

Financial Analysis of Teletalk Bangladesh Ltd

Annual Report (FY2023-25) from
Accounting101 Perspective



teletalk
আমাদর ফ্রন্ট

টেলিটক বাংলাদেশ লিমিটেড
একটি রাষ্ট্রীয় মালিকানাধীন মোবাইল নেটওয়ার্ক অপারেটর
TELETALK BANGLADESH LIMITED
A STATE-OWNED MOBILE NETWORK OPERATOR

Financial Analysis of Teletalk Bangladesh Ltd Annual Report
(FY2023-25) from Accounting101 Perspective

ACT101 (11)

Prepared for

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Lecture

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02 December 2025

Letter of Transmittal

Fairose Farin

Lecture

Department of Business Administration
East West University
Aftabnagar, Dhaka-1212, Bangladesh

Subject: Submission of Term Paper on “Financial Analysis of Teletalk Bangladesh Limited (FY 2023-24 & FY 2024-25)”

Dear Ma'am,

I'm sending in our term paper for ACT101. The topic is ***Financial Analysis of Teletalk Bangladesh Limited (FY 2023–24 and FY 2024–25)***. My group and I worked with the audited financial statements that Teletalk published and used them to understand how the company has been doing over the last two years.

We tried to follow the way you explained things in class, especially when comparing year-to-year changes. Most of what we wrote came from discussions among the group and what we understood from the numbers. If anything looks confusing or unclear, we're ready to explain how we reached it.

Thank you for giving us this topic. It helped us understand accounting in a more practical way.

Sincerely,

Abrar Khatib Lajim

ID:2022-3-60-043

On behalf of the Group

Acknowledgement

We want to thank our instructor, **Fairose Farin**, for guiding us throughout this work. The explanations in class helped a lot when we were trying to interpret the statements.

We also want to thank everyone in the group. Each person helped in some part whether it was reading through the financial statements, checking the numbers, or editing the writing. The project came together because everyone stayed involved, even when it felt slow sometimes.

Executive Summary

In this report, we looked at Teletalk Bangladesh Limited's financial statements for two years. We mainly focused on the basic things how much the company earned, how much it spent, and how its assets and liabilities changed.

We noticed small improvements in revenue and a slightly smaller loss, but the bigger problems are still there. Teletalk still shows negative equity, and its liabilities keep going up. Some issues that the auditors pointed out in earlier years are still unresolved.

Another noticeable thing is that a good amount of Teletalk's income doesn't come from telecom services but from temporarily holding utility payments. That helps the numbers, but it doesn't show stronger performance from the actual business.

The report ends with a few suggestions that might help the company improve financially and operationally.

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1.0 Introduction

This report looks at how Teletalk Bangladesh Limited performed during the 2023–24 and 2024–25 fiscal years. The idea was to go through the company's audited accounts and see what changed in its revenue, expenses, assets, and liabilities, and what those changes say about the company's overall condition. Since this was written for ACT-101 at East West University, the focus stays on basic interpretation rather than any advanced analysis.

1.1 Origin of the Report

The report was prepared for ACT-101 under lecturer **Fairoze Farin**. Each student had to pick an actual organization and analyze its audited financial documents. Teletalk was selected because its statements were publicly accessible and it faces a mix of operational and regulatory issues that make the numbers easier to discuss.

1.2 Objectives of the Study

The main aim is to read Teletalk's financial statements in a structured way and explain what they show. A few specific things were looked at:

- how the two years compare
- shifts in income and spending
- any noticeable changes in performance
- what the auditors pointed out
- where the company seems to be struggling

1.3 Scope of the Study

All information came directly from Teletalk's audited financial statements for the two years. Only four sections were used:

- Income Statement
- Statement of Financial Position
- Statement of Retained Earnings
- Notes to the Financial Statements

No internal documents or unofficial sources were included.

1.4 Limitations of the Study

There were a few obvious limits. Only two years of data were available, so long-term trends weren't possible. Everything relied on publicly released statements, which don't show internal details. Some figures had to be shortened to meet course requirements. And the auditors raised several compliance issues that suggest the numbers don't always reflect the full reality of operations.

1.5 Methodology

Data was taken straight from the audited statements for FY 2023–24 and 2024–25. The approach was simple: compare the two years, look at a few key ratios, note any trends, and explain what they appear to mean. Since this is an introductory accounting course, no advanced models or forecasting methods were used.

Documents were analyzed using:

- ❖ Ratio comparisons
- ❖ Year-on-year analysis
- ❖ Narrative interpretation
- ❖ Trend observations

The study focuses on qualitative financial interpretation, appropriate for ACT-101, without applying advanced model techniques.

2.0 Company Overview

Teletalk Bangladesh Limited is the only mobile operator the government owns, and honestly, that shapes most of its situation. The company handles the usual network stuff of 2G, 3G, and 4G and keeps mentioning 5G plans, though anyone following the news knows those plans haven't moved as quickly as expected. Teletalk has an important public role, but the company still deals with financial pressure, weak coverage in some areas, and competitors that operate with far more resources.

2.1 Regulatory Ecosystem and Compliance Framework

Everything Teletalk does falls under the BTRC's rules. Being state-owned softens some penalties, but it doesn't prevent the audit issues that keep showing up. A lot of those notes repeat across years, which makes it feel like deeper problems never get fully resolved.

2.1.1 Unified Licensing Framework and the Fee Waiver Issue

The government rolled out a new unified licensing system in 2024. Under this system, operators are supposed to pay BDT 100 million a year. Teletalk has all the major licenses, including 5G, but the company hasn't paid its fees for a while. The FY25 notes show unpaid fees adding up to roughly BDT 800 million.

Management usually argues that state-owned operators in other countries don't always pay these fees, so they expect a similar exemption. Because of that assumption, the unpaid amount wasn't recorded as a liability.

Even if Teletalk doesn't record it, the unpaid fee exists. If the Ministry of Finance or BTRC wants to collect it, especially during a push for more non-tax revenue, Teletalk's equity would fall by almost a billion taka. That kind of hit would be difficult for the company to absorb.

2.1.2 Audit Disputes and Sector-wide Dynamics

Audit disputes are common across the entire telecom industry. **Grameenphone** and **Robi** both dealt with huge audit claims, and arguments with the regulator slowed down parts of their operations. Teletalk doesn't deal with the same public pressure, but that doesn't mean its audits are clean. The FY24 Director's Report still lists several objections from the CAG. Those don't disappear simply because the company is government-owned

2.1.3 Infrastructure Sharing Regulations

The government wants operators to share infrastructure to cut costs across the sector. In theory, Teletalk could benefit from this, but many of its sites have maintenance problems and unreliable backup systems. Coverage also drops in rural areas more often than it should. Because of that, other operators aren't always eager to share infrastructure with Teletalk even if the rules encourage it. However, actual progress remains slow due to:

- Poor maintenance of existing infrastructure
- Inadequate power backup systems
- Reduced reliability in rural areas

These issues limit Teletalk's attractiveness as a sharing partner.

2.1.4 Biometric SIM Verification and Registration Compliance

The biometric SIM cleanup continued across the country in 2025. Teletalk disconnected unverified SIMs and lost around 20,000 users in the process. This helps clean up the database, but it also means fewer active customers, something Teletalk can't afford to lose lightly.

3.0 Operational Performance

Teletalk entered FY 2024–25 with several big goals related to modernization. The 5G rollout was supposed to be the highlight, along with upgrades in rural areas. These didn't go as planned. Most of the delays came from procurement issues, disagreements between government bodies, and financial strain that was already visible.

3.1 The 5G Rollout

The project titled “Commercial Launch of 5G Technology on Teletalk’s Network in Dhaka Metropolitan Area” was supposed to be one of the company’s biggest steps forward. It was tied to another plan focused on rural expansion, so the expectations around it were pretty high. The total project size is around BDT 22 billion, mainly for building about 3,000 base stations. Most of these stations were meant to run 4G right away, with room to switch to 5G later on

The money came from two sources: part of it from the government as equity, and the rest from concessional external loans provided by China’s GCL. The timeline didn’t work out as planned, though. The project first aimed for completion in June 2023, then it got pushed to June 2025. Even with the extension, progress hasn’t matched the original targets. By April 2025, roughly BDT 10.08 billion had already been spent, but most of that went toward civil works instead of the equipment that would actually make the network operational.

Things slowed down even more after January 2025. The Tender Evaluation Committee decided that the bids recommended by the Chinese side were “technically non-responsive,” which created a bigger disagreement than expected. The CPTU and the Economic Relations Division couldn’t agree on whether to retender with the same firms or invite new companies. The second option risked violating the loan agreement, so both sides became stuck in the argument. Because of this, the entire project was paused, and the funds already spent piled up under Capital Work-in-Progress. By then, CWIP reached BDT 12.8 billion money tied up in unfinished assets that don’t generate any return.

3.2 Subscriber Base and Market Relevance

Teletalk’s subscribers haven’t changed much in recent years. By June 2025, the company reported 6.59 million active users, which is barely an increase from 6.56 million the year before. The network can support around 12.4 million users, so a large portion of its capacity stays unused. Running a telecom network at roughly half its capacity is expensive because the big costs like electricity bills, transmission, and workforce don’t drop when fewer people use the network.

There’s another complication. A good number of Teletalk SIMs are used mainly for one-time purposes like government exam applications through Telecharge/VAS. These users show up in the subscriber count but don’t bring in regular monthly revenue. As a result, the subscriber figure looks healthier than the revenue behind it.

3.3 Network Quality and Energy Constraints

Teletalk's network outside the major cities still struggles with power problems. Most sites depend on electricity from the Rural Electrification Board. Whenever load shedding gets worse, many towers switch to diesel generators, which drives up fuel costs. This became harder to manage in FY25 because fuel and lubricant prices increased after global markets shifted, and domestic subsidies were reduced.

Toward the end of 2024, the company approved a BDT 50 crore project to add battery backup systems at around 1,000 sites. Even though the project sounded promising, the rollout has been slow. Because of that, network quality in many rural areas remains almost the same as before

4.0 Financial Statement Forensics: Profit & Loss

Teletalk's Income Statement for FY 2024–25 shows the company is still not profitable from its main operations. The core telecom business continues to run at a loss. What keeps the company functioning is income from other sources that don't come directly from mobile services. This pattern has continued for a few years now.

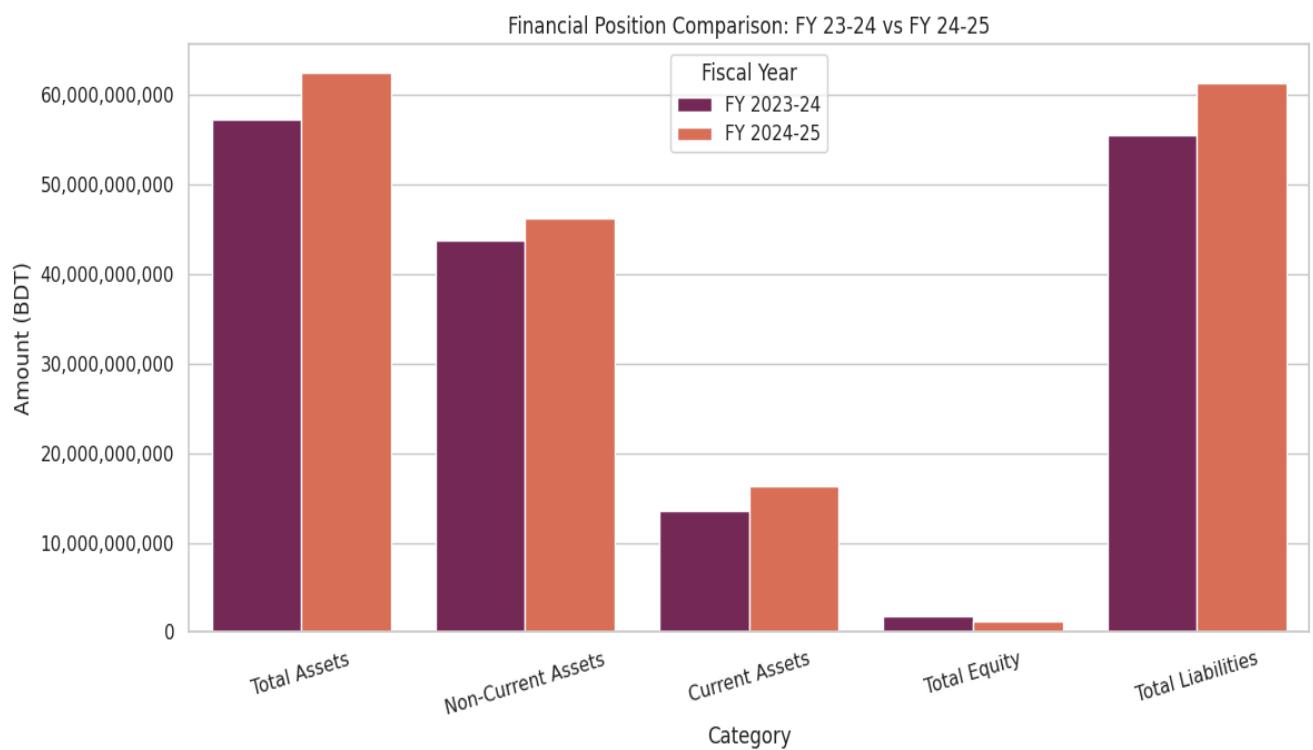


Figure 1: Financial Position Comparison

The Statement of Financial Position and the Statement of Profit or Loss and Other Comprehensive Income have been included Below:

Teletalk Bangladesh Limited
Statement of Financial Position

As at 30 June 2024

Particular	Notes	Amount in Taka	
		30 June 2024	30 June 2023
Non-Current Assets			
Property plant and equipment	4	26,553,618,224	29,104,664,697
Capital work-in-progress	5	8,976,257,323	86,855,087
Intangible assets	6	355,986,161	398,305,204
Deferred tax Assets	7	7,837,156,545	6,445,810,193
Total non-current assets		43,723,018,253	36,035,635,181
Current assets			
Inventories	8	45,161,002	50,991,106
Sundry debtors	9	1,207,339,273	1,044,813,940
Advances, deposits and prepayments	10	2,225,283,945	4,290,946,286
Advance income tax	11	1,312,620,599	1,019,158,150
Accrued interest against fixed deposit receipts		18,246,575	9,967,317
Cash and cash equivalents	12	8,756,712,200	2,999,916,111
Total current assets		13,565,363,594	9,415,792,911
Total Assets		57,288,381,847	45,451,428,092
Shareholders' equity			
Share capital	13	13,116,008,890	13,116,008,890
Retained earnings	14	(15,168,644,740)	(13,369,754,568)
Share money deposit	15	3,796,494,812	1,400,608,926
Total Shareholders' equity		1,743,858,962	1,146,863,248
Non-Current liabilities			
Loan from GoB	16	29,020,870,922	25,427,042,092
Grant from GoB	17	4,865,309,770	3,432,536,967
Deposits from subscribers, dealers and agents	18	185,423,002	185,085,907
Gratuity Fund	19	15,058,686	25,709,650
Long term Loan from Bank	20	1,571,773,335	989,053,522
Total Non-Current liabilities		35,658,435,715	30,059,428,137
Current liabilities and Provisions			
Short term Loan from Bank	21	145,942,293	635,236,899
Payable to BTTC	22	1,798,851,201	1,343,670,742
Provision for income tax	23	903,508,555	790,892,182
Security deposits from suppliers		81,025,679	98,776,540
Payable to BoT		91,800	-
Unearned revenue	24	3,446,445,578	1,078,402,152
Sundry creditors	25	13,510,222,064	10,298,158,192
Total Current Liabilities		19,886,087,170	14,245,136,708
Total Shareholders' Equity & Liabilities		57,288,381,847	45,451,428,092

Teletalk Bangladesh Limited
Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

Particulars	Notes	Amount in Taka	
		30 June 2024	30 June 2023
Revenue			
Network revenue	26	4,214,225,732	4,057,139,865
Hardware revenue	27	123,000,637	109,478,757
VAS revenue	28	908,219,468	853,498,149
Total Revenue		5,245,445,837	5,020,116,771
Direct Operating expenses			
Direct cost of network revenue	29	1,022,718,900	1,023,772,525
Direct cost of hardware revenue	30	182,693,248	191,482,868
Direct cost for VAS revenue	31	167,899,121	207,597,562
Less: Direct Operating expenses		1,373,311,269	1,422,852,955
Gross profit		3,872,134,568	3,597,263,816
Less: Other operating expenses			
Network operation and maintenance expenses	32	3,285,456,551	3,539,232,290
General and administrative expenses	33	974,089,342	974,225,702
Selling and distribution expenses	34	226,000,492	234,115,640
Depreciation and amortization	35	2,557,049,898	2,614,968,191
Less: Other operating expenses		7,042,596,283	7,362,541,823
Operating Profit / (Loss)		(3,170,461,715)	(3,765,278,007)
Add: Non-operating income			
	36	239,223,213	162,124,676
Less: Non-operating Expenses			
	37	146,381,649	98,530,655
Net profit/(Loss) before Tax		92,841,564	63,594,021
Less: Income tax expense / (income)			
Current tax	38	112,616,373	105,973,641
Deferred tax Expense / (Income)	7	(1,391,346,352)	(1,837,973,804)
Net Profit/(loss) after tax		(1,798,890,172)	(1,969,683,823)
Earnings per share of Taka 10.00 each	39	(1.37)	(1.50)

Teletalk Bangladesh Limited
Statement of Financial Position

As at 30 June 2025

Particular	Notes	Amount in Taka	
		30 June 2025	30 June 2024
Non-Current Assets			
Property plant and equipment	4	24,079,712,819	26,553,618,224
Capital work-in-progress	5	12,794,582,146	8,976,257,323
Intangible assets	6	287,539,701	355,986,161
Deferred tax Assets	7	9,028,904,495	7,837,156,545
Total non-current assets		46,190,739,161	43,723,018,253
Current assets			
Inventories	8	56,667,465	45,161,002
Sundry debtors	9	1,264,006,216	1,207,339,273
Advances, deposits and prepayments	10	2,179,370,533	2,225,283,945
Advance income tax	11	683,674,377	1,312,620,599
Accrued interest against fixed deposit receipts	12	22,723,374	18,246,575
Cash and cash equivalents		12,101,795,085	8,756,712,200
Total current assets		16,308,237,050	13,565,363,594
Total Assets		62,498,976,211	57,288,381,847
Shareholders' equity			
Share capital	13	13,116,008,890	13,116,008,890
Accumulated loss	14	(16,749,005,195)	(15,168,644,740)
Share money deposit	15	4,882,573,755	3,796,494,812
Total Shareholders' equity		1,249,577,450	1,743,858,962
Non-Current liabilities			
Loan from GoB	16	31,064,135,477	29,020,870,922
Grant from GoB	17	5,510,041,085	4,865,309,770
Deposits from subscribers, dealers and agents	18	185,133,512	185,423,002
Gratuity Fund	19	15,058,686	15,058,686
Long term Loan from Bank	20	1,133,365,067	1,571,773,335
Total Non-Current liabilities		37,907,733,828	35,658,435,715
Current liabilities and Provisions			
Short term Loan from Bank	21	407,246,853	145,942,293
Payable to BTTC	22	2,300,222,073	1,798,851,201
Provision for income tax	23	132,323,180	903,508,555
Security deposits from suppliers		85,862,417	81,025,679
Payable to BoT		91,800	91,800
Unearned revenue	24	15,108,651,990	3,446,445,578
Sundry creditors	25	5,307,266,620	13,510,222,064
Total Current Liabilities		23,341,664,933	19,886,087,170
Total Shareholders' Equity & Liabilities		62,498,976,211	57,288,381,847

Teletalk Bangladesh Limited
Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2025

Particulars	Notes	Amount in Taka	
		30 June 2025	30 June 2024
Gross Revenue			
Network revenue	26	5,745,248,732	5,408,819,215
Hardware revenue	27	477,350,515	286,302,151
VAS revenue	28	1,055,378,637	995,343,488
Total Gross Revenue		7,277,977,885	6,690,464,854
VAT, SD & SC on Revenue			
Network revenue	29	1,448,662,146	1,194,593,484
Hardware revenue	30	233,903,505	163,301,514
VAS revenue	31	125,939,427	87,124,020
Total VAT, SD & SC		1,808,505,078	1,445,019,017
Revenue			
Network revenue	26	4,296,586,586	4,214,225,732
Hardware revenue	27	243,447,010	123,000,637
VAS revenue	28	929,439,210	908,219,468
Total Revenue		5,469,472,806	5,245,445,837
Direct Operating expenses			
Direct cost of network revenue	29	1,073,963,082	1,022,718,900
Direct cost of hardware revenue	30	241,410,575	182,693,248
Direct cost for VAS revenue	31	140,333,189	167,899,121
Less: Direct Operating expenses		1,455,706,846	1,373,311,269
Gross profit		4,013,765,960	3,872,134,568
Less: Other operating expenses			
Network operation and maintenance expenses	32	3,543,855,778	3,285,456,551
General and administrative expenses	33	955,584,212	974,089,342
Selling and distribution expenses	34	235,170,323	226,000,492
Depreciation and amortization	35	2,261,098,516	2,557,049,898
Total other operating expenses		6,995,708,829	7,042,596,283
Operating Profit / (Loss)		(2,981,942,869)	(3,170,461,715)
Earning Before Interest Tax Depreciation and Amortisation		(597,006,942)	(613,151,649)
Add: Non-operating income			
	36	528,461,519	239,223,213
Less: Non-operating Expenses			
	37	165,163,198	146,381,649
Net Non-operating income (Expenses)		363,298,321	92,841,564
Net profit/(Loss) before Tax		(2,618,644,548)	(3,077,620,151)
Less: Income tax expense / (income)			
Current tax	38	123,077,080	112,616,373
Deferred tax Expense / (Income)	7	(1,191,747,950)	(1,391,346,352)
Net Profit/(loss) after tax		(1,549,973,678)	(1,798,890,172)
Earnings per share of Taka 10.00 each	39	(1.18)	(1.37)

The annexed notes form an integral part of these financial statements

14

Managing Director

Director

Director

General Manager (F&A)

4.1 Comparative Income Statement Analysis

Line Item	FY 2024-25(BDT)	FY 2023-24(BDT)	Change %	Analysis
Network Revenue	4,296,586,586	4,214,225,732	+1.95%	Stagnant core business; fails to keep pace with inflation (~9%)
Hardware Revenue	243,447,010	123,000,637	+97.92%	Surge in SIM sales likely due to recruitment drives. Low margin
VAS Revenue	929,439,210	908,219,468	+2.34%	Recruitment application fees and utility bill commissions
Total Revenue	5,469,472,806	5,245,445,837	+4.27%	Overall growth is anaemic and below industry average
Direct Expenses	(1,455,706,846)	(1,373,311,269)	+6.00%	Rising interconnection and spectrum charges.
Gross Profit	4,013,765,960	3,872,134,568	+3.66%	Gross Margin: ~73%. Healthy, but eroded by Opex
Network O&M	(3,543,855,778)	(3,285,456,551)	+7.86%	Electricity and fuel cost shock
Admin Expenses	(955,584,212)	(974,089,342)	-1.90%	Slight austerity impact visible.
Depreciation	(2,261,098,516)	(2,557,049,898)	-11.57%	Red Flag: Aging asset base not being replaced.
Operating Loss	(2,981,942,869)	(3,170,461,715)	+5.95%	Core operations bleed ~BDT 3 billion annually
Non-Operating Income	528,461,519	239,223,213	+120.91%	Interest income from TBPS float (discussed below)
Net Loss After Tax	(1,549,973,678)	(1,798,890,172)	+13.84%	Loss reduced slightly due to tax credits and interest income

4.2 Revenue Quality: Heavy Reliance on VAS

Teletalk's revenue structure still looks weaker than what private operators usually report. One thing that stands out is how much the company depends on **Value Added Services**. Around 17% of Teletalk's earnings come from VAS, but it's not the usual caller tunes or entertainment bundles that other operators focus on. In Teletalk's case, a big part of it comes from processing government job applications and handling payments for utility bills.

The income from job-related services wasn't stable either. In FY25, VAT was added to government job application fees. That made the application cost higher for candidates, but on Teletalk's side, the flow of transactions actually increased. Since Teletalk takes a 10% commission from these payments, the company earned more even though this income had little to do with telecom performance. It depends completely on how often the government opens new recruitment cycles, which makes it unpredictable.

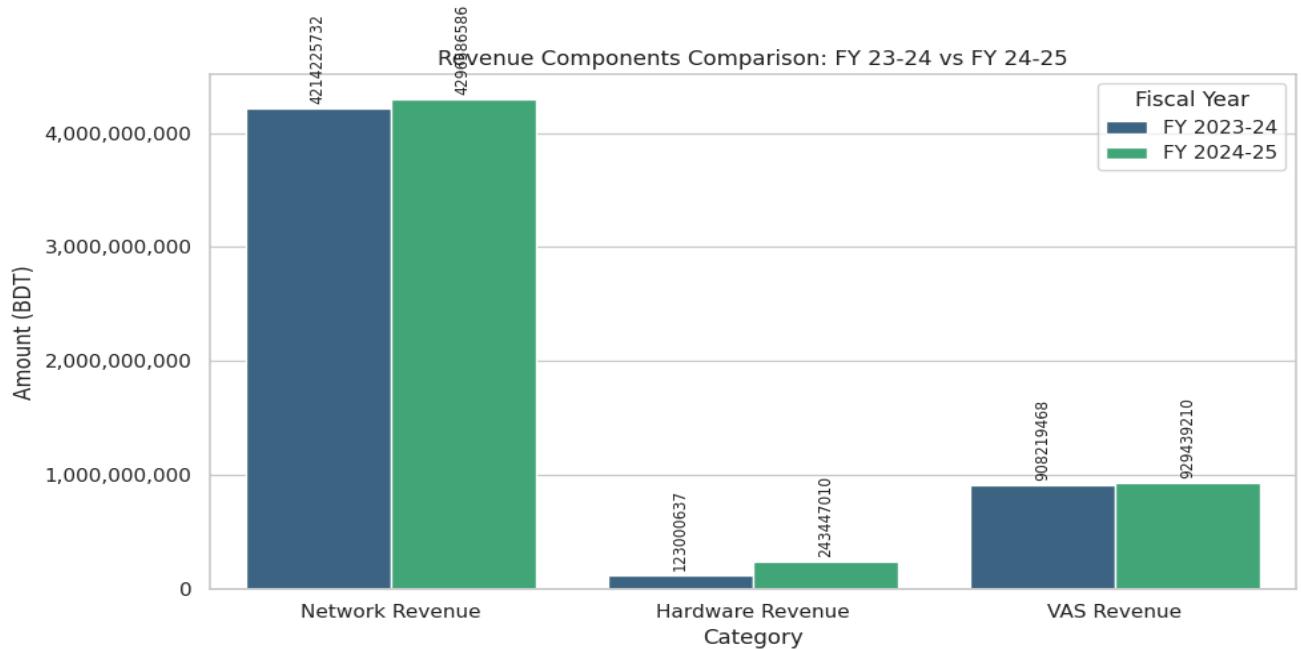


Figure 2: Revenue Components Comparison

4.3 The Anomaly in “Non-Operating Income”

The jump in Non-Operating Income this year is hard to miss. It grew by about 121%, reaching BDT 528 million. Almost the entire increase came from interest earned on Short-Term Deposits.

Here's how that works. Teletalk collects electricity payments (TBPS) from millions of rural households. Instead of sending the money straight to the REB, the company keeps the funds in bank accounts for a short period. While the money sits there, it earns interest. This essentially turns Teletalk into something that looks like a small non-bank financial institution, even though that's not its actual role. The extra income helps cover losses from the main

telecom business. The problem is that this approach isn't sustainable. If the government decides that these settlements must happen instantly say, through the central bank's NPSB system this entire revenue source would disappear immediately.

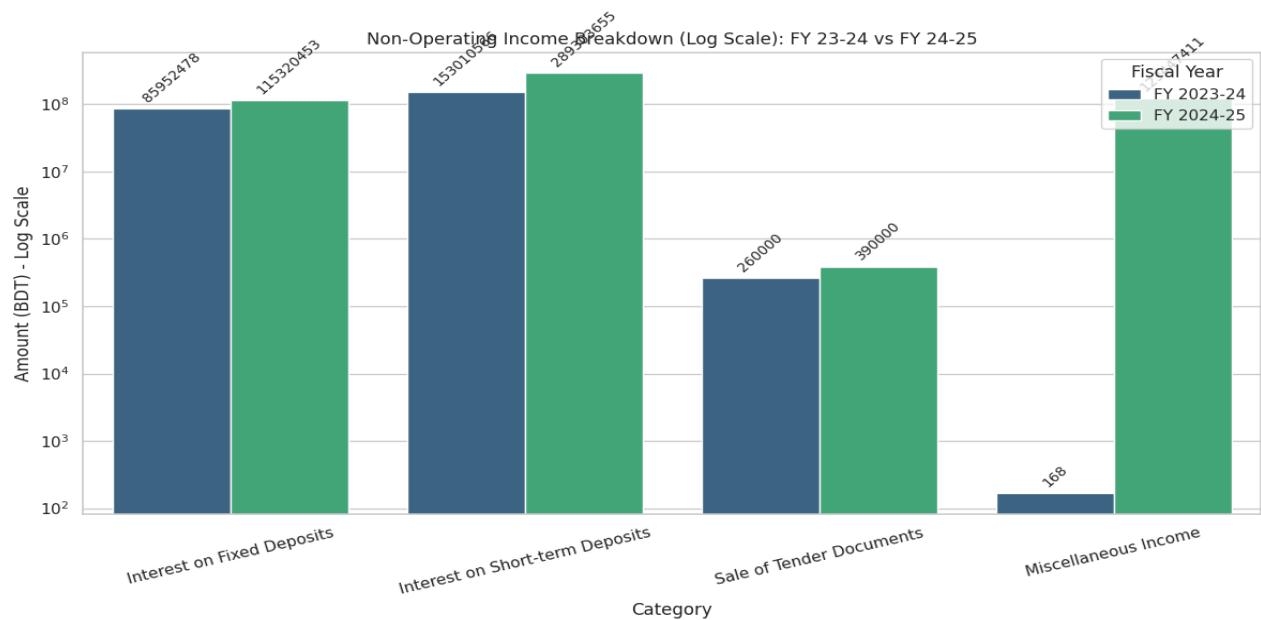


Figure 3: Non-Operating Income Breakdown

4.4 Structural Cost Challenges

One of Teletalk's biggest cost issues comes from network operations. Operation and Maintenance expenses rose by about 7.86% in FY25. Energy shortages across the country and several hikes in bulk electricity tariffs pushed the cost up. Private operators have tried to deal with this by using solar-hybrid systems in many sites, but Teletalk still runs older infrastructure that uses more power.

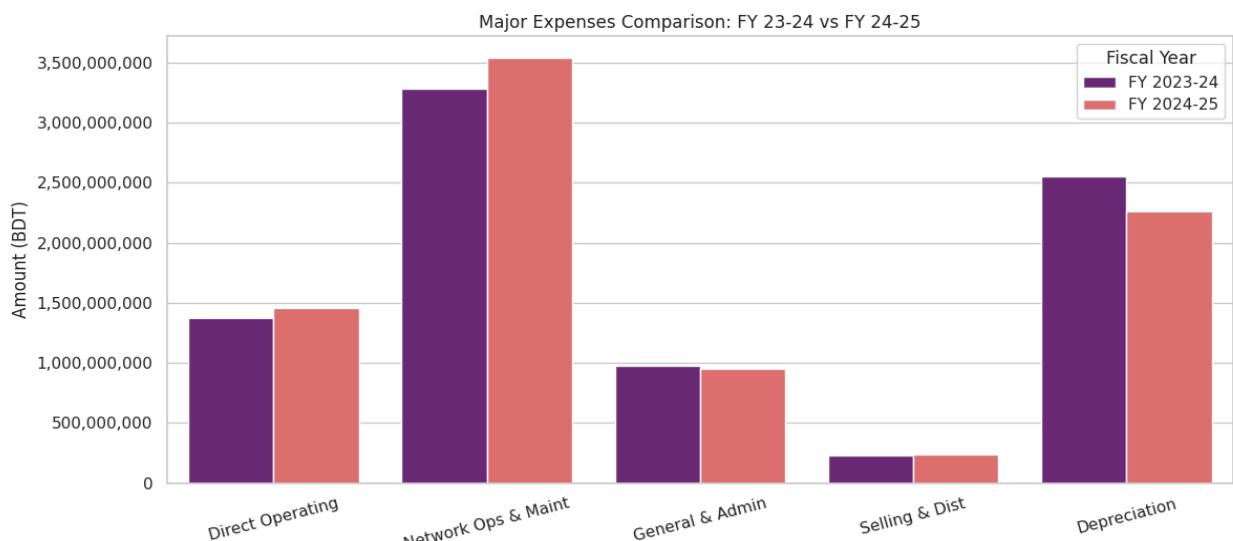


Figure 4: Major Expenses Comparison

Depreciation went down by 11.57%, which might look positive at first, but it's actually the opposite. It shows that the company's assets are aging. Many of the older assets are fully depreciated but still in use. Meanwhile, most of the new investments are stuck in CWIP, so they're not being depreciated yet. If the 5G-related assets were fully operational, depreciation would increase sharply, and that would make the net loss even larger.

5.0 Balance Sheet Forensics

The Statement of Financial Position as of 30 June 2025 shows a company that, under normal commercial terms, would be considered insolvent. The numbers don't support a financially stable operation.

5.1 The Asset Side: "Paper" Assets vs. Real Value

Asset Class	FY 2025 (BDT)	Analysis
PPE	24.08 Billion	Decreased by BDT 2.5 billion. The asset base is shrinking due to lack of capitalization.
CWIP	12.79 Billion	Critical Risk. Increased by BDT 3.8 billion. This represents the stalled 5G project. These are "dead" assets absorbing capital cost but yielding no return.
Deferred Tax	9.03 Billion	Fictitious Asset. Auditors flag this as unrecoverable. Recognizing tax assets when there is no taxable profit is a violation of IAS 12 used to prop up the balance sheet.
Cash & Equiv.	12.10 Billion	Misleading. This cash largely belongs to utility providers (see Liability side).

5.2 Liability Structure: Leverage Behind Teletalk's Liquidity

Unearned Revenue (TBPS Float)

- FY24: BDT 3.45 billion
- FY25: BDT 15.11 billion

This jump around 338% says a lot about how Teletalk manages its liquidity. By slowing down payments to REB and other utility providers, the company effectively uses their money as an interest-free loan. In FY25 alone, that worked out to more than BDT 11.6 billion. The risk is huge. If the Ministry of Power decides they want the money immediately, Teletalk's cash situation would collapse overnight. **Government Loans (IAS 21 Issue):** The reported loan balance stands at BDT 31.06 billion. But according to audit remarks, the China Exim Bank loan alone is understated by around BDT 6.5 billion because older exchange rates were used.

Once the proper forex adjustments are added, Teletalk's long-term debt comes closer to BDT 38 billion, which is far higher than what the accounts show.

5.3 Equity Position: Solvency Masked by Accounting Treatment

Teletalk's accumulated loss is BDT (16.75) billion. That's already higher than the paid-up capital of BDT 13.12 billion. In technical terms, the company has a negative net worth.

The only reason the equity section doesn't show a deeper deficit is the BDT 4.88 billion listed as "Share Money Deposit" government project funds that haven't yet been converted into capital. Without this temporary buffer, Teletalk would already meet the definition of insolvency in standard accounting practice.

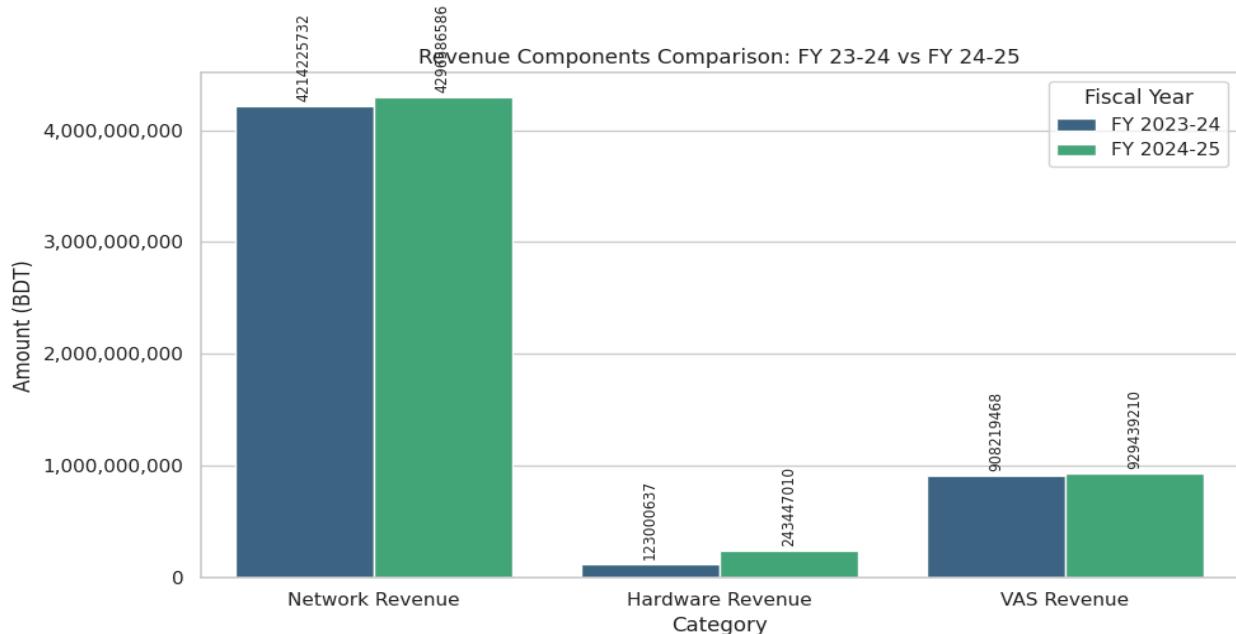


Figure 5: Revenue Components Comparison

5.4 Inter-SOE Debt Entanglement

The balance sheet also shows unresolved amounts with several state-owned entities.

- A mismatch of about BDT 4.76 billion exists between what Teletalk says it owes BTCL and what BTCL says it should receive.
- Teletalk owes BTRC around BDT 2.30 billion, and the number keeps growing.

These unresolved balances weaken Teletalk's financial clarity and complicate audits every year.

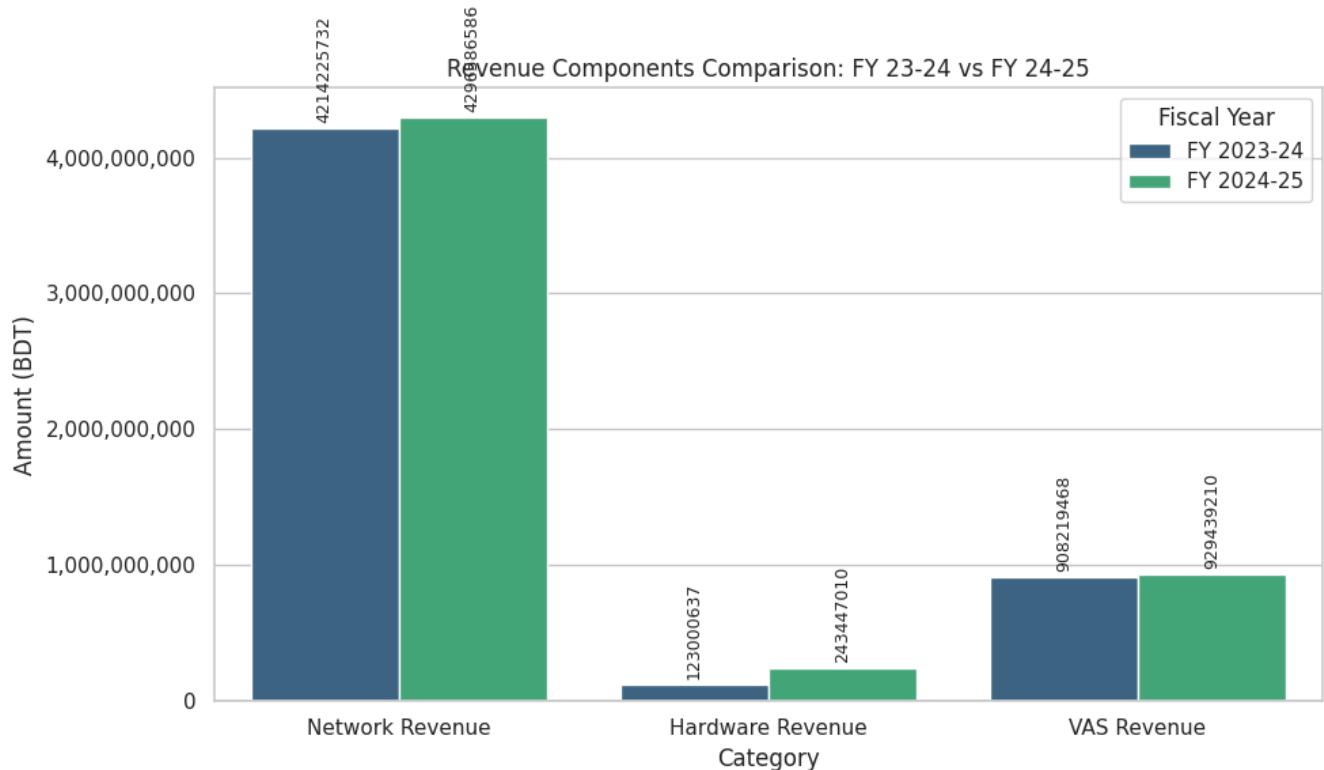
6.0 Findings

Some of the main findings from the analysis are:

- Revenue grew slightly but still lags behind industry averages
- Losses reduced, though Teletalk remains unprofitable
- Asset levels increased mainly because of CWIP related to stalled projects
- Liabilities continue to rise and remain extremely high
- Equity stays negative
- Auditors highlighted serious compliance and reporting issues

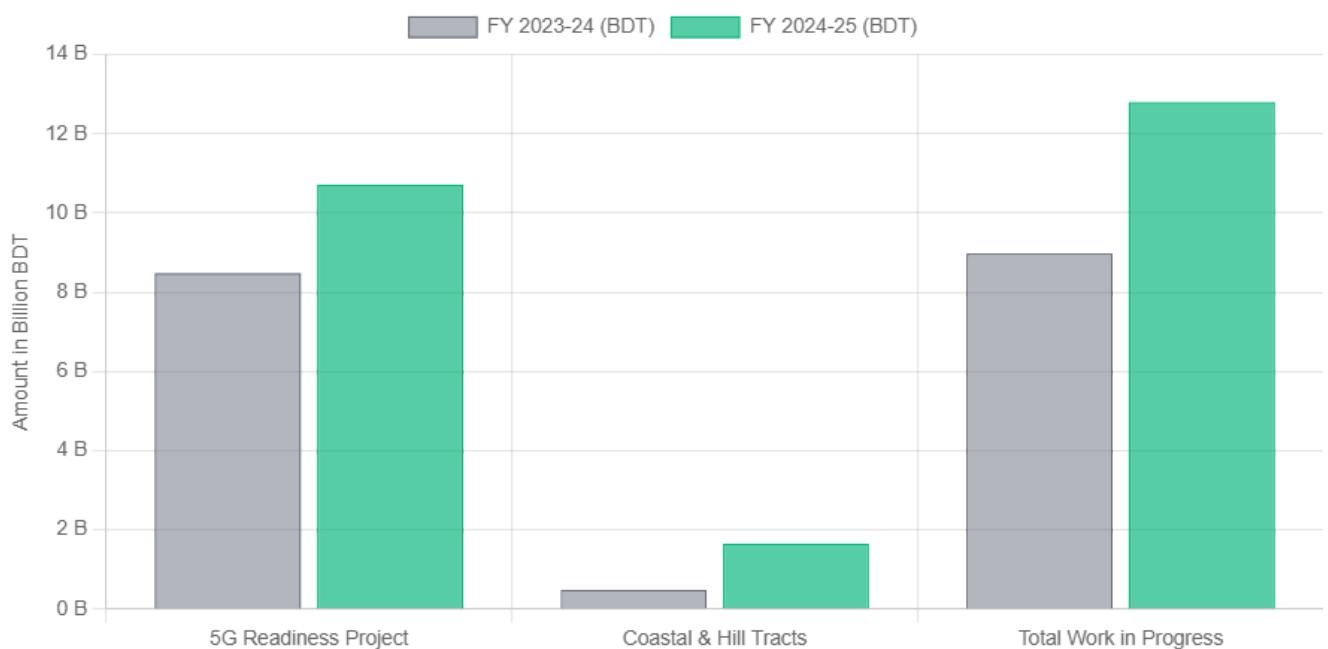
6.1 Comparison of Fiscal Year 2023-24 vs. 2024-25





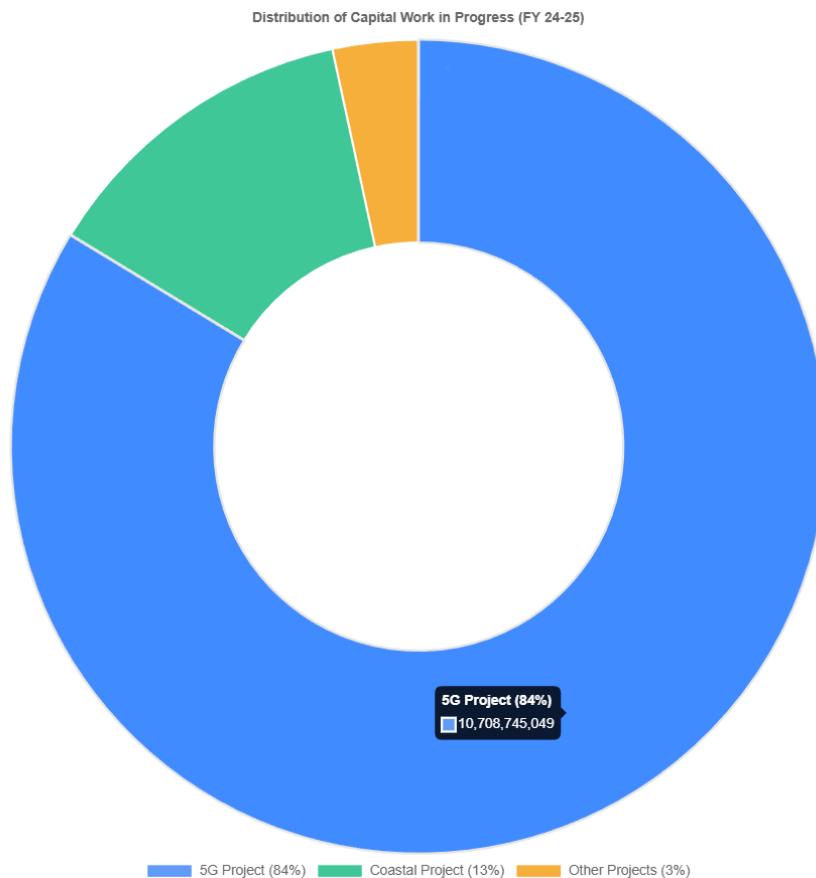
6.2 Capital Work in Progress (CWIP) Growth

Comparison of infrastructure investments between fiscal years.



6.3 Asset Composition Variance

Shift in asset allocation towards 5G and Coastal projects.



6.4 Statement of Financial Position

ACCOUNT HEAD	FY 2023-24 (BDT)	FY 2024-25 (BDT)	CHANGE STATUS
CWIP (Total)	8,976,257,323	12,794,582,145	▲ Increased
5G Project	8,475,425,552	10,708,745,049	▲ Increased
Coastal Project	481,416,664	1,652,130,352	▲ Significant Jump
Retained Earnings	(Negative)	(Increased Deficit)	▼ Worsened

6.5 Key Observation

Summary

Metric	FY 2023-24 (Previous)	FY 2024-25 (Recent)	Change
Total Revenue	BDT 5,245,445,837	BDT 5,469,472,806	+4.3%
Network Revenue	BDT 4,214,225,732	BDT 4,296,586,586	+2.0%
Hardware Revenue	BDT 123,000,637	BDT 243,447,010	+97.9%
Total Assets	BDT 57,288,381,847	BDT 62,498,976,211	+9.1%
Operating Loss	(BDT 3,170,461,715)	(BDT 2,981,942,869)	Improved
Net Loss	(BDT 1,798,890,172)	(BDT 1,549,973,678)	Improved
Accumulated Loss	(BDT 15,168,644,740)	(BDT 16,749,005,195)	Worsened

Teletalk added more than BDT 2 billion worth of 5G-ready assets during the year. This clearly shows the company is preparing for next-generation services. But these assets are still stuck under CWIP, meaning they don't generate revenue and don't get depreciated yet. Until they become operational, Teletalk carries all the cost without receiving any commercial return.

6.6 Auditor's Remark

The auditors issued a Qualified Opinion again, similar to previous years. The main concern is how the company treats government loans, especially the ones related to the 3G rollout. There's still no clarity on whether these loans will be converted to equity or must be repaid. This uncertainty leaves a major question mark over Teletalk's long-term liquidity.

7.0 Recommendations

7.1 Financial Recommendations

- ❖ Lower operating costs where possible
- ❖ Increase revenue through new digital services
- ❖ Follow IAS 21, IFRS 16, and proper tax reporting rules
- ❖ Improve reconciliation of receivables and payables

7.2 Operational Recommendations

- ❖ Expand 4G coverage in areas with weak service
- ❖ Improve customer service systems
- ❖ Offer more competitive and user-friendly data packages

7.3 Strategic Recommendations

- ❖ Seek additional capital injection from the government
- ❖ Speed up network modernization
- ❖ Develop partnerships with digital platforms to diversify income

7.4 For the Ministry of Finance

- ❖ Convert the BDT 4.88 billion Share Money Deposit into paid-up capital
- ❖ Adjust foreign exchange losses on the China Exim loans and renegotiate repayment schedules
- ❖ Fix the BDT 4.76 billion mismatch between Teletalk and BTCL through a dedicated arbitration process

7.5 For Teletalk Management

- ❖ Strengthen accounting compliance, especially IAS 21 and IFRS 16
- ❖ Resolve the stalled 5G project with ERD and CPTU so the BDT 12.8 billion in CWIP becomes productive
- ❖ Focus more on government digital services instead of competing head-on in low-margin voice markets

7.6 For the BTRC

- ❖ Apply market rules evenly and set up a structured repayment plan for the unpaid BDT 800 million license fees
- ❖ Strengthen audit oversight so Teletalk follows the same standards as other operators

8.0 Conclusion

Teletalk Bangladesh Limited ended FY 2024–25 as a company stuck between two identities. On one side, it supports major parts of the country's digital infrastructure. On the other, its finances look increasingly fragile. Revenue grew a little, but core weaknesses remained. Heavy dependence on floats, stalled network upgrades, and unresolved regulatory problems create a risky environment.

With the Interim Government pushing for reforms, Teletalk is in a position where delays and vague accounting treatments won't be ignored much longer. The company needs clearer financial restructuring and faster modernization, or it may become a growing burden on public finances.

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