

**Auditor's Report and
Audited Financial Statements
of
Bangladesh Telecommunication Regulatory
Commission (BTRC)
For the period ended 30 June, 2023**

**Independent Auditor's Report
to the Commission**

Bangladesh Telecommunication Regulatory Commission (BTRC)

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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 2023, the Statement of Income and Expenditure and the Statement of Cash Flows for the year ended 30 June 2023 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 2023 and of its financial performance and its cash flows for the year then ended in accordance of International Financial Reporting Standards (IFRS), 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 opinion.

Emphasis of Matter

With reference to Note 3.09 Revenue Recognition, we would like to draw attention to the matter that, revenue of the Commission except revenue sharing from mobile operator has been recorded on cash basis other than the accrual basis of accounting, as required by the International Financial Reporting Standards (IFRS). The non-compliance with the accrual basis of accounting could impact the completeness, accuracy, and fair representation of the Financial Position, Financial Performance, and Cash Flows of the Commission. Our opinion is not modified with respect to this matter. However, we emphasize that adherence to the accrual basis of accounting in future periods is essential to ensure compliance with applicable accounting standards and to provide users of the financial statements with reliable and relevant financial information.

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.

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.

Place: Dhaka
Dated: 26 September, 2023


Md. Syful Islam, FCA, FCMA
Managing Partner
Syful Shamsul Alam & Co.
Chartered Accountants
Enrolment No.: 615
Firm Reg. No.: I/I/ICAB-2003(1)
DVC: 2309260615A5835798

Bangladesh Telecommunication Regulatory Commission (BTRC)
Statement of Financial Position

As at 30 June, 2023

Particulars	Notes	Amount in Taka	
		30-June-2023	30-June-2022
Assets			
Non-current assets:			
		1,047,310,905	995,460,865
Property, Plant and Equipment	4.00	1,018,145,054	937,129,161
SRCB-IDA Credit 3790-BD			
Projects Assets (IDA PART)	5.00	29,165,852	58,331,704
Bangabandhu Satellite System	6.00	-	-
Current Assets:			
		9,697,325,004	13,254,732,009
Advances, Deposits and Prepayments	7.00	4,085,868	7,165,244
Receivable from Operators	8.00	5,020,174,057	4,183,947,136
Other Receivables	9.00	1,336,012	1,336,012
Cash and Cash Equivalents	10.00	4,671,729,068	9,062,283,618
Total Assets		10,744,635,909	14,250,192,874
Fund and Liabilities:			
Project Fund:			
		455,631,100	455,631,100
Project (SRCB-IDA 3790-BD) Fund	11.00	455,631,100	455,631,100
Satellite Launching Project	12.00	-	-
Fund Account:			
		(4,141,852,726)	(6,248,026,965)
Benevolent Reserve Fund	13.00	6,413,054	5,169,672
Gratuity Fund	14.00	247,321,745	214,707,651
Group Insurance Fund	15.00	176,622,865	152,214,023
Pension Fund	16.00	2,328,030,619	1,947,751,002
Leave Encashment Reserve Fund	17.00	70,816,954	49,984,695
Capital Expenditure Fund	18.00	(6,971,057,962)	(8,617,854,007)
Non-Current Liabilities:			
		9,130,829,293	9,157,683,770
Long term loan from HSBC	19.00	9,130,829,293	9,157,683,770
Current Liabilities:			
		5,300,028,242	10,884,904,969
Account Payable	20.00	115,583,818	97,074,853
Accrued Expenses	21.00	21,942,574	19,152,356
Advance Income from others	22.00	107,042	79,532
Payable to GOB Consolidated Fund	23.00	5,162,394,808	10,768,598,227
Total Fund and Liabilities		10,744,635,909	14,250,192,874

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: 26 September 2023



Md. Syful Islam, FCA, FCMA

Managing Partner

Syful Shamsul Alam & Co.

Chartered Accountants

Enrolment No.: 615

Firm Reg. No.: I/I/ICAB-2003(1)

DVC: 2309260615AS835798

Bangladesh Telecommunication Regulatory Commission (BTRC)
Statement of Income and Expenditure
For the financial year ended 30 June, 2023

Particulars	Notes	Amount in Taka	
		30-June-2023	30-June-2022
Revenue Income:			
Fees and Charges	24.00	40,598,634,095	43,326,123,716
Administrative fines and late fees	25.00	689,051,654	195,047,654
Audit Finding Revenue	26.00	-	-
Finance income	26.00	196,373,049	157,172,999
Other income	27.00	10,911,294	7,731,241
Total Income (A)		41,494,970,092	43,686,075,611
Expenditure:			
Salary and benefits	28.00	288,572,729	286,390,923
Provident fund revenue expenses	29.00	29,847,952	21,947,757
Repairs and maintenance	30.00	6,555,219	11,216,596
Travelling expenses	31.00	1,699,083	10,310,963
Fuel expense (Petrol and CNG)	32.00	9,290,562	7,421,643
Electricity, Water and Gas	33.00	8,845,448	7,132,051
Administrative expenses	34.00	669,554,341	576,046,336
Satellite Revenue Expenses/(Gain)	35.00	1,879,526,722	(10,025,114)
Training expenses	36.00	1,367,790	2,958,130
Printing, Publication and Stationery	37.00	2,989,217	4,877,294
Finance Expenses	38.00	249,554	222,926
Depreciation expenses	4.00	205,812,997	70,642,611
Depreciation expense: SRCB IDA Project	5.00	29,165,853	29,165,853
Depreciation: Satellite Asset	6.00	-	1,856,541,257
Gift for Satellite Book Transfer			8,649,985,883
Total Expenditure (B)		3,133,477,467	11,524,835,108
Excess of income over expenditure transferred to GOB consolidated fund account (A-B)		38,361,492,625	32,161,240,502
		41,494,970,092	43,686,075,611
Amount transferred to GOB Consolidated Fund Accounts			
Excess of income over expenditure		38,361,492,625	32,161,240,502
Depreciation on Satellite Asset		-	1,856,541,257
Gift for Satellite Book Transfer		-	8,649,985,883
		38,361,492,625	42,667,767,641

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: 26 September 2023



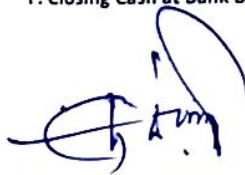
Md. Syful Islam, FCA, FCMA
Managing Partner

Syful Shamsul Alam & Co.
Chartered Accountants
Enrolment No.: 615
Firm Reg. No.: I/I/ICAB-2003(1)
DVC: 2309260615AS835798

Bangladesh Telecommunication Regulatory Commission (BTRC)
Statement of Cash Flows
For the financial year ended 30 June, 2023

Particulars	Amount in Taka	
	30-June-2023	30-June-2022
Cash Flows from Operating Activities:		
Excess of Income over Expenditure	38,361,492,625	32,161,240,502
Adjustment for:		
Exchange Gain-HSBC Loan	-	(126,276,830)
Gift for Satellite Book Transfer	-	8,649,985,883
Depreciation Expenses	234,978,850	1,956,349,721
	38,596,471,475	42,641,299,276
Changes in:		
Receivables from operators	(836,226,921)	(4,179,397,323)
Capital Expenditure Fund Account	1,646,796,044	-
Other Receivables	-	2,666,667
Advance Income from others	27,510	-
Advances, Deposits and Pre-payments	3,079,376	(1,510,674)
Account Payable	18,508,965	162,144
Accrued Expenses	2,790,218	(102,680,225)
Leave Encashment Reserve Fund	20,832,259	20,887,647
Benevolent Reserve Fund	1,243,382	1,246,215
Pension Fund	380,279,617	299,045,055
Gratuity Fund	32,614,094	39,976,233
Group Insurance Fund	24,408,842	23,721,258
	1,294,353,386	(3,895,883,003)
Cash generated from Operating Activities	1,294,353,386	(3,895,883,003)
A. Net Cash from Operating Activities	39,890,824,862	38,745,416,272
Cash Flows from Investing Activities:		
Acquisition of Furniture & Fixture	(3,728,645)	(18,400)
Acquisition of Office Equipment	(1,148,978)	(1,893,625)
Acquisition of Office Decoration	(382,500)	-
Acquisition of Computer & Printer	(2,289,908)	(5,449,590)
Acquisition of LAN Network Equipment	(84,159)	(736,739)
Telecom Equipment	(279,132,825)	(755,814,176)
Land Development (Civil)	(61,875)	-
Vehicles	-	(7,109,100)
Electrical Equipment	-	(68,220)
	(286,828,889)	(771,089,850)
B. Net Cash Used in Investing Activities	(286,828,889)	(771,089,850)
Cash Flows from Financing activities:		
Repayment of Long Term HSBC loan	(1,594,946,005)	(1,616,984,044)
Addition of Long Term HSBC loan	1,568,091,527	-
Fund Transferred to GOB Accounts	(43,967,696,044)	(30,957,862,666)
	(43,994,550,522)	(32,574,846,710)
C. Net Cash used in Financing Activities	(43,994,550,522)	(32,574,846,710)
D. Net increase/(decrease) in Cash at Bank	(4,390,554,550)	5,399,479,713
Opening Cash and Bank Balances	9,062,283,618	3,662,803,906
F. Closing Cash at Bank Balances (D+E)	4,671,729,068	9,062,283,618

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



Md. Delowar Hossain

Deputy Director



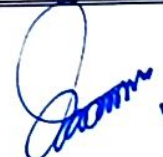
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