

MABS & J Partners
Chartered Accountants

Member firm of Nexia International, UK

Auditor's Report and Audited Financial Statements
Of
Bangladesh Telecommunication Regulatory
Commission
(BTRC)

For the year ended 30 June 2022





A member of
Nexia
International

ম্যাবস এন্ড জে পার্টনার্স
MABS & J Partners
Chartered Accountants

**Independent Auditor's Report
To the Board
Of**

Bangladesh Telecommunication Regulatory Commission (BTRC)

Opinion

We have audited the accompanying financial statements of **Bangladesh Telecommunication Regulatory Commission (BTRC)** which comprise the Statement of Financial Position as at 30 June 2022, the Statement of Income and Expenditure and the Statement of Cash Flows for the year ended 30 June 2022 and a summary of significant accounting policies and other explanatory notes and annexures thereto.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Bangladesh Telecommunication Regulatory Commission (BTRC)** as at 30 June 2022 and of its financial performance and its cash flows for the year then ended in accordance of Section 21 and 27 of the Bangladesh Telecommunication Act, 2001 (Act no. XVIII of 2001) as amended on 1st August 2010, Generally Accepted Accounting Principles (GAAP) and the relevant circulars issued by the Commission.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Commission in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Section 21 and 27 of the Bangladesh Telecommunication Act, 2001 (Act no. XVIII of 2001) as amended on 1st August 2010, Generally Accepted Accounting Principles (GAAP), the relevant circulars issued by the Commission and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Commission either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

Corporate Office:

SMC Tower (Level 5 & 7) 33, Banani C/A
Road 17, Dhaka-1213, Bangladesh
Phone : +88-02-222275057 & 58
 : +88-02-222275365 & 66
E-mail : info@mabsj.com
Web : www.mabsj.com
 www.nexia.com

Chattogram Office:

Jahan Building 5 (Level 3),
74 Agrabad C/A, Chattogram-4100
Bangladesh.
Phone : +88-01722-156260
E-mail : info@mabsj.com
Web : www.mabsj.com
 www.nexia.com



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission's to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

Signed for & on behalf of
MABS & J Partners
Chartered Accountants

Place: Dhaka, Bangladesh

Dated: 15 JUN 2023



J C Biswas FCA

Partner

ICAB Enrollment No:

199

DVC:2306150199AS564471

Bangladesh Telecommunication Regulatory Commission (BTRC)
Statement of Financial Position

As at 30 June, 2022

Particulars	Notes	Amount in Taka	
		30-June-2022	30-June-2021
Assets			
Non-current assets:			
Property, Plant and Equipment	4.00	995,460,865	23,268,994,846
SRCB-IDA Credit 3790-BD		937,129,161	236,681,922
Projects Assets (IDA PART)	5.00	58,331,704	87,497,557
Bangabandhu Satellite System	6.00	-	22,944,815,367
Current Assets:			
Advances, Deposits and Prepayments	7.00	13,254,732,009	3,677,010,967
Receivable from Operators	8.00	7,165,244	5,654,570
Other Receivables	9.00	4,183,947,136	4,549,813
Cash and Cash Equivalents	10.00	1,336,012	4,002,678
		9,062,283,618	3,662,803,906
Total Assets		14,250,192,874	26,946,005,813
Fund and Liabilities:			
Project Fund:			
Project (SRCB-IDA 3790-BD) Fund	11.00	455,631,100	12,893,919,328
Satellite Launching Project	12.00	-	12,438,288,228
Fund Account:			
Benevolent Reserve Fund	13.00	(6,248,026,965)	2,482,786,763
Gratuity Fund	14.00	5,169,672	3,923,457
Group Insurance Fund	15.00	214,707,651	174,731,418
Pension Fund	16.00	152,214,022.7	128,492,765
Leave Encashment Reserve Fund	17.00	1,947,751,002	1,648,705,947
Capital Expenditure Fund	18.00	49,984,695	29,097,048
		(8,617,854,007)	497,836,129
Non-Current Liabilities:			
Long term loan from HSBC	19.00	9,157,683,770	10,900,944,645
		9,157,683,770	10,900,944,645
Current Liabilities:			
Account Payable	20.00	10,884,904,969	668,355,077
Accrued Expenses	21.00	97,074,853	96,912,709
Advance Income from others	22.00	19,152,356	121,832,581
Payable to GOB Consolidated Fund	23.00	79,532	79,532
		10,768,598,227	449,530,255
Total Fund and Liabilities		14,250,192,874	26,946,005,813

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



Md. Delowar Hossain

Deputy Director



Aftab Md Rashedul Wadud

Director



Dr. Musfiq Mannan Choudhury,
FIDM, FCIM

Commissioner



Shyam Sunder Sikder

Chairman

Signed in terms of our report of even date.

Place: Dhaka

Dated: 15 JUN 2023

Signed for & on behalf of
MABS & J Partners
Chartered Accountants



J C Biswas FCA

Partner

Enrollment No: 199

DVC: 2306150109AS564471

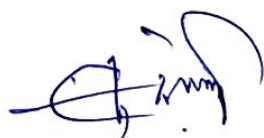
Bangladesh Telecommunication Regulatory Commission (BTRC)

Statement of Income and Expenditure

For the financial year ended 30 June, 2022

Particulars	Notes	Amount in Taka	
		30-June-2022	30-June-2021
Revenue Income:			
Fees and Charges	24.00	43,326,123,716	37,706,461,886
Administrative fines and late fees	25.00	195,047,654	190,674,770
Audit Finding Revenue	26.00	-	-
Finance income	26.00	157,172,999	104,682,764
Other income	27.00	7,731,241	8,527,908
Total Income (A)		43,686,075,611	38,010,347,328
Expenditure:			
Salary and benefits	28.00	286,390,923.41	247,208,608
Provident fund revenue expenses	29.00	21,947,756.70	21,124,345
Repairs and maintenance	30.00	11,216,595.74	24,053,152
Traveling expenses	31.00	10,310,962.80	1,660,492
Fuel expense (Petrol and CNG)	32.00	7,421,643.00	5,534,594
Electricity, Water and Gas	33.00	7,132,051.38	6,448,558
Administrative expenses	34.00	576,046,335.75	298,051,471
Satellite Revenue Expenses/(gain)	35.00	(10,025,114.45)	1,187,891,156
Training expenses	36.00	2,958,130.00	839,359
Printing & publication and stationery	37.00	4,877,294.25	3,838,036
Finance Expenses	38.00	222,926.37	227,646
Depreciation expenses	4.00	70,642,610.71	20,777,354
Depreciation expense: SRCB IDA Project	5.00	29,165,853.35	73,626,708
Depreciation: Satellite Asset	6.00	1,856,541,256.75	1,856,541,257
Gift for Satallite Book Transfer		8,649,985,882.62	
Total Expenditure (B)		11,524,835,108	3,747,822,736
Excess of income over expenditure transferred to GOB consolidated fund account (A-B)		32,161,240,502	34,262,524,592
		43,686,075,611	38,010,347,328
Amount transferred to GOB Consolidated Fund Account			
Excess of income over expenditure		32,161,240,502	34,262,524,592
Depreciation on Satellite Asset		1,856,541,257	1,856,541,257
Gift for Satallite Book Transfer		8,649,985,883	
		42,667,767,641	36,119,065,849

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



Md. Delowar Hossain

Deputy Director



Aftab Md Rashedul Wadud

Director



Dr. Musfiq Mannan Choudhury,
FIDM, FCIM

Commissioner



Shyam Sunder Sikder

Chairman

Signed in terms of our report of even date.

Place: Dhaka

Dated: 15 JUN 2023

Signed for & on behalf of
MABS & J Partners
Chartered Accountants



J C Biswas FCA
Partner
Enrollment No: 199
DVC: 2306150109AS564471

Bangladesh Telecommunication Regulatory Commission (BTRC)

Statement of Cash Flows

For the financial year ended 30 June, 2022

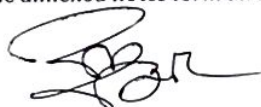
Particulars	Amount in Taka	
	30-June-2022	30-June-2021
Cash Flows from Operating Activities:		
Excess of Income over Expenditure	32,161,240,502	34,262,524,592
Adjustment for:		
Exchange Gain-HSBC Loan	(126,276,830)	
Gift for Satallite Book Transfer	8,649,985,883	
Depreciation Expenses	1,956,349,721	1,950,945,319
	42,641,299,276	36,213,469,911
Changes in:		
Receivables from operators	(4,179,397,323)	(4,399,993)
Advances, Deposits and Pre-payments	(1,510,674)	6,869,798
Account Payable	162,144	(123,145)
Accrued Expenses	(102,680,225)	119,780,091
Leave Encashment Reserve Fund	20,887,647	9,647,499
Benevolent Reserve Fund	1,246,215	1,487,135
Pension Fund	299,045,055	63,716,720
Gratuity Fund	39,976,233	32,389,077
Group Insurance Fund	23,721,258	23,945,971
	(3,895,883,003)	253,313,154
Cash generated from Operating Activities	38,745,416,272	36,466,783,065
A. Net Cash from Operating Activities	38,745,416,272	36,466,783,065
Cash Flows from Investing Activities:		
Acquisition of Furniture & Fixture	(18,400)	(1,528,791)
Acquisition of Office Equipment	(1,893,625)	(555,789)
Acquisition of Computer & Printer	(5,449,590)	(102,475)
Acquisition of LAN Network Equipment	(736,739)	(201,996)
Telecom Equipment	(755,814,176)	(148,513,749)
Vehicles	(7,109,100)	-
Electrical Equipment	(68,220)	-
	(771,089,850)	(150,902,800)
B. Net Cash Used in Investing Activities	(771,089,850)	(150,902,800)
Cash Flows from Financing activities:		
Repayment of Long Term HSBC loan	(1,616,984,044)	(881,985,716)
Fund Transferred to GOB Accounts	(30,957,862,666)	(35,846,846,821)
	(32,574,846,710)	(36,728,832,537)
C. Net Cash used in Financing Activities	(32,574,846,710)	(36,728,832,537)
D. Net increase/(decrease) in Cash at Bank	5,399,479,713	(412,952,272)
Opening Cash and Bank Balances	3,662,803,906	4,075,756,177
F. Closing Cash at Bank Balances (D+E)	9,062,283,618	3,662,803,906

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



Md. Delowar Hossain

Deputy Director



Aftab Md Rashedul Wadud

Director



Dr. Musfiq Mannan Choudhury,
FIDM, FCIM

Commissioner



Shyam Sunder Sikder

Chairman

