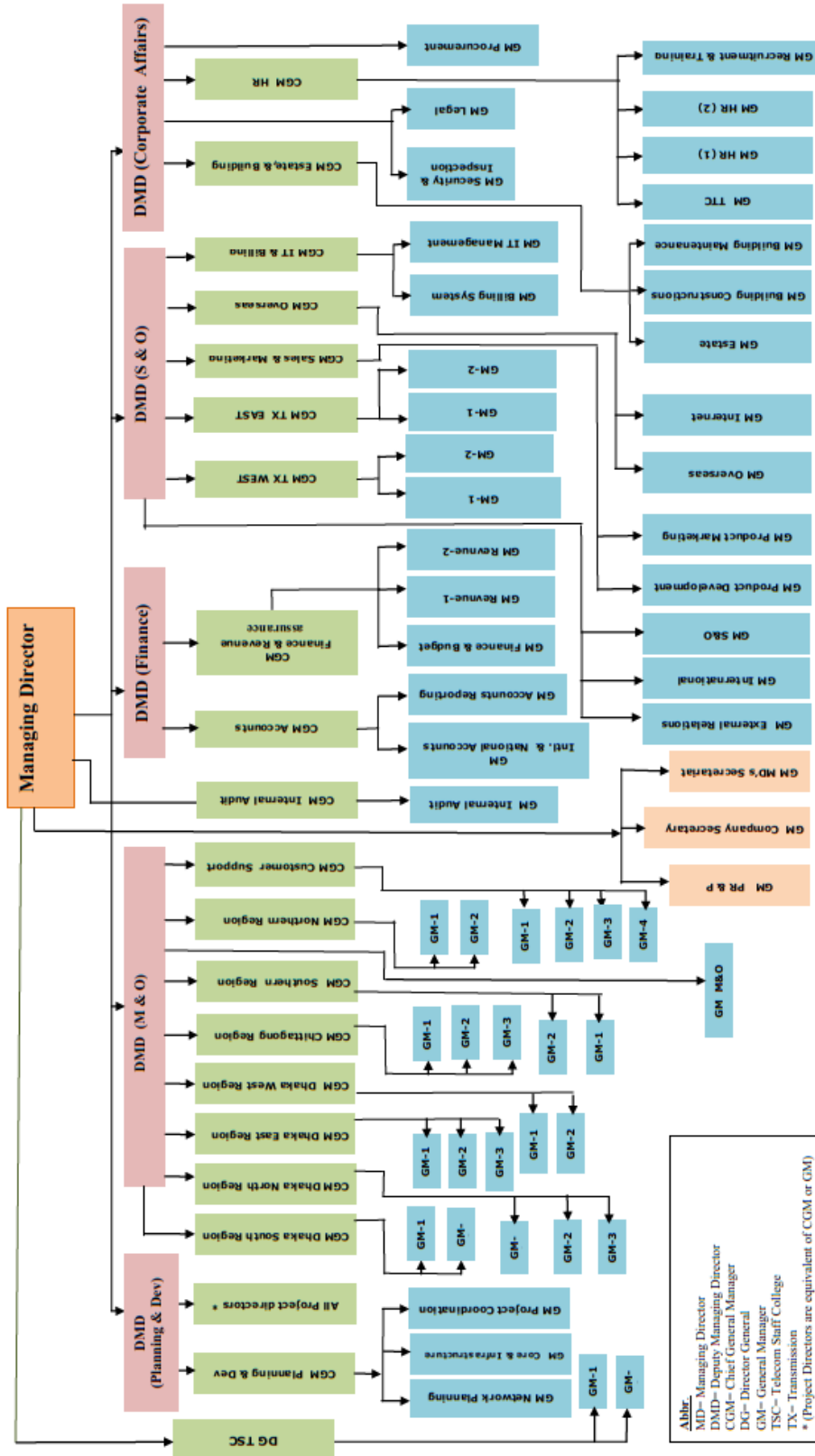
Mr. Dr. Md. Abu Sayed Khan

Functional Organogram

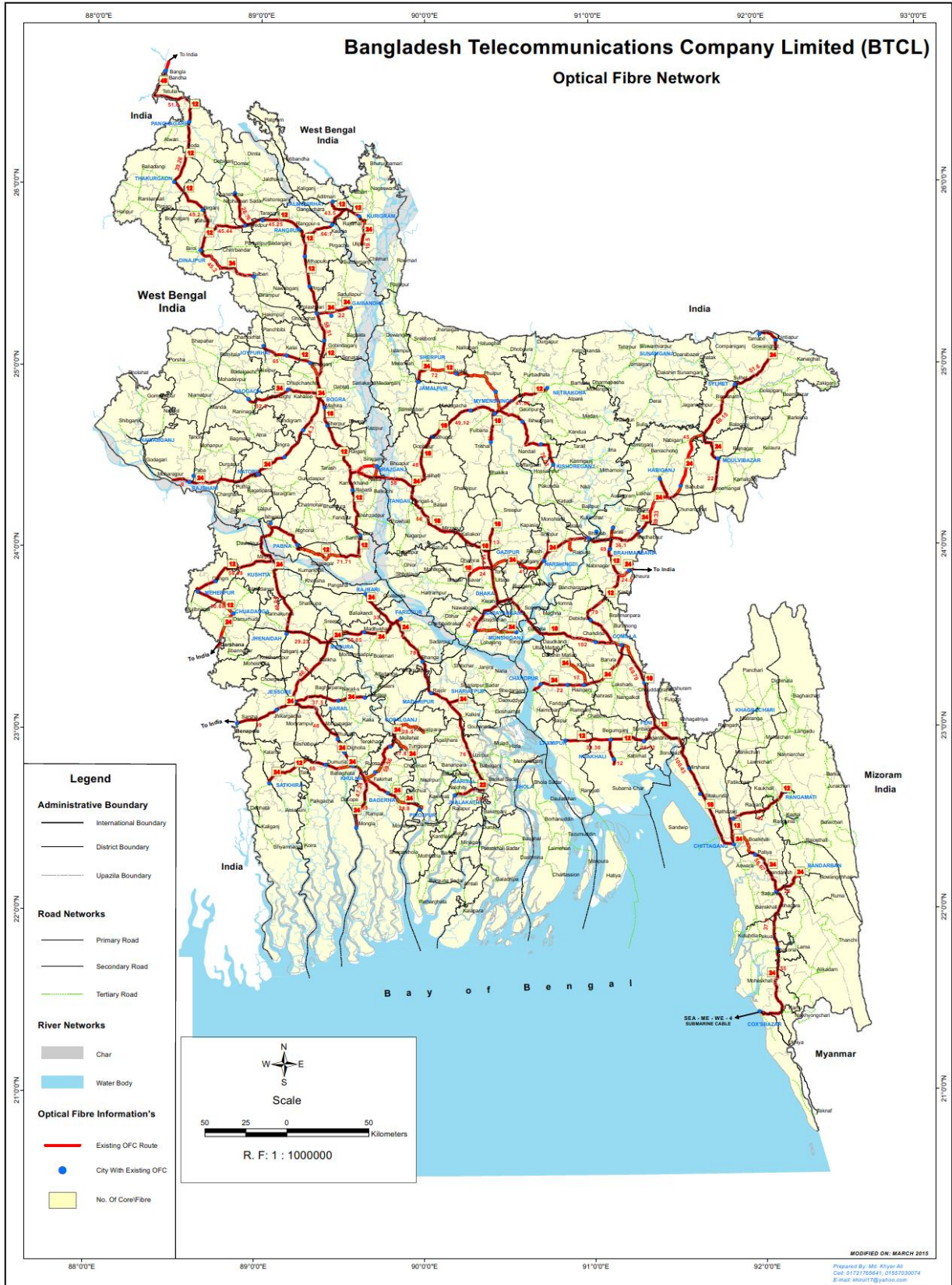


Note : Posts shown : Director level and above. BTCL is operating under the erstwhile BTTB Organogram.

BTCL Top Level Management (Organogram Up-to GM)



Abbr.
 MD- Managing Director
 DMD- Deputy Managing Director
 CGM- Chief General Manager
 DG- Director General
 GM- General Manager
 TSC- Telecom Staff College
 TX- Transmission
 * (Project Directors are equivalent of CGM or GM)



Human Resource Development

As the basic operator for telephony, overseas carrier and transmission network, BTCL has enormous responsibility to keep pace with the tremendous development and globalization of telecommunication and information technology. Human Resource Development (HRD) is very essential for this purpose. To enhance the efficiency and quality of services of BTCL to update the technical knowledge and skill of personnel and to install new technology in the telecom sector special emphasis is given to the in-service training activities. In-service and refresher training are carried out in Telecom Staff College (TSC), Gazipur and that of the employees are usually carried out in Telecom Training Centre ('ITC's) located at Dhaka, Bogra and Khulna and in other sub-centers.

Telecom Staff College (TSC) at Gazipur was established in 1987 with the assistance of ITU & UNDP. TSC has already put its marks as one of the leading institutes for telecom training in this region. It has all the infrastructure facilities and equipment including resource personnel to establish itself as a regional training center. The HRD activities of BTCL are mentioned in brief in the following table:

S1. No.	HRD activities	Frequency in 2015-2016	Participants
1	Foreign Training	17	75
2	Local Training	25	754
3	Seminar/Workshop (Foreign)	14	23
4	Seminar/Workshop (Local)	06	100
5	Presentation at BTCL H/Q	10	315
6	Foundation Training	02	120
	Total	74	1387

Welfare

BTCL provides welfare fund to officers and staffs for various welfare and benevolent purposes. The fund distributed during fiscal year 2015-2016 is shown below.

Sl.No.	Beneficiary	Purpose	Amount(Tk.)
01	Officer/Employees/Dependents	Medical, Funeral,Accident,Natural Disaster	26,32,500.00
02	Employee Children	Education	9,89,740.00
03	Emergency Medicine and Dispensary	Medicine purchase	1,22,656.00
04	10 Schools,2 Colleges,2 Madrasas,01 Maqtab,36 Mosques,01 Graveyard run by BTCL.	Education and Religious Affairs	39,41,000.00
05	01 Club and Samities aided by BTCL	Club, Sports and Social activities	1,60,000.00
		Total	78,45,896.00

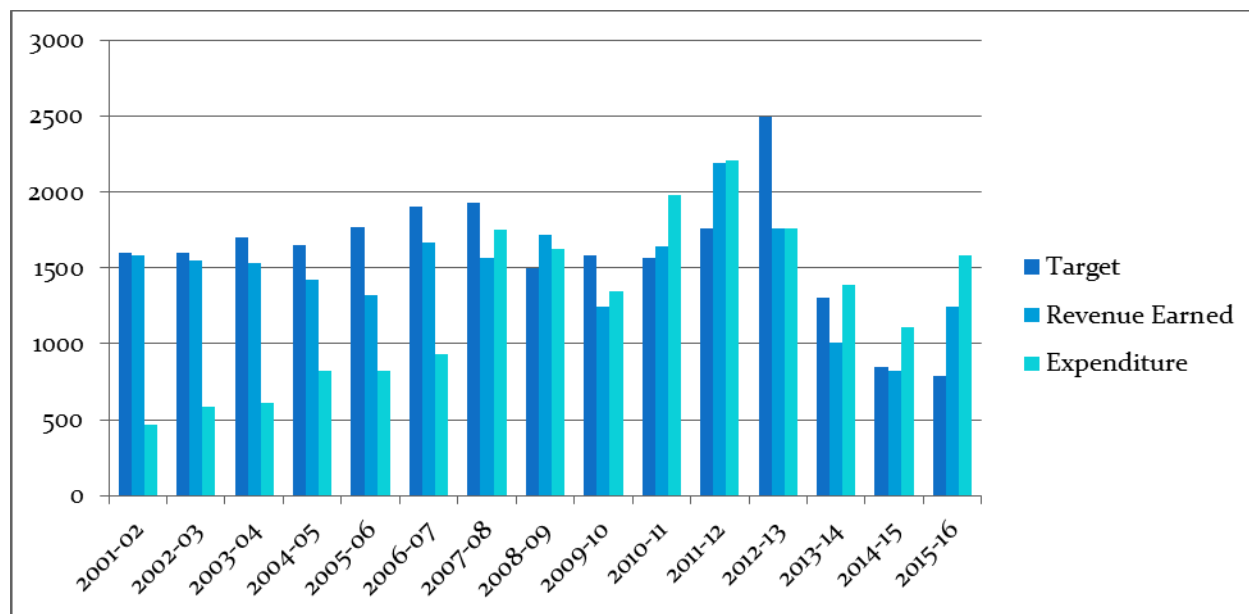
Charge & Rate of Services

		30 Jun 2016
Telephone connection charge & Security deposit	Dhaka Multi-exchange	Tk 1000+1000
	Chittagong Multi-exchange	Tk 500+500
	District & Upazilla	Tk 300+300
Telephone line rent	Dhaka Multi-exchange	Tk 160/month
	Zilia	Tk 120/month
	Upazilla	Tk 80/month
Phone Call	BTCL to BTCL	Tk 0.30/min (8am-8pm)
		Tk 0.10/min (8pm-8am)
	BTCL to Other operators	Tk 0.80/min
Internet: BCube (ADSL) unlimited*	256 Kbps	Tk 450/month
	512 Kbps	Tk 750/month
	1024 ICbps	Tk 1150/month
	1500 /vIbps	Tk 2000/month
*Registration charge: Tk 100, Setup+Configuration charge at BTCL end: Tk 300, Downgrade charge: Tk 150, Upgrade Charge: Nil, Shifting: Tk 150, Modem/Router: Customers will purchase.		
Internet: GPON (unlimited) with Telephone Line rent Tk 160/month**	1 Mbps	Tk 1000/month
	2 Mbps	Tic 1500/month
	4 Mbps	Tk 2800/month
**Connection charge (per ONT/per port of MDU) Tk 2000, Configuration charge Tk 500, ONT Tk 4300 or MDU Tk 4200		
Leased Internet Access (Internet Bandwidth)		Tk 2800/Mbps/month

Income and Expenditure Scenario of BTCL in last 15 years

Financial Year	Target	Revenue Earned	Expenditure
2001-02	1603	1583	464
2002-03	1602	1545	588
2003-04	1702	1531	609
2004-05	1650	1425	819
2005-06	1772	1316	825
2006-07	1903	1667	929
2007-08	1927	1565	1755
2008-09	1500	1720	1622
2009-10	1583	1241	1343
2010-11	1566	1640	1976
2011-12	1760	2186	2203
2012-13	2498	1761	1756
2013-14	1306	1005	1385
2014-15	848	821	1106
2015-16	784	1242	1578

Figures shown are in Crore taka



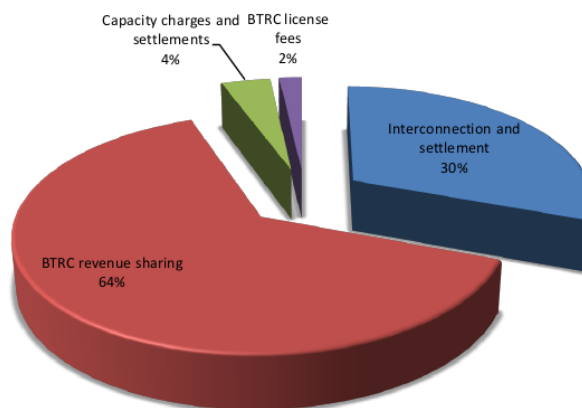
BTCL Telephone (PSTN) & BCube (ADSL Internet) Status as on 30 June 2016

Sl.	Telecom Region	Zilla	Telephone		ADSL Internet	
			Capacity	Connection	Capacity	Connection
			(Lac)		(Thousands)	
1-5	Dhaka (East/ West/ North/ South/ Central)	Dhaka, Gazipur, Kishoreganj, Manikganj, Munshiganj, Narayanganj, Tangail, Narsingdi, Netrokona, Sherpur, Jamalpur, Mymensingha (12)	7.83	4.45	33.47	7.76
6	Chittagong	Chittagong, Cox's Bazar, Bandarban, Rangamati, Khagrachari, Comilla, Chandpur, Feni, Brahmanbaria, Laxmipur, Noakhali (11)	2.43	1	7.73	3.25
7	Sylhet	Sylhet, Sunamganj, Moulvibazar, Habiganj (4)	0.7	0.24	1.82	0.75
8	Rangpur	Rangpur, Dinajpur, Gaibandha, Kurigram, Lalmonirhat, Nilphamari, Panchagarh, Thakurgaon, Bogra, Joypurhat (10)	0.94	0.44	4.59	2.17
9	Rajshahi	Rajshahi, Chapai Nawabganj, Natore, Naogaon, Pabna, Sirajganj (6)	0.68	0.3	3.12	2.12
10	Khulna	Khulna, Bagerhat, Chuadanga, Jessore, Jhainadah, Kustia, Magura, Meherpur, Narail, Satkhira, Gopalganj, Madaripur, Rajbari, Shariatpur, Faridpur (15)	1.44	0.57	7.76	3.35
11	Barisal	Barisal, Barguna, Bhola, Jhalokathi, Patuakhali, Pirojpur (6)	0.43	0.16	2.12	0.72
	BANGLADESH	64 Districts	14.45	7.16	60.61	20.12

Cost and Revenue of Services

Cost of services

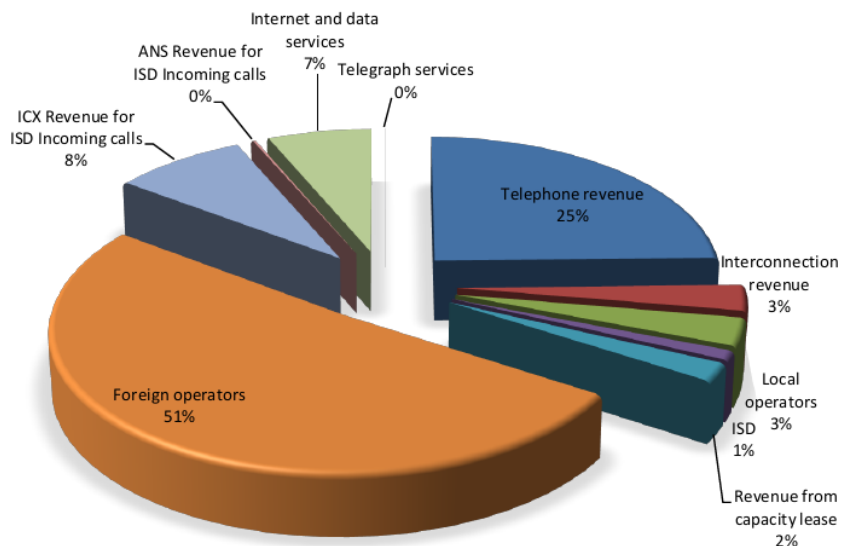
Interconnection and settlement	1,422,508,318
BTRC revenue sharing	2,953,971,781
Capacity charges and settlements	178,912,694
BTRC license fees	82,299,167
	<u>4,637,691,961</u>



Cost of Service

Revenue

Telephone revenue	2,812,845,610
Interconnection revenue	335,882,819
Local operators	364,076,471
ISD	120,130,492
Revenue from capacity lease	238,517,033
Foreign operators	5,831,749,512
ICX Revenue for ISD Incoming calls	944,304,057
ANS Revenue for ISD Incoming calls	19,602,972
Internet and data services	736,909,036
Telegraph services	1,228,472
	<u>11,405,246,472</u>



Revenue

**Hoda Vasi
Chowdhury & Co**

**AUDITED FINANCIAL STATEMENTS
OF
BANGLADESH TELECOMMUNICATIONS
COMPANY LIMITED
FOR THE YEAR ENDED 30 JUNE 2016**

Hoda Vasi Chowdhury & Co

Chartered Accountants

AUDITORS' REPORT To the Shareholders of Bangladesh Telecommunications Company Limited

We have audited the accompanying financial statements of Bangladesh Telecommunications Company Limited (hereafter referred to as the "Company" or "BTCL") which comprise the statement of financial position as at 30 June 2016, 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 a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with applicable laws and Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud and error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall financial statements presentation. The accompanying financial statements have been prepared incorporating returns from 181 unit offices and these statements have been verified by us on a test basis.

HK

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our qualified opinion.

Basis for Qualified Opinion

- a) We could not verify accrued expenses amounting Taka 1,171 crore out of Taka 1,466 crore as we have not been provided with necessary schedules, aging, agreements and subsequent status;
- b) No physical verification was carried out for fixed assets at cost amounting Taka 12,967 crore since 1 July 2008. Moreover, the Company calculates depreciation based on the aggregate value of different classes of assets. As a result, in absence of fixed assets register, item-wise schedule and detail calculation, we could not satisfactorily verify depreciation charged during the year amounting Taka 514 crore. Moreover, we could not verify the fixed assets amounting Taka 700 crore acquired during the years 2009 - 2016 in absence of updated fixed asset register, agreements, invoices and other related documents;

However, the management could not quantify the effect of the above significant matters on the operating loss of the Company. As a result, we conclude that the operating loss reported in the accompanying statement of profit or loss and other comprehensive income needs to be adjusted appropriately.

- c) Land amounting Taka 28,058 crore has been transferred to the Company from Bangladesh Telegraph and Telephone Board (BTTB) through Vendor Agreement but the mutation of the land in favor of the Company has not been completed yet. We have been informed that registration of land have been completed in some cases but in the absence of any details, it could not be ascertained the quantum of land remains outside the mutation;
- d) Capital-work-in-progress of Taka 868 crore out of Taka 1,343 crore appearing in the accompanying financial statements could not be verified by us satisfactorily as we were not provided with the relevant agreements, contracts, and related supporting documents;
- e) Accounts receivables for aggregate amount of Taka 2,008 crore (a significant amount came from the opening balance as of 1 July 2008) could not be verified satisfactorily in absence of party-wise break-up of figures, related ledger account, aging analysis, subsequent collection statement and confirmation of balances. Further, accounts receivables include current account balances with different companies. Moreover, receivables from related parties amounting Taka 276 crore remained unadjusted since long;

- f) We could not verify cash at banks and cash in transit for Taka 70 crore out of Taka 72 crore and Taka 283 crore respectively, in the absence of satisfactory explanation and adequate information;
- g) We could not verify term loan (foreign loans) of Taka 1,531 crore in absence of agreement, confirmation and other supporting documents. The Company has accounted for a part of foreign loans as current portion. On 30 June 2015, the balance of foreign loans current portion was Taka 728 crore but instalments made only Tk. 22 crore during the year 2015-2016. We have not been provided necessary explanation with this regard except for repayment made during the year;
- h) Deferred tax has neither been calculated nor accounted for in the accompanying financial statements resulting non-compliance of BAS 12;
- i) Facts and figures with respect to contingent assets and liabilities and outstanding commitments, if any, as of 30 June 2016 could not make available to us and as a result, this has remained unverified by us;
- j) We could not verify, a) Loan to employees Tk. 10 crore, b) Retirement benefit Tk. 732 crore and c) long-term pension payment – family Tk. 117 crore as appearing in Note – 22 satisfactory and there no movement from last year figures; and
- k) In Sylhet Division (DET), there is an apparent difference in the bank balance of Tk. 5,345,284 – book balance is showing as cash at bank Tk. 842,769 in the bank account # 33014397, Sonali Bank Ltd, Sylhet as against balance appearing in the bank statement of Tk. 6,188,053 – hence the difference. This has not been reconciled nor reconciled at the year end. We could not satisfactory verify this amount.

Observations relating to opening balances at 1 July 2008:

As elaborated in note 1.1 to the accompanying financial statements, certain assets and liabilities have been accounted for the purpose of drawing first balance sheet of the Company as at 1 July 2008 based on valuation report of Rahman Rahman Huq but in the absence of details, no subsequent follow up nor monitoring of these items could be possible and these are –

- l) Renewal and reserve fund – Government represents amount receivable from Government of Bangladesh amounting Taka 173.4 crore but this amount has been carried forward from 2008 and remained unchanged and unadjusted since then;

- m) Advances includes Taka 1,233 crore and 19 crore representing margins on Letters of Credit and advances to suppliers respectively could not be verified by us satisfactorily in the absence of schedules of the outstanding letters of credit, total commitment, current status and related information. Further, payable of outstanding letter of credits payable to the contractors and suppliers for Taka 867 crore in relation to projects as appearing in note 14 could not be verified by us in the absence of relevant schedule, supporting and subsequent position. The noted amount of Taka 867 crore has remained unchanged since long;
- n) Stores and spares for Taka 76 crore (balance Taka 61 crore as of 1 July 2008) including the valuation thereof could not be satisfactorily verified by us in absence of updated schedule including obsolete and damaged items. The noted amount of Taka 76 crore has remained unchanged since long. Further, no year-end verification of stores and spares has been carried out at 30 June 2016;
- o) The Company accounted for interest on term loans for the whole tenure of the loans at the time of valuation at 30 June 2008. Accordingly, no interest on term-loans has been charged in the accompanying financial statements;
- p) We could not verify security deposit & others amounting Taka 99 crore satisfactorily in the absence of agreements, schedule and related supporting documents. Moreover, we could not verify VAT and duties payable amounting Taka 54 crore in absence of schedule, invoices, Government treasury challans etc; and
- q) Other long-term liabilities comprising impaired assets for Taka 4,236 crore and others for Taka 5.98 crore have been accounted for in the accompanying financial statements having no plan for liquidation of such liability in a foreseeable future.

Qualified Opinion

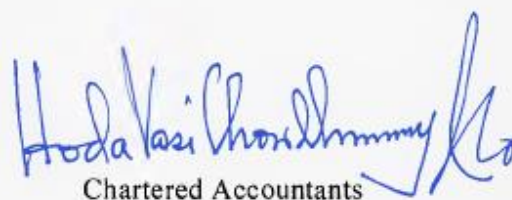
In our opinion, subject to the contents of above paragraphs and except for the effects of such adjustments as might have been determined by the Company, the financial statements, prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS), give a true and fair view of the state of the Company's affairs as of 30 June 2016 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

We also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) the Company's statement of financial position and the statement of profit or loss and other comprehensive income along with the annexed notes 1 to 31 dealt with by the report are in agreement with the books of account; and
- d) the expenditure incurred was for the purpose of the Company's business.

Dhaka,

06 DEC 2016


Chartered Accountants

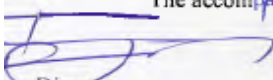
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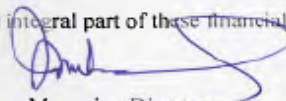
Hoda Vasi Chowdhury & Co

Bangladesh Telecommunications Company Limited Statement of Financial Position As at 30 June 2016

Application of Fund	<u>Notes</u>	2016 <u>Taka</u>	2015 <u>Taka</u>
Assets			
Non current Assets			
Property, plant and equipment, net	4	323,252,948,396	328,155,690,838
Capital work-in-progress	5	13,436,668,278	8,685,165,932
Other Non current Assets			
Government provident fund (GPF) - Contra	6	2,376,728,628	2,209,835,227
Renewal and reserve fund - Government	7	1,734,237,000	1,734,237,000
		4,110,965,628	3,944,072,227
Investment in shares	8	122,857,625	105,004,564
Current Assets			
Stores and spares	9	761,521,538	761,521,538
Accounts receivables	10	20,076,908,671	19,796,742,246
Advances	11	13,851,484,095	13,718,719,046
Cash and cash equivalents	12	17,684,955,183	14,468,856,355
		52,374,869,487	48,745,839,186
Current Liabilities			
Long term loan - current portion	21.2	8,798,049,688	7,285,349,010
Security deposits and others	13	996,578,796	565,079,156
Payable to contractors and suppliers	14	8,673,384,009	8,673,384,009
VAT and duties payables	15	547,544,500	553,889,779
Employees emolument deductions	16	14,356,823	14,014,654
Provision for income tax	17	1,499,378,555	1,418,378,555
Accrued expenses	18	14,665,355,058	13,125,014,096
		35,194,647,430	31,635,109,260
Net current assets		17,180,222,056	17,110,729,926
Total Assets		358,103,661,984	358,000,663,487
Sources of Fund			
Owners' Equity			
Share capital	19	1,800	1,800
Equity reserve	20	280,515,065,849	280,515,065,849
Retained earnings		(14,202,476,997)	(10,838,050,247)
		266,312,590,652	269,677,017,402
Non Current Liabilities			
Loans - long term portion	21.1	21,760,732,154	17,610,200,308
Long-term liabilities to employees	22	25,229,413,773	26,079,413,773
Government provident fund (GPF) - contra	6	2,376,728,628	2,209,835,227
Other long-term liabilities	23	42,424,196,777	42,424,196,777
		91,791,071,332	88,323,646,085
Total Equity and Liabilities		358,103,661,984	358,000,663,487

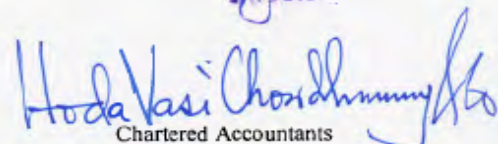
The accompanying notes are the integral part of these financial statements


Director


Managing Director

Auditors' report to the shareholders
See annexed report of date


Auditor


Chartered Accountants

Dhaka,

06 DEC 2016

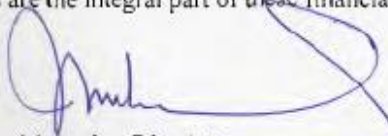
Hoda Vasi Chowdhury & Co

Bangladesh Telecommunications Company Limited Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2016

	Notes	2016 Taka	2015 Taka
Revenue	24	11,405,246,472	5,044,929,854
Less: Cost of services	25	4,637,691,961	1,354,727,425
Administrative expenses	26	4,149,078,234	3,670,037,208
Repairs and maintenance	27	594,680,813	379,974,229
Depreciation	4	5,145,066,286	5,631,256,720
		<u>14,526,517,294</u>	<u>11,035,995,582</u>
Operating loss		(3,121,270,821)	(5,991,065,728)
Add: Non-operating income	28	997,008,456	1,153,004,494
		<u>(2,124,262,366)</u>	<u>(4,838,061,234)</u>
Less: Bank charges		(8,402,063)	(8,581,700)
Foreign exchange (loss)/gain		<u>(1,168,615,382)</u>	<u>2,014,328,203</u>
Net loss before tax		(3,301,279,811)	(2,832,314,731)
Less: Income tax expense	17	(81,000,000)	(18,500,000)
Net loss after tax		(3,382,279,811)	(2,850,814,731)
Other comprehensive income:			
Unrealised gain from investment in shares	8	17,853,061	-
Total other comprehensive income		17,853,061	-
Total comprehensive income / (loss)		(3,364,426,750)	(2,850,814,731)

The accompanying notes are the integral part of these financial statements


Director


Managing Director


Director

Auditors' report to the shareholders
See annexed report of date

Dhaka,

06 DEC 2016

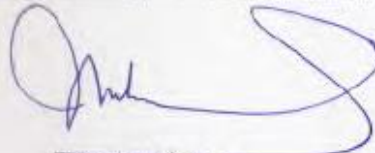

Chartered Accountants

Hoda Vasi Chowdhury & Co

Bangladesh Telecommunications Company Limited Statement of Changes in Equity For the year ended 30 June 2016

Particulars	Share Capital Taka	Equity Reserve Taka	Retained Earnings Taka	Total Taka
Balance as on 01 July 2014	1,800	280,515,065,849	(4,191,536,057)	276,323,531,592
Net loss for the year	-	-	(3,795,699,459)	(3,795,699,459)
Balance as on 30 June 2014	1,800	280,515,065,849	(7,987,235,516)	272,527,832,133
Net loss for the year	-	-	(2,850,814,731)	(2,850,814,731)
Balance as on 30 June 2015	1,800	280,515,065,849	(10,838,050,247)	269,677,017,402
Net loss for the year	-	-	(3,364,426,750)	(3,364,426,750)
Balance as on 30 June 2016	1,800	280,515,065,849.00	(14,202,476,996.96)	266,312,590,652


Director


Managing Director


Director

Hoda Vasi Chowdhury & Co

Bangladesh Telecommunications Company Limited Statement of Cash Flows For the year ended 30 June 2016

	2016	2015
	<u>Taka</u>	<u>Taka</u>
Cash flows from operating activities:		
Net loss before tax	(3,301,279,811)	(2,832,314,731)
Adjustment for non-cash item:		
Unrealised gain from investment	-	-
Depreciation charged during the year	<u>5,145,066,286</u>	<u>5,631,256,720</u>
Cash flows from operations	<u>1,843,786,475</u>	<u>2,798,941,990</u>
Changes in working capital		
(Increase)/Decrease in accounts receivable	(280,166,424)	2,023,093,708
(Increase) in advances	(132,765,049)	(125,412,869)
Increase in security deposits and others	431,499,640	11,666,463
(Decrease) in VAT and duties payable	(6,345,279)	(98,223,020)
Increase in current portion of long-term loan	1,512,700,678	837,533,320
Increase/(Decrease) in accrued expenses	1,540,340,962	(1,746,276,654)
(Decrease)/ increase in employees emolument deductions	342,169	(616,577)
	<u>3,065,606,697</u>	<u>901,764,371</u>
Net cash flows from operating activities - A	<u>4,909,393,172</u>	<u>3,700,706,360</u>
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(242,323,844)	(657,019,434)
Capital work-in-progress	(4,751,502,346)	(7,253,433,116)
Net cash flows used in investing activities - B	<u>(4,993,826,190)</u>	<u>(7,910,452,550)</u>
Cash flows from financing activities:		
Increase/(decrease) in long term loan	4,150,531,846	5,017,981,264
Decrease in long-term liabilities to employees	(850,000,000)	(450,000,000)
Net cash flows from financing activities - C	<u>3,300,531,846</u>	<u>4,567,981,264</u>
Net increase of cash and cash equivalents (A+B+C)	<u>3,216,098,827</u>	<u>358,235,074</u>
Cash and cash equivalents at the beginning of the year	<u>14,468,856,355</u>	<u>14,110,621,281</u>
Cash and cash equivalents at the end of the year	<u>17,684,955,183</u>	<u>14,468,856,355</u>


Director


Managing Director


Director
HK

Bangladesh Telecommunications Company Limited
Notes to the Financial Statements
For the year ended 30 June 2016

1 Introduction and objective

1.1 Historical background of BTCL

The Telegraph branch under the Posts and Telegraph Department was created in 1853 in the then British India and was regulated afterwards under the Telegraph Act of 1885. The Telegraph branch was reconstructed in 1962 in the then Pakistan as Pakistan Telegraph and Telephone Department. After the independence of the People's Republic of Bangladesh in 1971, Bangladesh Telegraph and Telephone Department was set up under the Ministry of Posts and Telecommunications to run the Telecommunications services in Bangladesh. This was converted into a corporate body named "Telegraph and Telephone Board" by promulgation of Telegraph and Telephone Board Ordinance, 1975. In pursuance of Ordinance No. XII of 1979 promulgated on 24 February 1979, Telegraph and Telephone Board was converted to "Bangladesh Telegraph and Telephone Board" as a Government body.

Under the Bangladesh Telegraph and Telephone Board (Amendment) Ordinance, 2008, the Government in public interest, by agreement transferred the entire undertaking of the Board to a public limited company registered under the Companies Act, 1994 namely Bangladesh Telecommunications Company Limited (BTCL) from 1 July 2008. The management of the Company is vested in Board of Directors consisting of 9 members.

Undertaking of the Board includes its officers and employees, business, projects, schemes, assets, rights, powers, license, authorities and privileges, its properties, movable and immovable, reserve funds, investments, deposits, borrowings, liabilities and obligations of whatever nature but does not include those related to the submarine cable.

After the dissolution of the BTTB, all of the officers and employees who were serving under the dissolved Board are deemed to be officers or, as the case may be, employees of the BTCL on such terms and conditions as may be determined by the BTCL or, until so determined, on the same terms and conditions as were applicable to them in the dissolved Board prior to its dissolution.

A German consultant firm namely M/s DETECON GmbH was appointed to value the assets and liabilities of BTTB for the conversion purpose. Due to time constraint, the consultant firm had to value the assets and liabilities and net worth of BTTB as on 30 September 2007. Subsequently, the Board of Directors of Bangladesh Telecommunications Company Limited decided to update the value as on 30 June 2008 as all the assets and liabilities of BTTB were transferred to BTCL as on 01 July 2008 through a vendors agreement dated 30 June 2008 between Government of the People's Republic of Bangladesh (GOB) and BTCL. The report of Rahman Rahman Huq (RRH) an independent valuer and first balance sheet as on 30 June 2008 drawn by them formed the basis for preparation of 2008-2009 financial statements.

1.2 Nature of business

Bangladesh Telecommunications Company Limited is a public sector telecommunication service provider in Bangladesh. The Company provides the services like Telegraph, Local Telephone Network, Nation wide dialing (NWD), International telephone call facilities, International circuits leasing, International maritime satellite communication and internet and data services.

2 Basis of preparation of financial statements

2.1 Statement of compliance

These financial statements have been prepared in accordance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, and other applicable laws and regulations in Bangladesh.

The accompanying financial statements have been consolidated based on the returns received from 181 operating units certified by the management of the Company without verification at unit level.

2.2 Basis of measurement

The accounts have been prepared on a going concern basis under historical cost convention.

2.3 Functional and presentation currency

The accounts are presented in Bangladesh Taka which is both functional currency and presentation currency of the company. The figures of financial statements have been rounded off to the nearest Taka.

2.4 Use of estimates and judgements

The preparation of accounts requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future periods if the revision affects both current and future periods.

3 Significant accounting policies

Accounting policies set out below have been applied consistently in preparation and presentation of financial statements.

3.1 Property, plant and equipment (PPE)

Recognition of property, plant and equipment

These are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation in compliance with the benchmark treatment of BAS 16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its operating condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

Depreciation of property, plant and equipment

Depreciation on items of property, plant and equipment is provided on a straight-line basis over the estimated useful lives of each item of property, plant and equipment. For addition to property, plant and equipment, depreciation is charged from the date of capitalization up to the month immediately preceding the month of disposal. Depreciation method, useful lives and residual values are reassessed at each reporting date. The estimated useful lives for different type of assets in years are as follows:

Items	Years
Buildings	50
Towers	50
Exchange equipment	15
Transmission	15
Outside plants	30
Electric power and environmental control	15
Vehicles	5
Office equipment, furniture and fixtures	10
IP data	15
Equipment under mobile project	15
Test equipment	15

The repairs & maintenance cost of the day to day servicing of the property, plant & equipment are recognized in the statement of profit or loss and other comprehensive income as and when incurred.

No depreciation is charged on land and capital work-in-progress.

3.2 Capital work-in-progress

Capital work-in-progress consists of acquisition costs of plant and machinery, capital components and related installation cost until the date of capitalization of assets. In case of import of components, capital work-in-progress is recognized when their shipment is confirmed by the supplier.

3.3 Stores & Spares

Stores items were valued at original cost as available. Old items known to have no value were valued at Taka 1 each for identification purposes.

3.4 Accounts receivables

(a) Recognition and measurement

Accounts receivable consists of unpaid bills receivable from subscribers and unbilled revenue recognized at the balance sheet date and are stated net of bad debts provision.

(b) Provision for bad and doubtful debts

Unlikely previous years, the Company has made provision for bad and doubtful debts at 2% on gross accounts receivables. Accordingly, a provision of Taka 45,439,754 has been made for bad and doubtful debts for the year under review.

3.5 Basis of payments to BTRC

The Company has acquired 7 (seven) licenses from Bangladesh Telecommunications Regulatory Commission (BTRC) for various terms. The Company did not require to pay acquisition fee (exempted) but is required to pay following annual renewal fees/charges:

- PSTN license fee: annual fee of Tk 10,000,000
- International Gateway (IGW) service license fee: annual fee of Tk 37,500,000
- International Exchange (ICX) service license fee: annual fee of Tk 12,500,000
- International Internet Gateway (IIG) service license fee: annual fee of Tk 250,000
- Nationwide ISP (NISP) service Endorsement fee: annual fee of Tk 100,000
- Nationwide Telecommunication Transmission Network(NTTN) license fee: annual fee of Tk 2,50,000
- International Terrestrial Cable (ITC) license fee: annual fee of Tk 2,51,00,000

In addition, the Company is required to pay share of telecom revenues to BTRC calculated at various rates as prescribed by BTRC.

3.6 Employee benefits

Pursuant to the vendors agreement executed on 1 July 2008 between the Government of Bangladesh and BTCL, the employees will be on the account of Government for 2 (two) subsequent years and thereafter options will be obtained as to their preference whether employment of any employee or staff should be transferred to the company or shall remain with the Government.

In view of the above, no provision for pension and gratuity has been made in the accompanying financial statements.

In addition, BTCL maintains both defined contribution plan and defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions approved by the Government.

(a) Defined contribution plan (provident fund)

All permanent employees usually contribute 10% of their basic salary to the general provident fund but it may vary based on his/her declaration subject to government rules and regulations in this regard. The Company collects the contributions from the employees and deposits the same to the Government exchequer.

(b) Defined benefit plan (pension)

Defined benefit plan is a retirement benefit plan under which amounts to be paid and determined by reference to employees' earnings and years of service. The recognized Employees' Pension Fund is considered as defined benefit plan as it meets the recognition criteria. The BTTB / BTCL's obligation is to provide the agreed benefits to retired employees as per condition of the fund.

(c) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

(d) Salary payments until pension ability

This is the accumulated cost attributable to the employees of discontinuing business of BTTB telegraph and telex service. BTTB has discontinued their telegraph and telex service but still employs the related personnel who are yet to be retired. These employees are under-employment, distributing the revenue invoices once a month and performing some manual invoicing activities for internet customers.

3.7 Income tax

The Company has no taxable income. As per Finance Act 2016, minimum tax provision @ 0.65% on gross receipts has been made in the accompanying financial statements.

3.8 Revenue recognition

- a) Telecom revenues are recognized when services are rendered.
- b) Interest on term deposits has been recognized on accrual basis.
- c) Dividend income is recognized on cash receipt basis.

3.9 Foreign currency transactions

Transactions in foreign currencies are recorded in the books at the rates of exchange prevailing on the date of the transactions. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated into Bangladesh Taka at the rate of exchange prevailing at the balance sheet date.

3.10 Contingent Liabilities:

Contingent liabilities are current or possible obligations or on liabilities arising from past events and existence of which depends upon the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the company. In accordance with BAS-37, they are disclosed in the Note No. 29 hereunder.

3.11 General

- (a) The Company has neither any investment in shares in Telephone Silpa Sangstha Ltd. and Bangladesh Cable Shilpa Ltd. nor any interest therein except business linkage as the Government owned entities in the similar sector. Further, the Company has no control on the management of the aforesaid companies who are independently managed by their Boards of Directors as separate entities;
- (b) The figures have been rounded off to the nearest Taka; and
- (c) The figures relating to previous period have been rearranged to conform current year's presentation.

4 Property, plant and equipment - net of accumulated depreciation

Assets	COST			Rate %	Depreciation			Amount in Taka	
	Balance as at 01.07.015	Addition during the year	Balance as at 30.06.16		Balance as at 01.07.15	Charged during the year	Balance as at 30.06.16	Written down value as at 30.06.16	Written down value as at 30.06.15
Land	280,584,605,565	-	280,584,605,565	-	-	-	280,584,605,565.00	280,584,605,565	
Building	9,838,182,874	2,048,346	9,840,231,220	2.00%	6,909,070,067.00	196,784,140.94	2,734,377,012.24	2,929,112,807	
Tower	2,315,031,733	83,031,790	2,398,063,523	2.00%	1,165,082,741.66	47,130,952.56	1,185,849,829.03	1,149,948,991	
Exchange equipment	28,920,974,077	75,458,955	28,996,433,031	6.67%	21,241,997,136.55	1,930,580,236.94	5,823,855,657.80	7,678,976,940	
Transmission	7,679,884,230	6,961,499	7,686,845,729	6.67%	7,353,825,763.22	12,224,331.97	320,795,633.81	326,058,467	
Outside plant	71,279,863,970	-	71,279,863,970	3.33%	37,409,969,402.00	2,375,995,465.67	31,493,899,102.56	33,869,894,568	
Electrical power and environment control	4,831,665,117	22,462,406	4,854,127,523	6.67%	4,055,602,284.00	322,859,754.65	475,665,483.86	776,062,833	
Vehicles	1,359,934,054	15,945,479	1,375,879,533	20.00%	1,278,196,293.00	17,946,100.10	79,757,139.90	81,757,761	
Office equipment, furniture and fixtures	788,956,558	36,415,370	825,371,928	10.00%	467,016,061.00	80,716,424.30	277,639,442.76	321,940,497	
IP data	1,402,219,694	-	1,402,219,694	6.67%	1,140,519,240.93	93,481,312.93	168,219,140.13	261,700,453	
Test equipment	1,010,213,490	-	1,010,213,490	6.67%	834,581,535.00	67,347,566.00	108,284,389.00	175,631,955	
Total 2015-2016	410,011,551,362	242,323,844	410,253,875,207		81,855,860,574.36	5,145,066,386.07	323,252,948,396.08	328,155,690,838	
Total 2014-2015	409,354,531,928	657,019,434	410,011,551,362		76,224,603,804	5,631,256,720.36	328,155,690,837.78		

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5 Capital work-in-progress	2016 <u>Taka</u>	2015 <u>Taka</u>
Opening balance		
TNDP	2,988,545,693	420,685,051
1000 Union	2,958,768,096	289,369,321
290 Upazila	2,737,852,143	295,821,825
RODTS	-	165,752,893
Building under construction	-	256,335,243
International Long Distance Telephone Service	-	3,768,482
	8,685,165,932	1,431,732,816
Additions during the year (note- 5.1)	4,751,502,346	7,749,304,029
Less: Transfer to property plant and equipment	-	495,870,912
Closing balance	13,436,668,278	8,685,165,932

Movement of Capital work-in-progress

Name of Project	Opening balance as at 01.07.15	Addition	Deduction	Closing balance as at 30.06.16
171 KL	-	99,236,170	-	99,236,170
TNDP-JICA	2,988,545,693	386,361,686	-	3,374,907,379
1000 Union Optical Fiber	2,958,768,096	2,851,568,447	-	5,810,336,543
290 Upazilla Optical Fiber	2,737,852,143	581,000,360	-	3,318,852,503
DWDM	-	13,307,684	-	13,307,684
Broadband, Karail	-	820,028,000	-	820,028,000
Total 2015 - 2016	8,685,165,932	4,751,502,346	-	13,436,668,278
Total 2014 - 2015	1,431,732,816	7,749,304,029	495,870,912	8,685,165,932

5.1 Additions during the year

Building under construction	841,000	8,560,271
Plant and equipment under construction	3,627,952,316	7,529,468,162
Other	1,122,709,030	211,275,596
	4,751,502,346	7,749,304,029

6 Government provident fund (GPF) - contra

Opening balance	2,209,835,227	2,079,265,889
Amount deducted during the year from employees	166,893,401	130,569,338
	2,376,728,628	2,209,835,227

The above represents amount deducted from employees as Government provident fund contribution and deposited to the Government treasury.

7 Renewal and reserve fund - Government

1,734,237,000 **1,734,237,000**

This represents the amount receivable from the Government of Bangladesh as valued by M/S Rahman Rahman Huq as on 30.06.2008. Related terms and conditions are yet to be arrived at as to recovery of the aforesaid fund from government.

8 Investment in shares

A) Inmarsat Plc. UK (145,742 shares @ GBP 5.25 each listed in London Stock Exchange)	122,175,906	104,322,845
B) Inmarsat Holding Ltd. UK (5000 shares @ GBP 1 each is nonlisted and valuation has been made on the basis of cost price.)	681,719	681,719
	122,857,625	105,004,564

Share price of Inmarsat Plc was GBP 8.04 at the year end of 30 June 2016, as a result appropriate adjustment has been made in the financial statements.

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	2016	2015
	<u>Taka</u>	<u>Taka</u>
9 Stores and spares		
Cables	643,205,856	643,205,856
Stores	114,175,770	114,175,770
Apparatus and associated items	2,026,467	2,026,467
Electrical instruments & accessories	2,113,445	2,113,445
	<u>761,521,538</u>	<u>761,521,538</u>
<i>In Cable & Stores Taka 61.15 crore was brought forward from 30 June 2008.</i>		
10 Accounts receivables		
Local operators	4,516,736,741	4,516,736,741
Foreign operators	9,171,608,096	6,990,715,617
Local customers	3,736,399,834	6,434,857,477
Closed number owing companies	1,650,013,069	1,650,013,069
Other IGW as BTCL ICX	15,015,794	15,015,794
Other IGW as BTCL ANS	29,913,614	29,913,614
Other Operating activities	820,956,452	-
Non-Operating activities	22,214,890	-
Receivables form related parties (10.1)	2,757,018,496	2,757,018,496
	<u>22,719,876,986</u>	<u>22,394,270,807</u>
Less: Provision for bad debts		
Local operators	319,943,052	310,909,578
Foreign operators	454,276,691	440,295,260
Private - normal	186,495,853	168,022,242
Closed number owing companies	1,636,812,965	1,633,512,939
Provision made for Other receivables	45,439,754	44,788,542
	<u>2,642,968,315</u>	<u>2,597,528,561</u>
	<u>20,076,908,671</u>	<u>19,796,742,246</u>
10.1 Receivables form related parties		
Teletalk Bangladesh Ltd.	88,119,312	88,119,312
Government of the People's Republic of Bangladesh	163,043,641	163,043,641
Bangladesh Submarine Cable Company Ltd.	672,481,760	672,481,760
Government Companies	128,182,966	128,182,966
Telephone Silpa Sangstha Ltd.	1,212,251,458	1,212,251,458
Bangladesh Cable Shilpa Ltd.	492,939,359	492,939,359
	<u>2,757,018,496</u>	<u>2,757,018,496</u>
11 Advances		
Salary advances	160,430	160,430
Temporary advances	1,543,015	1,245,876
TA advances	3,007,215	2,507,215
Other advances (note - 11.1)	13,846,773,436	13,714,805,526
	<u>13,851,484,095</u>	<u>13,718,719,046</u>
11.1 Other advances		
Advance to suppliers	193,542,461	193,542,461
L/C margins, CD/VAT with Customs Houses	12,326,825,318	12,326,825,318
Advance income tax	1,326,111,314	1,194,176,095
Others	294,342	261,652
	<u>13,846,773,436</u>	<u>13,714,805,526</u>

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	2016 <u>Taka</u>	2015 <u>Taka</u>
12 Cash and cash equivalents		
Cash in hand	26,458,966	30,803,136
Cash at banks	723,587,643	552,536,375
Term deposits	14,103,778,538	13,743,427,924
Cash in transit	2,831,130,036	142,088,919
	<u>17,684,955,183</u>	<u>14,468,856,355</u>
13 Security deposits and others		
Deposits for contributory works	375,590,485	219,661,260
Deduction from contractors and suppliers	3,077,981	3,077,304
Security money	95,267,169	12,943,456
Deposits from customers	116,025,719	116,025,719
Security deposits	226,617,442	213,371,417
Advance received from related party	180,000,000	-
	<u>996,578,796</u>	<u>565,079,156</u>
14 Payables to contractors and suppliers		
Unpaid letters of credit - Project	<u>8,673,384,009</u>	<u>8,673,384,009</u>
15 VAT and duties payable		
Customs and excise payable	16,472,942	16,472,942
VAT payable	533,849,647	540,089,573
TDS payable	1,327,589	1,432,941
Others	(4,105,677)	(4,105,677)
	<u>547,544,500</u>	<u>553,889,779</u>
16 Employees emolument deductions	<u>14,356,823</u>	<u>14,014,654</u>
<p>This refers to amount deducted from the employees during the year under review on account of Government Provident Fund which are yet to be deposited to the Government treasury. This amount is exclusive from the amount of 237.76 crores appearing in Note - 6.</p>		
17 Provision for income tax		
Opening balance	1,418,378,555	1,399,878,555
Add: Provision for the year	81,000,000	18,500,000
	<u>1,499,378,555</u>	<u>1,418,378,555</u>
18 Accrued expenses		
Officers salary and allowances	498,815	2,636,755
Staff salary and allowances	11,462,353	12,384,634
General expenses	1,046,403,688	1,049,752,342
Audit fees	690,000	690,000
Accrued repairs & maintenance	285,751	257,098
Liability for capacity charges & settlements	717,243,564	1,079,300,461
Payable to foreign carriers	83,815,084	83,815,084
Payable to other ICX for revenue share	897,303,662	897,303,662
BTRC license fees	-	18,833,333
BTRC revenue share	10,342,798,121	8,415,186,707
BTRC frequency charge	82,201,550	82,201,550
Bangladesh Submarine Cable Company Ltd	54,086,729	54,086,729
Telephone Shilpa Shangstha - TSS	13,276,010	13,276,010

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Government of Bangladesh / Quasi Government:

Deposit payable on demand	47,152,342	47,152,342
Other payable - GOB	18,501,671	18,501,671
Welfare fund	108,400	108,400
Contributory deposit	16,417,459	16,417,459
Other payable - GOB - VAT on Gov.Tel.bill	501,387,549	501,387,549
	583,567,421	583,567,421
Project liabilities	831,722,310	831,722,310
	14,665,355,058	13,125,014,096

19 Share capital

	2016	2015
	Taka	Taka
Authorized share capital 150,000,000 shares of Taka 100 each	15,000,000,000	15,000,000,000
Paid up share capital 18 shares of Taka 100 each	1,800	1,800

Name of shareholders & respective Ministries /

<u>Agencies</u>	<u>Represented by</u>		
Ministry of Post and Telecom.	Mr. Md. F R Chowdhury	200	200
Ministry of Finance	Mr. Jalal Ahmed	200	200
Ministry of Information	Md. ASM Mahbubul Alam	200	200
Ministry of Post and Telecom.	Mr. Shawkat Mostafa	200	200
Bangladesh Army, Dhaka Cant.	Brig. Gen Rashedul Mannan	200	200
I C A B	Mr. Syful Islam	200	200
BUET	Dr. Satya Prasad Majumder	200	200
F B C C I	Mrs. Monowara Hakim Ali	200	200
Managing Director, BTCL	Mr. Md. Kabir Hossain Bhuiyan	200	200
		1,800	1,800

20 Equity reserve

This amount represents difference of assets and liabilities of erstwhile Bangladesh Telegraph and Telephone Board (BTTB) taken over by the company as on 30 June 2008 according to the valuation carried out by M/S Rahman Rahman Huq, an independent valuer.

21 Loans

21.1 Long term portion:

Foreign loans (note - 21.1.1)	6,520,404,988	6,886,736,143
Government loans	15,240,327,166	10,723,464,166
	21,760,732,154	17,610,200,308

21.1.1 Foreign loans

Principal	6,195,525,946	6,608,478,957
Interest	324,879,043	278,257,185
	6,520,404,988	6,886,736,143

21.2 Long-term loan-current portion:

Foreign loans (note - 21.2.1)	8,798,049,688	7,285,349,010
	8,798,049,688	7,285,349,010

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	2016 Taka	2015 Taka
21.2.1 Foreign loans		
Principal	8,078,050,886	6,522,877,571
Interest	719,998,802	762,471,439
	8,798,049,688	7,285,349,010
<i>At the yearend foreign exchange loss of Taka 1,168,615,382 has been recognised in the financial statements due to translation of foreign loans at the closing exchange rate of the day.</i>		
22 Long-term liabilities to employees		
Loan to employees	100,434,319	100,434,319
Pension liabilities (note - 22.1)	17,801,590,000	18,651,590,000
Retirement benefit	7,327,389,454	7,327,389,454
	25,229,413,773	26,079,413,773
22.1 Pension liabilities		
Long-term pension payment - family	1,174,568,000	1,174,568,000
Long-term pension payment - pensioners	16,627,022,000	17,477,022,000
	17,801,590,000	18,651,590,000
23 Other long-term liabilities		
Impaired assets (note - 23.1)	42,364,400,165	42,364,400,165
Others	59,796,612	59,796,612
	42,424,196,777	42,424,196,777
23.1 Impaired assets		
Salary payments until pension ability	1,136,060,627	1,136,060,627
Demolition cost-Tejgaon and Tongi	4,639,716	4,639,716
EMD, CB and Magneto Exchange	120,715,053	120,715,053
Universal service obligation	41,102,984,769	41,102,984,769
	42,364,400,165	42,364,400,165

The above items are as per valuation report as on 30 June 2008.

Salary payments until pension ability

This is the accumulated cost attributable to the employees of discontinuing business of BTTB telegraph and telex service. BTTB has discontinued their telegraph and telex service but still employs the related personnel who are yet to be retired. These employees are under-employment, distributing the revenue invoices once in a month and performing some manual invoicing activities for internet customers.

Demolition cost

Estimated cost to be incurred to demolish the dilapidated stores and workshop building at Tejgaon and Tongi.

EMD, CB and Magneto Exchange

Estimated loss of impaired assets to be incurred for the next 10 years.

Universal service obligation

BTCL is required, as a condition of its license to provide universal telephone service throughout Bangladesh without taking the economics of the connections into account. Due to this unavoidable Universal Service Obligation (USO), the cost of this services is estimated for BTCL for next 20 years when this BTCL was formed. Considering all operational cost factors and depreciation of infrastructure for switches, transmission and outside plant, the majority of exchanges are currently at loss. To reflect an USO scenario and the estimated liabilities, the financial impact has been calculated for the continuation of loss making operations with the network configuration that BTCL has. The provisions have been estimated for the loss making exchanges for 20 years.

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	2016 Taka	2015 Taka
24 Revenue		
Telephone revenue	2,812,845,610	3,165,993,360
Interconnection revenue	335,882,819	251,641,132
Local operators	364,076,471	84,137,530
ISD	120,130,492	164,534,118
Revenue from capacity lease	238,517,033	400,921,079
Foreign operators	5,831,749,512	402,945,820
ICX Revenue for ISD Incoming calls	944,304,057	74,780,916
ANS Revenue for ISD Incoming calls	19,602,972	38,318,068
Internet and data services	736,909,036	461,621,612
Telegraph services	1,228,472	36,220
	<u>11,405,246,472</u>	<u>5,044,929,854</u>
25 Cost of services		
Interconnection and settlement	1,422,508,318	581,922,657
BTRC revenue sharing	2,953,971,781	258,459,275
Frequency charges	-	172,500
Capacity charges and settlements	178,912,694	501,720,377
BTRC license fees	82,299,167	12,452,616
	<u>4,637,691,961</u>	<u>1,354,727,425</u>

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	2016 <u>Taka</u>	2015 <u>Taka</u>
26 Administrative expenses		
Staff cost		
Officers salary and allowances	391,031,363	312,106,064
Staffs salary and allowances	2,270,346,317	2,024,411,570
Officers / staffs benefits	406,632,664	257,445,944
Officers / staffs retirement payments	47,303,647	21,175,727
	3,115,313,992	2,615,139,304
General expenses		
Office rent	12,753,016	15,504,125
Municipal tax	20,880,024	20,742,375
Land development tax	7,709,046	5,175,318
Insurance	315,697	1,494,173
Electricity & power	336,750,902	337,657,576
Water & sewerage	17,744,726	13,690,455
Gas & fuel charges	139,804,375	149,264,048
Printing & stationery	27,406,018	36,342,455
Periodicals & papers	194,872	827,135
Advertisement	4,785,305	6,342,167
Business promotional expenses	7,181,926	913,062
Advisory & consultancy expenses	1,438,576	61,315
Legal fees	4,756,414	7,591,891
Audit fees	517,000	852,500
Training- local	14,241,333	18,786,092
Provision for bad debts	45,439,754	44,788,542
Uniform & liveries	9,923,164	16,351,156
Salary of sweepers, carpenters and others	5,789,782	21,483,029
Salary of casual staff	152,048,510	138,193,156
Conveyance	5,559,403	5,803,360
Postage & courier	22,147,622	22,219,384
Entertainment	1,459,942	2,870,159
Travelling expenses	30,257,670	29,520,035
Other duty/tax	136,681	887,318
Utencil & Crokeries	433,461	-
Holiday bill expenses	934,208	-
Staff bus hiring charge	24,397,914	31,594,274
Registration & renewals	1,901,044	4,363,161
Security services	82,114,082	82,767,394
Meeting expenses	351,043	30,728
Directors' honorarium	1,043,796	820,400
Computer billing charge	12,554,191	2,265,351
Daily labour	49,404,563	37,363,694
Invigilator's Fee	977,200	-
Binding expenses	1,161,371	1,143,218
Office electricity & other maintenance	498,722	1,027,693
Miscellaneous	17,058,632	22,045,154
	1,062,071,983	1,080,781,894
Less: Recovery of expenses	28,307,741	25,883,991
	1,033,764,242	1,054,897,903
	4,149,078,234	3,670,037,208

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	2016	2015
	Taka	Taka
27 Repairs and maintenance		
Operating building	9,739,979	4,167,423
Admin. building	31,817,987	23,365,055
Residential building	35,400,377	26,892,955
Apparatus & plants	183,279,394	108,685,538
IT equipments	20,172,240	15,250,476
Lines & wireless	124,611,736	85,793,797
Cables	113,121,874	50,173,304
Post, Mast & Aerials	5,498,990	6,350,500
Repairs & maintenance- furniture	4,703,186	3,694,408
Office equipments	6,534,349	11,068,039
Electrical fitting & appliances	4,087,722	1,258,911
Transport vehicles	43,783,202	38,939,369
Miscellaneous	11,929,776	4,334,453
	<u>594,680,813</u>	<u>379,974,229</u>
28 Non-operating income		
Interest income from short term deposits (FDR)	898,544,457	1,074,144,963
Bank interest	39,522,769	47,694,699
Other income	58,941,229	31,164,832
	<u>997,008,456</u>	<u>1,153,004,494</u>

During the year dividend receive Tk. 27,190,871 from Inmarsat PLC. UK

29 Contingent liability:

There is a contingent liability of the company for income tax to the tune of Tk. 304,777,561 for the assessment year 2010-2011, BTCL has lodged appeal to Tax Appellate Tribunal, the outcome of which is yet to receive. However, management feels that there are cogent grounds for decision in favour of the Company.

30 Managing Directors' remuneration

During the year, the Managing Director of the company was paid Taka 835,740.

31 Number of employees

The total number of employees of the company as at 30 June was as follows:

Salary range	2016	2015
Taka 3,000 or above	5,664	6,681
Below Taka 3,000	Nil	Nil


Director


Managing Director


Director

History of Telecommunications in Bangladesh

- 1850: Electric Telegraph Line between Calcutta and Diamond Harbour, by East India Co.
- 1853: Telegraph branch under Posts and Telegraph Department, British India.
- 1853: 4000 miles Telegraph lines constructed in India.
- 1855: Telegraph service opened to public in India.
- 1858: India- Srilanka Telegraph cable laid.
- 1885: Telegraph Act.
- 1886: Copper wire replacing iron wire.
- 1895: Phonogram introduced in India.
- 1902: Wireless Telegraphy started in India
- 1914: Postal and Telegraph departments merged in India
- 1933: Wireless Telegraphy Act.
- 1949: Introduction of Hindi script telegram
- 1962: Reconstructed as Pakistan Telegraph and Telephone Department.
- 1971: Reconstructed as Bangladesh Telegraph and Telephone Department under Ministry of Posts and Telecommunications
- 1975: Reconstructed as Telegraph and Telephone Board.
- 1979: Reconstructed as Bangladesh Telegraph and Telephone Board (BTTB) with right to issue license for telecom and wireless services,
- 1981: Digital Telex Exchange in Bangladesh
- 1983: Automatic Digital 1TX started in Dhaka
- 1985: Coin box Telephone service introduced in Bangladesh by BTTB.
- 1989: CENTEX Telegraph messaging service introduced in Bangladesh,
- 1989: Bangladesh Rural Telecom Authority got license to operate exchanges in 200 upazilla.
- 1995: Card Telephone service introduced in Bangladesh by BTTB and TSS.
- 1995: Regulatory power of BTTB transferred to Ministry (MoPT).
- 1995: 2nd and 3rd ITX installed in Dhaka.
- 1998: Telecom Policy.
- 2000: Global Telecom Service (GTS) Telex Exchange venture with British Teleco.
- 2001: Telecommunication Act, to establish Bangladesh Telecommunication Regulatory Commission (BTRC).
- 2002: ICI Policy
- 2004: Teletalk cellular mobile launched
- 2006: NGN introduced in BTTB
- 2008 (1, July) : Converted into Bangladesh Telecommunications Company Limited (13TCL) with 100% shares owned by Government and with 9 directors, headed by secretary of Ministry of Post and Telecommunications.



BTCL MD Mr. Mahfuz Uddin Ahmad with Honorable Prime Minister Sheikh Hasina, visiting BTCL stall at a Digital Innovation Fair in Dhaka. BTCL displayed its optical fiber network of 19000KM around the country and newly started GPON based internet service. Triple play service (voice, video and Data/Internet) will be provided soon to 1,30,000 customers in Dhaka and Chittagong.



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