



BRAC UNIVERSITY
INTERNSHIP REPORT ON

“Financial Performance Analysis of Teletalk Bangladesh
Ltd”



(An Internship Report Presented to the Faculty of Business Administration is one of the
Requirements for the Degree of Bachelor of Business Administration)

Supervised By:

Ms. Syeda Shaharbanu Shahbazi
Lecturer

Faculty of BRAC Business School

Submitted By:

Saon Mozumdar
ID # 08304080

Major Area: Finance.

Date of Submission: 26 June, 2013.



“Financial Performance Analysis of Teletalk Bangladesh Ltd.”

LETTER OF TRANSMITTAL

26 June, 2013

Syeda Shaharbanu Shahbazi
Lecturer, BRAC Business School
BRAC University
Mohakhali, Dhaka.

Subject: 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 fulfillment of the requirements for the Degree of Bachelor of Business Administration.

I took this report as an opportunity to reflect my learning of the techniques and skills of this three months 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,

Saon Mozumdar

ID# 08304080

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 **Saon Mozumdar** ID# 08304080 has worked in Teletalk as an intern. I have worked there for 3months 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 **Ms. Syeda Shaharbanu Shahbazi** 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. Faroque 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.

TABLE OF CONTENTS

No.	Topic	Page No.
	Executive Summary	
Chapter 1	An Overview of Teletalk Ltd.	3-6
	Vision, Mission, Value Statement	7-8
	Success Timeline, Major Achievements	08
	Types of Business, Corporate Culture, Business Objective	8-9
	Organizational Structure	09
	Corporate Governance	10
	Digitalization	14
	Services	15
	Customer Care Centers	19
	Participation in the Share Market	20
	Corporate Social Responsibility	20
	Short Overview of Bangladesh Mobile Telecom Market	21
Chapter 2	DESCRIPTION OF JOB	24
	Job Description	24
	Specific Responsibilities	24
	Feedback	24
Chapter 3	Introduction of the Report	27
	Introduction, Rational of the Study, Statement of the Problem	27

	Scope and delimitation of the topic, Objectives of the Study. Review of Related Literature	27
	Methodology of the Study, Ratios, Sources of Data	28
Chapter 4	Analysis of the Data	31-32
	Ratio Analysis	33-44
Chapter 5	SWOT Analysis	46-51
	Strengths, Weakness	49
	Opportunity, Threats	50-51
Chapter 6	Findings	53
Chapter 7	Recommendation	56
Chapter 8	Conclusion	58
	Bibliography	59
	Appendix	60

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. Teletalk has been doing business for years. 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 2008 to 2012.

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.



Chapter 1

ABOUT TELETALK AND AN OVERVIEW OF BANGLADESH MOBILE INDUSTRY

1.1 An Overview of Teletalk Bangladesh

1.2 Vision

1.3 Mission

1.4 Value Statement

1.5 Success Timeline

1.6 Major achievements

1.7 Types of Business

1.8 Corporate Culture

1.9 Business Objectives

1.10 Organizational Structure

1.11 Corporate Governance

1.12 Digitalization

1.13 Services

1.14 Customer Care Centers

1.15 Participation in the Share Market

1.16 Corporate Social Responsibility

1.17 A Short Overview of Bangladesh Mobile Telecom Market

1.1 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-goverence 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.’

Company's Operational Activities and Network Expansion

- In order to survive and proceed in a fiercely competitive market, the company needs to remain dynamic in its operations. In this context, regular and continuous expansion and up gradation of existing network elements are mandatory. As such Teletalk is using funds from its own revenue.
- The first phase of network expansion programme at a cost of equivalent to Taka 2,101 million (including a foreign currency component equivalent to T k.1,415 million) financed fully from its own resources has since been completed. This has resulted in a capacity increase of 0.60 million subscribers and given significant rise of revenue.
- In the meantime, upon approval of the Board of Directors, the second phase of its expansion endeavor, estimated at a cost of around Tk.5,330 million, has already been launched to yield a further capacity increase of 1.8 million of subscribers. After completion of the second expansion program, the total number of subscribers is expected to exceed 3.00 million.
- With a view to remain always competitive and to furtherance its market share, the Company has been in the pace of its activities to pursue new expansion programs one after another which would continuously expand its subscriber base. The Company is also investing in procurement of new Valu Added services(VAS) systems for increasing the qualitative value of its network in order to ensure seamless and even better services to its subscribers.
- It may be mentioned that, with advancement of technology in the sector, Teletalk is actively thinking of adopting the latest 3G Technology in its network and already drafted a project profile which has already been implemented.

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 (1st 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

1.2 VISION

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

1.3 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.

1.4 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 intrgrity 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.

1.5 SUCCESS TIMELINE

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

1.6 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.

1.7 TYPES OF BUSINESS

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

1.8 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.

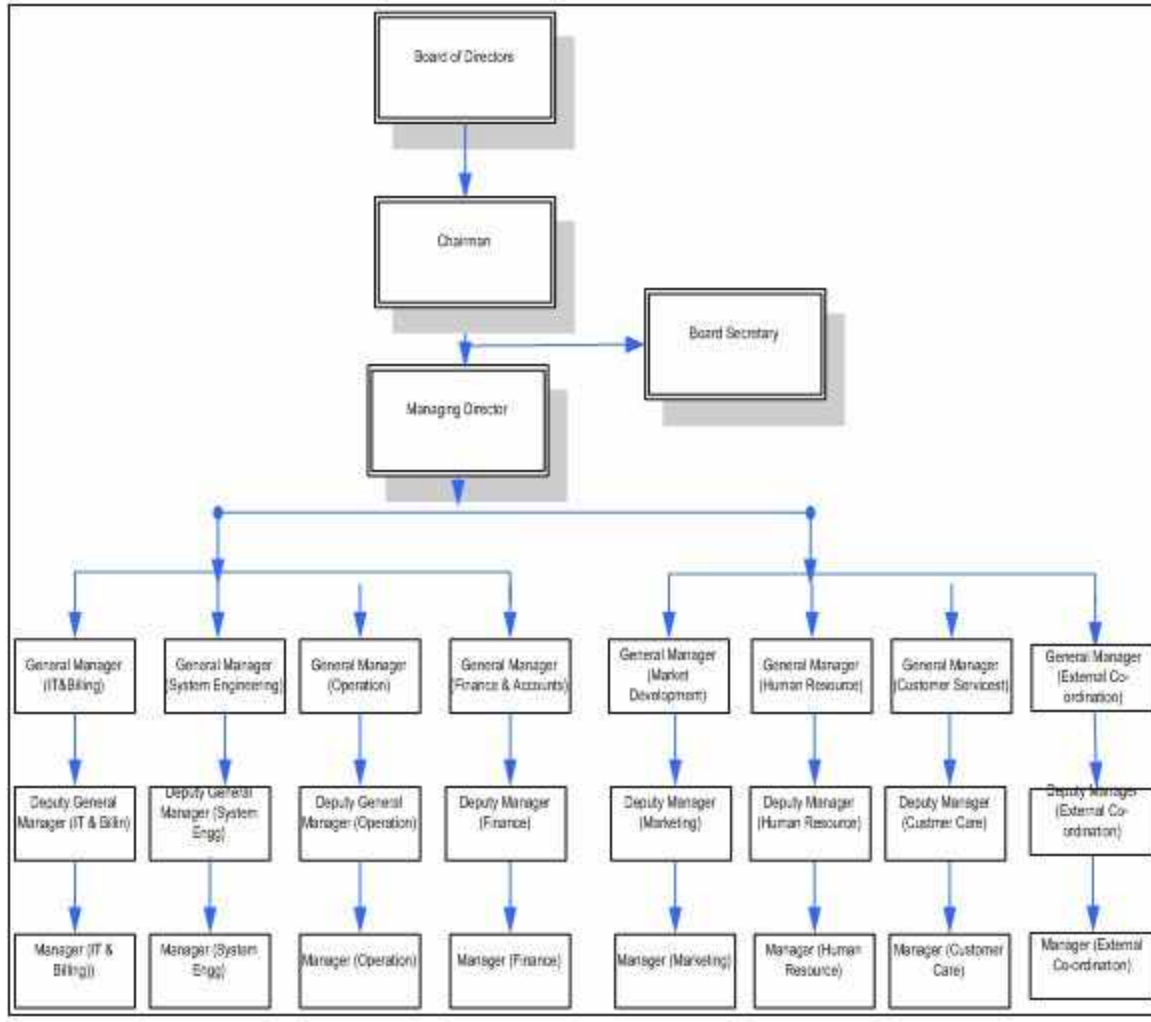
1.9 BUSINESS OBJECTIVE

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.

1.10 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.



The diagram shown above is up to manager level of each department. There are some non-managerial posts such as Junior Officers and Associates; those mainly perform at the execution level of all operations

1.11 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, principals 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.

1.12 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 50 universities 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 adopted and 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.

1.13 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, pre-paid and PCO (public call 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 min 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, Narayanganj 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.

Value Added Services

This is a newly introduced value added services by Teletalk. This is a automated push pull service. A Teletalk subscriber needs some types of information like Jokes, Weather, Taxi, Horoscope, Quotes, Emergency, International Weather Forecasting, and Cricket. The Teletalk subscribers apply following process and charge reduction 1 TK per message.

Jokes	joke<space><joke number> Example: joke 020	Joke Number: 001 – 038
Weather	wt<space><city name> Example: wt dhaka	City Name: Dhaka, Delhi, Tokyo, Bangkok, Beijing, Singapore, London, New York, Paris, Moscow, Calcutta, Chittagong, Barisal, Bogra, Sylhet, Sydney, Melbourne, Karachi
Taxi	taxi<space><division> <space><taxi type> Example: taxi dhk yellow	Division: dhk, cht, khl, syl, jes, raj, brs Taxi Type: yellow, black
Horoscope	hor<space><sign>	Signs: ari, leo, sag, tau, vir, cap, gem,

	Example: hor ari	lib, aqu, can, sco, pis
Quotes	qot<space><quote type><space><quote number> Example: qot love 023	Love Quote Number: 001 – 095 Fun Quote Number: 001 – 038 Birth Quote Number: 001 – 076 Friend Quote Number: 001 – 043
Emergency	emrg<space><division> <space><ph num type> Example: emrg dhk pol	Division: dhk, cht, khl, syl, jes, raj, brs Ph Number Type: pol, fire, amb
International Weather Forecasting	fc<space><city name> Example: fc new york	City Name: Dhaka, Delhi, Tokyo, Bangkok, Beijing, Singapore, London, New York, Paris, Moscow, Calcutta, Chittagong, Barisal, Bogra, Sylhet, Sydney, Melbourne, Karachi
Cricket	cric<space><first 3 alphabet of cricketing country> Example for Bangladesh : cric ban	

1.14 CUSTOMER CARE CENTERS

Most of the problems of the subscribers are solved by the helpline service. But there are some problems that can not be solved there. Subscribers need to come physically to deal with those problems. GrameenPhone has five information centers that are popularly known as 'Info Centers'. The Teletalk has 10 (Ten) customer care centers through out the country. To know the addresses and related information see below:

Station	Address	Telephone No.
Dhaka (Banani)	Teletalk Customer Care Centers H # 41, R # 27, B # A Banani, Dhaka. (Opposite to Banani Grave Yard)	02-9882585 Ext: 333 (Pre-Paid), 444 (Post-Paid) Fax: 02-8857592
Dhaka (Uttara)	5th, Floor., N Z Center, Hs. No.: 5; Rd. No.: -12, Sector -6, (House Building Mor). Uttara, Dhaka.	02-8932915-16 Fax: 02-8932914
Chittagong	Teletalk Customer Care Center 945 O, R, Nizam Road Chittagong. (Near GEC Mor)	031-654499 Fax: 031-658329
Khulna	Teletalk Customer Care Centers 68/B, K, D, A, Avenue Khulna.	041-733945 Fax: 041-733948
Rajshahi	Teletalk Customer Care Centers Ahamad Plaza (1 st Floor) 282 Alopotty, Ghoramara, Shaheb Bazar, Rajshahi.	0721-812323 Fax: 0721-812333
Sylhet	Teletalk Customer Care Centers R, N, Tower (1 st Floor) Chowhatty, Sylhet	0821-724455, 813033 Fax: 0821-715500
Bogra	Teletalk Customer Care Centers Jolessori Tola (Kali Bari) Bogra.	051-60000 Fax: 051-60499
Barisal	Teletalk Customer Care Centers 86 Sadar Road, Talukdar Mansion (Art Villa), 2nd Floor, Barisal.	0431-2176011 Fax: 0431-2176012
Comilla	325-365 Jhawtola (1st floor Comilla)	081-71111 Fax-081-71114
Mymensingh	3, Ganginarpar (1st Floor) Mymensingh	091-66300 Fax- 091-65300

In these information centers, the subscribers can come directly with their problems like billing (wrong bill, detailed bill etc.), address change, SIM change, handset problems etc. These after sales services are very crucial to keep the subscribers satisfied regarding Teletalk.

1.15 TELETALK'S PARTICIPATION IN THE SHARE MARKET

After acquiring the assets and upon increasing the paid up capital by that extent, as the govt. decision the Board of Directors of the Company has approved to go for IPO of TK.600 crore in the capital market. Such decision of the Board has also been communicated with the Ministry of Posts and Telecommunications for obtaining further guidelines.

1.16 CSR (CORPORATE SOCIAL RESPONSIBILITY)

TBL is a socially responsible company. Our mobile service are in many ways a social service in itself; enable business improvements and new business development to participate in the development of the country. Our Corporate Social Responsibility program covers many aspects of life with special focus on health. Education and disaster management

Teletalk believes in the empowerment of the people as well as the power inherent in all of us to collectively enforce positive change in our own lives. As a company still in its early years, Teletalk Bangladesh Limited still engaged itself in several CSR activities. Notables among them during the financial year have been described below:

Teletalk has established a short code SMS helpline for children with disability/diseases

The "666 – Helpline for Children" was established with a view to create a specialized fund for children with dire need of financial assistance. All SMS sent to this number will be charged and the amount will be retained in a special fund. This fund will be used for rehabilitation / treatment of the children

Children's art initiative

Teletalk has created a unique outlet to acknowledge and encourage children's art. With association from "Talent Promotion Initiative" Teletalk has arranged a children's art competition, where children have engaged in a day long painting competition with Bangladeshi seasonal themes. Teletalk Bangladesh Limited then published a special "Billboard Calendar" based on selected pictures from the competitions.

Blanket Distribution Program

In Rangpur district Teletalk distributed 500 (Five Hundred) pieces of Blankets to the distressed people in the winter through Anjuman Mofidul Islam.

Medical Treatment for Bushra

Teletalk initiated a helping program for Bushra – a patient of blood cancer. One can send SMS for Bushra to help raise fund for medical treatment. For a girl of 3 year old needing bone marrow

transplantation, Teletalk's unique way of extending help as well as including the community at large was appreciated.

Blood Donation Program

Teletalk has sponsored and directly participated in voluntary blood donation program. ORCA (Old Rajshahi Cadet Association) had organized a blood donation program which was sponsored by Teletalk.

1.17 OVERVIEW MARKET OF BANGLADESH MOBILE INDUSTRY

The Number of Mobile subscriber crossed 100 Million land marks reaching the figure 101.205 Million in April-2013. The subscriber base was 90 million in last year April-2012 where the mobile penetration was 61.83%. With present subscriber base mobile penetration has been increased to 66.36% with a growth of 10% per Anum. Total population has been considered basing on Population & Housing census of BBS.

Currently there are 6 mobile operators in Bangladesh. They are namely-

Grameenphone: Joint venture ownership 62% Telenor and 38% Grameen Telecom .

Banglalink: Joint venture with Orascom Telecom Co. originated from Egypt.

Robi: Joint venture between Telecom Malaysia Berhad TM and A. K. Khan & company limited

Airtel: An investment of Indian Bharati Airtel.

TeleTalk: Public limited company but 100% share have been owned by the government of Bangladesh.

Citycell: Joint venture with SingTel Asia Pacific Investment Pvt. limited.

Operators	Active Subscribers
Grameen Phone Ltd. (GP)	42.372 million
Banglalink Digital Communications Ltd.	26.309 million
Robi Axiata Ltd. (Robi)	21.697 million
Airtel Bangladesh Ltd. (Airtel)	7.557 million
Pacific Bangladesh telecom Ltd. (Citycell)	1.425 million
Teletalk Bangladesh Ltd. (Teletalk)	1.844 million
Total	101.205 million



Chapter 2

DESCRIPTION OF JOB

2.1 Job Description

2.2 Specific Responsibilities

2.3 Critical Observation

2.4 Feedback

2.1 JOB DESCRIPTION

As an intern student I had to do a lot of tasks in the finance department. The first one month 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. Sometimes I had to go to the Banks to collect deposit books.

The next two 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.

2.2 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**'.

2.3 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 thime 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.

2.4 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 3

INTRODUCTION OF THE REPORT

3.1 Introduction

3.2 Rational of the study

3.3 Statement of the problem

3.4 Scope and limitation of the topic

3.5 Objectives of the study

3.6 Review of related literature

3.7 Methodology of the study

3.1 INTRODUCTION

BBA academic program is the building up of the theoretical knowledge about business administration which is the base of practical knowledge. BBA 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.

3.2 RATIONAL OF THE STUDY

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

During the study of BBA 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.

3.3 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.

3.4. 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.

3.5 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.

3.6 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, www.google.com, www.dscbd.org, www.wikipedia.org. And Teletalk's annual report from 2008-2012.

3.7 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

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 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
- 4.8 Operating Profit Margin Ratio
- 4.9 Pretax Profit Margin Ratio
- 4.10 Net profit Margin ratio
- 4.11 Total Asset turnover
- 4.12 Fixed Asset turnover ratio

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.

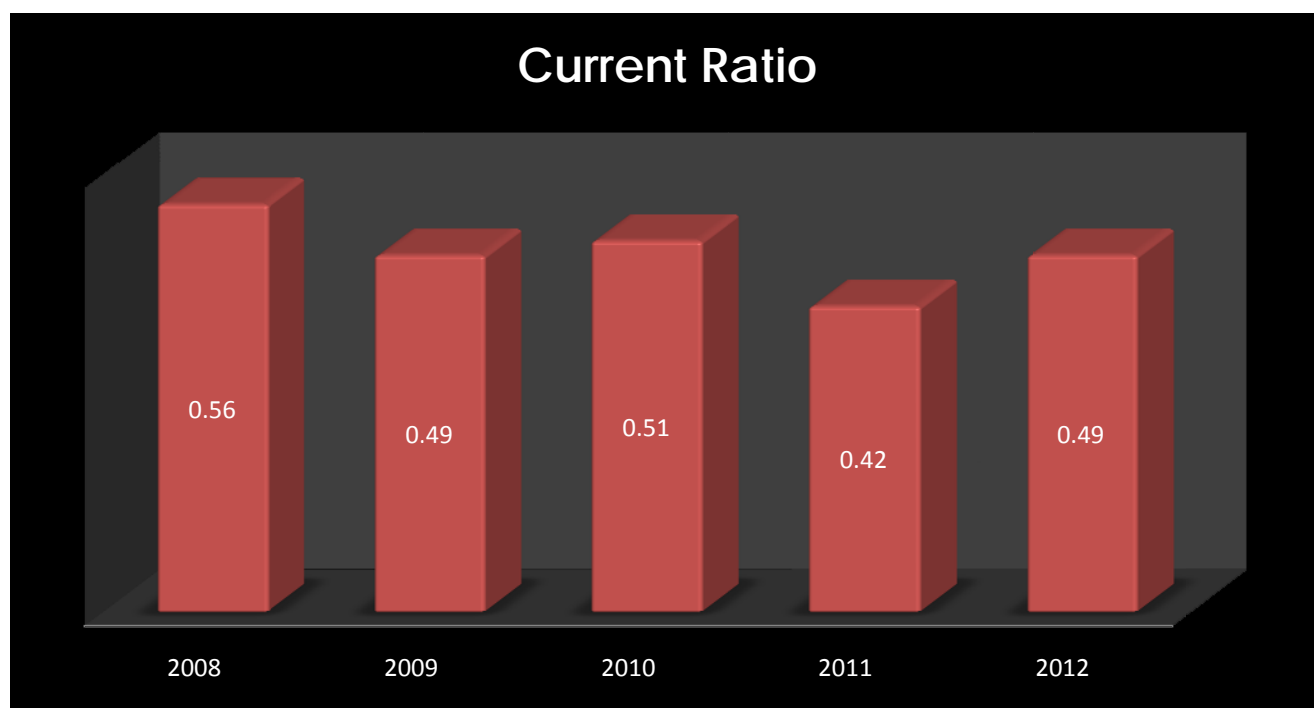
Risk analysis is the evaluation of a company's ability to meet its commitments. Risk analysis involves assessing the solvency and liquidity of a company along with its earnings variability. Since risk is of foremost concern to creditors, risk analysis is often discussed in the context of credit analysis. 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	2008	2009	2010	2011	2012
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

For current ratio we see that in 2008 it was 0.56, in 2009 it was 0.49, in 2010 it was 0.51, in 2011 it was 0.42 and in 2012 it was 0.49. From 2008 to 2012 it was fluctuating.

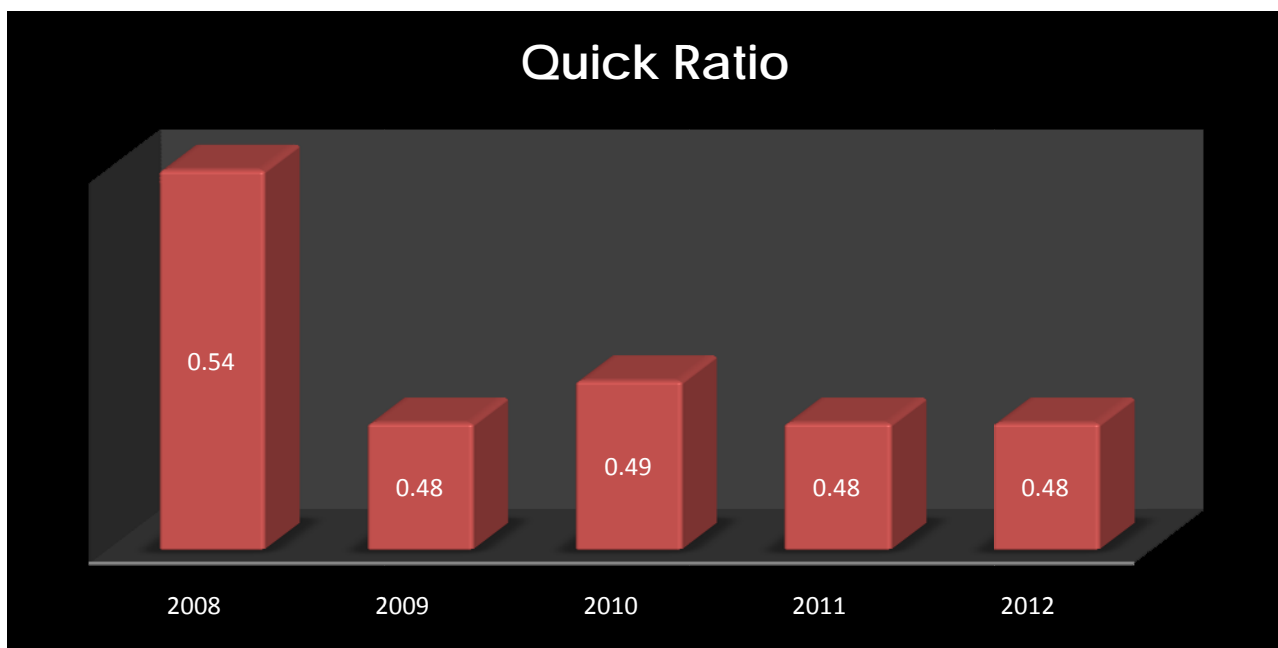


$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

4.2 Quick Ratio

Year	2008	2009	2010	2011	2012
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

We see here, from 2008 to 2012 quick ratio was in an decreasing trend. There might be some issues for decreasing in 2012. We can see the highest quick ratio was in 2010 with 0.54.

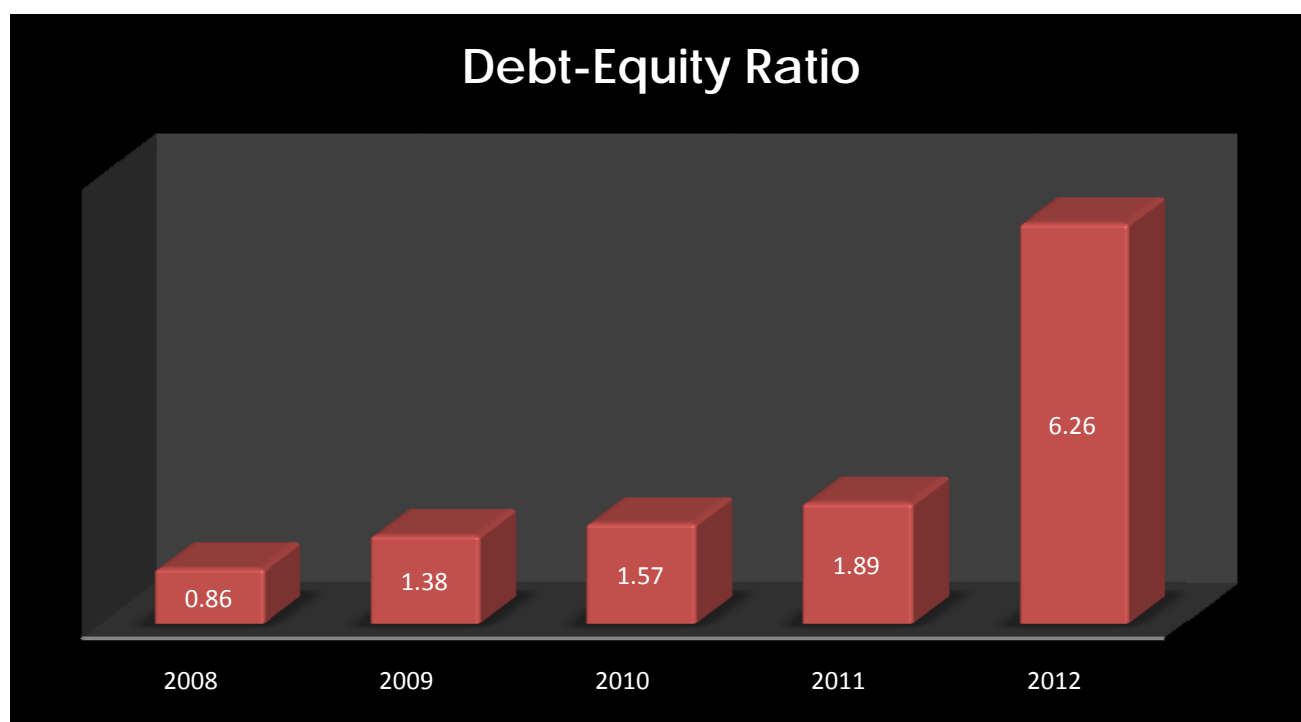


$$\text{Quick Ratio} = (\text{Current Assets} - \text{Inventories}) / \text{Current Liabilities}$$

4.3 Total Debt-Equity Ratio

Year	2008	2009	2010	2011	2012
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

In 2008 total debt to equity ratio was 0.86 and the highest is in 2012 which is 6.26 because of the 400crore loan taken from the government for the 3G project.

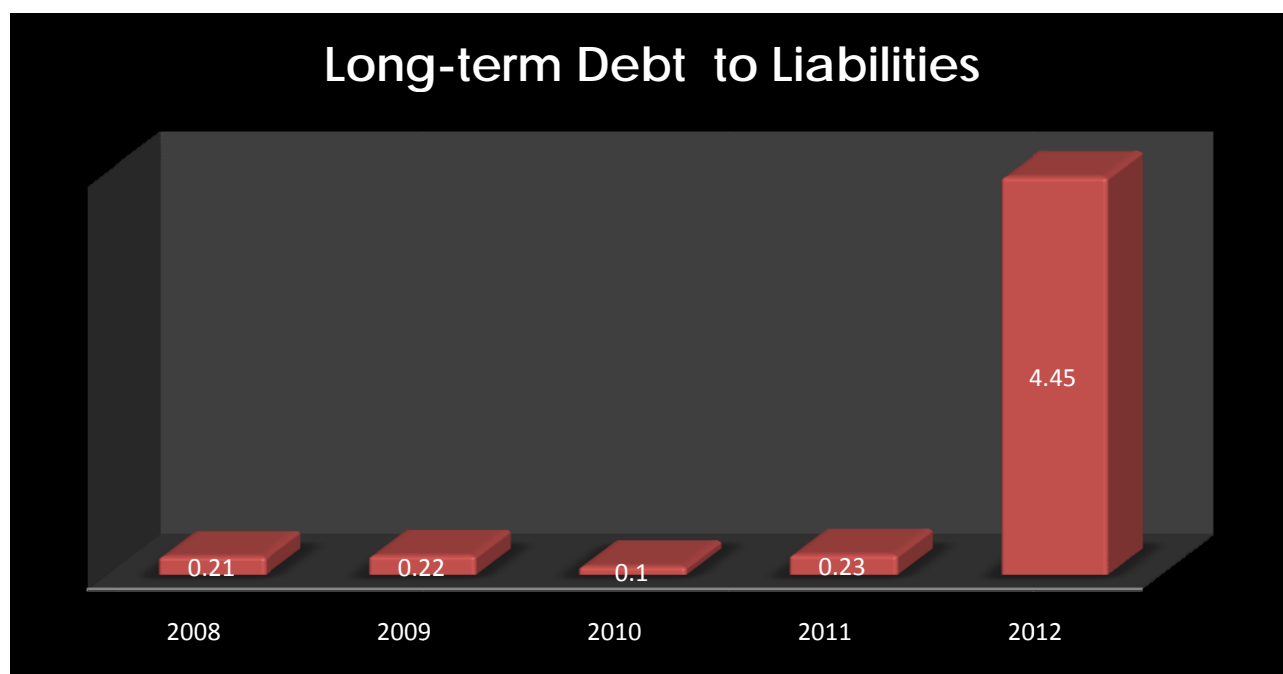


$$\text{Debt - Equity Ratio} = \frac{\text{Total Liabilities}}{\text{Shareholders' Equity}}$$

4.4 Long-term Debt to Liabilities

Year	2008	2009	2010	2011	2012
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

Here we see It was not at all a stable one. This ratio was rapidly fluctuating.

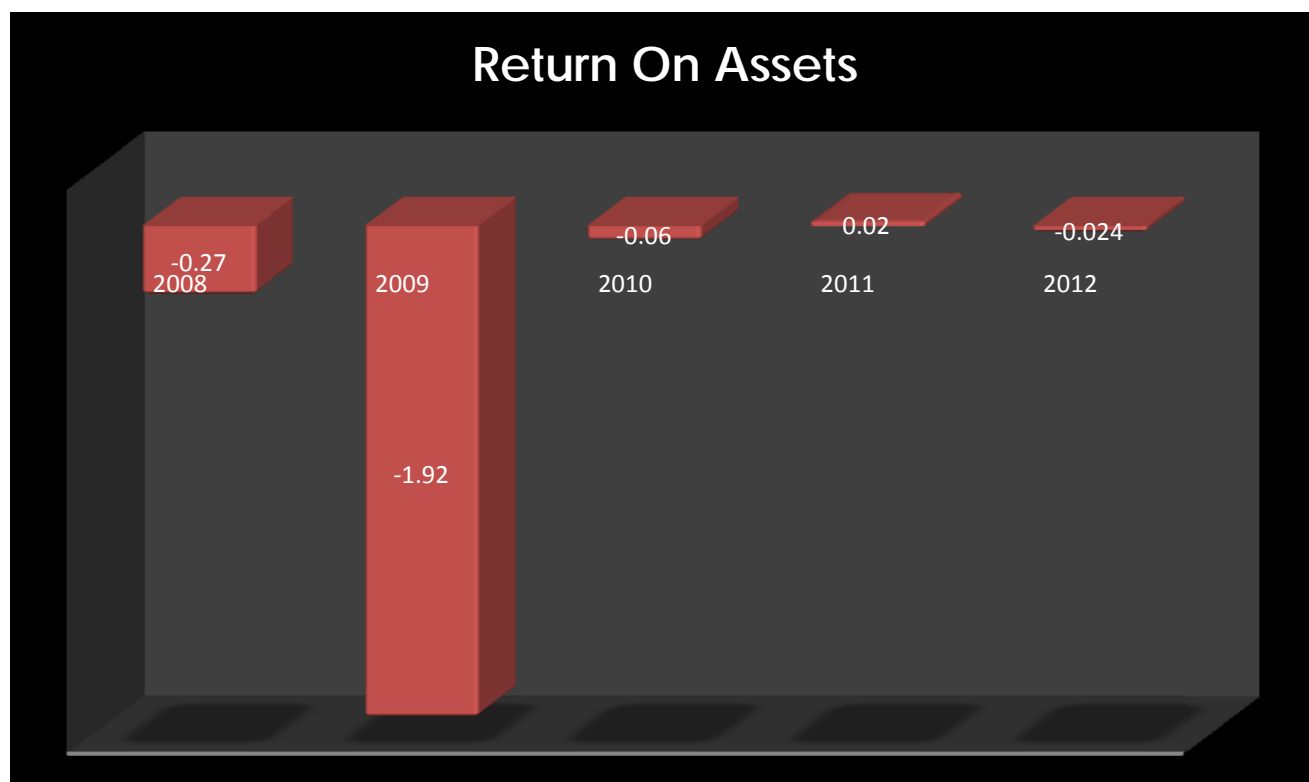


Long Term Debt to Liabilities= Long Term Liabilities/Shareholders Equity

4.5 Return on Assets

Year	2008	2009	2010	2011	2012
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

Here we only find a positive performance in 2011.

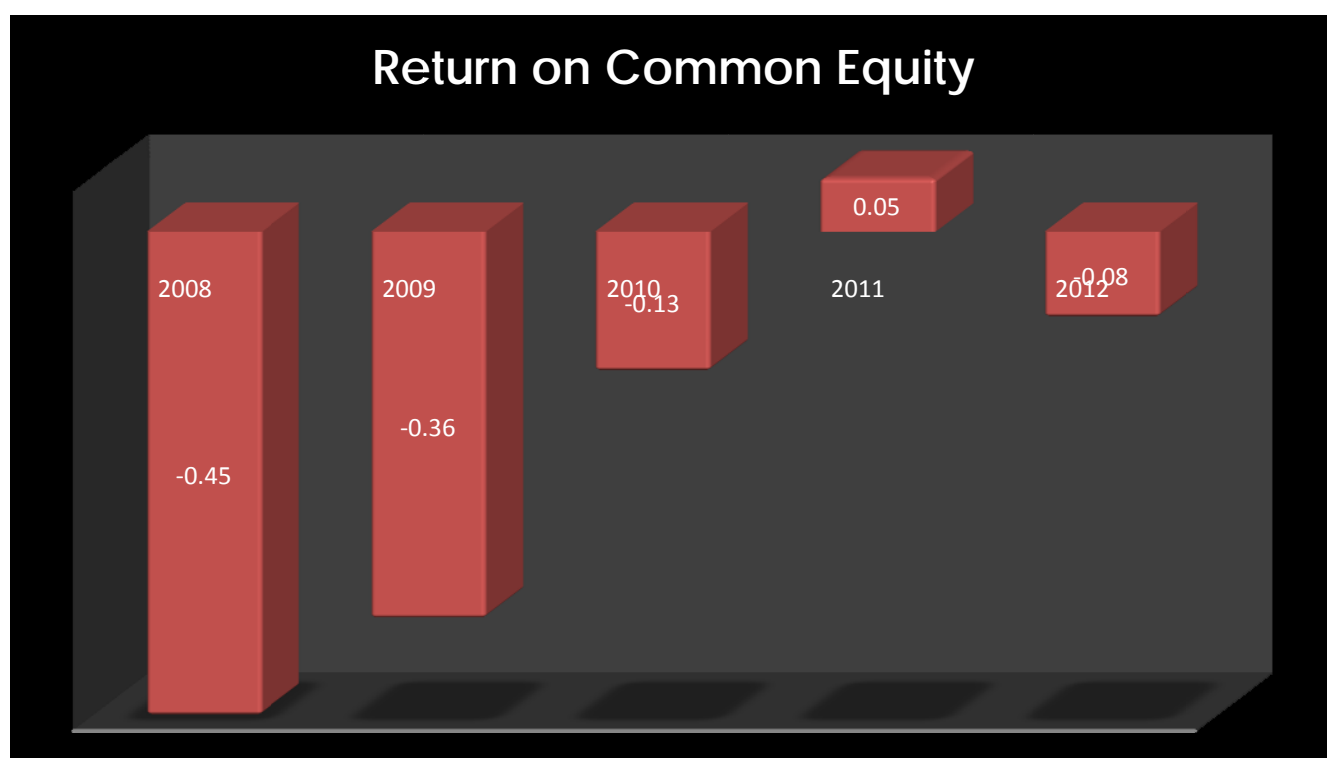


$$= \frac{\text{Net Income}}{\text{Total Assets}}$$

4.6 Return on Common Equity

Year	2008	2009	2010	2011	2012
	-	-			
Net Income	1626534312	1099606661	-28894597	110276784	-175036354
Shareholders' equity	3638332641	3097351053	2249781383	2360058167	2185021813
Return on Common Equity (%)	-0.45	-0.36	-0.13	0.05	-0.08

Result shows only a positive performance in 2011.

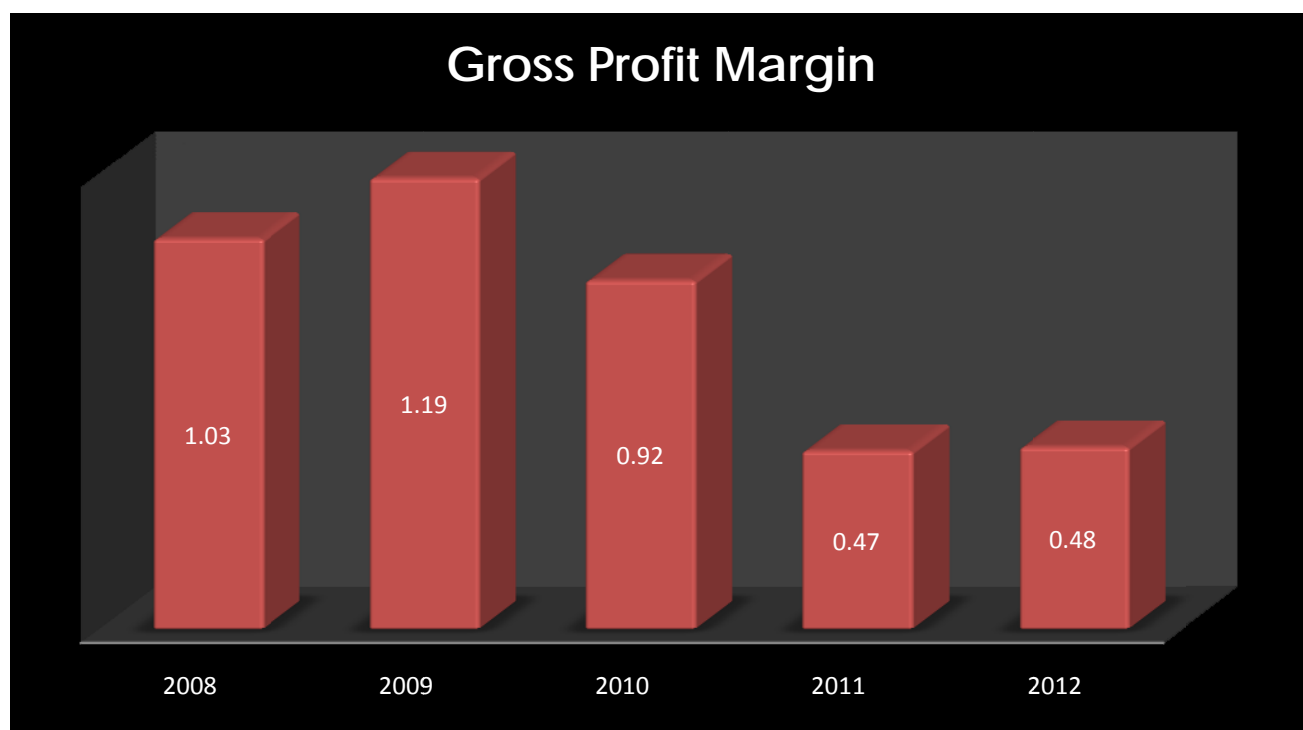


Return on Equity = Net Income/Shareholder's Equity

6.7 Gross Profit Margin

Year	2008	2009	2010	2011	2012
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

Highest in 2009 and lowest in 2011.

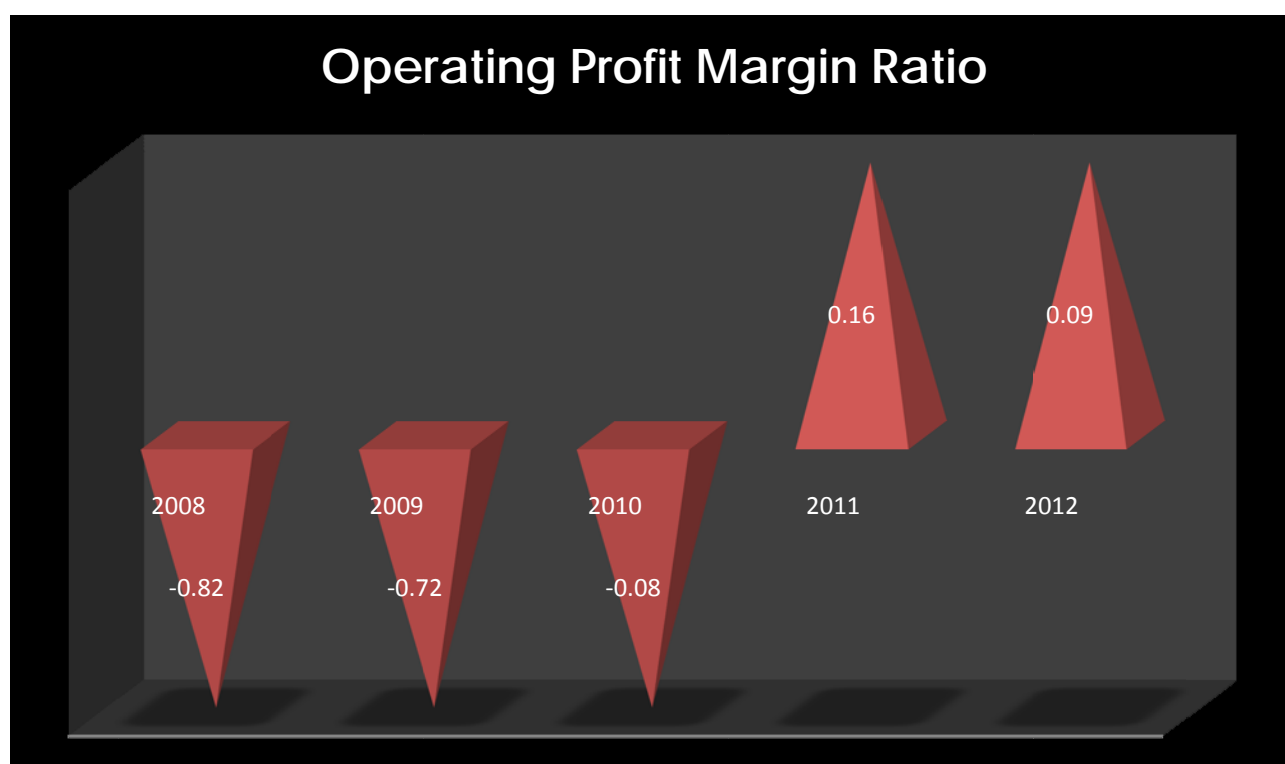


$$\text{Gross Profit Margin} = \frac{\text{Revenue} - \text{COGS}}{\text{Revenue}}$$

4.8 Operating Profit Margin Ratio

Year	2008	2009	2010	2011	2012
Income from Operation	- 1246752109	- 1363766032	-674341960	485842565	321715876
Sales	1519080932	1900007576	8824008234	2989016776	3572796683
Operating Profit Margin %	-0.82	-0.72	-0.08	0.16	0.09

Here we see that it is decreasing year by year until 2010.

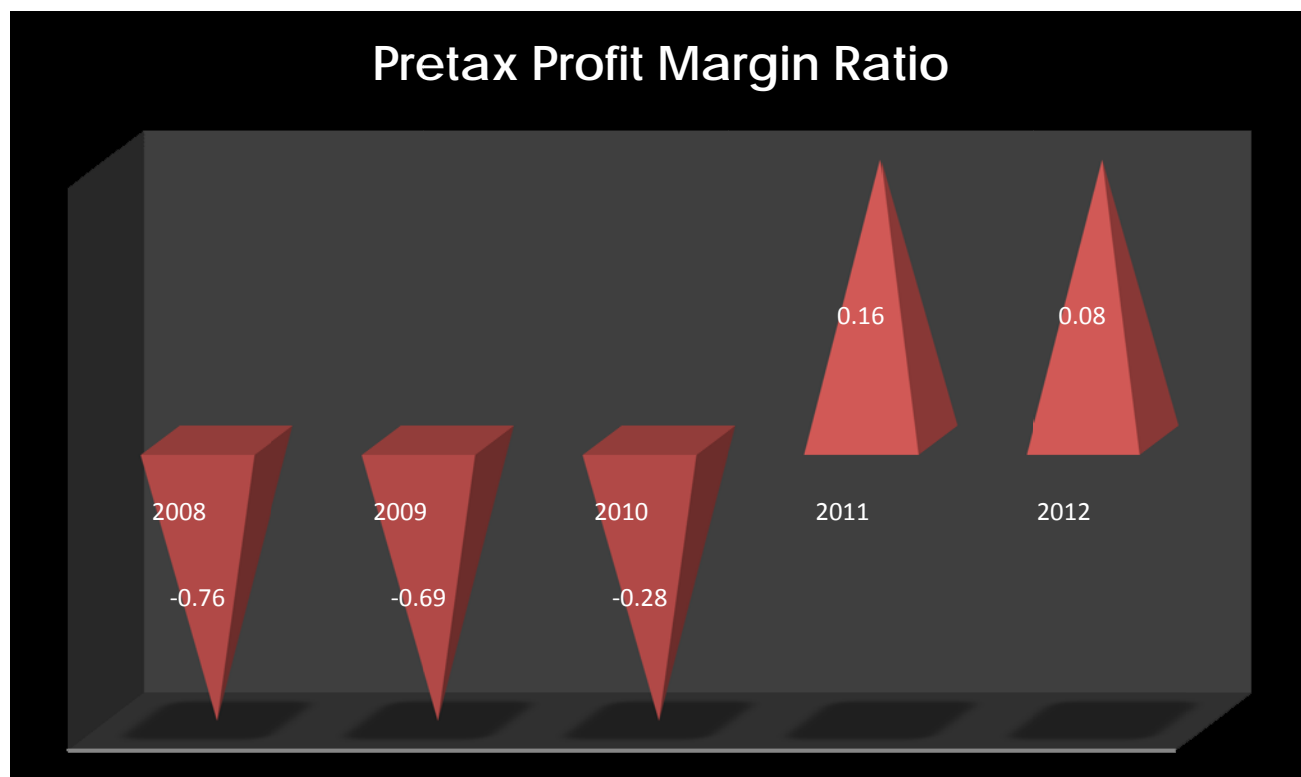


$$\text{Operating Margin} = \frac{\text{Operating Income}}{\text{Net Sales}}$$

4.9 Pre-tax Profit Margin Ratio

Year	2008	2009	2010	2011	2012
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

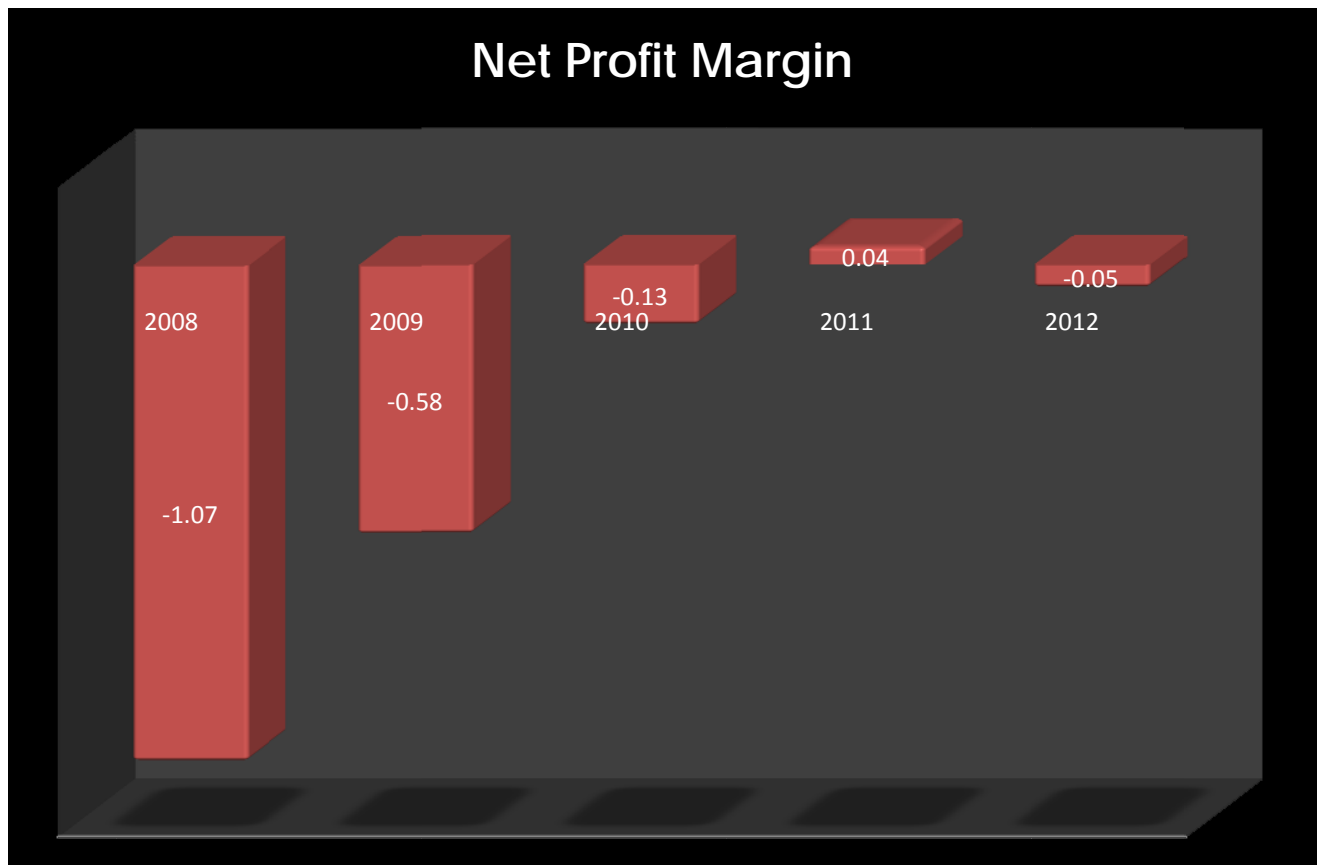
Here we see that it is decreasing year by year until 2010.



4.10 Net Profit Margin Ratio

Year	2008	2009	2010	2011	2012
Net Income	1626534312	1099606661	-288944597	110276784	-175036354
Sales	1519080932	1900007576	2284008234	2989810653	3572796683
Net Profit Margin (%)	-1.07	-0.58	-0.13	0.04	-0.05

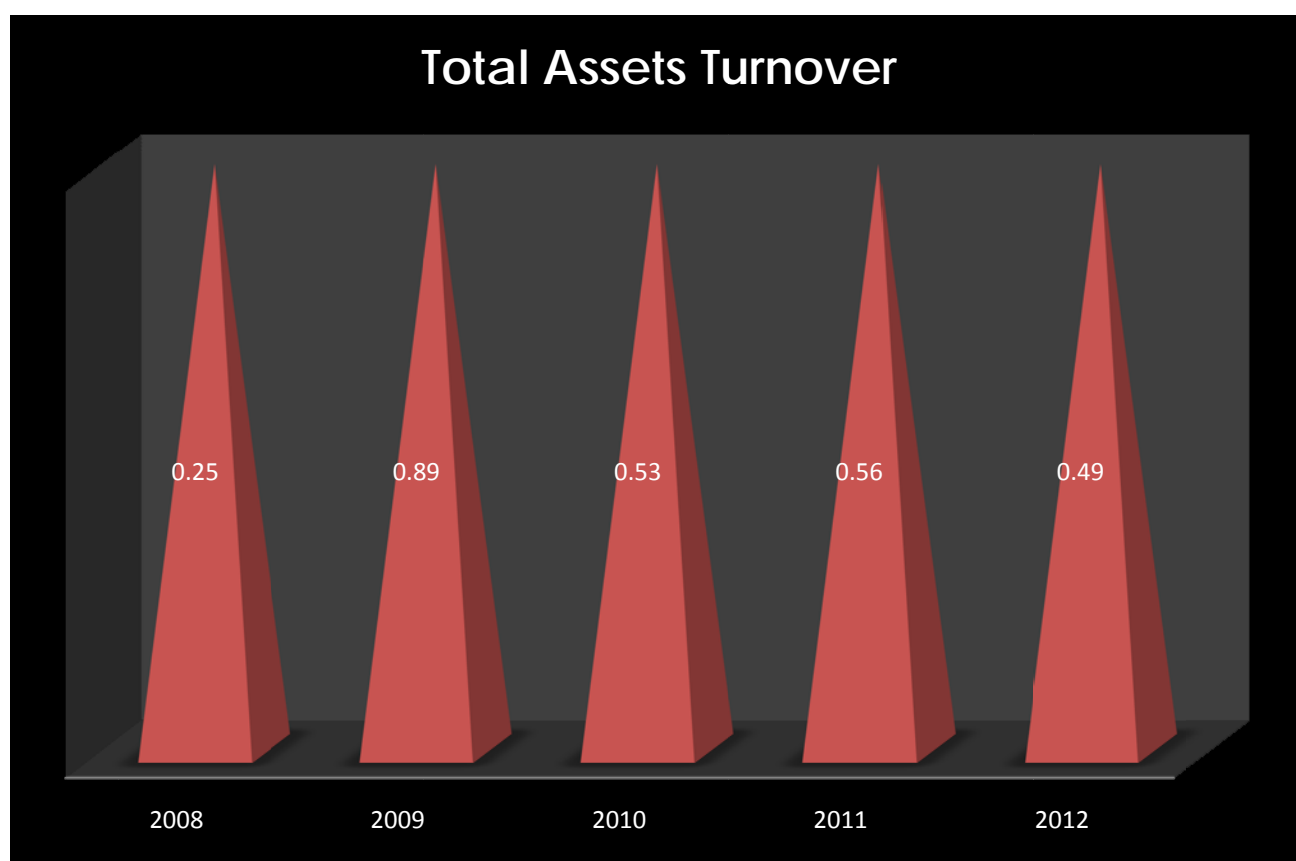
Here we see that it is decreasing year by year until 2010 then increased in 2011 and again decreased in 2012.



4.11 Total Assets Turnover

Year	2008	2009	2010	2011	2012
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

Here its more or Less and increasing trend. The highest is in 2009.

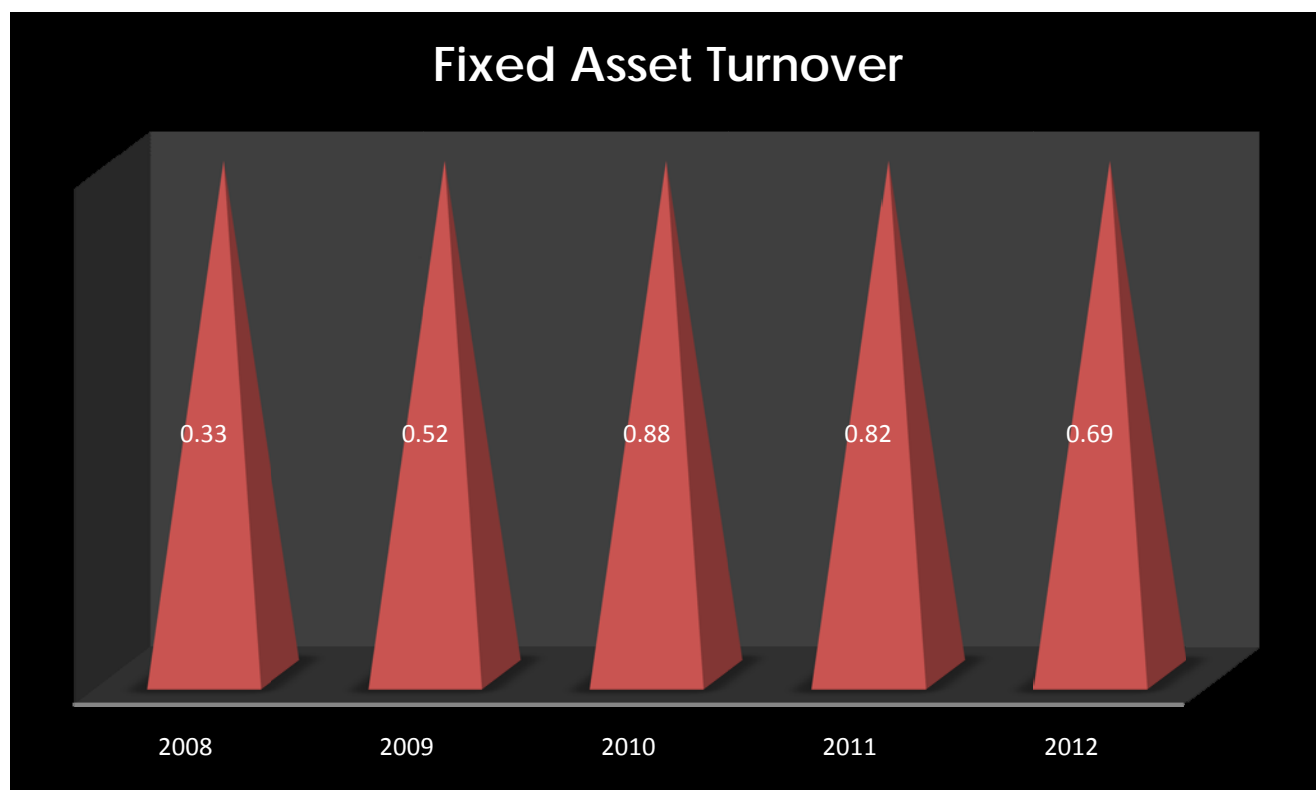


$$\text{Ass et Turn over} = \frac{\text{Re venue}}{\text{Ass ets}}$$

4.12 Fixed Asset Turnover Ratio

Year	2008	2009	2010	2011	2012
Sales	1519080932	1900007576	2284008234	2989810653	3572796683
Fixed Assets	4597565792	3622229067	2589209861	3644358298	5104162615
Fixed Asset Turnover	0.33	0.52	0.88	0.82	0.69

Here the trend is positive and the highest is in 2010 which is 0.88.



$$\text{Fixed Asset Turnover} = \frac{\text{Net Sales}}{\text{Net Property, Plant, and Equipment}}$$



Chapter 5

SWOT ANALYSIS

5.1 SOWT ANALYSIS

5.2 TOOLS OF SWOT ANALYSIS

5.3 ANALYSIS

5.1 SOWT ANALYSIS

A SWOT analysis stands for Strengths, Weaknesses, Opportunities, and Threats and is a simple and powerful way to analyze company's present marketing situation. SWOT Analysis is a powerful technique for identifying Strengths and Weaknesses, and for examining the Opportunities and Threats organization face.

What makes SWOT particularly powerful is that with a little thought, it can help us uncover opportunities that we are well placed to take advantage of. And by understanding our weaknesses, we can manage and eliminate threats that would otherwise catch our unawares.

More than this, by looking at ourselves and our competitors using the SWOT framework, we can start to craft a strategy that helps us distinguish ourselves from our competitors, so that we can compete successfully in current market.

5.2 TOOLS OF SWOT ANALYSIS

Strengths

- Patents.
- Strong brand name.
- Good reputation among customers.
- Cost advantages from proprietary know-how.
- Favorable access to distribution networks.

Weaknesses

- Lack of patent protection
- A weak brand name
- Poor reputation among customers
- High cost structure
- Lack of access to key distribution channels

Opportunities

- An unfulfilled customer need
- Arrival of new technologies
- Loosening of regulations
- Removal of international trade barriers

Threats

- Shifts consumer tastes
- Emergence of substitute service
- New regulation

Strength	Weakness
<ol style="list-style-type: none"> 1. Low cost provider regarding its competitor. 2. Subscriber inclination to Teletalk as a government owned organization 3. Teletalk's all connections are ISD & EISD. 4. Teletalk is the only indigenous company using GSM service. 5. From the very beginning it is providing free TNT incoming. 6. It has also provided incoming facility up to 2015. 7. Moreover its contribution to our economy can be notable. 8. 3G Technology. 	<ol style="list-style-type: none"> 1. Premature entrance in a mature market. 2. The progress of development of network is far below from the subscriber expectation. 3. High connection charge. 4. Lack of potential and efficient employee. 5. Lower number of human resource. 6. Failed to identify difference between developed market and developing market. 7. Lower promotional activities. 8. Weak management system 9. Poor marketing
Opportunities	Threats
<ol style="list-style-type: none"> 1. Teletalk can use the image of local and government owned organization. 2. Introduction of new technology and services. 3. Expand the market in the rural area. 4. Teletalk can use the experience of BTTB. 5. Teletalk can use soft switch network, 	<ol style="list-style-type: none"> 1. Strong competition. 2. The invention of technology which is new modern and consumer oriented. 3. Another invisible threat is land phone operator.

5.3 ANALYSIS

Strengths

Subscriber inclination to Teletalk as a government owned organization: People have a deep inclination towards Teletalk . Because subscribers have more confidence in the government institution. They think that they might get some extra benefit from Teletalk like lower call rate, optical fiber facilities etc. rather than other providers.

Teletalk's all connections are ISD & EISD: It's a big strength of Teletalk. It's the only SIM which has such a versatility of connections having ISD, Economy ISD service along with both incoming and outgoing connectivity with any of the land phones. This is not seen to other providers. It gives a tremendous competitive advantage to the Teletalk Bangladesh ltd over its respective competitors.

Teletalk is the only indigenous company using GSM service: Teletalk is the only local organization which is providing GSM technology in this country. The other local organization named pacific telecom is providing CDMA technology which is more expensive. So Teletalk can take this advantage over its competitors.

It has also provided incoming facility up to 2015: Teletalk have a strong strength over its competitors incase of incoming facility. Teletalks present incoming duration is up to 20015. Which is 20 times more than other competitors?

From the very beginning it is providing free TNT incoming: Teletalk is the only provider which is providing T&T incoming free from the very beginning. Whether other operators providers providing such kind of facility just now.

Moreover its contribution to our economy can be notable: As a Govt. owned company Teletalk have a strong contribution in our national economy. Its one of the high profit generating Govt. organization in Bangladesh.

Low cost provider: The most remarkable success of Teletalk is the slump in tariff structure. It is the lowest cost provider in Bangladesh telecommunication market.

Weaknesses

Premature entrance in mature market: The biggest weakness was a premature entrance in a mature market. As soon as anyone could catch hold of a Teletalk mobile, he started comparing it with the services of Grameen, Banglalink or Robi.

Lower number of human resource: The number of employee of Teletalk is too much lower regarding its requirement. As a result the service quality and customer satisfaction go down.

Lower promotional activities: The promotional campaign of Teletalk is not too much strong like other providers of Bangladesh as result consumers are less aware about Teletalk and its package.

Weak management system: Poor coordination among different functional department of Teletalk as result service efficiency goes down.

Poor marketing: The overall marketing activities of Teletalk is not much rich like other competitors.

Lower number of value added service: Teletalk Bangladesh Ltd. is providing a less number of value added service to its subscriber regarding its competitors. As a result subscribers are becoming dissatisfied on the Teletalk service. The comparison of value added services of different operators are mention below. Where as Teletalk providing less number of value added service.

The progress of development of network is far below from the subscriber expectation: the expansion of network coverage is too much slow. People thought that Teletalk should use the BTTB's network facilities; as a result Teletalk can cover the most of the area of Bangladesh. But in reality this is not true.

High connection charge: The SIM price of Teletalk is too many high packages from the other operators, having similar facilities offered by Teletalk, are available at 3 to 4 times less price than that of Teletalk. It is totally unjustifiable to charge subscriber such an astounding price for having a SIM of a network which doesn't have satisfactory level of coverage.

Opportunities

Teletalk can use the image of local and government owned organization: General people have a deep inclination to the govt. owned organization especially to the local organization. People want to keep the money into own country. So Teletalk can use such kind of soft corner of consumers and promote the service to them.

Introduction of new technology and services: Teletalk can implement new and consumer oriented technology in this sector. Because people have inclination to new and modern technology. Now a day's people are ready to accept the new thing.

Expand the market in the rural area: Till now there is huge area is remain out of coverage where a huge number of target consumers are available. So Teletalk can bring that respective area under coverage and catch those potential consumers.

Teletalk can use the experience of BTTB: BTTB one of the old and experience organization in Bangladesh telecommunication sector. They have special experience about the consumer behavior of Bangladesh. They know about the consumer's need and want. So Teletalk

can take help from the BTTB about this matter and implement those criteria in the competitive market. Which things, give Teletalk competitive advantage over its respective competitors.

Teletalk can use softswitch network: The softswitch network separates the bearer and control layers and a softswitchcentric network can be built on different types of bearer networks such as TDM, IP and ATM unlike, legacy network that depend on a single specific switching technology. Based on strategic planning and the developmental phase, an operator can select suitable bearer mode technologies for different phases, from the perspective of long term sustainable development, the IP centered softswitch network defines the future. So Teletalk can use this technology and practice competitive advantage over rivals.

Threats

A new Mobile service provider Airtel: At present Bangladeshi mobile sector is almost saturated, after that a new Indian company named Airtel started its operation in Bangladesh which going to become a big threats to Teletalk and other operators.

The invention of technology which is new modern and consumer oriented: Technology is changing with day run. It changes the consumer's demand pattern by offering different attractive features. As a result consumer shifts from one technology to other technology, which might create a big problem to Teletalk and others.

Another invisible threat is land phone operator: In Bangladesh land phone operator is expand the market with day run. People are switch from mobile to land phone operators. As a result ultimately the number of mobile user is decreasing and create problem to the mobile operators as well as Teletalk.



Chapter 6

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 2008 it was 0.56, in 2009 it was 0.49, in 2010 it was 0.51, in 2011 it was 0.42 and in 2012 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 measures 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 2008-12 it is 0.54, 0.48, 0.49, 0.48, 0.48 consecutively. In 2008 and 2010 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 2008-12 is 0.86, 1.38, 1.57, 1.89, 6.26 consecutively. The worst case is in 2012 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 2008-12 the ROA ratios are - 0.07, -1.92, -0.06, 0.02, -0.024 consecutively. The Company only did good at 2011.*

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 2008-12 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 2008-12 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 2008-12 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 2011, 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 2008-12 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 2008-12 the ratios are 0.33, 0.52, 0.88, 0.82, 0.69. Here we see from 2009-12 the ratios were higher.*



Chapter 7

RECOMMENDATION

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 2011.

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.



Chapter 8

CONSLUSION

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.

BIBLIOGRAPHY

Annual Report

Teletalk's Annual Report 2008-2012.

Web Sites

- www.telenor.com
- www.teletalk.com
- www.google.com
- www.dscbd.org
- www.wikipedia.org
- <http://www.reportlinker.com>
- <http://www.investopedia.com>

Books

- Corporate Finance (Ross/ Westerfield/ Jaffe)
- Intermediate Financial Management (F. Brigham/C.Gapenski)

APPENDIX