

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

Fairose Farin

Lecture

Department of Business Administration

East West University

Prepared by

Name	ID	Participation	Assigned Section
Abrar Khatib Lajim	2022-3-60-043	25%	1.0–1.5, 4.0–4.4
Md. Saiful Islam	2022-3-60-045	25%	2.0–2.1.4, 5.0–5.4
Mohua Akter	2022-3-60-112	25%	3.0–3.3, 6.0–6.4
Umme Mukaddisa	2022-3-60-317	25%	7.0–7.6, 8.0–9.0

Bachelor of Computer Science and Engineering
East West University
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,

With great respect, we are pleased to submit our term paper titled "**Financial Analysis of Teletalk Bangladesh Limited (FY 2023-24 & FY 2024-25)**", prepared as a partial requirement for the course ACT 101. This report has been developed using the audited financial statements of Teletalk Bangladesh Limited for the past two fiscal years. These statements were collected, reviewed, analyzed, and compared in accordance with the instructions provided for the assignment.

Throughout the preparation process, we have made every effort to adhere to your guidelines and present a clear, accurate, and well-structured financial analysis. The report highlights key financial indicators, such as revenue, expenses, assets, liabilities, and overall performance trends, supported by relevant charts, tables, and recommendations.

We would like to express our sincere gratitude for assigning us such a practical and insightful topic. Working on this project has significantly strengthened our understanding of financial statement analysis and has contributed to the development of our analytical and academic skills.

Please feel free to contact us if any clarification or additional information is required regarding this report.

Sincerely,

Abrar Khatib Lajim

ID:2022-3-60-043

On behalf of the Group

Acknowledgement

We would like to express our sincere gratitude and heartfelt appreciation to all those who supported us throughout the preparation of this term paper.

First and foremost, we are deeply grateful to our honorable course instructor, **Fairose Farin, Lecture, Department of Business Administration, East West University**, for giving us the opportunity to work on such an insightful topic. Their unwavering guidance, thoughtful feedback, and insightful suggestions not only strengthened the quality of our work but also enriched our understanding of the subject matter. We are truly grateful for the time, patience, and dedication they invested in mentoring us throughout this project.

We are equally thankful to each member of our group. Their commitment, cooperation, and shared enthusiasm played a vital role in every step of the process from collecting relevant data and conducting financial analyses to organizing and refining the final report.

Lastly, we extend our heartfelt thanks to East West University for providing an inspiring academic environment and the essential resources that supported our research and learning.

Executive Summary

This report provides an in-depth financial assessment of Teletalk Bangladesh Limited using its audited financial statements for the fiscal years 2023–24 and 2024–25. The primary objective is to evaluate the company's overall financial health by examining trends in revenue, operating expenses, profitability, asset composition, liabilities, retained earnings, and changes in shareholders' equity.

The findings reveal a slight improvement in revenue and a reduction in net losses; however, the company continues to operate with negative equity and a heavy liability burden. Several critical financial indicators point to ongoing challenges, including substantial accumulated losses, auditor-noted compliance concerns, and potential risks related to the company's ability to continue as a going concern. The report further incorporates visual representations, comparative analyses, and strategic recommendations aimed at strengthening Teletalk's financial stability and operational efficiency.

Table of Contents

1.0 Introduction.....	1
1.1 Origin of the Report.....	1
1.2 Objectives of the Study.....	1
1.3 Scope of the Study.....	1
1.4 Limitations of the Study.....	1
1.5 Methodology.....	2
2.0 Company Overview.....	2
2.1 Regulatory Ecosystem and Compliance Framework.....	2
2.1.1 Unified Licensing Framework and the Fee Waiver Issue.....	2
2.1.2 Audit Disputes and Sector Dynamics.....	3
2.1.3 Infrastructure Sharing Regulations.....	3
2.1.4 Biometric SIM Verification and Registration Compliance.....	3
3.0 Operational Performance.....	4
3.1 The 5G Rollout.....	4
3.2 Subscriber Base and Market Relevance.....	5
3.3 Network Quality and Energy Constraints.....	5
4.0 Financial Statement Forensics: Profit & Loss.....	5
4.1 Comparative Income Statement Analysis.....	7
4.2 Revenue Quality: Heavy Reliance on VAS.....	8
4.3 The Anomaly in "Non-Operating Income".....	8
4.4 Structural Cost Challenges.....	8
5.0 Balance Sheet Forensics.....	9
5.1 The Asset Side: "Paper" Assets vs. Real Value.....	9
5.2 Liability Structure: Leverage Behind Teletalk's Liquidity.....	9
5.4 Inter-SOE Debt Entanglement.....	10
6.0 Findings.....	11
6.1 Comparison of Fiscal Year 2023-24 vs. 2024-25.....	11
6.2 Capital Work in Progress (CWIP) Growth.....	11
6.3 Asset Composition Variance.....	12
6.4 Statement of Financial Position.....	12
7.0 Recommendations.....	13
7.1 Financial Recommendations.....	13
7.2 Operational Recommendations.....	13
7.3 Strategic Recommendations.....	13
7.4 For the Ministry of Finance (Shareholder).....	14
7.5 For Teletalk Management.....	14
7.6 For the BTRC (Regulator).....	14
8.0 Conclusion.....	15
9.0 References.....	15

1.0 Introduction

The purpose of this term paper is to evaluate the financial performance of Teletalk Bangladesh Limited using the audited financial statements for the fiscal years 2023–24 and 2024–25. This study follows the academic format prescribed by East West University for the course ACT-101.

1.1 Origin of the Report

This report has been prepared as a partial fulfillment of the requirements for ACT-101 under the supervision of **Fairose Farin**, Department of Business Administration, East West University.

1.2 Objectives of the Study

The objectives of this study are to:

- Examine the structure and components of financial statements.
- Analyze Teletalk's financial performance based on audited data.
- Compare the company's results between FY 2023–24 and FY 2024–25.
- Identify changes in revenue, expenses, net income, and financial position.
- Review auditor comments and compliance-related issues.
- Provide recommendations for financial and operational improvement.

1.3 Scope of the Study

The scope of this analysis includes financial information sourced from Teletalk's audited statements, covering revenue, expenses, income statement results, retained earnings, assets, liabilities, and other relevant financial indicators.

1.4 Limitations of the Study

The study is subject to the following limitations:

- The analysis covers only two fiscal years.
- Findings rely solely on publicly available audited statements.
- Some financial data had to be summarized due to report length requirements.
- Auditor-noted compliance issues may affect the precision of certain figures.

1.5 Methodology

- ❖ **Secondary Data:** Audited Financial Statements FY 2023–24 & FY 2024–25 (PDF).
- ❖ **Analysis Techniques:** Ratio analysis, year-to-year comparison, and financial trend evaluation.
- ❖ **Tools Used:** Tables, graphs, and explanatory summaries.

2.0 Company Overview

Teletalk Bangladesh Limited is a state-owned telecommunications operator established to deliver affordable mobile services across the country. The company currently provides 2G, 3G, and 4G services and is progressing toward 5G deployment. Despite its national importance, Teletalk continues to face financial, competitive, and operational challenges.

2.1 Regulatory Ecosystem and Compliance Framework

Teletalk's continued operation is heavily supported by a regulatory environment in which the Bangladesh Telecommunication Regulatory Commission takes more accommodating stance toward the state-owned operator compared to its private-sector counterparts.

2.1.1 Unified Licensing Framework and the Fee Waiver Issue

In 2024, the government introduced a Unified Licensing framework aimed at streamlining regulatory procedures.

License Fee Structure:

Under this framework, the BTRC set an annual license fee of BDT 100 million (10 crore). Teletalk currently holds licenses across all major technologies - 2G, 3G, 4G, and 5G.

Accumulated Non-Payment:

According to Note 3.13 of the FY25 financial statements, Teletalk has built up unpaid license fees amounting to BDT 800 million.

Management's Position:

Teletalk's leadership maintains that "most government-owned telecom operators globally are exempt from license fees," and has been lobbying for a similar exemption. As a result, the company has opted not to formally recognize this liability in its accounts.

Risk Assessment:

This represents a clear contingent liability. Should the Ministry of Finance or the BTRC insist on recovering the fees potentially in response to IMF pressure to boost non-tax revenue Teletalk's equity could be immediately reduced by nearly BDT 1 billion.

2.1.2 Audit Disputes and Sector Dynamics

Audit conflicts have long troubled the Bangladeshi telecom industry.

Sector-Wide Background:

Grameenphone and Robi have faced massive audit claims of BDT 125.79 billion and BDT 8.67 billion, linked to BTRC audits spanning 1997 to 2014. These disputes have disrupted operations through actions such as withholding No Objection Certificates (NOCs), leading to ongoing tension with the regulator.

Teletalk's Differential Treatment:

While private operators confront aggressive enforcement, Teletalk's audit matters are handled through inter-ministerial negotiations rather than sanctions. Yet, the FY24 Director's Report notes unresolved audit objections, suggesting that even the Comptroller and Auditor General (CAG) has identified concerns that cannot be ignored.

2.1.3 Infrastructure Sharing Regulations

Updated guidelines on Active Infrastructure Sharing were introduced to minimize unnecessary duplication of capital expenditure.

Strategic Opportunity:

For a financially strained operator like Teletalk, sharing network infrastructure such as towers and active equipment with operators like Grameenphone or Banglalink represents the most realistic route to achieving nationwide coverage.

Implementation Gap:

Despite supportive regulations, Teletalk has been slow to leverage these opportunities. Its tower network often fails to attract private partners due to poor upkeep and insufficient power backup, particularly in rural sites.

2.1.4 Biometric SIM Verification and Registration Compliance

The ongoing nationwide enforcement of biometric SIM registration has affected subscriber numbers across the telecom sector.

Subscriber Impact:

In early 2025, Teletalk experienced a loss of roughly 20,000 users due to the disconnection of SIMs that failed to meet biometric registration requirements. Although this process improves data accuracy, it also shrinks the pool of active, revenue-generating customers.

3.0 Operational Performance

Teletalk's operational story for 2024–25 can be summarized in one phrase: modernization that never materialized. The company's inability to deliver on its flagship projects has left large parts of its network technologically outdated.

3.1 The 5G Rollout

The project titled "*Commercial Launch of 5G Technology on Teletalk's Network in Dhaka Metropolitan Area*", along with the larger rural expansion initiative, was supposed to be Teletalk's strategic turnaround.

Project Vision:

This BDT 22 billion initiative planned the construction of 3,000 base stations - primarily 4G units with provisions for 5G capability in select zones.

Financing:

Funding was structured through a combination of equity from the Government of Bangladesh and concessional external loans from China's GCL.

Progress as of 2025:

Although the project was originally slated to conclude in June 2023, it was granted an extension to June 2025. Yet progress has barely moved. By April 2025, expenditure stood at BDT 10.08 billion, spent mostly on civil works, while core network equipment installation has scarcely begun.

The Tender Breakdown:

The procurement phase devolved into a high-stakes bureaucratic and diplomatic dispute.

- ❖ **Trigger Event:** In January 2025, the Tender Evaluation Committee (TEC) labeled the bids from the Chinese-recommended companies as "technically non-responsive."
- ❖ **Institutional Clash:** This led to a standoff between the CPTU and the Economic Relations Division (ERD). The key disagreement centered on whether to retender among the same firms or expand the pool of bidders - an option that risked breaching the Chinese loan agreement.

Outcome:

The entire project has been left suspended. As a result, Capital Work-in-Progress (CWIP) has swollen to BDT 12.8 billion money tied up in unfinished assets that increase financing costs but produce no revenue.

3.2 Subscriber Base and Market Relevance

Active Users:

As of June 2025, Teletalk reported 6.59 million active subscribers, barely up from 6.56 million in the previous year.

Utilization of Network Capacity:

The network can support 12.4 million users, yet only about 6.6 million are active - translating to a capacity utilization rate of just 53.15%.

Interpretation:

Running a telecom network at roughly half of its intended capacity is inherently inefficient. Key fixed costs - such as electricity, transmission infrastructure, and staffing - remain mostly unchanged regardless of network load, resulting in elevated cost-per-user.

Inflated Subscriber Base:

A notable number of Teletalk SIMs are used solely for one-off government recruitment applications (via Telecharge/VAS). These “ghost” users skew subscriber statistics without contributing to recurring service revenue.

3.3 Network Quality and Energy Constraints

Teletalk’s rural infrastructure is especially vulnerable to persistent power shortages.

Grid Reliance:

The operator depends almost entirely on electricity supplied by the Rural Electrification Board. Frequent load shedding forces sites to rely on diesel generators.

Rising Energy Costs:

In FY25, the cost of generator fuel and lubricants jumped sharply, driven by increases in global energy prices and the removal of domestic fuel subsidies.

Mitigation Efforts:

A smaller BDT 50 crore project was approved in late 2024 to install battery backup systems at 1,000 sites. However, implementation has been slow, leaving rural service quality largely unchanged.

4.0 Financial Statement Forensics: Profit & Loss

The Income Statement for FY 2024-25 reflects a company that is operationally unprofitable but financially sustained by non-core activities. Below, Statement Of Financial Position and Statement of Profit Loss And other Comprehensive Income attached.

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 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		22,723,374	18,246,575
Cash and cash equivalents	12	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

The annexed notes form an integral part of these financial statements

14

General Manager (F&A)

Managing Director

Director

Director

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	207,597,662
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	234,155,640
Depreciation and amortization	35	2,557,049,898	2,614,668,191
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)			
	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)

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 composition is notably weaker than that of private telecom operators.

VAS as a Core Revenue Driver:

Value Added Services (VAS) contribute roughly 17% of Teletalk's total earnings. In Teletalk's case, VAS extends far beyond conventional offerings like caller tunes or digital content; it includes commissions from processing government job applications and facilitating utility bill payments.

Recruitment-Linked Volatility:

In FY25, the government introduced VAT on job application fees. Although this raised application costs for candidates, it likely inflated the overall transaction volume passing through Teletalk's channels. Since Teletalk receives a 10% commission on these fees, the company benefits financially. However, this income is tied to the timing of government recruitment drives rather than Teletalk's telecom performance, making it inherently unpredictable.

4.3 The Anomaly in “Non-Operating Income”

A notable highlight is the 121% surge in Non-Operating Income, reaching BDT 528 million.

Primary Source:

Almost the entire increase comes from interest earned on Short-Term Deposits.

How It Works:

Teletalk collects electricity bill payments (TBPS) from millions of rural customers. Instead of transferring the funds immediately to the Rural Electrification Board (REB), the company temporarily holds the money in bank accounts and earns interest on the balance.

What This Means:

This practice effectively places Teletalk in the role of a de facto non-bank financial institution (NBFI). Income from holding these utility-payment floats helps offset operational losses in its telecom business. However, this is a fragile strategy: a regulatory requirement for real-time settlements - such as integration with the central bank's NPSB - could eliminate this revenue overnight.

4.4 Structural Cost Challenges

Rising Network O&M Costs:

Operation and Maintenance expenses increased by 7.86%, reflecting the impact of Bangladesh's ongoing energy shortages. Multiple hikes in bulk electricity tariffs during 2024–25 sharply increased Teletalk's power costs. While private operators have adopted solar-hybrid energy solutions to reduce reliance on the grid, Teletalk continues to run older, less energy-efficient infrastructure.

Depreciation Decline:

The 11.57% reduction in depreciation appears favorable but is actually a warning sign. It indicates that Teletalk's asset base is aging. Many fully depreciated assets remain in use, while newer investments are stuck in Capital Work in Progress (CWIP) and are not yet being depreciated. This distorts the company's true financial picture. If its 5G assets were operational, depreciation expenses would likely rise sharply, further deepening the company's net loss.

5.0 Balance Sheet Forensics

The Statement of Financial Position as of 30 June 2025 depicts an entity that is insolvent by any standard commercial definition.

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 (The TBPS Float)

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

Interpretation:

This represents a staggering 338% surge. It clearly reveals the core of Teletalk's liquidity maneuvering. By delaying remittances to the Rural Electrification Board (REB) and other utility entities, Teletalk has effectively accessed an interest-free loan of roughly BDT 11.6 billion from the power sector.

Risk Exposure:

This liability can be called due without notice. If the Ministry of Power demands immediate settlement, Teletalk's cash position would collapse, triggering a severe liquidity crisis.

Government Loans (The IAS 21 Compliance Problem)

- ❖ **Reported Loan Balance:** BDT 31.06 billion
- ❖ **Audit Observation:** On the China Exim Bank loan alone, liabilities are understated by an estimated BDT 6.5 billion due to outdated exchange rates being applied.

Adjusted Liability:

Once forex adjustments are incorporated, Teletalk's long-term debt obligations would rise to approximately BDT 38 billion - far higher than stated.

5.3 Equity Position: Solvency Masked by Accounting Treatment

- ❖ **Accumulated Loss:** BDT (16.75) billion, surpassing the paid-up capital base of BDT 13.12 billion.
- ❖ **Net Worth:** Negative on a technical basis.

The Temporary Buffer:

A "Share Money Deposit" of BDT 4.88 billion artificially maintains a positive equity balance of BDT 1.25 billion. This amount represents government project funds yet to be converted into share capital. Without this infusion, Teletalk would already meet the definition of insolvency under standard financial rules.

5.4 Inter-SOE Debt Entanglement

The balance sheet shows substantial unresolved balances with multiple state-owned enterprises.

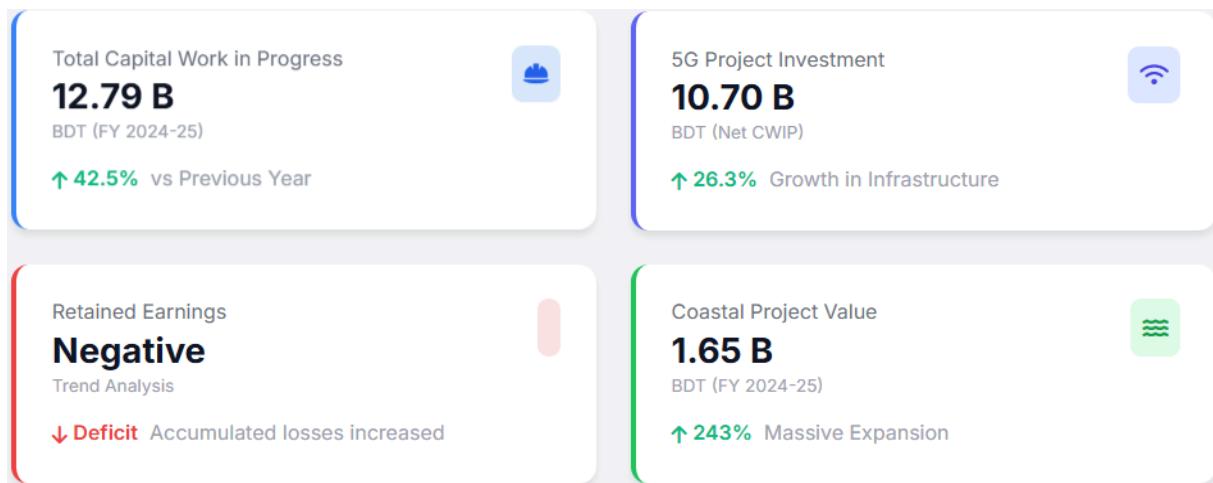
- ❖ **BTCL Mismatch:** There is a nearly BDT 4.76 billion difference between Teletalk's payable figures and BTCL's reported receivables.
- ❖ **BTRC Dues:** Outstanding amounts owed to the regulator stand at BDT 2.30 billion and continue to climb.

6.0 Findings

Key findings of the study include:

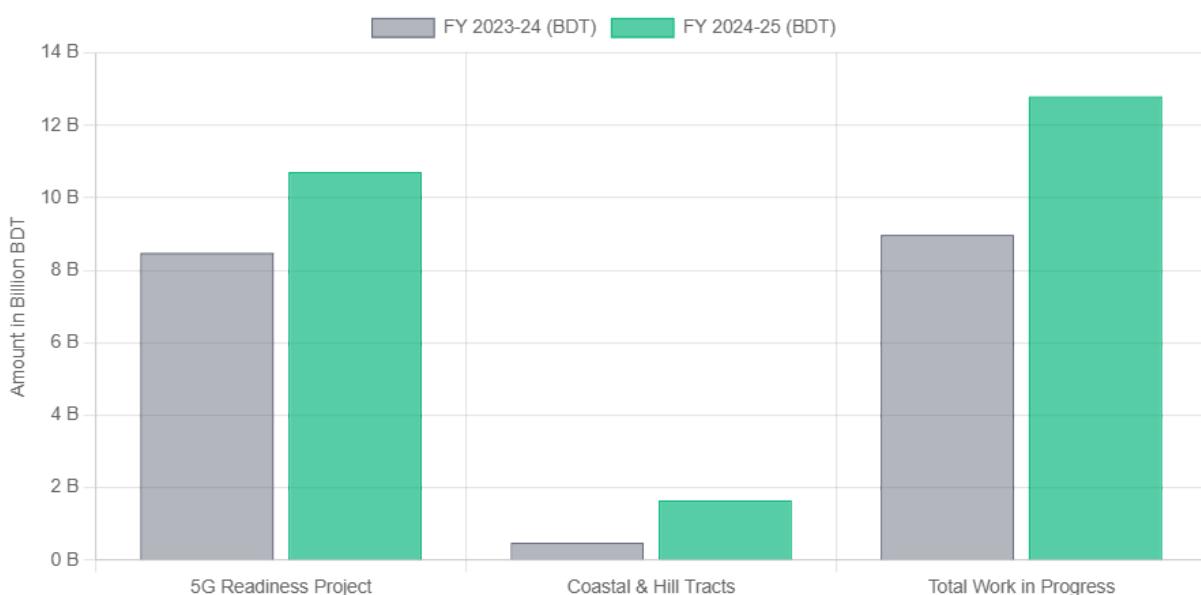
- Revenue increased marginally but remains weak relative to industry standards.
- Losses decreased but the company remains unprofitable.
- Asset levels increased due to capital work-in-progress.
- Liabilities are significantly high and continue to rise.
- Equity remains negative.
- Auditors highlighted several serious reporting and compliance concerns.

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



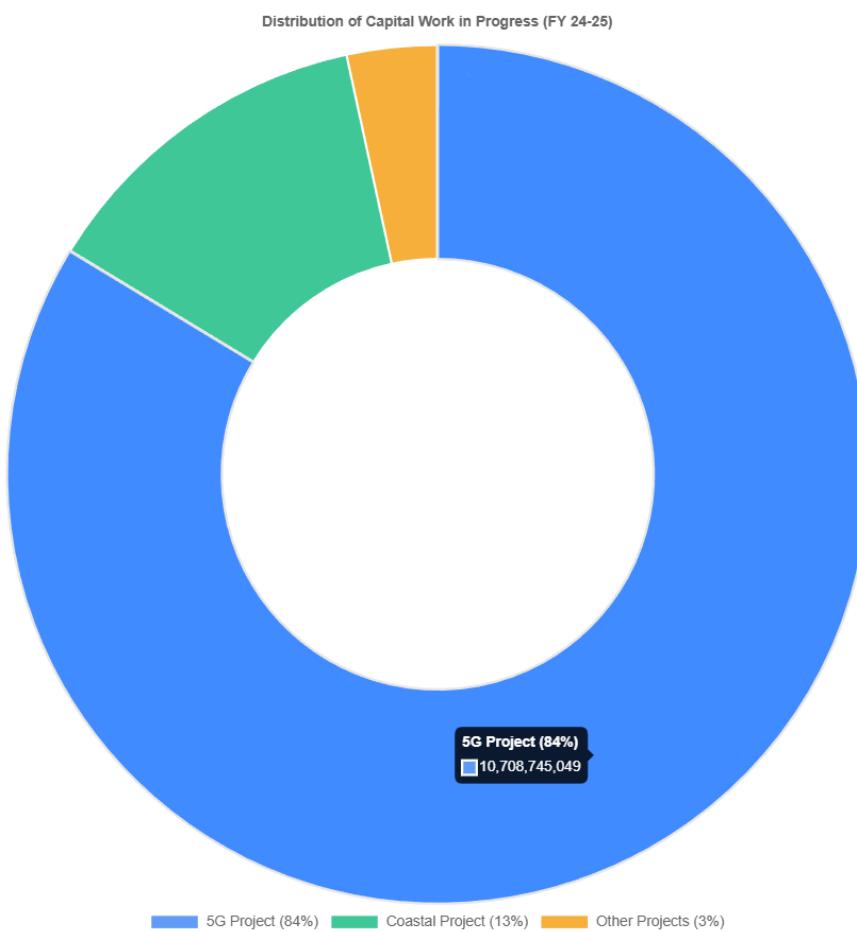
6.2 Capital Work in Progress (CWIP) Growth

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: Teletalk has significantly expanded its 5G-ready asset base, adding more than BDT 2 billion during the year. This signals a deliberate move toward preparing the network for next-generation services. However, these additions remain classified as *Capital*

Work in Progress (CWIP) meaning they are not yet contributing to revenue nor subject to depreciation. Until these assets become operational, the company continues to carry the financial burden of investment without realizing commercial returns.

6.6 Auditor's Remark: The auditor has once again issued a *Qualified Opinion*, consistent with prior years. The core issue relates to the treatment of Government of Bangladesh (GoB) loans, particularly those linked to the 3G rollout. The ongoing ambiguity whether these loans will eventually be converted into equity or must be repaid under existing terms creates a material liquidity risk for Teletalk. This unresolved classification continues to cloud the company's true financial position.

7.0 Recommendations

7.1 Financial Recommendations

- Reduce operating expenditures.
- Enhance revenue through digital service innovation.
- Ensure compliance with IAS 21, IFRS 16, and tax reporting standards.
- Strengthen reconciliation of receivables and payables.

7.2 Operational Recommendations

- Expand 4G coverage, especially in underserved regions.
- Upgrade customer service quality.
- Introduce competitive and user-friendly data packages.

7.3 Strategic Recommendations

- Consider government capital injection to stabilize finances.
- Accelerate network modernization.
- Build partnerships with digital service providers to diversify revenue streams.

7.4 For the Ministry of Finance (Shareholder)

Restructure the Balance Sheet:

Convert the BDT 4.88 billion Share Money Deposit into paid-up capital. Recognize exchange-rate losses on China Exim loans and renegotiate repayment schedules.

Eliminate Dependence on the Float:

Enforce strict settlement timelines for TBPS funds. Using utility collections to support telecom operations creates systemic risk across both sectors.

Resolve SOE Disputes:

Set up a high-level arbitration mechanism to finally settle the BDT 4.76 billion mismatch between Teletalk and BTCL.

7.5 For Teletalk Management

Strengthen Accounting Compliance:

Implement IAS 21 (Foreign Currency) and IFRS 16 (Leases) in the next reporting cycle. Transparency is essential for attracting partnerships and potential foreign investors.

Unlock the Stalled 5G Project:

Work with ERD and CPTU to break the tender deadlock. The BDT 12.8 billion stuck in CWIP must be converted into revenue-earning assets.

Shift to B2G Strategy:

Capitalize on Teletalk's unique position in government digital services. Focus on enterprise and public-sector solutions for "Smart Bangladesh" instead of competing for low-margin consumer voice traffic.

7.6 For the BTRC (Regulator)

Ensure Market Neutrality:

While Teletalk may require support, blanket waivers distort competition. Introduce a structured repayment plan for the BDT 800 million in license fee arrears.

Strengthen Audit Oversight:

Hold Teletalk to the same audit standards applied to Grameenphone and Robi to restore accountability and sector credibility.

8.0 Conclusion

Teletalk Bangladesh Limited in FY 2024–25 presents a dual identity: a company that is financially insolvent yet remains central to the government's digital infrastructure. Modest revenue expansion is overshadowed by deep-rooted vulnerabilities - foreign exchange risk, stalled network upgrades, and an unsustainable reliance on utility-bill floats. The auditors' qualified opinions underscore systemic compliance failures that have long been overlooked.

With an assertive Interim Government pushing structural reforms, the long-standing pattern of state protection is unlikely to continue. Teletalk now faces a critical juncture: it must pursue aggressive financial restructuring and genuine modernization, or risk becoming an ongoing fiscal burden on the national exchequer.

9.0 References

1. Teletalk Bangladesh Ltd. (2024). *Audited Financial Statements FY 2023–24*. Teletalk Bangladesh Ltd. (2025). *Audited Financial Statements FY 2024–25*, [Teletalk Bangladesh Ltd - Annual Report](#)
2. Teletalk's 5G project put on hold to save dollars - Daily Sun, accessed November 22, 2025, [Teletalk's 5G project put on hold to save dollars](#)
3. East West University. *Term Paper Template*.
4. Complications loom over Teletalk's Tk3,000cr 4G project || Bangladesh Pratidin, accessed November 22, 2025, [Complications loom over Teletalk's Tk3,000cr 4G project || Bangladesh Pratidin](#)
5. CPD sees no implementation of economic 'white paper' recommendations, accessed November 22, 2025, [CPD sees no implementation of economic 'white paper' recommendations | The Financial Express](#)
6. Industry Statistics - AMTOB - Association of Mobile Telecom Operators of Bangladesh, accessed November 22, 2025, [Mobile Phone Subscribers in Bangladesh](#)
7. Grameenphone Limited - Adda, accessed November 22, 2025, <https://adda.royalcapitalbd.com/wp-content/uploads/2025/01/RIL-Company-Analysis-on-GP.pdf>
8. Govt, telcos consider settling long-drawn audit row thru arbitration | The Business Standard, accessed November 22, 2025, [Govt, telcos consider settling long-drawn audit row thru arbitration | The Business Standard](#)
9. THE DIRECTORS' REPORT - TeleTalk, accessed November 22, 2025, https://www.teletalk.com.bd/storage/app/media/uploaded-files/reports_publications/directors-report-for-20th-agm.pdf

10. BANGLADESH TELECOMMUNICATION REGULATORY COMMISSION -
Jagonews24, accessed November 22, 2025, [BANGLADESH
TELECOMMUNICATION REGULATORY COMMISSION](#)
11. Bangladesh sees rebound in internet subscribers after months of decline - SAMENA
Daily News, accessed November 22, 2025, [Bangladesh sees rebound in internet
subscribers after months of decline - SAMENA Daily News](#)
12. Teletalk fails to launch 5G despite two project extensions | Bonikbarta, accessed
November 22, 2025, [Teletalk fails to launch 5G despite two project extensions |
Bonikbarta](#)
13. Bureaucratic delays stall Teletalk's 4G expansion for over eight years - Dhaka
Tribune, accessed November 22, 2025, [Bureaucratic delays stall Teletalk's 4G
expansion for over eight years](#)
14. Teletalk struggles to keep up with private operators despite 20 years in service,
accessed November 22, 2025, [Teletalk struggles to keep up with private operators
despite 20 years in service](#)
15. Govt jobs: Application costs jump instead of decline - Prothom Alo English, accessed
November 22, 2025, [Govt jobs: Application costs jump instead of decline](#)
16. reforms by the interim government, accessed November 22, 2025, [reforms by the
interim government](#)
17. Teletalk, BTCL instructed to repay Tk 30b - The Financial Express, accessed
November 22, 2025, [Teletalk, BTCL instructed to repay Tk 30b | The Financial
Express](#)