



দেশ ও মানুষের সেবায়

Bangladesh Telecommunications Company Limited

Directors' Report 2018-2019, BTCL; November 2019.

Bangladesh Telecommunications Company Limited (BTCL)

DIRECTORS' REPORT 2018-2019

November 2019



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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 10th Annual General Meeting of Bangladesh Telecommunications Company Limited (BTCL) (the "Company") and present herewith the audited Balance Sheet as on 30 June 2018 and the Income Statement along with the Cash Flow Statement for the period of 01 July 2017 to 30 June 2018 (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.

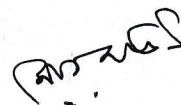
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4. Board of Directors (up to date):

SL	Name of Directors	Designation	Remark
1	Mr. Ashoke Kumar Biswas	Secretary, Post & Telecommunications Division, Ministry of Post, Telecommunications and Information Technology, Bangladesh Secretariat, Dhaka.	Director & Chairman
2	Mr. Md. Azizul Islam	Additional Secretary, Post & Telecommunications Division, Ministry of Post, Telecommunications and Information Technology, Bangladesh Secretariat, Dhaka.	Director
3	Mr. Mohammad Azharul Haque	Additional Secretary Ministry of Information Bangladesh Secretariat, Dhaka.	Director
4	Mr. Md. Habibur Rahman	Additional Secretary, Finance Division, Ministry of Finance, Bangladesh Secretariat, Dhaka.	Director
5	Mr. Md. Mohsinul Alam	DG, Department of Telecommunication (DoT), TTC, Tejgoan, Dhaka.	Director
6	Dr. Satya Prasad Majumder	Professor, Dept. of EEE, Bangladesh University of Engineering & Technology (BUET), Dhaka.	Director
7	Brig. Gen. Md. Mustafa Kamal	Director, SIB, DGFI (Directorate General of Forces Intelligence.), Dhaka Cantonment, Dhaka.	Director
8	Mr. Sujib Ranjan Dash	Director, FBCCI, 60 Motijheel C/A, Dhaka-1000.	Director
9	Mr. Mahmudul Hasan Khusru, FCA	Council Member & Former Vice President, ICAB, CA Bhaban, 100 Kazi Nazrul Islam Avenue, Dhaka-1215.	Director
10	Mr. Md. Musleh Uddin	Joint Chief, Post & Telecommunications Division, Ministry of Post, Telecommunications and Information Technology, Bangladesh Secretariat, Dhaka.	Director
11	Dr. Md. Rafiqul Matin	Managing Director Bangladesh Telecommunications Company Limited.	Director

5. Board Meetings.

Total 08 (Eight) Board meetings were held during 2018-2019, where about 80 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 10th AGM of the Shareholders of the Company was held on 28 November, 2018.



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 3,736 employees from DOT are working on deputation at BTCL (Class I+II+III+IV: 306+597+2497+336).

However BTCL Board of Directors has approved its Company Organogram, which has been implemented from 01 July 2018. Total 8703 posts are created in the approved Organogram and BTCL is operating as per the new organogram now and accommodating 3736 employees of DoT.


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. BTCL absorbed the employees recruited on contract basis as regular employees following its Service Rule. Now the strength of BTCL's Own employees are as follows:

- i. Grade-7: Total 126 employees (Assistant Manager);
- ii. Grade-8: Total 179 employees (Junior Assistant Manager);
- iii. Grade 9-11: Total 44 employees;
- iv. Grade 12: Total 4129 employees.

Besides this, around 1000 Work-charged employees of erstwhile BTTB are still working at same status at BTCL.

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
- Data/ Internet Services:
 - a) ADSL (256K, 512K, 1M, 1.5M bps)
 - b) GPON (1,2,4 Mbps)
 - c) Leased Internet (64 kbps, 1 Mbps & Multiple)
 - d) MPLS VPN and P2P & P2MP VPN
 - e) IP Address
 - f) DNS Parking
 - g) Domain Registration (.bd and .বাংলা)
- Point to Point and Point to Multi-point Voice Grade local leased Line
- International Private Leased Circuit (IPLC) – Voice or Data (nx64 kbps, E1, E3, STM1, STM4)
- Transmission Bandwidth leasing (E1,E3, STM1, STM4, STM-16 & STM-64)
- Dark fiber leasing for Transmission and Last mile
- Cesium Clock Source
- Co-location Services (With Other Operators)
- International Bi-lateral Voice Carrier
- Online Telephone Bill (includes ADSL/GPON) view and print
- Web based complain to call centre
- Call Centre (Interactive Voice Response) at head office: 16402

8.2 BTCL at a Glance (2018-19):

- | | |
|---|--|
| 1. License: | PSTN/ IGW/ IIG/ ICX/ ISP/ITC/ NTTN/ BWA |
| 2. Telecommunication Regions: | Dhaka East/ Dhaka West/ Dhaka North/ Dhaka South/
/ Chittagong/Rajshahi/Khulna/Transmission East/
Transmission west/Overseas/ Planning & Development |
| 3. ICX: | Dhaka (SBN)/ Dhaka (Mohakhali)/
Chittagong/ Sylhet/ Bogra/ Khulna
Mohakhali. |
| 4. Satellite Earth Station: | 5.30 lac (Sep, 2019) |
| 5. Telephone Connection: | 16.28 lac (Sep, 2019) |
| 6. Telephone Capacity: | All Districts, Upazillas and some Growth Centers. |
| 7. Telephone Coverage: | 14,669 (Nov, 2019) |
| 8. Internet (ADSL) Connection (0.25,0.5,1,1.5Mbps): | |

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9. Internet (ADSL) Coverage:	64 Zilla, 23 Upazilla
10. GPON Connection (2,4,6,10 Mbps):	2512 (Nov, 2016)
11. GPON Coverage:	Dhaka, Chittagong City, Cox Bazar, Sylhet
12. Leased Line Connection (0.25-2/2-10/10-30/30-100/100+ Mbps):	2259
13. Domain (.bd) registrants:	23236
14. Domain (.বাংলা)	620
15. Email Address under btcl.com.bd domain	708
16. Web Hosting:	1 (BTCL)
17. Bandwidth (Submarine Cable):	110 Gbps
18. Bandwidth (ITC):	50 Gbps
19. Optical Fiber Network:	24,000 km
20. Optical Fiber Coverage:	64 Zilla+478 Upazilla+1212 Union

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 for nationwide digital exchanges, internet, connectivity, corporate connectivity and data nodes connectivity. BTCL has a strong nationwide transmission network upto Upazila and Union Parishad level. Using this vast optical backbone of BTCL the Honorable PM of Our country in conducting Video conferencing both home and abroad smoothly and it certainly has reached the gap between the top administration and grass root level offices. This nationwide transmission network (NTTN) of BTCL is mostly composed of Optical Fiber except Bhola district and a number of Upazila, which were connected through Radio links. Though most of the Upazila headquarters were connected to the respective district head quarters though radio links, but BTCL's ongoing two projects have changed the scenario from radio to Optical one.

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 optical fiber transmission link between Dhaka (Moghbar station of BTCL) and Cox's bazar. Also BTCL is providing backhaul connectivity for 2nd submarine landing station at Kuakata through a high capacity of 200Gb/s which has redundant optic fiber transmission link between Dhaka and Kuakata. The redundancy of the links has been provisioned through Optical Fiber of the Power Grid Company of Bangladesh.

BTCL is also providing backhaul connectivity of 10Gb/s internet bandwidth for Agortala, India from Cox's bazar to Akhaura. BTCL launched ITC Connectivity from Benapole to Dhaka and started with 50Gb/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 all districts have come under Optical fiber cable network. And Bhola is now connected with optical fiber via PGCB optical fiber. and also with Microwave System. almost all the Upazila and 1217 Union Parishad are connected with optical fiber. By the end of year 2018-2019 the total Length of BTCL Optical fiber cable is around 23,500 km which will be more in the coming years.



8.3.2 IP and Data Network

Since 2008-2009, BTCL is providing Data & Internet service. Over the period, BTCL has developed an IP network covering all district and most of the Upazilla headquarters. Using its strong IP network, BTCL is providing Leased Line Internet and VPN data service to its customers. BTCL's customer base is ranging from Government offices to Private offices and International Internet Gateway (IIG) operators to Internet Service Providers (ISP). Besides, for individual customers, BTCL is providing retail bandwidth through its legacy copper network using ADSL technology in all the district headquarters and few Upazillas headquarters and Growth Centres. In some parts of Dhaka and Chittagong, BTCL has installed optical Fiber based GPON network to meet customers increasing bandwidth. GPON customer basing is increasing day by day. At present, nearly 1208 Union Parishad also brought under BTCL's Optical Fiber network and providing Internet services to Government established Union Tathya Kendra and other customers on demand. Thus BTCL is providing significant support to meet the goal of the Government to reach internet to the door steps of common peoples of Bangladesh.

BTCL has installed new high capacity Core Routers to increase its upstream capacity. Upgradation of IP network and installation of GPON network in Twenty more districts is in progress under MOTN project. After completion of the project BTCL will have a high capacity and more fault resilient IP network. BTCL's revenue and market share in IP business will be further increased.

9. Projects implemented by BTCL during 2017-18 Fiscal Year

9.1. Ongoing/Implemented Projects

9.1.1 GoB Financed Projects

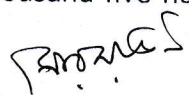
(i) Under the scope of work of an ongoing project named 'Installation of optical fiber cable network in all government college/university and Training Institutes', 591 nos government college/university and Training Institutes will be connected to BTCL optical fiber cable network. This project will ensure high speed broadband service in those college/university and institutes. Project implementation period is from July 2018 to December 2019 (one and a half years) and estimated cost is BDT 44.98 crore (Taka Forty four crore and Ninety eight lac).

(ii) 'Switching and Transmission Network Development for Strengthening Digital Connectivity' project is under implementation process. Project implementation period is from January 2019 to June 2020 (one and a half years) and estimated cost is BDT 155.3839 crore (Taka One hundred Fifty five crore and Thirty eight lac and Thirty nine thousand). Under the scope of work of this project, ANS (Access Network System) Gateway, IGW (International Gateway), IOS (Inter-operator Switch), DWDM equipment and Billing System will be installed.

(iii) Estimated cost of the project 'Installation of Telecommunications Network at Mirsharai Economic zone in Chattogram' is BDT 61.90 crore (Taka Sixty one crore and Ninety lac). Project implementation period is from July 2019 to December 2021 (two and a half years). Under the scope of work of this project, Mirsharai Economic zone in Chattogram will be connected to BTCL OFC network and will be facilitated with modern telecom services including high speed broadband internet service.

9.1.2 Foreign Aided Projects

(i) 'Modernization of Telecommunication Network for Digital Connectivity' project with estimated cost BDT 2573.3956 crore (Taka Two thousand five hundred seventy three crore and Thirty nine





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lakh and Fifty six thousand) [Project Aid BDT 1817.2794 crore + GoB BDT 756.1161 crore] is under implementation process. Project implementation period is from July 2017 to June 2020 (three years). Under the scope of work of this project, BTCL IP network along with IMS (IP Multimedia Subsystem) platform in three places will be installed.

9.2. Future Work plan of BTCL

(i) To strengthen the country's digital connectivity, DPP of a project named 'Upgradation and Enhancement of BTCL's IP Network' has been sent to Ministry of Posts, Telecommunications and Information Technology for necessary action. Project implementation period is from January 2020 to June 2022 (two and a half years) and estimated cost is BDT 949.50 crore (Taka Nine hundred forty nine crore and Fifty lac). Under the scope of work of this project, IP Accessories equipments will be installed at upazila and union level. IIG Gateway and Hosting platform will also be installed under this project. The project has been included in Green Page (সবুজ পাতায় অন্তর্ভুক্ত).

(ii) DPP of a project named 'Development of BTCL's existing Optical Fiber cable Network and converting to Ring type Network' has been sent to Ministry of Posts, Telecommunications and Information Technology for necessary action. Project implementation period is three years and estimated cost is BDT 370.4413 crore (Taka Three hundred seventy crore and Forty four lac and Thirteen thousand). Under the scope of work of this project, high quality transmission facilities up to the rural areas for easy and reliable access to broadband system will be installed to make ICT facilities affordable to all citizens. The project has been included in Green Page (সবুজ পাতায় অন্তর্ভুক্ত). Recasting of DPP is under process.

10. Light-up of 3000 km Optical Fiber Cable (OFC) leased to Robi Axiata Ltd. (Robi).

BTCL has laid and handed over more than 3000 km (2-core) of last mile underground OFC to Robi under bilateral OFC lease agreement signed on 03.09.2019 (with effect from 17.05.2017) between BTCL and Robi. Of this OFC, 3000 km (2-core) has already been lighted-up and completion event of which has been observed on 19.11.2019 in a meeting held between BTCL and Robi officials at conference room, Telejogajog Bhaban, BTCL. This initiative is a new window of revenue generation for BTCL.

11. Special initiatives to develop service quality and customer satisfaction:

i. Telesheba APP: BTCL has launched an Smartphone based APP called 'Telesheba'. Through this APP, subscriber can lodge complain regarding Telephone service, Internet service and Bill. After taking necessary corrective measures, feedback is given to subscriber through the APP.

ii. Free Telephone connection: BTCL is giving telephone connection to subscriber without connection fee. Also re-connection is being done without fee. This offer will continue throughout 'Mujib Borsho'.

iii. Unlimited call: BTCL subscribers are enjoying unlimited call minutes (BTCL to BTCL) at TK. 150.00 per month. Also subscribers can call to any mobile phone at the rate of tk. 0.52/minute.

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12. Statement of Profit or Loss and Other Comprehensive Income (for the year ended 30 June 2019)

Particulars		30 June, 2018	30 June, 2019
Revenue		11,403,609,001	8,868,131,469
Less: Cost of services		5,470,107,769	3,998,186,311
Less: Administrative expenses		4,018,657,613	3,916,965,217
Less: Repairs and Maintenance		346,652,961	339,679,130
Less: Depreciation		5,916,069,367	5,607,312,397
		15,751,487,710	13,862,143,056
Operating Profit/(Loss)		(4,347,878,709)	(4,994,011,587)
Add: Non-operating income		1,196,586,482	1,731,078,920
Less: Bank Charges		(9,547,583)	(10,156,421)
Less: Foreign Exchange (Loss)		(656,055,425)	(345,079,353)
Net Loss Before Tax		(3,816,895,235)	(3,618,168,441)
Less: Income tax expense		(77,000,000)	(63,595,262)
Net Loss After Tax		(3,893,895,235)	(3,681,763,703)
Other comprehensive income/(loss)			
	Unrealized loss from investment in share	(29,772,369)	(2,369,555)
Total other comprehensive income/loss		(29,772,369)	(2,369,555)
Total comprehensive income/(loss)		(3,923,667,604)	(3,684,133,258)

13. 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.

14. Auditors

Pursuant to Section 210 of the Companies Act, 1994, the existing Auditors of the Company M/s. Ahmed Zaker & Co., Chartered Accountants, will retire at the 9th Annual General Meeting. Being eligible, the same Auditors M/s. Ahmed Zaker & Co., Chartered Accountants, expressed their willingness to be re-appointed.

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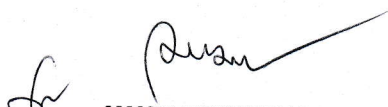
15. Conclusion

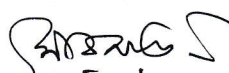
The Company realizes its potential to progress and create values for the stakeholders and subscribers by steadily pursuing a coherent strategy. There is clearly further potential for enhanced value creation at our operations and in growth of investment opportunities. We have a strong technical human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


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Director, Board of Directors
BTCL


Dr. Md. Rafiqul Matin
Managing Director
BTCL