

Bangladesh Telecommunications Company Limited
(BTCL)

DIRECTORS' REPORT
2021-2022

24 November 2022

DIRECTORS' REPORT

2021-2022


.....

Dear Shareholders

On behalf of the Board of Directors of Bangladesh Telecommunications Company Limited (BTCL), we have the pleasure to welcome you to the 14th Annual General Meeting of BTCL and present the Annual Report of the Company comprising of audited Balance Sheet, Profit and Loss Account, Cash Flow Statement, and Statement of Changes in Equity as on 30 June 2022.

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. The Telegraph branch was reconstructed in 1962 in the then East 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. 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. The entire undertaking BTTB was transferred to BTCL through a Deed of Agreement signed between Ministry of Posts & Telecommunications and BTCL on 30 June 2008. From 01 July 2008, BTCL started its journey as a state-owned company. Now, it's growing as an emerging government entity competing with other competitors in telecommunications market.



3. Management & Manpower

BTCL inherited an organogram along with human resources from erstwhile BTTB since its beginning on 01 July 2008 and have been carrying out its operational activities with these resources. In course of time, government has formed the 'Department of Telecommunications (DOT)' and retained all the BTTB employees to DOT. Afterwards, government sent 6,536 employees from DOT to BTCL on deputation on 25 June 2015 to continue operations of BTCL. As on 5 July 2021, total 2,259 employees from DOT were working on deputation at BTCL.

BTCL Board of Directors has approved its company organogram, which has been implemented on 01 July 2018. Total 8,703 posts have been created in the approved organogram and BTCL is operating now under the new organogram.

4. Operating Licenses

BTCL has ten licenses and one permit in its portfolio to provide different types of telecommunications services. As a legacy telecom operator, BTCL once provided international connectivity through Satellite Earth Station. Now, BTCL is using submarine cable and International Terrestrial Cable (ITC) for international telecommunications. It has been continuing its domestic and international voice communication service, Data and Internet Service, Interconnection and Transmission bandwidth service. BTCL had constructed nationwide transmission network (NTTN) through deploying different generations of microwave technology and afterwards gradually replaced those with fully optical fiber-based Dense Wavelength Division Multiplexing (DWDM) technology and fiber connectivity through International Terrestrial Cable (ITC). However, in present telecom licensing regime, BTCL owns the following 10 (ten) licenses and 1(one) permit. It is to be noted that, Broadband Wireless Access License is not in operation at present.

- 1) PSTN license.
- 2) International Gateway (IGW) service operator license.
- 3) Interconnection Exchange (ICX) service operator license.
- 4) International Internet Gateway (IIG) service operator license.
- 5) Internet Service Provider (ISP) license.
- 6) ITC (International Terrestrial Cable) license.
- 7) NTTN (National Telecommunications Transmission Network) license.
- 8) Broadband Wireless Access license
- 9) IPTSP (Internet Protocol Telephony Service Provider) license
- 10) Tower Sharing Permit
- 11) National Internet Exchange (NIX)



5. BTCL Networks and Systems

Transmission Network for Nationwide Communication:

BTCL has a robust nationwide optical fiber-based transmission network up to Upazila and Union level. This network is facilitating international connectivity through Submarine Cable and International Terrestrial Cable (ITC) for voice, data and Internet services. Using the vast optical backbone of BTCL, video conferences of our Honorable Prime Minister are regularly being held smoothly to reduce the communication gap between the top administration and grass root level offices. This nationwide transmission network of BTCL is mostly consists of Optical Fiber with a very few exceptions of radio links, linking some remote Upazilas.

The total length of the underground optical fiber cable in BTCL's Transmission network was around 6,000 km in 2015. BTCL has recently completed several projects through which all districts have been brought under Optical fiber cable network. Bhola is now connected with optical fiber via PGCB optical fiber and with Microwave System. At present, OFC network of BTCL covers 64 Districts, 472 Upazilla and 1216 Unions, providing modern telecommunication facilities and broadband Internet through 35,000 km underground Optical fibers, which is gradually increasing every year.

BTCL has resources like OFC, tower, building, collocations facilities, power, manpower up to upazilla level. Many telecom operators, Government entities use collocation facilities, power, tower, transmission facilities, IIG bandwidth, and Internet facilities up to upazilla level. These are Bangladesh Army, BGB, Bangladesh Police, RAB, NAVY, Bangladesh Bank, DG Health, NBR, Air force, Bangladesh secretariat, DC offices, Robi, GP, Gas fields, Passport offices, SB offices at various immigration point, Finance department, corporate offices, and most of other private operators.

BTCL has a robust and resilience transmission network all over the country. BTCL is connected with SEA ME WE4 at Coxsbazar and SEA ME WE5 at Kuakata and ITC at Benapole. The redundancy of the links has been provisioned through Optical Fiber of the Power Grid Company of Bangladesh. BTCL has the following backhaul capacity to connect with submarine landing stations and ITC cable border point:

Backhaul Capacity from Coxsbazar to Dhaka of SEA ME WE4 is 540Gbps

Backhaul Capacity from Kuakata to Dhaka of SEA ME WE5 is 600Gbps

Backhaul Capacity from Benapole to Dhaka of ITC is 500Gbps

BTCL has developed a reliable redundant transmission network from Dhaka to all 64 districts. The divisional headquarters like Chattogram, Sylhet, Mymensing, Bogura, Khulna, Rajshahi, Rangpur, Barishal are connected with more than 200Gbps and 100Gbps bandwidth.



BTCL is enhancing its transmission capacity which will connect all upazila with 100G DWDM connectivity and all districts with 300G connectivity with each other by 2023. Eight divisional headquarters will be connected with Dhaka with 800G/1000G DWDM ASON network. All upazila will have capacity of multiple 10G and district with 100/200G. It will meet the capacity requirement up to 2030.

IP (Internet Protocol) and Data Network: BTCL has developed a strong IP network covering all districts Upazila headquarters. Using its strong IP network, BTCL is providing Leased Line Internet (LLI) and Virtual Private Network (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 (Asynchronous Digital Subscriber Line) technology in all the district headquarters and in few Upazila headquarters and Growth Centers. BTCL has started optical fiber based GPON (Gigabit Optical Passive Network) service to meet customers increasing bandwidth demand in 22 district headquarters and implementation works in 42 districts have started and expected to be implemented by June 2023. BTCL's GPON customer-base is increasing day-by day.

BTCL is providing Internet services to Government established Union digital center at free of cost and other customers on demand in 1216 Union Parishad. Thus, BTCL is providing significant support to meet the goal of the Government to reach internet to the doorsteps of common people of Bangladesh.

Voice Communication Network: ANS Gateways/IMS of BTCL provides voice communication services throughout the country by landline phones having 784 local fixed phone Exchanges installed at all Districts, Upazila and some Growth Centers. The exchanges are connected by ANS gateway through 6 (six) media gateway (MGW) installed at Dhaka, Chattogram, Khulna, Bogura, Barishal and Sylhet. These are connected to Interconnection Exchange (ICX) through 6(six) media gateway (MGW) installed at six places namely, Sher-e-Bangla Nagar Dhaka), Mohakhali (Dhaka), Chattogram, Khulna, Bogura and Sylhet. The other licensed voice operators e.g., mobile operators and IPTSP operators are also connected to ICX so that inter-operator voice traffic can be easily exchanged. The International Gateway (IGW) for exchanging international call is installed at Mohakhali (Dhaka).

6. Review of Activities and Performance of the Year

Like previous year, in the year 2021-2022 the goal was to increase revenue and improve the image of the company. 2021-2022 was a year of many challenges with prevalence of Covid-19 global pandemic, and global economic recession. Despite the roadblocks, the top management has taken various efforts to reach that goal.



With a view to uphold company's vision "For serving the nation and people", BTCL focused on the nationwide connectivity to ensure the infrastructure necessary for Digital Bangladesh. In 2021 Bangladesh has achieved its goal 'Digital Bangladesh'. BTCL ensures necessary ICT infrastructure and service delivery across the country in this regard. The demand for bandwidth has increased significantly both in private and public sector. BTCL continues its service in this sector. BTCL provides connectivity to various public organizations. For instance, to facilitate the e-health services and telemedicine, BTCL has already connected 400 Upazila Health Complex along with 137 Community Vision centers with necessary fiber connectivity and internet bandwidth. Also, 350 Upazila election commission offices are connected through a secured VPN fiber connectivity provided by BTCL in 2021-2022. Moreover, for national security demands, BTCL is providing telecommunication connectivity to the National Security Agencies and Armed Forces, Bangladesh Police etc. It yields a remarkable growth in selling leased line internet bandwidth as well.

To meet the increased demand of bandwidth of mobile sector, BTCL has extended NTTN (Nationwide Telecommunication Transmission Network) services to all the mobile operators of the country in larger scale in 2021-2022 Fiscal Year. It includes optical fiber connectivity, tower sharing and Internet bandwidth. The total optical fiber lease has raised to 9,000 K.M. to the mobile operators in 2021-2022 FY.

Through these citizen-centric connectivity services, BTCL envisions to be the core backbone provider of Bangladesh. BTCL focused on the upliftment of automation process in service delivery. Under the scope of the project, 'Modernization of Telecommunications Network for Digital Connectivity', Business and Operation Support System (BOSS) has been commissioned. Through this BOSS system, all the network equipment can be configured and monitored centrally as well as the service delivery and customer care facility are handled through the same system. This automation enabled the customer's submission of new connection application, package upgradation, complaints, bill query and bill payment for telephone service at fingertips. In addition, BTCL has launched its prepaid service for telephone and internet in April 2022. Now all the services of BTCL are delivered to the doorstep of the citizen from a single online platform and mobile app. Moreover, a state-of-the-art Network Operation Center is established for efficient maintenance of the services.

BTCL launched web version of 'Alaap', the IP Calling app of BTCL. It is a significant profitable service of BTCL. To celebrate the 50 years of independence remarkably, BTCL launched this app-based IP telephony service "Alaap", inaugurated by Honorable Minister of Posts and Telecommunications Division Mustafa Jabbar on 4th April 2021. It brought a revolutionary strike in the IPTSP service in the country and in first 3 months, 8.53 lakh customers registered to "Alaap", which features the affordable off-net call, free on-net audio call including HD video call facilities.



As part of rebuilding image and establishing communication with the present and prospective subscribers, BTCL's digital marketing endeavor has been scaled up. BTCL's presence in social media like Facebook, YouTube has drawn attention of customers regarding the product and services as well as a media of their views exchange regarding the services. Managing Director, Dr. Md. Rafiqul Matin has performed several Facebook live engaging over 2 Lakh viewers and over 2k comments were addressed with proper care.

Revenue from international voice call: Revenue from international incoming voice call through International Gateway (IGW) has always been the dominant source of total revenue of BTCL. Even during 2021-2022, 31.94% of the total revenue came from IGW revenue.

Revenue Share Payment to BTRC: During this fiscal year, BTCL has paid total Tk. 140.97 crore to Bangladesh Telecommunication Regulatory Commission (BTRC) as share of revenue according to licensing condition for different service.

7. Development Activities

7.1 GoB Financed Projects


7.1.1. The project titled 'Switching and Transmission Network Development for Strengthening Digital Connectivity' project, under implementation process, is aimed at ensuring redundancy in providing modern, powerful, and uninterrupted voice and data services. Project implementation period is from January 2019 to June 2023 and estimated cost is BDT 155.38 crore.

7.1.2. 'Installation of Telecommunications Network at Mirsharai Economic zone in Chattogram' project is under implementation process. 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. Project implementation period is from July 2019 to December 2022 and estimated cost is BDT 61.90 crore.

7.1.3. To strengthen the country's digital connectivity, the implementation of a project named 'BTCL Internet Protocol (IP) Network Development and Expansion' has been started. Under the scope of work of this project, IP Accessories and equipment will be installed at district, upazilla and union level to increase the bandwidth to 300G at District level and to 100G in Upazilla level. Project implementation period is from April 2021 to December 2023 and estimated cost is BDT 945.90 crore.

7.1.4. 'Establishment of Telecommunication Networks in Economic Zones' (Phase I) is under implementation process. Under the scope of work of this project, 5 Economic zones will be connected to BTCL OFC network and will be facilitated with modern telecom services including high speed broadband internet service. Project implementation period is from July 2021 to December 2023 and estimated cost is BDT 95.12 crore.

7.1.5 The project named 'Development of 5G-compliant Optical Fiber Transmission Network of BTCL' is under implementation process. Project implementation period is from April 2022 to March 2025 and estimated cost is BDT 1059.10 crore. Under the scope of work of this project, high quality transmission facilities up to upazilla for easy and reliable access to broadband system will be installed and the



transmission capacity will be increased to 300G at District level and to 100G in Upazilla level.

7.1.6 The project named 'Installation of External Telecommunications Network for Rooppur Nuclear Power Plant' is under implementation process. Project implementation period is from April 2022 to March 2024 and estimated cost is BDT 378.84 crore. Under the project, high-speed dedicated external telecommunication network for the Rooppur nuclear power plant will be installed. Specification have been prepared for the appointment of local consultants under the project.

7.2 Social Obligation Fund (SOF) Financed Projects

7.2.1 "Extending Telecommunication Facilities (Broadband Wi-Fi) to the People of Haor, Baor and Remote Areas" Project (Breaking Digital Divide) is under implementation process. The goal of this project is the expansion of telecommunication technology services in 12800 spots like educational institutions, hat-bazaars, growth centers, union council offices, etc. located in islands and remote areas including Haor-Baor to provide high speed broadband internet services to the people of these places at affordable prices. Project implementation period is from April 2020 to June 2023 and estimated cost is BDT 459.85 crore.

7.3 Foreign Aided Projects

7.3.1 'Modernization of Telecommunication Network for Digital Connectivity' project is under implementation process. Under the scope of work of this project, BTCL IMS (IP Multimedia Subsystem) platform in three places, upgradation of transmission & IP network, access network, BOSS (Business & Operation Subsystem) etc. will be installed. After implementation the people of the country will get modern telecommunication facilities including high speed internet service. Project implementation period is from July 2017 to June 2023 and estimated cost is BDT 3314.94 crore (Project Aid BDT 1817.27 crore + GoB BDT 1497.66 crore).

7.4 BTCL's Own funded Projects

7.4.1 The project named "Construction of Telecom Tower at Tejgaon" is under implementation process. Project implementation period is five years (June 2022 to May 2027), and estimated cost is BDT 1072.16 crore. Appointment of consulting firm of the project is under process.

8. Future Work plan of BTCL

8.1 The PEC meeting of the project "Establishment of Wi-Fi Internet Services in Government Educational and Training Institutes through Optical Fiber Cable Connectivity (2nd Phase)" has been held and determination of mode of financing of the project is under process in the Finance Division. Project implementation period is two years and estimated cost is BDT 90.80 crore. About 445 government colleges/universities and training institutes will be brought under high-speed broadband internet facility under the project.

8.2 Based on the contemporary requirement, a project implementation initiative has been undertaken to transform BTCL's Telecommunication Staff College (TSC) at Gazipur into an International Standard Telecommunication Institute. Consultancy firm will be appointed soon to carry out feasibility study and



related works. Specification preparation for the appointment of consultancy firms has been initiated.

9. Board of Director

The composition of the Board of Directors who held office as on 30 June 2022 was as below:

SL	Name of Directors	Designation	Remark
1.	Mr. Md. Khalilur Rahman	Secretary, Post & Telecommunications Division, Ministry of Post, Telecommunications and Information Technology, Bangladesh Secretariat, Dhaka.	Director & Chairman
2.	Professor Dr. Satya Prasad Majumder	Vice Chancellor, Bangladesh University of Engineering & Technology (BUET), Dhaka.	Director
3.	Mr. Md. Mahbub-ul-Alam	Additional Secretary (Telecom), Post & Telecommunications Division, Ministry of Post, Telecommunications and Information Technology, Bangladesh Secretariat, Dhaka.	Director
4.	Mr. Md. Saidur Rahman	Additional Secretary, Finance Division, Ministry of Finance, Bangladesh Secretariat, Dhaka.	Director
5.	Brig Gen Md. Aminul Haque, SUP, AFWC, PAC	Director, SIB, DGFI (Directorate General of Forces Intelligence.), Dhaka Cantonment, Dhaka.	Director
6.	Mr. Abu Naser	Director, FBCCI, 60 Motijheel C/A, Dhaka-1000.	Director
7.	Mr. Mohammed Forkan Uddin, FCA	Vice President, ICAB, CA Bhaban, 100 Kazi Nazrul Islam Avenue, Dhaka-1215.	Director
8.	Dr. Md. Rafiqul Matin	Managing Director Bangladesh Telecommunications Company Limited.	Director
9.	Mr. Md. Musleh Uddin	Joint Secretary, Post & Telecommunications Division, Ministry of Post, Telecommunications and Information Technology, Bangladesh Secretariat, Dhaka.	Director (Nominee)
10.	Mr. Mashiur Rahman	Director General, Department of Telecommunication (DoT), TTC, Tejgaon, Dhaka.	Director (Nominee)




10. Changes in the Board

During the FY 2021-2022, there were several changes in the Board. Mr. Abu Naser, Director, FBCCI-Dhaka got appointment as a director of BTCL BOD in place of former director, FBCCI-Dhaka, Mr. Sujib Ranjan Dash. Moreover, Mr. Md. Khalilur Rahman, Secretary, PTD joined the board as chairman in place of Mr. Md. Afzal Hossain, former Secretary, PTD in November 2021. In 2022, Mr. Mashiur Rahman, then director general of DoT, got appointed as director of BoD. Brig Gen Md. Aminul Haque, SUP, AFWC, PSC, director DGFI joined the Board in place of Brig. Gen. Mahfuzul Karim Majumder, former director, SIB, DGFI, in April 2022. Mr. Md. Mahbub-ul-Alam joined the Board in place of Mr. Md. Kamruzzaman in April 2022.

11. Directors' Appointment & Re-Appointment

The following Directors of the Board will retire at this Annual General Meeting as per the Articles of Association of the Company. They are, however, eligible for re-appointment:

1. Mr. Md. Saidur Rahman, Director, Board of Directors, BTCL and Additional Secretary (Admin and Coordination), Finance Division.
2. Professor Dr. Satya Prasad Majumder, Director, Board of Directors, BTCL and Vice Chancellor, Bangladesh University of Engineering and Technology.
3. Mr. Mohammed Forkan Uddin, FCA, Director, Board of Directors, BTCL and Vice President, ICAB.

12. Board Meetings

Total 13 (Thirteen) board meetings were held during 2021-2022, where about 142 agendas 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 13th AGM of the Shareholders of the Company was held on 28th November 2021.

13. Appointment of Auditors

As per the Companies Act 1994 and the Articles of Association of BTCL, the statutory auditors of the Company, M/S Masih Muhit Haque & Co., Chartered Accountants, has been selected through tendering process. The Board recommends their appointment for the year 2022-2023 at the fee of BDT 4,95,000 (except VAT).

14. Statement of Profit or Loss and Other Comprehensive Income



During the FY 2021 – 2022 ended on 30 June 2022, the Company has registered gross revenue of Tk. 763.39 crore from operating its activities, which was Tk. 677.50 crore at the FY 2020-2021. A brief result is shown hereunder:

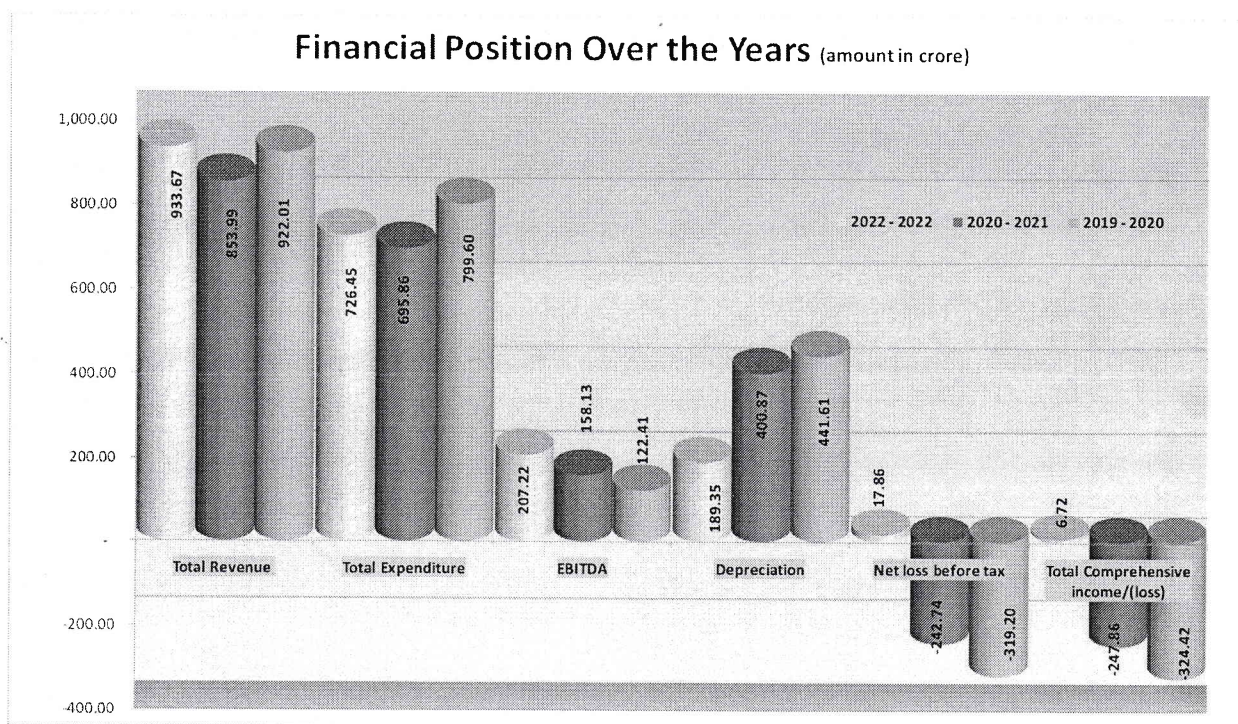
Particulars	30 June, 2022	30 June, 2021
Revenue	763,38,85,795	6,77,50,43,337
Non-operating income	170,27,94,442	1,76,48,71,229
Total Revenue	933,66,80,237	8,53,99,14,566
Cost of services	285,30,74,786	2,51,85,16,469
Administrative expenses	411,21,51,443	4,13,65,81,725
Repairs and Maintenance	27,49,48,822	29,80,99,582
Bank Charges	1,49,37,523	53,78,945
WPPF	94,01,327	
Total Expenditure	726,45,13,901	6,95,85,76,719
EBITDA	207,21,66,335	1,58,13,37,847
Less: Depreciation	(189,35,41,113)	(4,00,87,21,866)
Net Profit/(Loss) Before Tax	17,86,25,222	(2,42,73,84,019)
Less: Income tax expense	(11,14,36,089)	(5,12,39,487)
Net profit/(Loss) After Tax	6,71,89,133	(2,47,86,23,506)
Capital gain realized/Unrealized (loss) from investment in shares	-	-
Total comprehensive income/(loss)	6,71,89,133	(2,47,86,23,506)

Major items of expenses include direct operating costs and Depreciation on Assets which were Tk. 726.45 Crore and Tk. 189.35 Crore respectively. General network operation expenses and Asset procurement cost remained in proportion to the installation of new capital machineries.




Although there is an unfair competition in the national and international business, but BTCL achieved positive EBITDA (earnings before Interest, Tax, Depreciation, and amortization) to Tk.207.22 crore in the financial year 2021-2022 from Tk. 158.13 crore of the previous year.

The books of accounts show a net profit before Tax amounting Tk. 17.86 crore. But due to income tax (including deferred tax) provision on gross revenue, profit or loss and other comprehensive income statement shows a reduced profit figure of Tk. 6.72 crore. Net profit would be attained/increased in the next years if the planned investment (short terms and long terms) can be arranged in due time.



Fairness of the Accounting Polices

It is the responsibility of the Directors as per the provisions of the Companies Act 1994, to prepare financial statements for each year. The financial statements and other financial information included in this report fairly present all material aspects, the financial condition, results of operations, cash flows and the changes in equity of the Company for the year under review.




The Company has used appropriate accounting policies in preparation of these financial statements supported by reasonable and prudent judgment and assumptions as necessary. International Financial Reporting Standards (IFRS), as applicable in Bangladesh has been followed in preparation of these financial statements in compliance to the relevant accounting principles.

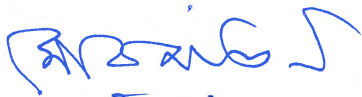
15. Conclusion

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 Posts 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:



Dr. Md. Rafiqul Matin
Managing Director, BTCL
&
Director, Board of Directors



Brig. Gen Md. Aminul Haque
SUP, afwc, pac
Director, Board of Directors
BTCL