



# Financial Performance Analysis of Teletalk Bangladesh Ltd.



Hajee Mohammad Danesh Science and Technology  
University, Dinajpur

Internship Report On  
“Financial Performance Analysis of Teletalk Bangladesh  
Ltd.”

Supervised By:  
Rafia Akhtar  
Associate Professor  
Department of Management  
HSTU, Dinajpur.

Co-Supervised By  
Professor Dr. Md. Zahangir Kabir  
Department of Management  
HSTU, Dinajpur.

Submitted By:  
Md. Sariful Islam  
ID # E140503035  
Batch-3<sup>rd</sup> MBA (Evening)  
Major In: Marketing.  
HSTU, Dinajpur

Date of Submission:  
24 October 2016



# LETTER OF TRANSMITTAL

22 October 2016

Rafia Akhtar  
Associate Professor  
Department of Management  
HSTU, Dinajpur.

Sub: Internship Research Report on "Financial Performance Analysis of Teletalk Bangladesh Ltd".

Dear Madam,

I have completed the Internship research report on "Financial Performance Analysis of Teletalk Ltd." With due respect, I am submitting my internship report on the above mentioned title for the partial fulfillment of the requirements for the Degree of MBA(Evening).

I took this report as an opportunity to reflect my learning of the techniques and skills of this 45 days long internship. I realize that my report may not be flawless; there might be some mistakes which were not noticed by me due to my inadequate professional knowledge. By collecting information for this report I also learned something very superfluous in practical. I look forward to make the optimal use of the knowledge that I gained from this internship program.

I would like to gratitude you for giving me such a great job and opportunity to prove my ability in making a quality report. If any mistakes remain I am heartily apologized for those. I hope you will take my mistakes with due consideration.

Sincerely yours,

Md. Sariful Islam  
ID # E140503035

Batch-3<sup>rd</sup>, Major: Marketing  
MBA(Evening) Program.

# Supervisor's Declaration

I hereby declare that the concerned report "Financial Performance Analysis of Teletalk Ltd." is a work by MD. Sariful Islam, ID No-E140503035 Hajee Mohammad Danesh Science and Technology University, Dinajpur-5200, Completed his internship under my supervision and submitted for the fulfillment of the requirement of the degree of Master of Business Administration(MBA) Evening at HSTU, Dinajpur.

I wish him every success for the day to come.

.....  
RAFIA AKHTAR  
Associate Professor  
Department of Management.  
Hajee Mohammad Danesh Science and Technology University, Dinajpur.

## Co-Supervisor's Declaration

I hereby declare that the concerned report "Financial Performance Analysis of Teletalk Ltd." is a work by MD. Sariful Islam, ID No-E140503035 Hajee Mohammad Danesh Science and Technology University, Dinajpur-5200, Completed his internship under my supervision and submitted for the fulfillment of the requirement of the degree of Master of Business Administration(MBA) Evening at HSTU, Dinajpur.

I wish him every success for the day to come.

.....  
DR. MD. ZAHANGIR KABIR  
Professor  
Department of Management.  
Hajee Mohammad Danesh Science and Technology University, Dinajpur.

# ACKNOWLEDGEMENT

First of all I would like to thank the Almighty for giving me the strength, and the aptitude to complete this Internship research report within the time.

Me Md. Sariful Islam ID # E140503035 has worked in Teletalk as an intern. I have worked there for 45 Days and during this short span of time I did visit responsible departments. And the completion of this Internship research report regarding financial issues was possible because of the co-operation of many people. I offer my most sincere thanks to all of those who provided their valuable advices and encouragements in this endeavor. I am truly grateful to all the employees of Teletalk Finance Division.

Now I would like to give thanks Rafia Akhtar who is my internship supervisor. Without her guidance and help I would not have completed my internship report. She gave me enough motivation and time for my report. Whenever I was in need of any kind of help regarding preparation of my internship paper, I found her as my guardian.

I would also like to thank my on site supervisor Mr. Ashad Ahmed, he did really help me to get into several departments regarding information collection issues. Also thanks to my beloved parent who have motivated as well as inspired me always.



# EXECUTIVE SUMMARY

The report is based on the only state run telecommunication company Teletalk Bangladesh Ltd. I have discussed in the report Teletalk's countrywide expansion, diversified business activities, and the financial performance of the company. In this global competitive world all business organizations need to create an effective value proposition for the company that attracts the customers. To increase company's profitability and make a strong value added relationship with its customers, it tries to use Customer Relationship Management concept in its business operation.

It is the only state run mobile phone operator in Bangladesh whose parent company's name is BTCL( Bangladesh Telecommunications Company Ltd.). The main objective of Teletalk Ltd. is to build up an available data communication service network all over the world through voice call, sms, internet, and other value added services, which is an important part for the success of today's business. For this reason Teletalk Ltd. utilizes some sort of modern business techniques. By providing cell-phone service Teletalk earn lots of profit. Year to year changes their financial performances I have shown. In my study I try to show their financial performance analysis from 2011 to 2015.

In the report I have come up with several ratio analyses which basically state company's year to year performance. Stake holders may come to know the focus areas of any financial report from the analysis of mine. My analysis demonstrates a clear view on year to year growth of Teletalk along with its several segmental operations. And at the last appendix part is given to take the quick look on the data analyzed and to enhance the reliability of the report.



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## Chapter 1

# INTRODUCTION OF THE REPORT

1.1 Introduction

1.2 Rational of the study

1.3 Statement of the problem

1.4 Scope and limitation of the topic

1.5 Objectives of the study

1.6 Review of related literature

1.7 Methodology of the study

## 1.1 INTRODUCTION

MBA academic program is the building up of the theoretical knowledge about business administration which is the base of practical knowledge. MBA internship program is an attempt to provide business students an orientation to a real life business situation in which we can observe and evaluate the use and applicability of the theoretical concepts which were taught in the classrooms. As per norm this report is the requirement of the fulfillment of the internship program. This report is the outcome of my works in Teletalk Bangladesh Ltd.

## 1.2 RATIONAL OF THE STUDY

“Financial Performance Analysis of Teletalk” is a partial requirement in the fulfillment of my internship which is a part of MBA program.

During the study of MBA program we earn lots of theoretical knowledge, now it's the time to use that theoretical knowledge in practical life. But it's true that there may have lots of differences in theoretical knowledge and practical life. Although by using that theoretical knowledge we are able to realize the pre-practical field, which help us to handle the situation.

Finally, due to the enlarged competition of the increased number of telecommunication industries, the expectations of the subscriber have also increased. And now Teletalk also introduce share for public. So it is an important sector for investment.

## 1.3 STATEMENT OF THE PROBLEM

In my report entitled “Financial Performance Analysis of Teletalk”, here I am supposed to analyze Teletalk's financial stability, some ratio, problems and come up with the recommendation.

## 1.4 OBJECTIVE OF THE STUDY

The primary objective of this report is to observe the financial condition of Teletalk. The other objectives include:

- To understand the corporate culture and environment.
- To implement my theoretical experiences in my practical life.
- To get practical experience in report writing.

## 1.5 REVIEW OF RELATED LITERATURE

To make this report I use lots of study related books, websites and annual reports. The books are: Corporate Finance (Ross/ Westerfield/ Jaffe), Financial Statement Analysis (John Wild/ Lwopolada/

Subramanyam), International Financial Management (Jeff Madura), Capital Investment & Financial Decisions (Neil Seitz/ Mitch Ellison). Web sites are: [www.grameenphone.com](http://www.grameenphone.com), [www.google.com](http://www.google.com), [www.dscbd.org](http://www.dscbd.org), [www.wikipedia.org](http://www.wikipedia.org). And Teletalk's annual report from 2011-2015.

### 1.6 METHODOLOGY OF THE STUDY

During the time of preparing this report, I have carefully observed the financial department of Teletalk and got some information from the responsible officers at respective department. On the other hand as a Government Company I got information easily from the website of Teletalk.

Ratios I will be working on as

1. Current Ratio
2. Quick Ratio
3. Total Debt Equity Ratio
4. Long term debt to liabilities
5. Return on assets
6. Return on common equity
7. Gross Profit Margin
8. Operating Profit Margin Ratio
9. Pretax Profit Margin Ratio
10. Net profit Margin ratio
11. Total Asset turnover
12. Fixed Asset turnover ratio

### 1.7 SCOPE AND LIMITATION OF THE TOPIC

I did my level best to gather all the information related to the study. It is really impossible to collect all financial related information and some internal information from any company. But I try my best to collect financial information from Teletalk

Limitations of my study are:

- a. Lack of experiences for implement theories to the practical life.
- b. Problem in selecting the topic.
- c. Limitation of time.
- d. Lack of information as for assigning into non relevant department.

### SOURCES OF DATA

#### Primary Sources

1. Conversation with the respective officer
2. Relevant Documents studies

#### Secondary Sources

1. Internet
2. Annual Report
3. Related Books Study



## Chapter 2

# AN OVERVIEW OF TELETALK BANGLADESH Ltd.

- 2.1 An Overview of Teletalk Bangladesh
- 2.2 Vision
- 2.3 Mission
- 2.4 Value Statement
- 2.5 Success Timeline
- 2.6 Major achievements
- 2.7 Types of Business
- 2.8 Corporate Culture
- 2.9 Business Objectives
- 2.10 Organizational Structure
- 2.11 Corporate Governance
- 2.12 Digitalization
- 2.13 Services

## 2.1 OVERVIEW OF TELETALK BANGLADESH LIMITED

Teletalk Bangladesh Ltd. Is a public Ltd. Company, registered under the Register of the joint stock companies of Bangladesh. All shares are owned by the Government of the People's Republic of Bangladesh.

Teletalk continues to grow and engage their customers customers through clear commitment of offering high quality products and services as well as leading customers retention and loyalty programmers. Teletalk continues to be a part of the revolution that's connecting millions of Bangladeshi people and around the world.

Teletalk Bangladesh Ltd. was established keeping a specific role in mind. Teletalk has forged ahead and strengthened its path over the years and achieved some feats truly to be proud of, as the only Bangladeshi Operator and the only operator with 100% state owned and engineering human resource base, Teletalk thrives to become the true people's phone- "Amader Phone".

### Company Profile

Teletalk is Bangladeshi most powerful mobile phone service provider, with the network that connects all networks across the country.

Staying one step ahead of the market, means having a brand that will appeal to a new, up-coming mindset while reigniting the trust of our loyal customers. Teletalk set out to discover what Bangladeshi really want and need and, after a robust analysis of the market, identified the critical success factor: the next level of customer service in the mobile market.

There are many gaps in the mobile space at the moment. The environment has not changed much in 15 years and some plays have become set in their ways. The time has come to challenge certain things that are being taken for granted. For instance, tariff structures are complicated and sometimes confusing. What customers actually want are simple, straight forward prices and relevant interesting products that offered real value for money and enable them to communicate more. By looking at what is missing in the marketplace, Teletalk found that simplicity, value and authenticity are qualities that we can leverage.

These qualities, plus teletalk's vast experience, technology footprint and modern, ubiquitous network could shake up the current market by disrupting old mindsets and presenting a brand that champions consumers' needs.

With a clear view of what market wants, teletalk decided that there was no better time than now to enter the mobile market. And so teletalk was born. It is a bold, exuberant and forward thinking brand that we believe will win the hearts and minds of Bangladeshi.

### History

The ECNCE of the Government of Peoples Republic of Bangladesh decided to form a separate public limited company for implementation and operation of the project. Then Bangladesh Telephone and Telegraph Board(BTTB) having longest experience of serving in the Telecom sector in Bangladesh, undertook initiatives to form the desired company in public sector. In the view of the fact that formation of a public limited company involves considerable time and various relevant formalities, it was decided that BTTB should implement the Project and operation thereof would be carried out by the desired company. Subsequently, the assets out of this process would be taken over by the desired company to be formed.

### Incorporation of Teletalk

With the view described above, Teletalk Bangladesh Limited, being the only government sponsored mobile telephone company in the country, was incorporated on 26 December, 2004 as a public Limited company under the companies Act, 1994 with an authorized capital of Tk. 20,000,000,000 on the same day, the Company obtained Certificate of Commencement of Business.

### Operating License

The Company has obtained the Cellular mobile Phone Operator License from Bangladesh Telecom Regulatory Commission (BTRC) on 1 September, 2004 for a period of 15 years. Initially the license was issued in the name of BTTB, and subsequently upon application, BTRC has changed the name of the operator as Teletalk Bangladesh Limited in place of BTTB. The system of the company has to operate the GSM 900 and GSM 1800 bands as per slots allocated by BTRC. The company

gradually executed its interconnection agreements with different operators.

### Commercial Launching

Teletalk even before start of its commercial operation, had been able to create a great hype in the minds of the people. When the sale of its SIM cards started on 31 March, 2005, a tremendous and unprecedented response was seen. The he gathering of expectants in front of the then BT TB sale points were termed as 'Telecom Riot' by BBC. The unexpected huge rush caught every one off-guard. In order to avoid unpleasant outcomes, the sale of SIM cards of BTTB's sale points were suspended. later on Teletalk devised into hitherto untired process of e-governance to invite applications from expectations through internet and to carry out electronic lotteries to select successful applicants. This subtle and successful usage of IT was rewarded by BASIS-DBBL where Teletalk got the 'Best IT User Award of 2005.'

### Capital Structure and Acquisition of Assets

The Company has incorporated with an authorized capital of TK.2000 crore divided into 2 crore ordinary shares of Tk.1000/- each out of which the paid up capital was Tk.22,000/- divided into 22 ordinary shares of Tk.1000/- each. Since the Company inherited the BTTB Project of 10(Ten) Lakh T&T mobile Telephone Project (!st Phase-2.5Lakh), the relevant equipment and infrastructures necessarily were in the name of erstwhile BTTB(now BTCL). Upon approval of the Government, the Company on 21 May, 2008, by executing a Vendors' Agreement with the Ministry of Posts and Telecommunications, has acquired all the equipments and infrastructures valuing of Tk. 6,438,39,000/-, thereby transferring the title of the relevant assets in its own name. In consideration 6,438,639 fully paid ordinary shares of Tk.1000/- each have been issued in the name of Ministry of Posts and Telecommunications.

### Departments

All the departments must fix up their largest and it is better to make it as much objective as possible. Some of the tentative targets can be cited as follows:

a) Customer Service

- b) Operations
- c) Planning:
- d) IT:
- e) Finance:
- f) Human Resource
- g) Marketing

## 2.2 VISION

"We are here just to make your life easy, comfortable, dynamic, and smooth by providing super speeded communication and most updated information facilities."

## 2.3 MISSION

Teletalk is the only mobile operator company of Bangladesh that has come to existence to bring all the people of the country closest with unique wireless mobile communication facilities and only we can assure the citizens of the country that we never left and will leave you at the time of your extreme requirement because we borne for you, exist for you and continuously think for you.

## 2.4 VALUE STATEMENT

**We are for you**

We believe for you, every single product of us is for every of our innovation is for you and each of our steps is only thinking by you.

**Make your life easy**

Every of our product and service is designed to make your life happier, easier and comfortable. We always remember that customer is our development partner.

**Creativity is our concern**

We respect creativity, we nurture creativity we cultivate creativity. We do believe in new innovation, we welcome new innovation as we welcome new surprise.

### We are respectful

We respect our culture, we respect our patriotism, and we respect our emotions. We think ourselves as the integral part of our society. We consider your little requirement with due respect and honor.

### We are unique to solve your problem

We had borne to remove your difficulty, your problem uniquely. We diagnose your problem faster than any another and provide any instant solution in customized nature.

### We are rational entity

We believe in fairness and integrity in business. We act rationally and keep our promise.

### We patronize digital Bangladesh

We dream for digital Bangladesh within 2021 and we have reached each and every segment of our citizens with digitalized service.

## 2.5 SUCCESS TIMELINE

Date of Incorporation December, 2004	26
Commercial launching of operation 2005	31 March,
Inter-connection agreements with other 2005 operators	In July,
Commencement of SMS operation 2005	12 October,
International Roaming (Soft launching) November, 2006	30
Best IT User Award 2005	In 2006

## 2.6 MAJOR ACHIEVEMENTS

- First and only Bangladeshi Mobile phone Company in Bangladesh.

- First mobile operator to give 'Free Incoming' to all subscribers.
- First mobile operator to give 'BTTB connectivity' to all subscribers.
- First mobile operator to give 'ISD & EISD Facility' to all subscribers.
- First mobile operator to introduce 'Single-Zone country wide network.'
- First public sector enterprise to introduce e-governance.
- Introduction of 3G Technologies and Expansion of Teletalk Network.

## 2.7 TYPES OF BUSINESS

Teletalk's main business is telecommunication. It provides the better network for Bangladeshi people.

## 2.8 CORPORATE CULTURE

Teletalk is one of the most disciplined organizations in Bangladesh. It follows many rules and regulation in the organization. They have Code of Conduct. But the employee of this organization is very friendly. There in no sir or no madam inside of the organization. Everyone calls each other bhaiya or apu. They think all are same in the organization and give same respect to all.

## 2.9 BUSINESS OBJECTIVE

Basic objective for which the company was formed are highlighted below:

- To provide mobile telecom service to the people from the public sector
- To ensure fair competition between public and private sectors and thereby to safeguard public interest
- To meet a portion of unmitigated high demand of mobile telephone
- To create a new source of revenue for the Government.



## 2.10 ORGANIZATIONAL STRUCTURE

The company has a board of Directors consisting of Chairman and Managing Director and Govt. High officials. Then One Board Secretary performs task as a representative of the Board of Directors. There are seven General Managers are responsible for different Departments. All GMs directly report to MD. Every GM is supported by Deputy General Manager, Manager, Deputy Manager and Assistant Managers.

## 2.11 CORPORATE GOVERNANCE

Teletalk Bangladesh Limited (TBL) believes that the best practices in corporate governance are very crucial to enhance and retain shareholders' confidence. The Board of directors of the Company possesses clear understanding of their responsibilities and seeks to adopt sound corporate governance by disclosures that enhances shareholders value and helps the Company to be a good corporate citizen. The Board of Directors are full control of Company's affairs and is also accountable to the shareholders. The Board firmly believes that success of the Company depends largely on the prevalence of a credible corporate governance practice. To ensure effective maintenance of corporate governance, the Board of Teletalk formulates strategic objectives and policies for the Company, provides leadership in implementing these objectives and supervises management of the Company's affairs as well.

The principal functions of the Board of Directors are as follows:

- Assist Management in the formulation and implementations of Policies, principles and Practices to foster the sustainable Growth of the Company on a nationwide basis. "Sustainable Growth" means the ability to meet the needs of current customers while taking into account the needs of future generation. "Sustainable Growth" also encompasses a business model that creates value consistent with the long term preservation and enhancement of financial, environmental and social capital.
- Assist management in the formulation and implementation of policies, principles and practices to permit the company to respond to evolving public sentiment and government regulation in the area of telecommunication sector.
- Assist management in setting strategy, establishing goals and integrating sustainability into daily business activities across the Company.

- Review on a continuing basis new and innovative technologies that will permit the Company to achieve sustainable growth and company actions to protect those technologies.
- Review on a continuing basis partnerships and relationships, both current and proposed, with customers and others that support the Company's sustainable growth.
- Review on a continuing basis the Company's communication and marketing strategies relating to sustainable growth.

### TBL is Always Concerned about Human Right

TBL is always committed to human rights which form the foundation of our own operations and supply chain and our collaboration with others in the Company.

Our human right policy is based on fundamental elements of nationally and internationally recognized labor standards, including the Universal Declaration of Human Rights, International Labor Organization Covenants. TBL encourages business throughout our supply chain to adopt and enforce similar policies, and seeks to identify and do business with organizations that conduct their businesses to standards that complies with our policy.

The policy covers workplace issues such as working hours, child labor and forced labor. It also reflects our increasingly integrated approach to managing human rights and community issues by articulating our commitments on several key issues that extend beyond the fence lines of our facilities, including community engagement and indigenous populations, bribery and corruption, and environment and sustainability. We are committed to equal opportunity in all aspects of our business and to fostering diversity in our workforce. Our policy addresses equal opportunity and require that there be no disparate treatment because of race, religion, color, age, sex, origin, disability, gender identity, sexual orientation or veteran status, and/ or other factors that may be covered by local law. We recognize that diversity in our workforce is a valuable asset, and we strive to provide an inclusive work environment in which different ideas, perspectives and beliefs are respected.

### Ethical Business practice

Our policy governs integrity within TBL and country that it is our policy to comply fully with the laws of the country. The trust and confidence of our customers are important to TBL and essential to building long-term

relationships and delivering excellent products and personalized services. The Company recognizes that customers, employees and others have concerns about privacy and expect us to protect and handle personal information responsibly.

TBL is committed to implementing reasonable privacy and data handling practices. The Company's Policy Letters and related Directives are designed to ensure the continuing trust and confidence of individuals who entrust us with personal information.

#### We are strongly concerned with following issues

- The workplace environment
- Gifts, favors and conflicts of interest
- Use of Company assets and data safeguarding
- Integrity of financial records
- Product quality, safety and environmental matters
- Intellectual property
- Working with governments (political activities)
- Competition and antitrust laws
- International business practices

#### Sustainable Governance and Integration

Our goal is to fully integrate sustainability issues into our core business structures and processes, rather than manage them separately. As we build capacity in this area and move toward the goal, however, we recognize that it is also important to establish some sustainability-specific structures and processes.

The following are the primary structures we use to manage and embed accountability for sustainability within TBL.

**Board and Responsibility:** TBL's governance of sustainability issues builds on a strong foundation of Board of Director and senior management accountability for the Company's environmental, social and economic performance. The Board has primary responsibility for reviewing strategic sustainability issues.

**Integration into core functions:** Numerous functions within the Company have responsibility for some or multiple aspects of sustainability. For example, the System Engineering Office, the System Operation Office and Human Resources Department each manage

specific issues that fall under the umbrella of sustainability. Our marketing function involves “Add value, Sale value” Dealership sustainability Program; retailer treatment program.

**Specific Structures:** We believe that integrity sustainability considerations into our existing systems and process- rather than creating new systems and processes- is the most effective way to embed sustainability into our business. The following are some examples of how we are doing this.

**Business Plan Development, Business Plan Review and Compensation:** As part of the annual business planning process, TBL’s business units develop annual budget and yearly business outline to be carryout during the year. The performance assessment of managers of various levels of the Company is strictly measured and it affects their benefits and promotion. Executive compensation is affected by the Company’s performance in a range of areas.

**Management Systems:** We use a variety of systems and process to manage the different aspects of our business, several of which govern or incorporate sustainability issues. For example, all TBL manufacturing facilities and our product development function are maintained government rules and regulations. TBL’s purchasing function has integrated assessment of working condition into its broader process for evaluating suppliers on issues.

**Special Attention & Strategy of Meetings:** The Company perceives business risks both at local and global perspectives. In recognizing risk factors, the Company continuously monitors business and operational risks through business process re-engineering and review. The board of directors comprises of eleven members, all being nominated by the Government of Bangladesh. The Managing Director of Teletalk, under certain specific directions of the Board, acts as the chief Executive Officers and is empowered to run the affairs of the company. For smooth performances, the Managing Directors delegates authorities to heads of the departments to operate most effectively and efficiently.

At the invitation of the Board, members of senior management attend Board meeting, or position thereof, for the purpose of participating in the discussion which helps them understand the ultimate vision of the Company to act accordingly. The Board meets as frequently as required,

but at least once a month. During the year under review, fifteen meetings of the Board of directors were held.

## 2.12 DIGITALIZATION

Few salient activities of Teletalk in line with the theme of "Digital Bangladesh"

**E-Education services related to providing remote Education:** Housing and maintaining of the results of all boards; Publishing results of PSC, JSC,SSC, HSC and equivalents through SMS and Website and furnishing paperless results to the respective institutes; Application and fee collection for re-scrutiny of JSC, SSC and HSC exam results; Electronic student information form which is online registration for JSC, SSC, HSC and equivalent students of all educational boards with signature and photo.

**E-Admission:** Services related to admission in universities and educational institutes: Online application fees collection through SMS and internet for over 50universities and educational institutes, 22 public and 49 private medical colleges, 49 polytechnic and 29 general colleges.

**E-Health:** Medicare services for obstetric/expecting women and health worker, information and indices on public health through SMS.

**E-Application for job:** Receiving application, fees and sending admit cards for jobs in Non- Governments Teachers' Registration and Certification Authority (NTRCA), Bangladesh Army, Sonali Bank, Directors of Secondary & Higher Education.

**E-Payment:** Payment of BTCL telephone bills through telecharge.

**E-Ticket:** Teletalk subscribers can purchase ticket of Bangladesh Novo Theater using their prepaid accounts.

**E-Purje:** In order to purchase sugarcane through digital system and through all out assistance of A2I project of Prime Minister's office in 2010-11 "Digital Purje Management" has been adoptedand implemented successfully in Mobarakgonj and Faridpur Sugar Mills through Teletalk.

**District e-services:** Services regarding retrieving information on different arenas through sms from " One Stop Service" centers in 64 Districts have also have also been launched through Teletalk.

**E-Registration with BMET:**

An online registration through internet and SMS submitted by a Bangladeshi national who intends to register with BMET for overseas employment.

#### E-lottery:

Developing and launching of electronic lottery for few organization including Ahasania Mission.

#### Interactive Voice Response(IVR) Based Early Warning and Disaster Managenet

##### Information dissemination service:

Early warning and disaster management information dissemination as well as cautionary signal broadcast have been implemented for the people living along the coastal belt through Cell broadcast. Under the Bureau of Disaster Management piloting is done in Cox's Bazar and Sirajganj districts. After Dialing short code 10941 customers have to press 1 for " Weather forest", 2 for " Inland port Signal" and 3 for " Flood Forecast" for getting information through IVR.

#### SMS and Mobile Banking:

Teletalk has been providing SMS banking services for more than 5 banks including Prime bank Limited and Trust bank.

#### SMS-Voting:

Teletak developed the SMS voting Gateway for Selecting & wonders of nature.

### 2.13 SERVICES

The Company has country-wide strong telecom network covering 61 district headquarters, major upazillas and highways. It has 21 customer care centers throughout the country. Teletalk offers a wide range of services to its customers. Teletalk has different packages of like GPRS, Push-Pull services, SMS, Telecharge, Post-paid connection, Pre-paid connections etc. Like other operators, Teletalk has different value added services like, Color Ring Back Tone (CRBT), Pre-paid Bonus, E-Pay System.

#### GPRS

Teletalk offers unlimited internet browsing facility for TK.800 per month or only 2 paisa per minute on actual usage basis for both post-paid and subscribers. One can use this facility by using data-cable in computer also. Handsets with GPRS option enable this facility. Through Teletalk

GPRS, the subscribers can use the facilities like browsing, email, internet chatting, data transfer etc.

### Push-pull services

Like ordinary SMS, one can receive answer to a question s/he asks. By using this push-pull service, one can have the latest updates of important events like cricket matches. Besides, other important information like weather forecast, prayer time, quotes, horoscopes and especially sehri-iftar timing during ramadhan are also available.

### SMS

An SMS of 160 characters each for TK.1.00 only available both in English and Bangla.

### ISD and EISD

Every subscriber of Teletalk gets the opportunity of Economy ISD / (EISD) to more than 50 countries @ TK.7.50 per minute. Under this facility, the subscriber should dial 012 (instead of dialing access code 00), then country code, then area code and finally the desired number.

### Telecharge

Teletalk, very recently, has introduced 'Electronic Recharge' system termed as 'Telecharge'. This system enables the subscribers to recharge their accounts by any denominations within the range from TK.10 to TK.5,000. The subscriber is not required to buy any scratch cards for such recharge.

### Variety of connections

Like all other mobile operators, Teletalk's connections are broadly divided into post-paid, prepaid and PCO (public cal office) connections. Varieties in post-paid and pre-paid SIMs are briefed under:

### Post-paid

Post-paid package has been designed for high user group, the entire country being considered as a single zone. The subscribers can select three numbers that provide them reduced tariff round the clock.

### Rajanigondha

At a connection fee of TK.950 only, it enables the user to have the facility of 1 second pulse and 3 fnf connectivity with no monthly line rent. Minimum monthly bill is TK.500 only but no security deposit.

### Shapla

With connection fee of TK.590 only, Shapla provides lowest call charge of TK.40 at all time to any operator. This has additional advantage of migration from any post-paid connection. This connection needs minimum monthly bill of TK.1,000 with security deposit of TK.1,500 only.

### Pre-paid Standard

This has no line rent. The whole country is a single zone. This package also offers reduced tariff of two Teletalk numbers or one Teletalk and one T& T number round the clock. The first pulse is 30 second and the subsequent pulses are of 15 seconds.

### Padma

This package had been designed for subscribers living outside the metropolitan areas of Dhaka, Narayangonj and Gazipur. Subscribers however can use this SIM with the metropolitan areas, but need to pay some additional charges. Connection fee is cheaper than other packages. Scratch cards validity is life-time and other facilities are same as of other pre-paid packages. All the connections of Teletalk provide free incoming facility.

### Colour Ring Back Tone

The subscribers will be able to define by themselves the ring back tone, if desired, to be heard by a caller. Pre paid Bonus: Pre paid subscribers will be given automated bonus package in terms of their volume of calls made from Teletalk.

### E-Pay system

By using this system, not only the subscribers of the Company, any person will be able to pay bill for his/her utility services through nominated agents of the Company without hassle of going to banks.

### Missed call Alerts



The subscribers, even if disconnected from network, will be informed (on re-connection) of all the calls made to his phone during the period of disconnection.

## Chapter 3

# DESCRIPTION OF JOB

### 3.1 JOB DESCRIPTION

As an intern student I had to do a lot of tasks in the finance department. The first 15 days I checked all the vouchers they have backlogged. I had to check the voucher books and identify the voucher names and then finding the correct Fiscal Year and Financial Periods. Every day I had to check the Entry Book. I used to entry different data that every. Sometimes I had to do a lot of photocopies in the office.

The next one months I have been provided by a desk. My task was giving posting to the internet. It is called ERP posting. Enterprise resource planning (ERP) systems integrate internal and external management of information across an entire organization—embracing finance/accounting, manufacturing, sales and service, customer relationship management, etc. ERP systems automate this activity with an integrated software application. ERP facilitates information flow between all business functions inside the organization, and manages connections to outside stakeholders.

### 3.2 SPECIFIC RESPONSIBILITIES

My responsibility was to post all the transactions that have been occurred. This ERP posting system has Debit balance and Credit balance. If the posting is correct then the Debit and Credit balance will be equal. Then I had to save it. This was my specific responsibility. The name of the job is 'Data Entry'.

### 3.3 CRITICAL OBSERVATION

Teletalk gives opportunity to the internship students to learn from different work environment. Though sometimes it might make someone to feel overloaded with work. I worked for the finance department. But at the same time I had to do a lot of woks that are not related to my field. Sometimes I had to go to the shops to buy logistics for the office.

### 3.4 FEEDBACK

Overall feedback about Teletalk work environment is good. The employees are dedicated workers. They help the internship students to understand the work environment and the job. They do not provide any remuneration to the internship students. I personally recommend them

to provide some incentives because the amount and variety of work they let the students to do, it deserves some incentives and benefits. They only offer refreshments and a free lunch every day for the internship students.

## Chapter 4

# ANALYSIS OF THE DATA

- 4.1 Current Ratio
- 4.2 Quick Ratio
- 4.3 Total Debt to Equity Ratio
- 4.4 Long term debt to liabilities
- 4.5 Return on assets
- 4.6 Return on common equity
- 4.7 Gross profit margin Ratio
- 4.8 Operating profit margin ratio
- 4.9 Pretax Profit Margin Ratio
- 4.10 Nat Profit Margin Ratio
- 4.11 Total Asset Turnover
- 4.12 Fixed Asset Turnover Ratio

**Ratio** : A ratio shows the relative sizes of two or more values.

**Financial analysis** is the use of financial statements to analyze a company's financial position and performance and to assess future financial performance. It consists of three broad areas; those are profitability analysis, risk analysis and analysis of sources and uses of funds.

**Profitability analysis** is the evaluation of a company's return on investment. It focuses on a company's sources and levels of profits and involves identifying and measuring the impact of various profitability drivers. It also includes evaluation of the two major sources of profitability margins (the portion of sales not offset by costs) and turnover (capital utilization). Profitability analysis also focuses on reasons for changes in profitability and the sustainability of earnings.

**Risk analysis** is the evaluation of a company's ability to meet its commitments. Risk analysis involves assessing the solvency and liquidity of a company along with its earnings variability. Since risk is of foremost concern to creditors, risk analysis is often discussed in the context of credit analysis. Still, risk analysis is important to equity analysis, both to evaluate the reliability and sustainability of company performance and to estimate a company's cost of capital.

**Analysis of sources and uses of funds** is the evaluation of how a company is obtaining and deploying its funds. This analysis provides insights into a company's future financing implications.

## 4.1 Current Ratio

Year	2011	2012	2013	2014	2015
Current Assets	1329752692	1453841791	1681034702	1643683906	1975380642
Current Liabilities	2373078506	2947965620	3317823418	3897813464	3961637022
Current Ratio	0.56	0.49	0.51	0.42	0.49

Table : Current Ratio

For current ratio we see that in 2011 it was 0.56, in 2012 it was 0.49, in 2013 it was 0.51, in 2014 it was 0.42 and in 2015 it was 0.49 from 2011 to 2015 it was fluctuating.

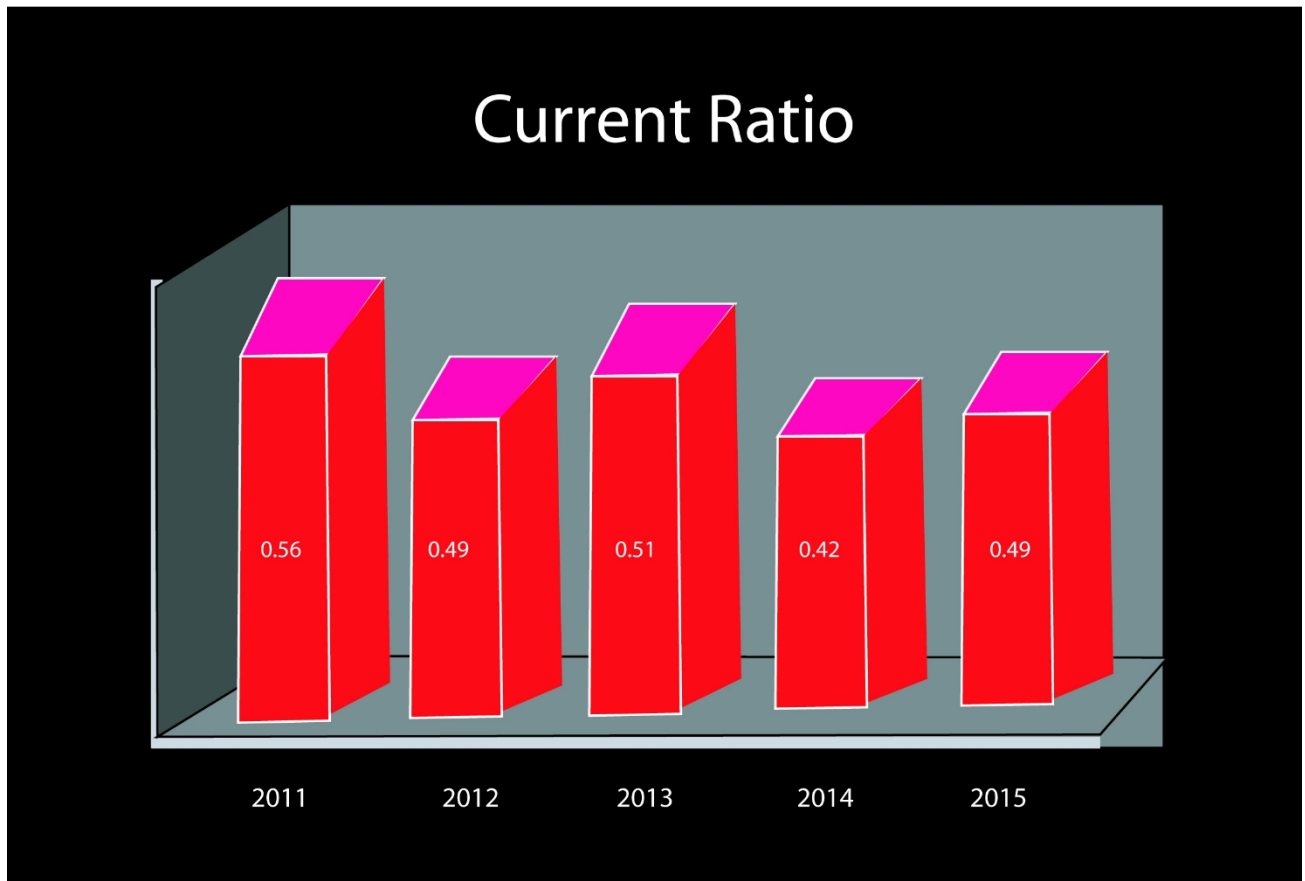


Figure : Current Ratio

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

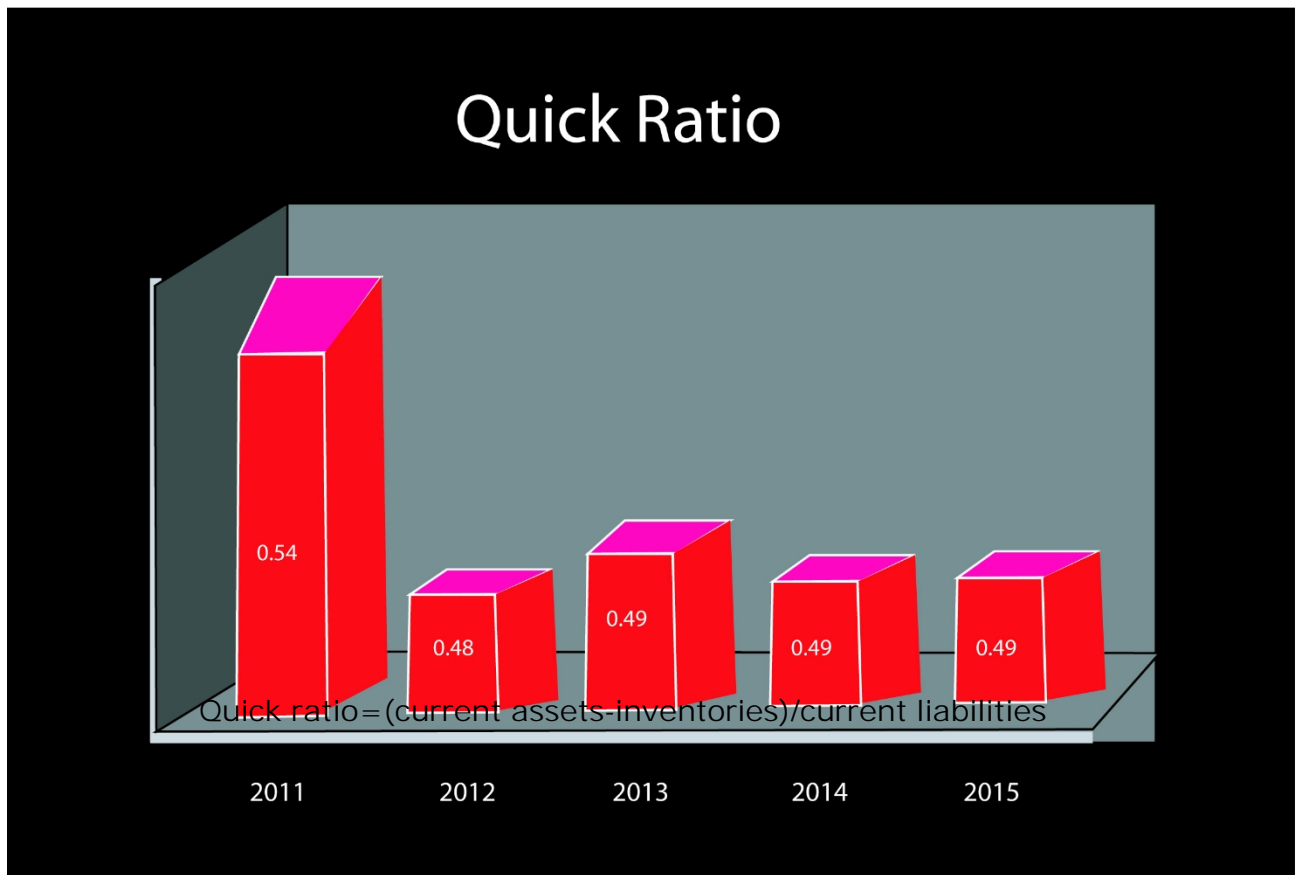


## 4.2 Quick Ratio

Year	2011	2012	2013	2014	2015
Current Assets	1329752692	1453841791	1681034702	1643683906	1975380642
Inventories	45614270	30159901	35732976	21959989	39110236
Current Liabilities	2373078506	2947965620	3317823418	3897813464	3961637022
Quick Ratio	0.54	0.48	0.49	0.48	0.48

Table : Quick Ratio

We see here, 2011 to 2015 Quick Ratio was in an decreasing trend. There might be some issues for decreasing in 2015. We can see the highest quick ratio in 2011 with 0.54.



$$\text{Quick Ratio} = (\text{current assets} - \text{inventories}) / \text{current liabilities}$$

### 4.3 Total Debt to Equity Ratio

Year	2011	2012	2013	2014	2015
Total Liabilities	3136286333	3506590693	3534871846	4457347991	13678211786
Shareholders equity	3638332641	2538725980	2249781383	2360058167	2185021813
Total Debt to Equity	0.86	1.38	1.57	1.89	6.26

Table : Total Debt to Equity Ratio

In 2011 total debt to equity ratio was 0.86 and the highest is in 2015 which is 6.26 because of the 400 crore loan taken from the government for the 3G project.

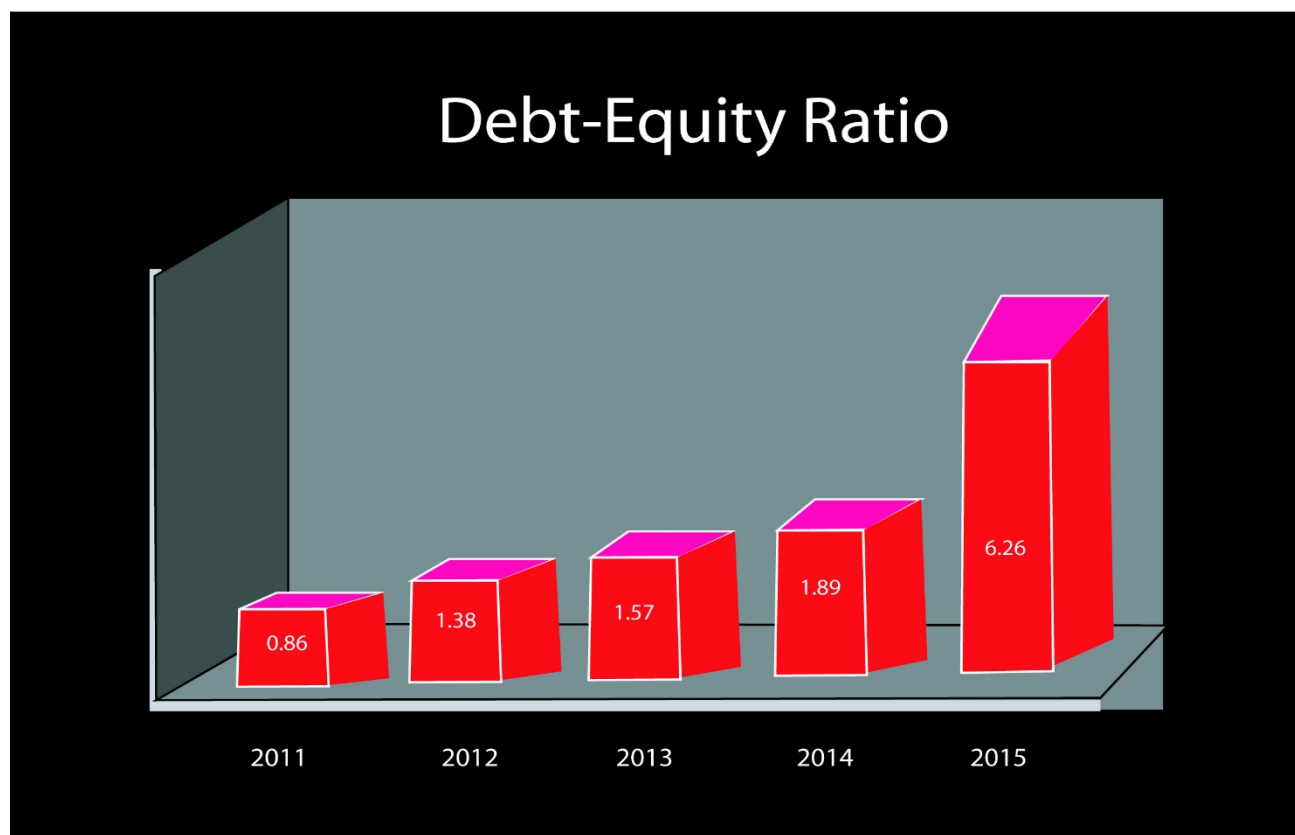


Figure : Debt-Equity

$$\text{Debt-equity ratio} = \frac{\text{total liabilities}}{\text{shareholders equity}}$$

## 4.4 Long-term Debt to Liabilities

Year	2011	2012	2013	2014	2015
Long-term liabilities	763207827	558625073	217048428	559534527	9716574764
Shareholders equity	3638332641	2538725980	2249781383	2360058167	2185021813
Long-term debt to liabilities	0.21	0.22	0.10	0.23	4.45

Table : Long-term debt to Liabilities

Here we see it was not at all a stable one. this ratio was rapidly fluctuating.

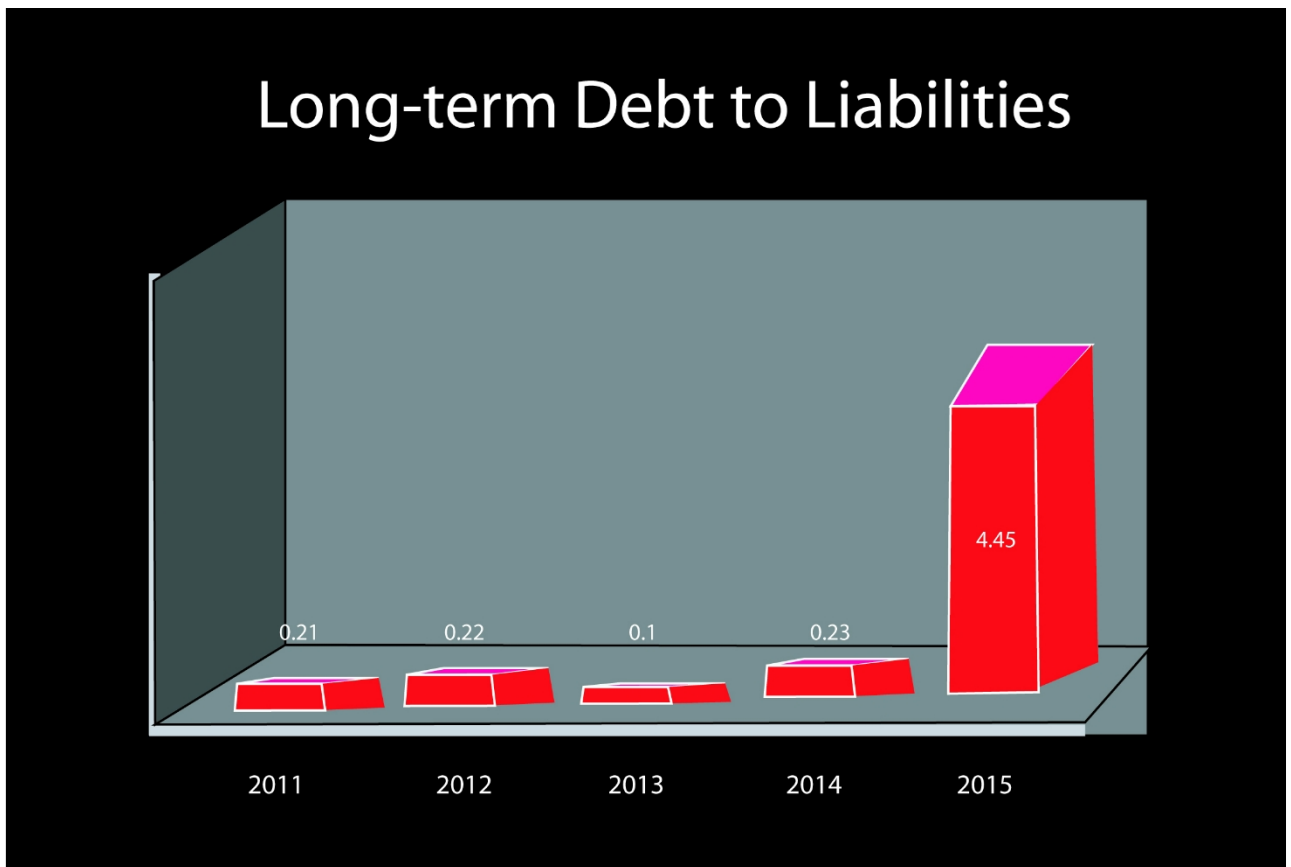


Figure : Long-term Debt to

Long term debt to liabilities = Long term liabilities/shareholders equity

## 4.5 Return on Assets

Year	2011	2012	2013	2014	2015
Net income	(1626534312)	(1099606661)	(288944597)	110276784	(175036354)
Total Assets	6109729689	2116282990	4316644155	5358199362	7182140019
Return on assets(%)	-0.27	-1.92	-0.06	0.02	-0.024

Table : Return on Assets

Here we only find a positive performance in 2014.

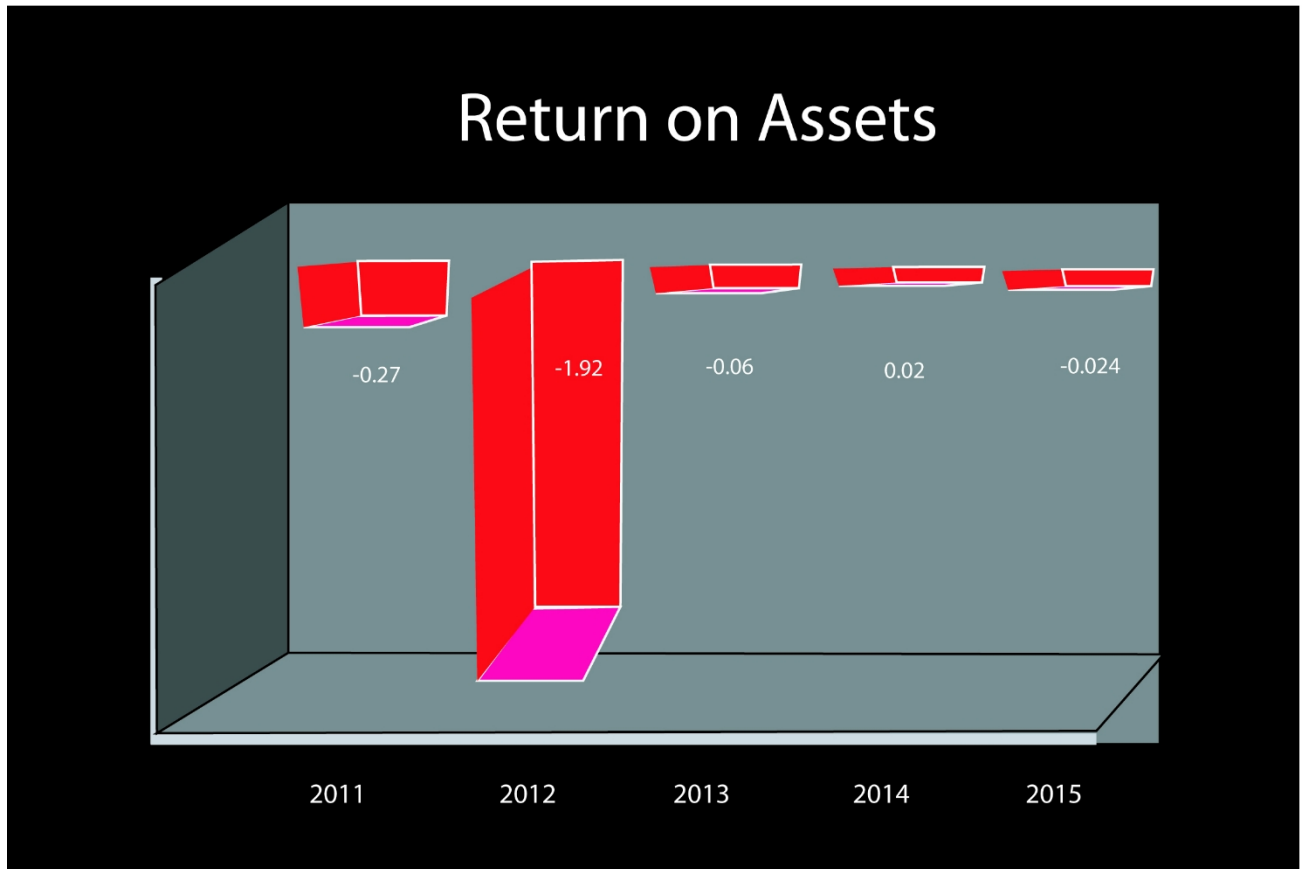


Figure : Return on Assets

$$= \frac{\text{Net income}}{\text{Total assets}}$$

## 4.6 Return on Common Equity

Year	2011	2012	2013	2014	2015
Net income	162653431 2	109960666 1	- 288944597	110276784	- 175036354
Shareholders equity	363833264 1	309735105 3	224978138 3	236005816 7	218502181 3
Return on Common equity(%)	-0.45	-0.36	-0.13	0.05	-0.08

Table : Return on Common Equity

Result shows only a positive performance in 2014.

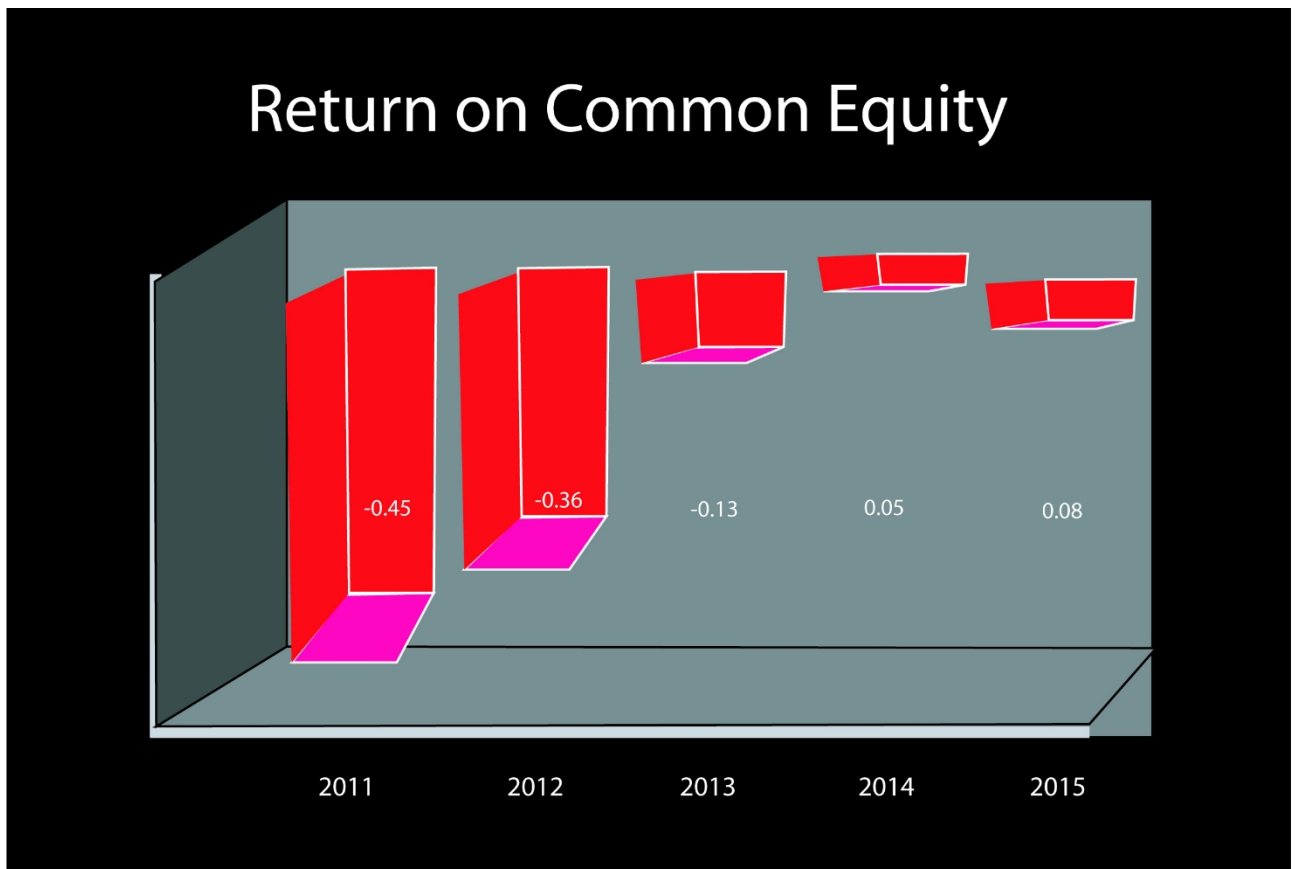


Figure : Return on

$$\text{Return on equity} = \text{Net income} / \text{shareholders equity}$$

## 4.7 Gross Profit Margin Ratio

Year	2011	2012	2013	2014	2015
Gross profit	1566787452	2262015120	2100363620	1400174211	1706507960
Sales	1519080932	1900007576	2284008234	2989810653	3572796683
Gross profit margin(%)	1.03	1.19	0.92	0.47	0.48

Table: Gross Profit Margin Ratio

Highest in 2012 and lowest in 2014.

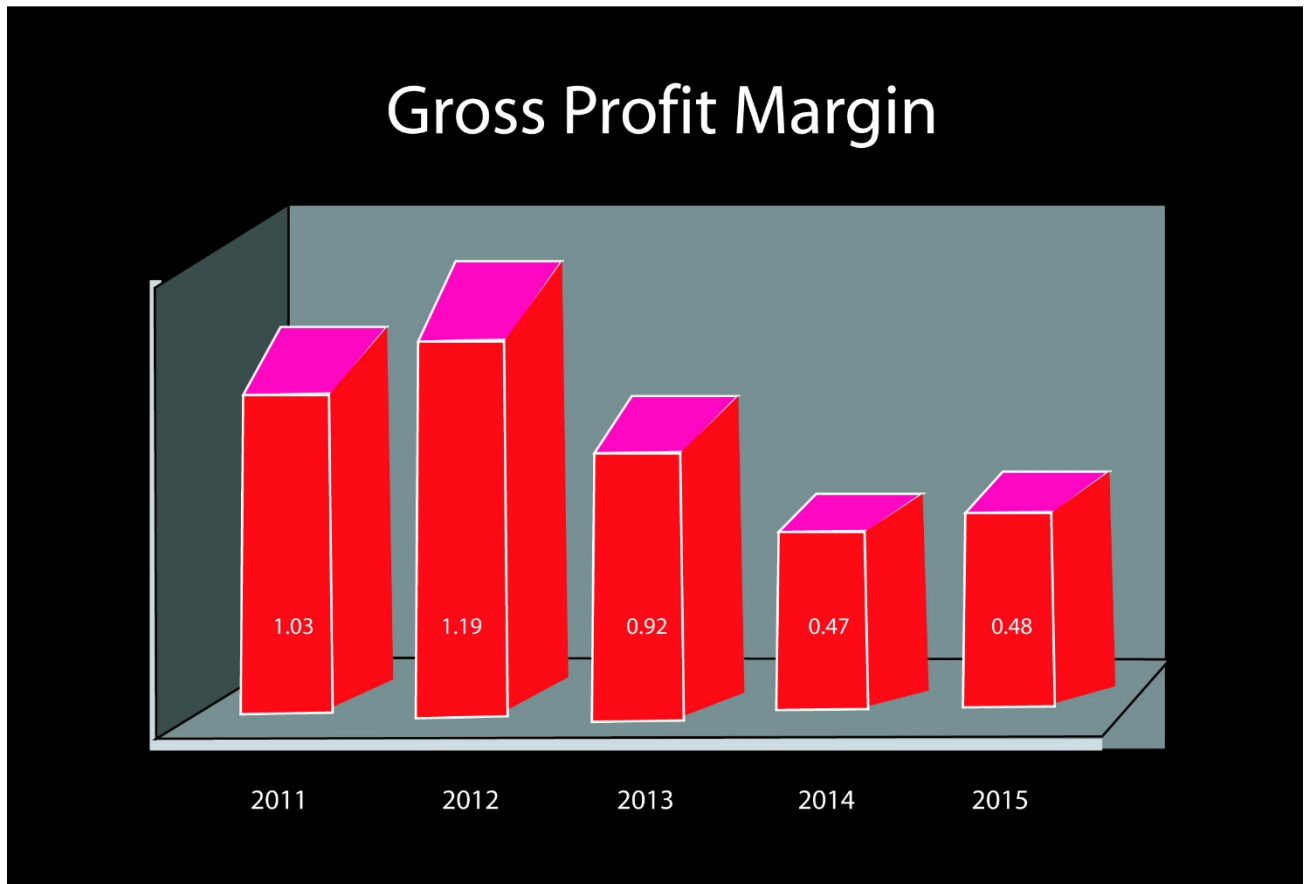


Figure : Gross Profit

$$\text{Gross profit margin} = \frac{\text{Revenue} - \text{COGS}}{\text{Revenue}}$$

### 4.8 Operating Profit Margin Ratio

Year	2011	2012	2013	2014	2015
Income from Operation	-1246752109	-1363766032	-674341960	485842565	321715876
Sales	1519080932	1900007576	2284008234	2989016776	3572796683
Operating Profit margin(%)	-0.82	-0.72	-0.08	0.16	0.09

Table : Operating Profit Margin Ratio

Here we see that it is decreasing year by year until 2013.

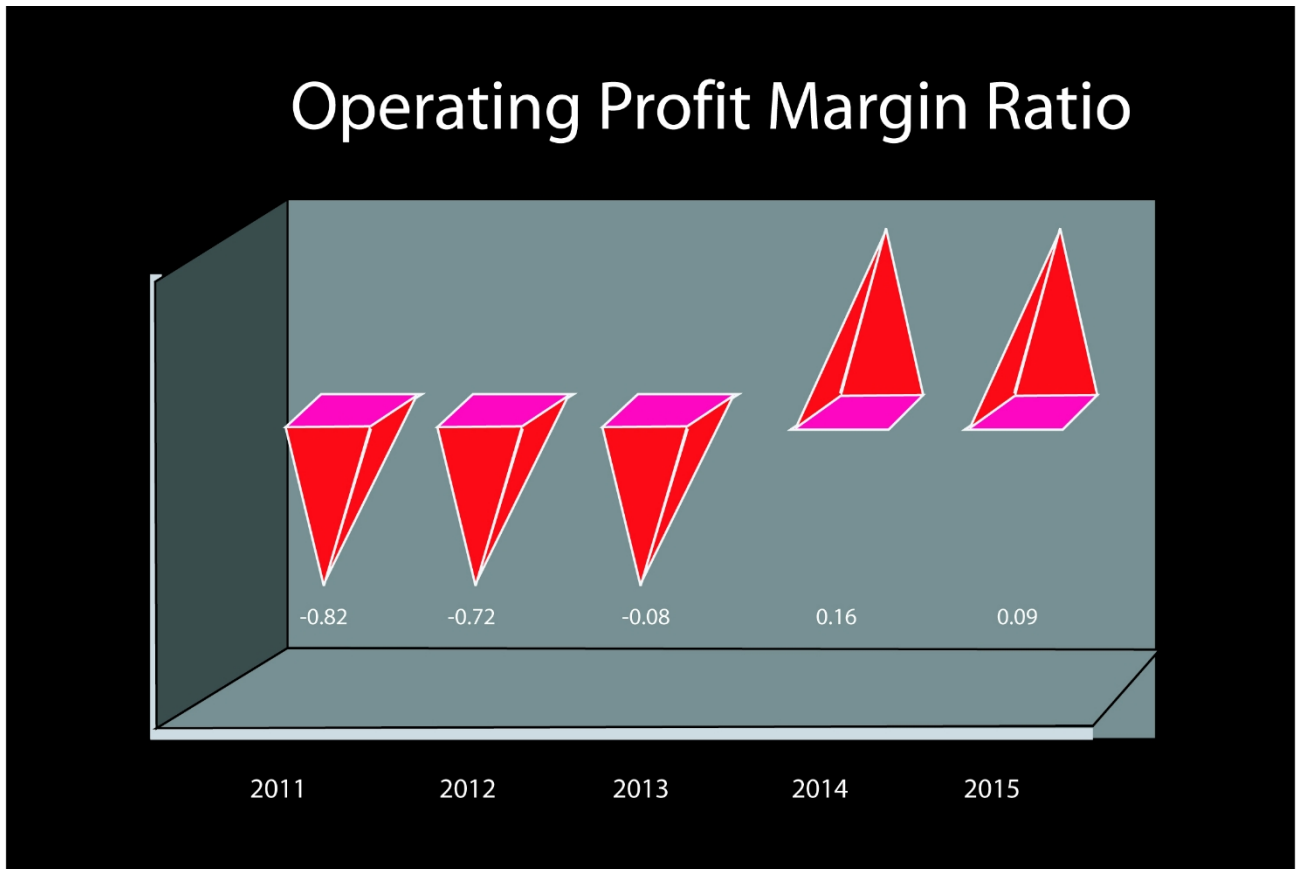


Figure : Operation Profit Margin Ratio

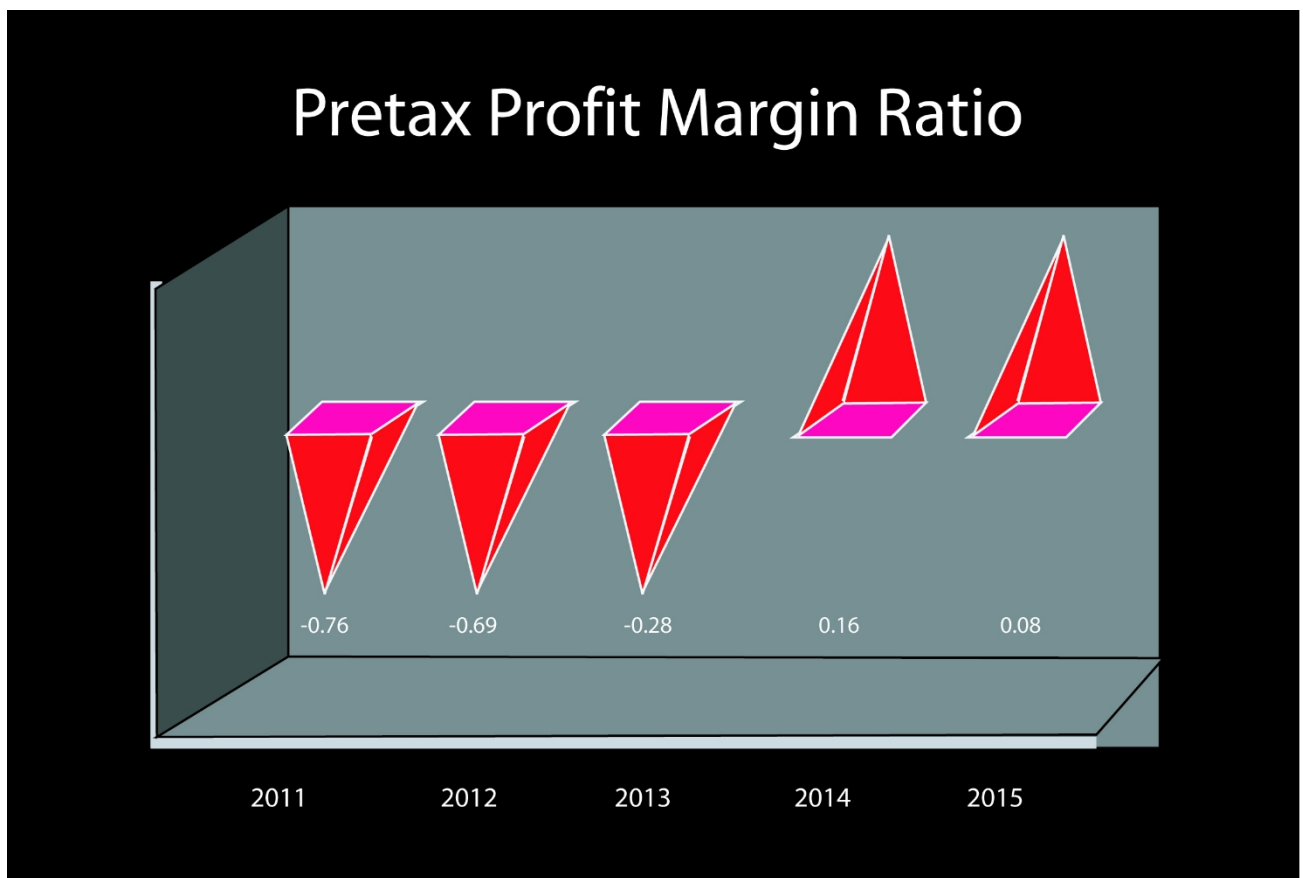
$$\text{Operating margin} = \frac{\text{Operating income}}{\text{Net sales}}$$

## 4.9 Pretax Profit Margin Ratio

Year	2011	2012	2013	2014	2015
Profit before income tax	- 1158591990	- 1302582252	-629835326	468103067	271881329
Sales	1519080932	1900007576	2284008234	2989810653	3572796683
Pretax Profit margin (%)	-0.76	-0.69	-0.28	0.16	0.08

Table : Pretax Profit Margin Ratio

Here we see that it is decreasing year by year until 2013.



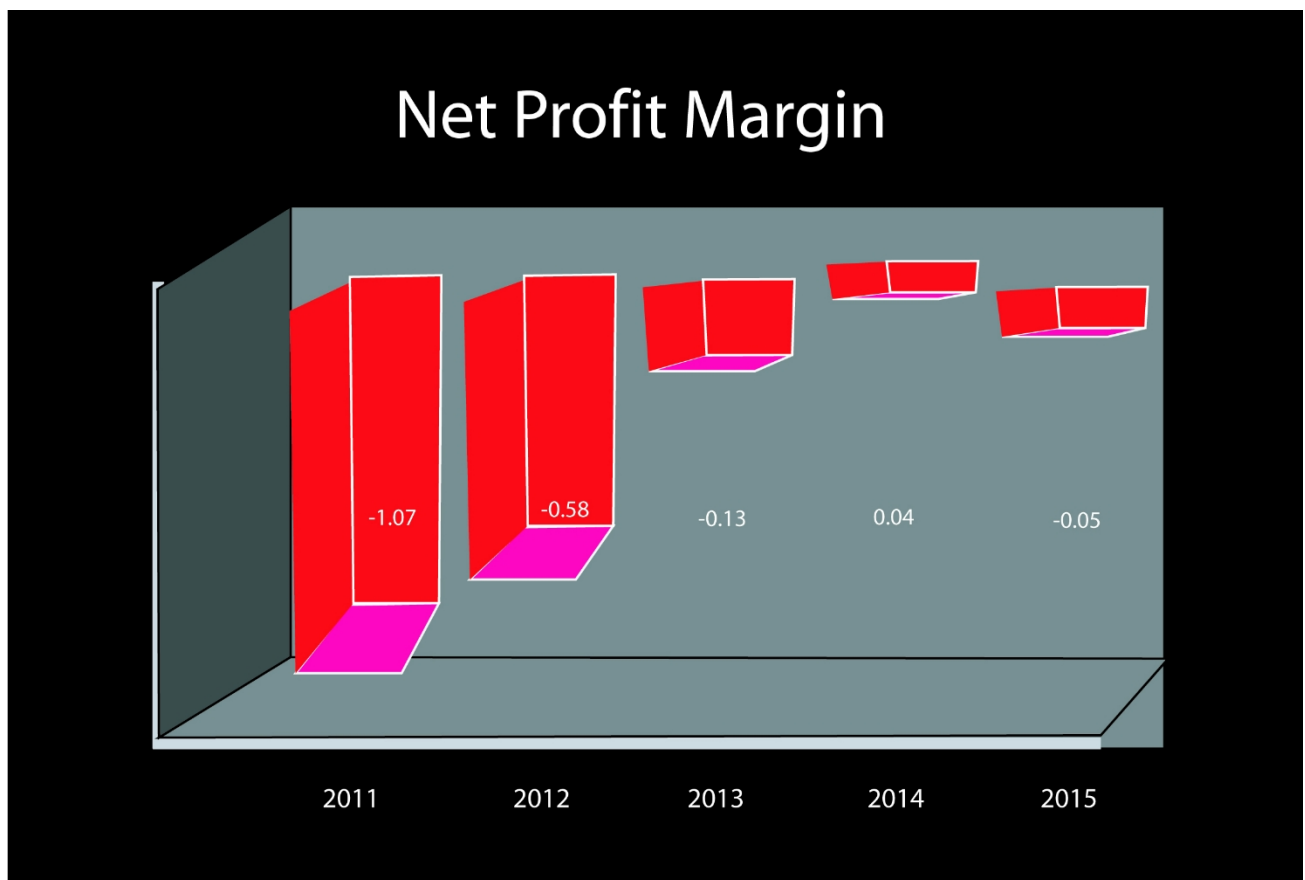


## 4.10 Net Profit Margin Ratio

Year	2011	2012	2013	2014	2015
Net income	- 1626534312	- 1099606661	-28894597	110276784	-175036354
Sales	1519080932	1900007576	2284008234	2989810653	3572796683
Net Profit margin (%)	-1.07	-0.58	-0.13	0.04	-0.05

Table : Net Profit Margin Ratio

Here we see that it is decreasing year by year until 2013 then increased in 2014 and again decreased in 2015.



## 4.11 Total Asset Turnover

Year	2011	2012	2013	2014	2015
Sales	1519080932	1900007576	2284008234	2989810653	3572796683
Total assets	6109729689	2116282990	4316644155	5358199362	7182140019
Total assets Turnover (%)	0.25	0.89	0.53	0.56	0.49

Table : Total Asset Turnover

Here it's more or less and increasing trend. The highest in 2012.

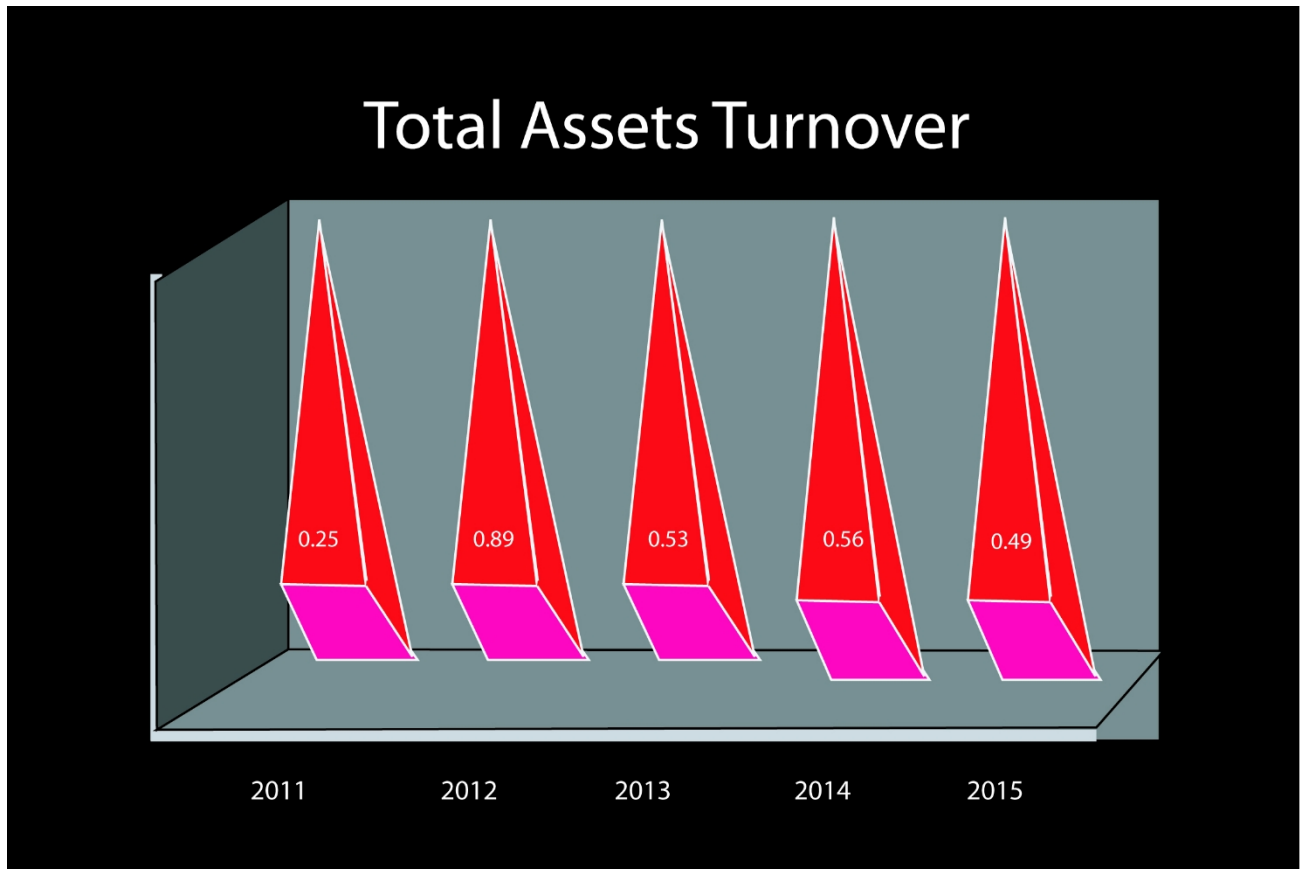


Figure : Total Assets

$$\text{Asset turnover} = \frac{\text{Revenue}}{\text{Assets}}$$

## 4.12 Fixed Asset Turnover Ratio

Year	2011	2012	2013	2014	2015
Sales	1519080932	1900007576	2284008234	2989810653	3572796683
Fixed assets	4597565792	3622229067	2589209861	3644358298	5104162615
Fixed assets Turnover	0.33	0.52	0.88	0.82	0.69

Table : Fix Asset turnover Ratio

Here the trend is positive and the highest is in 2013 which is 0.88.

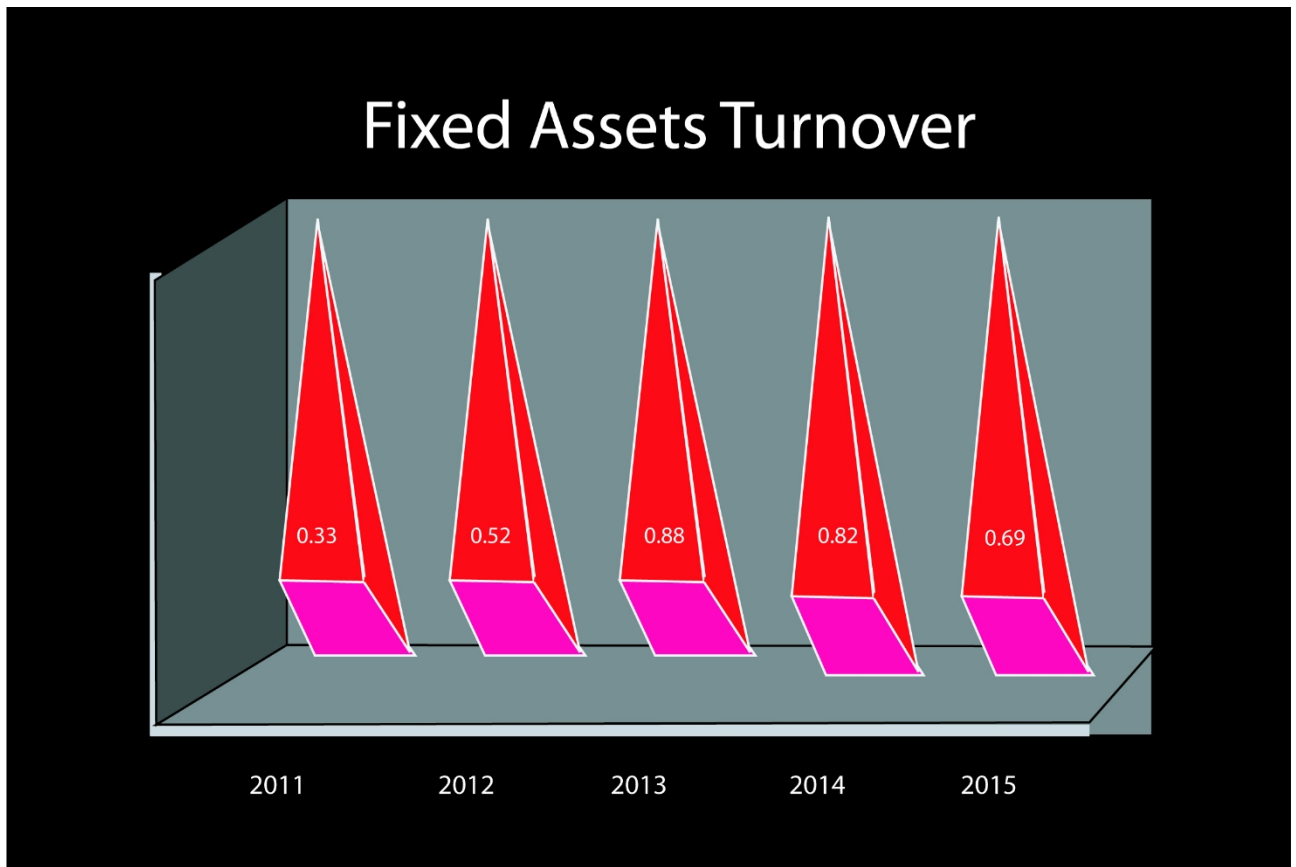


Figure : Fixed Assets

$$\text{Fixed Asset turnover} = \frac{\text{Net Sales}}{\text{Net Property, Plan and equipment}}$$

## Chapter 5

# FINDINGS

## FINDINGS

**Current Ratio** is a liquidity ratio that measures a company's ability to pay short-term obligations. We know the higher the current ratio, the more capable the company is of paying its obligations. A ratio under 1 suggests that the company would be unable to pay off its obligations if they came due at that point. While this shows the company is not in good financial health, it does not necessarily mean that it will go bankrupt - as there are many ways to access financing - but it is definitely not a good sign. *For current ratio we see that in 2011 it was 0.56 in 2012 it was 0.49, in 2013 it was 0.51, in 2014 it was 0.42 and in 2015 it was 0.49. All of the findings are under 1.*

**Quick Ratio** we know it's an indicator of a company's short-term liquidity. The quick ratio erasures a company's ability to meet its short-term obligations with its most liquid assets. The higher the quick ratio, the better the position of the company. *We see from 2011-15 it is 0.54, 0.48, 0.49, 0.48, 0.48 consecutively. In 2011 and 2013 it did well.*

**Debt-Equity ratio** provides another vantage point on a company's leverage position, in this case, comparing total liabilities to shareholders' equity, as opposed to total assets in the debt ratio. Similar to the debt ratio, a lower the percentage means that a company is using less leverage and has a stronger equity position. *For Teletalk the findings from 2011-15 is 0.86, 1.38, 1.57, 1.89, 6.26 consecutively. The worst case is in 2015 as the Company took huge loan from Government.*

**Return On Assets Ratio** gives investors an idea of how effectively the company is converting the money it has to invest into net income. The higher the ROA number, the better, because the company is earning more money on less investment. *From 2011-15 the ROA ratios are - 0.07, -1.92, -0.06, 0.02, -0.024 consecutively. The Company only did good at 2014.*

**Gross Profit Margin Ratio**, it is not an exact estimate of the company's pricing strategy but it does give a good indication of financial health. Without an adequate gross margin, a company will be unable to pay its operating and other expenses and build for the future. In general, a company's gross profit margin should be stable. It should not fluctuate much from one period to another, unless the industry it is in has been undergoing drastic changes which will affect the costs of goods sold or pricing policies. *From 2011-15 the ratios are 1.03, 1.19, 0.92, 0.47, 0.48 consecutively. Here it's quite fluctuating. So the performance is poor.*

**Operating Margin Ratio** gives analysts an idea of how much a company makes (before interest and taxes) on each dollar of sales. When looking at operating margin to determine the quality of a company, it is best to look at the change in operating margin over time and to compare the company's yearly or quarterly figures to those of its competitors. If a company's margin is increasing, it is earning more per dollar of sales. The higher the margin, the better. *From 2011-15 the ratios are -0.82, -0.72, -0.08, 0.16, 0.09 consecutively. Last two years they did pretty good. Though its negligible..*

**Pre-tax profit Margin Ratio** is a company's earnings before tax as a percentage of total sales or revenues. The higher the pre-tax profit margin, the more profitable the company. The trend of the pretax profit margin is as important as the figure itself, since it provides an indication of which way the company's profitability is headed. *From 2011-15 the ratios are -0.76, -0.69, -0.28, 0.16, 0.08. We see last two years they did well.*

**Net Profit Margin Ratio** is a ratio of profitability calculated as net income divided by revenues, or net profits divided by sales. It measures how much out of every dollar of sales a company actually keeps in earnings. Profit margin is very useful when comparing companies in similar industries. A higher profit margin indicates a more profitable company that has better control over its costs

compared to its competitors. *Here we see Teletalk only made profit at 2014, for 1 taka they made a profit of 0.04 taka.*

**Total Asset Turnover** measures a firm's efficiency at using its assets in generating sales or revenue - the higher the number the better. It also indicates pricing strategy: companies with low profit margins tend to have high asset turnover, while those with high profit margins have low asset turnover. *From 2011-15 the ratios are 0.25, 0.89, 0.53, 0.56, 0.49. Here the trend is comparatively steady.*

**Fixed Asset Turnover** ratio is a financial ratio of net sales to fixed assets. The fixed-asset turnover ratio measures a company's ability to generate net sales from fixed-asset investments - specifically property, plant and equipment (PP&E) - net of depreciation. A higher fixed-asset turnover ratio shows that the company has been more effective in using the investment in fixed assets to generate revenues. *From 2011-15 the ratios are 0.33, 0.52, 0.88, 0.82, 0.69. Here we see from 2012-15 the ratios were higher.*

## Chapter 6

# RECOMMENDATION AND CONCLUSION



## RECOMMENDATION

After seeing the findings part I will recommend Teletalk to increase their Current Assets. Otherwise they will not be able to pay short term obligations.

They should try to keep their Gross Profit Margin Stable. Unless the Company will face drastic changes which will affect the costs of goods sold or pricing policies They should look to the Net Profit Margin. They are in continuous loss. They only made profit in 2014.

I think the main problem of Teletalk is there fund problem. This problem can be overcome by short term loan fund which they can collect from IPO. They can collect short term loan from the commercial Banks. They need to improve their information system and by employing experts to take a good and quick decision making. They need to ensure the Network Quality for the Satisfaction of the Customer. They should improve interaction between employees and make them helpful to each other. They should improve their logistic system. I found their main revenue comes from the Dealers Sales so that Teletalk must need to improve their Dealer Management System. They can improve their accounting information system by implementing a Central software system.

## CONCLUSION

Teletalk is the first government owned private cellular operator in Bangladesh. Teletalk has a goal to receive an economic return on its investments and to contribute to the economic development of Bangladesh where telecommunications can play a critical role. Teletalk Bangladesh Limited believes in service, a service that leads to good business and good development. Telephony helps people work together, raising their productivity. This gain in productivity is development, which in turn enables them to afford a telephone service, generating a good business. Thus development and business go together.

The main goal of Teletalk is to deliver SIM kits to the subscriber at a cheap rate and make a competitive market . All the categories of subscribers had collected their SIM kits through banks. Which is very satisfactory of SIM collection rate. When the Subscriber received their

SIM kits, the innocent smile of them shows recessive support to Teletalk. This is the great achievement of Teletalk Bangladesh Limited.

In services sector FDI inflow in Bangladesh is enormous. Telecom sector is become the core of interest in FDI in Bangladesh. So it is expected in the long run Teletalk has to face an immense competition. As well as we are also forecasting the current PCO culture might change if the profit margin reduce at current ratio. By this offer interest of Teletalk and PCO's owners reciprocally proportionately will sustain. In the long run they can able to face the market competition successfully.

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- <http://www.investopedia.com>

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- Intermediate Financial Management (F. Brigham/C.Gapenski)