




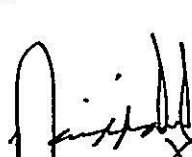

# Bangladesh Submarine Cable Company Limited

## Statement of Financial Position (Un-Audited)

As at 30 September 2018

ASSETS	Notes	Amount in Taka	
		30 Sep 2018	30 June 2018
Non-current assets		7,158,609,041	7,267,361,968
Property, plant and equipment	4	7,158,609,041	7,267,361,968
Investment in SMW-5	5	-	-
Current Assets		3,605,275,311	3,166,318,255
Trade and other receivables	6	1,838,520,567	1,659,997,058
Advances and deposits	7	40,266,484	41,139,817
Advance income tax	8	309,746,327	298,066,627
Investment in shares	9	34,440,163	35,974,737
Cash and cash equivalents	10	1,382,301,770	1,131,140,015
<b>TOTAL ASSETS</b>		<b>10,763,884,352</b>	<b>10,433,680,222</b>
<b>EQUITY AND LIABILITIES</b>			
Shareholders' Equity		5,961,418,553	5,884,371,531
Share capital	11	1,649,055,100	1,649,055,100
Equity Money from GoB	12	1,660,000,000	1,660,000,000
Share premium	13	723,293,759	723,293,759
Tax holiday reserve	14	714,108,059	706,977,180
Revaluation reserve	15	336,165,684	336,165,684
Retained earnings	16	878,795,951	808,879,808
Non Current Liabilities		3,301,290,326	3,271,668,073
Deferred tax liabilities	17	379,849,063	353,212,788
Security deposits received from clients	18	201,468,778	164,005,987
Employees' pension, gratuity & provident fund	19	28,935,183	23,755,415
Long Term loan-net off current portion	20	2,691,037,301	2,730,693,883
Current Liabilities		1,501,175,475	1,277,640,618
Long Term loan-current portion	20	277,665,377	238,008,795
Sundry creditors	21	183,908,153	110,593,468
Provision for income tax	22	330,058,529	323,622,564
Provision for WPPF and WF	23	20,199,386	14,693,423
VAT payable	24	500,888,494	445,342,281
Liabilities for expenses	25	188,455,536	145,380,087
<b>Total Liabilities</b>		<b>4,802,465,800</b>	<b>4,549,308,691</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,763,884,352</b>	<b>10,433,680,222</b>
Net Asset Value per share	46	36.15	35.68

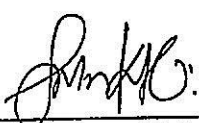
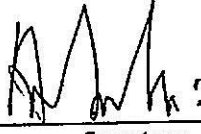

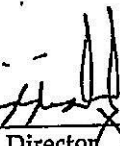
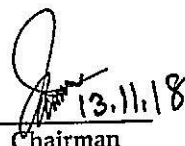
The annexed notes form an integral part of these financial statements.

Chief Financial Officer    Company Secretary    Managing Director    Director    Chairman

**Bangladesh Submarine Cable Company Limited**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the period ended 30 September 2018 (Un-Audited)**

	Notes	Amount in Taka	
		July-Sep-2018	July-Sep-2017
<b>Revenue</b>			
IPLC (International Private Leased Circuit) rent	26	323,105,085	196,328,269
IPLC-Export		-	-
Circuit activation charge	27	1,990,000	4,315,000
IP Transit Service	28	90,590,166	86,983,904
Co-Location Charges	29	5,395,889	18,568,352
IP Transit Service-Export	30	17,430,000	24,216,000
		<u>438,511,139</u>	<u>330,411,524</u>
<b>Direct cost of operation</b>			
Electricity and generator fuel	31	3,299,209	2,667,409
Landing station and cable route repair	32	183,393	114,318
Backhaul & Data connectivity Charge	33	56,975,666	43,248,765
IP Transit Cost	34	10,962,477	12,614,672
Lease Rent	35	662,483	339,768
Depreciation of core machinery	36	103,244,244	103,406,164
		<u>175,327,472</u>	<u>162,391,096</u>
		<u>263,183,667</u>	<u>168,020,429</u>
<b>Gross profit</b>			
<b>Operating expenses</b>			
Operation and maintenance expenses	37	47,722,036	46,224,966
General and administrative expenses	38	42,897,167	39,311,566
Provision for bad & doubtful debts	39	29,233,130	4,049,135
Depreciation on property, plant and equipment	40	8,094,987	6,492,653
		<u>127,947,320</u>	<u>96,078,320</u>
		<u>135,236,347</u>	<u>71,942,108</u>
<b>Operating profit</b>			
<b>Non-operating income/(Expenses)</b>			
Bank interest and other income	41	25,100,664	10,960,331
Financial charges		(43,177,211)	(15,000,000)
(Loss)/Gain on investment in shares	42	(1,534,574)	942,165
		<u>(19,611,122)</u>	<u>(3,097,504)</u>
<b>Profit before WPPF &amp; WF</b>		<u>115,625,224</u>	<u>68,844,604</u>
Provision for contribution to WPPF & WF		5,505,963	3,278,314
<b>Profit before taxation</b>		<u>110,119,261</u>	<u>65,566,290</u>
Less: Current tax expenses	43	6,435,965	6,139,588
Deferred tax (income)/expenses	44	26,636,275	54,976,280
		<u>33,072,240</u>	<u>61,115,869</u>
<b>Net profit after tax</b>		<u>77,047,022</u>	<u>4,450,421</u>
<b>Total comprehensive income</b>		<u>77,047,022</u>	<u>4,450,421</u>
<b>Earnings Per Share (EPS) - Basic</b>	45	<u>0.47</u>	<u>0.03</u>

Chief Financial Officer    Company Secretary    Managing Director    Director    Chairman

Dhaka  
 13 November 2018

# Bangladesh Submarine Cable Company Limited

Statement of Changes in Equity  
For the period ended 30 September 2018 (Un-Audited)

Particulars	Share capital	Equity Money from GoB	Share premium	Tax holiday reserve	Revaluation reserve	Retained earnings	Total Equity
Balance as at 01 July 2018	1,649,055,100	1,660,000,000	723,293,759	706,977,180	336,165,684	808,879,808	5,884,371,531
Transactions with shareholders:							
Dividend Paid	-	-	-	-	-	77,047,022	77,047,022
Net profit after tax for the period	-	-	-	7,130,879	-	(7,130,879)	-
Tax holiday reserve	-	-	-	-	-	878,795,951	878,795,951
Balance as at 30 September 2018	1,649,055,100	1,660,000,000	723,293,759	714,108,059	336,165,684	977,535,608	5,961,418,553
Balance as at 01 July 2017	1,649,055,100	1,660,000,000	723,293,759	662,947,522	336,165,684	977,535,608	6,008,997,673
Effect on change in tax rate	-	-	-	-	-	-	-
Transactions with shareholders:							
Received during the period	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	4,450,421	4,450,421
Net profit after tax for the period	-	-	-	11,408,373	-	(11,408,373)	-
Tax holiday reserve	-	-	-	674,355,895	336,165,684	970,577,656	6,013,448,094
Balance as at 30 September 2017	1,649,055,100	1,660,000,000	723,293,759	674,355,895	336,165,684	970,577,656	6,013,448,094

*[Signature]*  
Chief Financial Officer

*[Signature]*  
Company Secretary

*[Signature]*  
Managing Director

*[Signature]*  
Director

*[Signature]*  
Chairman

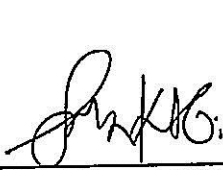
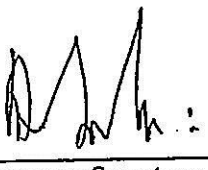

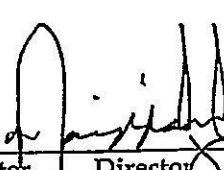
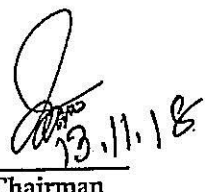
Dhaka  
13 November 2018

# Bangladesh Submarine Cable Company Limited

## Statement of Cash Flows For the period ended 30 September 2018 (Un-Audited)

	Notes	Amount in Taka	
		30 Sep 2018	30 Sep 2017
<b>A. Cash flows from operating activities</b>			
Cash received from clients		300,764,876	217,102,433
Cash paid to suppliers and others		(51,390,649)	(107,989,525)
Payment for WPPF/Gratuity		-	(5,919,380)
Payroll and other payments to employees		(29,188,670)	(28,505,166)
Income tax paid		(11,679,700)	(4,491,675)
Interest received		47,957,161	7,643,723
Receipts from rest house rent and others		5,321,899	239,391
Net cash flow from operating activities		<u>261,784,918</u>	<u>78,079,801</u>
<b>B. Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(10,621,122)	(22,121,243)
Dividend received		-	289,466
Net cash flow from/ (used in) investing activities		<u>(10,621,122)</u>	<u>(21,831,777)</u>
<b>C. Cash flows from financing activities</b>			
Dividend paid		(2,040)	(1,097)
Loan Received from Bank		-	102,368,810
Net cash flow from/(used in) financing activities		<u>(2,040)</u>	<u>102,367,714</u>
Net surplus/ deficit during the period (A+B+C)		251,161,756	158,615,738
Cash and cash equivalents at beginning of the period		1,131,140,015	671,693,463
Cash and cash equivalents at end of the period	10	<u>1,382,301,770</u>	<u>830,309,201</u>
Net Operating Cash Flows Per Share (NOCFPS)	47	<u>1.59</u>	<u>0.47</u>

The annexed notes form an integral part of these financial statements.

Chief Financial Officer    Company Secretary    Managing Director    Director    Chairman

Dhaka  
13 November 2018



## Bangladesh Submarine Cable Company Limited

### Notes to the financial statements For the period ended 30 September 2018

#### 1. Corporate information

Bangladesh Submarine Cable Company Limited (BSCCL) (hereinafter referred to as "the Company") was incorporated in Bangladesh as a public limited company on 24 June 2008 under the Companies Act 1994 with an authorized capital of Taka 10,000,000,000 divided into 100,000,000 ordinary shares of Taka 100 each. In the year 2010-2011, the Company converted denomination of its shares from Taka 100 to Taka 10 and accordingly, present authorized capital is Taka 10,000,000,000 divided into 1,000,000,000 ordinary shares of Taka 10 each. The Company obtained the Certificate of Commencement of Business from the Registrar of Joint Stock Companies and Firms on 24 June 2008. The Company is substantially owned by the Government of the Peoples' Republic of Bangladesh and represented by various Ministries of the Government.

The Company was originated after separating from Bangladesh Telecommunications Company Limited (BTCL) (previously BTTB) with all assets situated at Zilonjha, Cox's-Bazar, the Landing Station. Before separation a project namely "Establishment of International Telecommunication System through Submarine Cable" was undertaken by BTCL participating in an international agreement with an International Consortium namely SEA-ME-WE 4 (South East Asia Middle East Western Europe). The Company has established 2nd Submarine Cable system at Kuakata, Patuakhali, Bangladesh (SEA-ME-WE-5-South East Asia Middle East Western Europe).

The principal activities of the Company are to provide high capacity voice and data bandwidth to all important places in Bangladesh to get benefit of all the IT related services.

#### 2. Basis of preparation of financial statements

##### 2.1 Statement of compliance

The financial statements have been prepared in accordance with the Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS), the Companies Act 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations in Bangladesh.

The financial statements have been authorised for issue by the Board of Directors of the Company on 13 November 2018.

##### 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention applying accrual basis of accounting in accordance with Bangladesh Financial Reporting Standards (BFRSs) except for the following items in the financial statements of financial position:

- (a) Land and land development is measured at fair value.
- (b) Financial instruments at fair value through profit or loss are measured at fair value.

##### 2.3 Functional and presentation currency

These financial statements are presented in Bangladesh Taka which is also the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest Integer.

##### 2.4 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future periods if the revision affects both current and future

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note: 4 Property, plant and equipment (useful life of depreciable assets)

Note: 17 Deferred tax liabilities (manner of recovery of temporary differences for determination of deferred tax liabilities)

Note: 39 Provision for bad & doubtful debts

Note: 43 Current tax expense

Note: 44 Deferred tax (income)/expense

### 3. Significant accounting policies

Accounting policies set out below have been applied consistently for all periods for which the financial statements have been presented herein. Certain comparative amounts are reclassified to conform to the current year presentation.

#### 3.1 Property, plant and equipment

Property, plant and equipment are stated at cost or revalued amount, if any, less accumulated depreciation in compliance with BAS-16: Property Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any direct attributable cost of bringing the assets to its working condition for its intended use.

#### 3.2 Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is charged on reducing balance method and Straight Line method considering the economic and useful lives of such assets. Periodical depreciation has been charged during the period where applicable. On the other hand, straightline method has been charged on newly recognised fixed assets relating to SMW -5 (2nd Submarine Cable). Depreciation method, useful lives and residual values are reviewed at each year-end and adjusted if appropriate.

Name of Assets	Depreciation rate	Basis
Core equipment-IPLC-SMW-4	10%	Straight line
Core equipment-IIG	14.29%	Straight line
Core equipment-IPLC-SMW-5	5.00%	Straight line
Building -SMW-5	5.00%	Straight line
Building-SMW-4	4%	Reducing balance
Floor development	10%	Reducing balance
Security barak & security wall	4%	Reducing balance
Deep tube-well & pump house-SMW-4	10%	Reducing balance
Deep tube-well & pump house-SMW-5	5%	Straight line
500 KV sub-station-SMW-4	10%	Straight line
500 KV sub-station-SMW-5	5%	Straight line
Power system-SMW4	10%	Straight line
Power system-SMW5	5%	Straight line
Boundary wall-SMW-4	4%	Reducing balance
Boundary wall-SMW-5	5%	Straight line
Ducting from beach manhole-SMW-4	10%	Straight line
Ducting from beach manhole-SMW-5	5%	Straight line
Vehicles	20%	Reducing balance
Office equipment and furniture	10%	Reducing balance
Co-Location point-SMW-4	10%	Reducing balance

Co-Location point-SMW-5  
Office decoration

5%  
10%

Straight line  
Reducing balance

### 3.3 Foreign currency transactions

The financial statements are presented in Taka /Tk./BDT, which is the company's functional currency. Transactions in foreign currencies are recorded in the books at the exchange rate prevailing on the date of the transaction. Assets and liabilities outstanding at 30 September 2018 denominated in foreign currencies have been shown in Taka at the rate in terms of foreign currencies ruling on the financial position date. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the Statement of Profit or Loss and Other Comprehensive Income as per BAS 21: The Effects of Changes in Foreign Exchange Rates.

### 3.4 Financial instruments

#### 3.4.1 Financial assets

The company initially recognises receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the date at which the company becomes a party to the contractual provisions of the transaction.

The company derecognises a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets include cash and cash equivalents, short term investments, accounts receivable, other receivables and deposits.

##### (a) Accounts receivable

Accounts receivable represent the amounts due from clients for uses of bandwidth at the date of statement of financial position. Accounts receivables are stated net of provision for doubtful debts.

##### (b) Short term investments

Short term investments comprise investment in Fixed Deposit Receipts (FDR) with original maturity of more than three months. Short term investments assets are recognised initially at cost.

##### (c) Other receivables

Other receivables comprise receivables and interest receivables. Other receivables are stated net of provision for doubtful debts, if any.

##### (d) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of less than three months.

### 3.4 Employee Benefit

BSCCL maintains defined benefit plan for its eligible permanent employees. A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Employee gratuity plan is considered as defined benefit plan as it meets the recognition criteria. The company's obligation is to provide the agreed benefits to employees as per condition of the fund. The eligibility is determined according to the terms and conditions set in the service rules of the company. The plan funded is registered under Income Tax Ordinance 1984.

### 3.5 Tax holiday reserve

Tax holiday reserve has also been created using applicable exemption rate of income tax as prescribed by the Income Tax Ordinance 1984 for IIG operation income (IP Transit service) as the Company has been granted tax holiday by the National Board of Revenue (NBR) (Ref: nothi no.08.01.0000.035.01.0021.2013 dated 12/02/2014) for a period of 10 years effective from 01 July 2013 to 30 June 2023 under section 46(c) of ITO 1984 in the following manner:

<u>Period</u>	<u>Tax exemption rate</u>
First two years (1 July 2013 to 30 June 2015)	100%
Third year (1 July 2015 to 30 June 2016)	80%
Fourth year (1 July 2016 to 30 June 2017)	70%
Fifth year (1 July 2017 to 30 June 2018)	60%
Sixth year (1 July 2018 to 30 June 2019)	50%
Seventh year (1 July 2019 to 30 June 2020)	40%
Eighth year (1 July 2020 to 30 June 2021)	30%
Ninth year (1 July 2021 to 30 June 2022)	20%
Tenth year (1 July 2022 to 30 June 2023)	10%

### 3.6 Income tax expenses

Income tax expenses comprise current and deferred taxes. Income taxes are recognized in the Statement of Profit or Loss and Other Comprehensive Income except to the extent that relates to items recognized directly in equity or in other comprehensive income.

#### 3.6.1 Current tax

Provision for income tax is made as per Finance Act 2018. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. The Company has been granted 50% tax exemption for IIG operation income (IP Transit service). Required provision for income tax has been made in the accompanying financial statements based on proportionate income.

#### 3.6.2 Deferred tax

Deferred tax has been recognized in accordance with the provision of BAS 12: Income Taxes, based on the deductible or taxable temporary difference between the carrying amount of assets / liabilities and its tax base. Deferred tax asset or liability is the amount of income tax recoverable or payable in the future periods recognized in the current period. Deferred tax asset or liability does not create a legal recoverability or liability from or to tax authority. Related deferred tax income / expense is recognized as well in the Statement of Profit or Loss and Other Comprehensive Income. Deferred tax assets and liabilities are offsetted if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilised. Deferred tax assets are reviewed at each date of statement of financial position and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### **3.7 Revenue recognition**

Revenues are recognised when products are delivered or services rendered, to the extent that it is probable that the economic benefits from the transactions will flow to the company and the revenues can be reliably measured. Revenues are measured at the fair value of the consideration received or receivable, net of discounts and sales related taxes. These taxes are regarded as collected on behalf of the authorities.

Revenues primarily comprise of:

1. IPLC Rent
2. IPLC -Export
3. Circuit Activation Charge
4. IP Transit Service
5. Co-location Charges
6. IP Transit Service-Export

#### **3.7.1 IPLC rent**

IPLC (International Private Leased Circuit) rent is billed at the beginning of each month and recorded as income on delivery of the bills to clients and the bills are dispatched once in every month.

#### **3.7.2 Circuit activation charge**

Revenue from Circuit activation charges consists of charges imposed to clients for activation of new circuits. These are recognized when amounts are billed through demand notes.

#### **3.7.3 IP Transit service**

IP Transit service charges for providing internet bandwidth to IIGs and ISPs.

#### **3.7.4 Co-location Charges**

Income from Co-location charges arise for using BSCCL's resources at Cox'sbazar and Dhaka.

#### **3.7.5 IP Transit service-Export**

This represents charges to Bharat Sanchar Nigam Limited(BSNL) for IP transit service.

### **3.8 Dividend income**

Dividend income is recognised when the right to receive payment is established.

### **3.9 Trade receivables**

Trade receivables are amounts due from customers for services provided in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at carrying amount less provision for impairment.

### **3.10 Cash and cash equivalents**

In the statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

### **3.11 Accounts payable**

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year (or in the normal operating cycle of the business if longer), If not, they are presented as non-current liabilities.

### 3.12 Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company; or a present obligation that arises from past events.

A contingent asset is possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the group.

### 3.13 Earning per share (EPS)

The company presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is not applicable for these financial statements as there was no dilutive potential ordinary shares during this year.

### 3.14 Investment in shares

Investment in shares and securities are designated at fair value, classified as Held for Trading, with fair value changes recognized immediately in statement of profit or loss and other comprehensive income.

### 3.15 Events after the reporting period

Events after the reporting period that provide additional information about the company's position at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

### 3.16 Compliance with Financial Reporting Standards as applicable in Bangladesh

Sl. No.	BAS No.	BAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied
2	2	Inventories	Not applicable
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting	Complied
5	10	Events after the Reporting Period	Complied
6	11	Construction Contracts	Not applicable
7	12	Income Taxes	Complied
8	16	Property, Plant & Equipment	Complied
9	17	Leases	Complied
10	18	Revenue	Complied
11	19	Employee Benefits	Complied
12	20	Accounting for Government Grants and Disclosure of	Not applicable
13	21	The Effects of Changes in Foreign Exchange Rates	Complied
14	23	Borrowing Costs	Complied
15	24	Related Party Disclosures	Complied
16	26	Accounting and Reporting by Retirement Benefit	Not applicable
17	27	Separate Financial Statements	Not applicable
18	28	Investments in Associates and Joint Ventures	Not applicable
19	29	Financial Reporting in Hyperinflationary Economics	Not applicable
20	31	Interest in Joint Ventures	Not applicable
21	32	Financial Instruments: Presentation	Complied
22	33	Earnings per Share	Complied
23	34	Interim Financial Reporting	Complied
24	36	Impairment of Assets	Complied
25	37	Provisions, Contingent Liabilities and Contingent	Complied
26	38	Intangible Assets	Not complied
27	39	Financial Instruments: Recognition and Measurement	Complied



28	40	Investment Property	Not applicable
29	41	Agriculture	Not applicable

Sl. No.	BFRS No.	BFRS Title	Compliance Status
1	1	First-time adoption of International Financial	Not applicable
2	2	Share-based Payment	Not applicable
3	3	Business Combinations	Not applicable
4	4	Insurance Contracts	Not applicable
5	5	Non-current Assets Held for Sale and Discontinued	Not applicable
6	6	Exploration for and Evaluation of Mineral Resources	Not applicable
7	7	Financial Instruments: Disclosures	Complied
8	8	Operating Segments	Not applicable
9	9	Financial Instruments	Complied
10	10	Consolidated Financial Statements	Not applicable
11	11	Joint Arrangements	Not applicable
12	12	Disclosure of Interests in other Entities	Not applicable
13	13	Fair Value Measurement	Not applicable
14	14	Regulatory Deferral Accounts	Not applicable
15	15	Revenue from Contracts with Customers	Not applicable

4. Property, plant and equipment

Cost/ revaluation (A)

Opening balance

Add: Purchased/Recognised during the Period

Less: Adjustment during the period

Accumulated Depreciation (B)

Opening balance

Add: Charged during the Period

Less: Adjustment during the Period

Written Down Value (A-B)

A schedule of property, plant & equipment is given in Annexure-A.

5 Investment in SMW-5

Opening Balance

Add: Addition during the Period

Payment made to Central Billing Party

Expenses Relating to Project

Recognised as fixed asset during the Period

6 Trade and other receivables

Trade receivables

(Note:6.1)

Other receivables

(Note:6.2)

6.1 Trade receivables

Opening Balance

Add: Addition during the Period

Less: Collection during the Period

Closing Balance

Less: Provision for bad and doubtful debts

Opening Balance

Add: Addition during the Period

Trade receivables, net of provision

Amount in Taka

30 Sep 2018

30 June 2018

9,499,133,939

2,586,304

-

9,501,720,243

3,507,733,270

6,017,496,084

(26,095,415)

9,499,133,939

2,231,771,972

111,339,230

2,343,111,202

-

2,343,111,202

7,158,609,041

1,785,933,264

445,883,359

2,231,816,623

(44,651)

2,231,771,972

7,267,361,968

-

5,528,460,826

-

17,643,427

-

18,999,962

-

36,643,389

-

5,565,104,215

-

(5,565,104,215)

-

-

1,819,931,003

18,589,564

1,838,520,567

1,618,408,865

41,588,193

1,659,997,058

1,777,847,992

549,592,662

2,327,440,654

318,837,394

2,008,603,260

1,502,697,984

1,723,167,053

3,225,865,037

1,448,017,045

1,777,847,992

159,439,126

29,233,130

188,672,256

1,819,931,003

132,215,809

27,223,317

159,439,126

1,618,408,866

Provision for bad and doubtful debts has been made as per company policy and as recommended by Audit Committee.



6.2 Other receivables

Dividend  
ICB Securities Trading Co. Ltd.  
FDR Interest & Others

Amount in Taka	
30 Sep 2018	30 June 2018
3,150	3,150
4,240	4,240
18,582,174	41,580,803
<u>18,589,564</u>	<u>41,588,193</u>

7 Advances and deposits

Advances

Advance to:

Sony Chocolate Industries Ltd.  
Employees against Expenses  
Civil Works Consultant Limited  
Milky & Associates  
BUET  
BTCL  
Bangladesh Porjoton Corporation  
Mustafa Tariq Hossain & Associates  
Others

(Note: 7.1)

22,250,000	23,750,000
120,014	313,606
57,500	57,500
12,000	12,000
290,385	39,004
10,000,000	10,000,000
-	322,715
605,000	605,000
2,531,987	1,640,394
<u>35,866,886</u>	<u>36,740,219</u>

Deposits

Security deposit - Duncan Products Limited  
BTCL - for phone line  
CDBL - as security deposit  
Security deposit - BTRC for International Internet Gateway (IIG)  
Security Deposit-Sikder Filing Station  
Kamal Trading Agency  
Southern Automobiles Ltd.  
Patuakhali Palli Bidyut Samity

5,000	5,000
23,000	23,000
500,000	500,000
600,000	600,000
100,000	100,000
50,000	50,000
250,000	250,000
2,871,598	2,871,598
4,399,598	4,399,598
<u>40,266,484</u>	<u>41,139,817</u>

7.1 Advance for Office Rent (Sony Chocolate Industries Ltd.)

Opening balance  
Add: Paid during the Period  
Less: Adjustment during the Period

23,750,000	2,796,364
-	30,000,000
1,500,000	9,046,364
<u>22,250,000</u>	<u>23,750,000</u>

8. Advance Income Tax

Opening balance  
Add: Payment made during the Period  
  
Less: Settlement/ Adjustment

298,066,627	246,918,612
11,702,700	52,377,560
309,769,327	299,296,172
23,000	1,229,545
<u>309,746,327</u>	<u>298,066,627</u>

Amount in Taka	
30 Sep 2018	30 June 2018

## 9. Investment in Shares

SL	Ordinary shares of	Quantity	Cost price (Taka)	Market value	Market value
1	AB Bank Limited	137,581	3,209,275	1,747,279	1,706,004
2	ACI Limited	3,605	764,725	1,225,700	1,253,819
3	BATASHOE	1,000	696,429	1,094,900	1,137,200
4	BEXIMCO Limited	206,537	10,731,965	4,936,234	5,411,269
5	IFIC Bank Limited	109,902	1,246,776	1,341,681	1,563,243
6	Islami Bank BD Limited	39,091	951,084	926,457	930,366
7	Jamuna Oil Limited	23,716	4,392,440	4,285,481	4,413,548
8	MPetroleum	24,816	4,962,456	4,516,512	4,700,150
9	NCC Bank Limited	174,354	1,698,208	2,510,698	2,563,004
10	Padma Oil Limited	18,150	4,835,160	4,201,725	4,167,240
11	Square Pharma	22,334	2,633,566	6,090,482	6,546,095
12	Titas Gas	39,570	2,744,885	1,563,015	1,582,800
			<u>38,866,968</u>	<u>34,440,163</u>	<u>35,974,737</u>

Investment in shares is treated as held for trading financial assets as per BAS 39-Financial Instruments: Recognition and Measurement and any fluctuation in market price is accounted for through Statement of Profit or Loss and Other Comprehensive Income. Investment in shares has been presented at fair market value as per BAS 39- Financial Instruments: Recognition and Measurement.

## 10. Cash and cash equivalents

Cash in hand	(Note:10.1)	808,568	469,377
Cash at bank	(Note:10.2)	1,381,493,202	1,130,670,638
		<u>1,382,301,770</u>	<u>1,131,140,015</u>

### 10.1 Cash in hand

Head Office-Dhaka	737,745	430,537
Landing Station-Kuakata	70,105	37,581
Landing Station-Cox's Bazar	718	1,260
	<u>808,568</u>	<u>469,377</u>

### 10.2 Cash at bank

Savings and current deposits with:

Sonali Bank Limited-Dhaka	34,448,595	7,969,859
Sonali Bank Limited-Cox'sbazar	3,871,828	1,963,568
National Bank Limited	2,443,283	1,303,914
Mutual Trust Bank Limited	10,469,738	10,471,778
Farmers Bank Limited	245,815	245,815
Brac Bank Limited	703,435	703,435
IFIC Bank Limited	181,151	181,151
United Commercial Bank Limited	139,030,260	40,181,720
	<u>191,394,105</u>	<u>63,021,239</u>

Fixed deposits (FDR) with:

Brac Bank Limited  
Bank Asia Ltd.  
BASIC Bank Limited  
Mutual Trust Bank Limited  
IFIC Bank Limited  
Premier Bank Limited  
One Bank Limited  
Southeast Bank Ltd.  
Standard Bank Limited  
Jamuna Bank Limited  
Pubali Bank Limited  
United Commercial Bank Limited

Amount in Taka	
30 Sep 2018	30 June 2018
260,508,967	176,710,437
30,000,000	30,000,000
185,660,648	181,210,793
104,015,736	61,830,665
231,026,062	242,335,149
-	62,946,101
91,606,090	110,405,000
122,326,345	81,164,061
40,885,001	20,000,000
31,414,042	30,656,193
40,789,644	20,391,000
51,866,563	50,000,000
1,190,099,097	1,067,649,399
1,381,493,202	1,130,670,638

The fixed deposits will be matured within 3 (three)/6 (Six) months and yearly.

11. Share capital

Authorized:

1,000,000,000 ordinary shares of Taka 10 each 10,000,000,000 10,000,000,000

Issued, subscribed and paid up capital:

31,000,000 Ordinary Shares of Taka 10 each fully paid up in cash	310,000,000	310,000,000
140 Ordinary share of Taka 10 each fully paid up in cash to GOB	1,400	1,400
67,314,640 ordinary shares of Tk.10 each fully paid up other than cash to MoPT, GOB	673,146,400	673,146,400
133,905,510(2015:51,599,320) Ordinary shares of Tk. 10 each issued as Bonus Share	665,907,300	665,907,300
	<u>1,649,055,100</u>	<u>1,649,055,100</u>

12 Equity Money from GoB

1,660,000,000 1,660,000,000

The above amount has been received from Government for implementing the Regional Submarine Telecommunications Project, Bangladesh ( Installation and Establishment of Second Submarine Cable System (SMW5) for International Telecommunications in Bangladesh.) as Equity Money which will be converted into shares after implementing the project and getting proper approval from Concerned Authority.

13 Share premium

723,293,759 723,293,759

In 2011-2012, total amount of Tk. 775,000,000 was received as share premium in respect of shares issued to shareholders. Net issue cost of Tk 51,706,241 was set off against share premium as per BAS 32: Financial Instruments: Presentation.

14 Tax holiday reserve

Opening balance  
Add: Current period's reserve

706,977,180	662,947,522
7,130,879	44,029,659
<u>714,108,059</u>	<u>706,977,180</u>

# 15 Revaluation reserve

Opening balance  
Less: Adjustment with deferred tax liability

Amount in Taka	
30 Sep 2018	30 June 2018
336,165,684	336,165,684
-	-
<u>336,165,684</u>	<u>336,165,684</u>

This amount represents the revalued amount of Land at Cox's Bazar. This revaluation has been done by a Professional Valuer named A B SAHA & CO., Chartered Accountants in the financial year 2010-11. Valuation work has been carried out on the basis of Guidelines issued by the Ministry of Finance in valuing Assets of State Owned Companies as well as professional Judgement. In making Valuation of Assets both Depreciated Replacement Costs and Revaluation Method as suggested in the aforementioned guidelines were followed. In addition requirements of IAS and IFRS was considered. Valuation was made on the basis of 100% inventory, Present condition of assets, Current Market price, inflationary trend of the country, Estimated life time of assets etc.

# 16 Retained Earnings

Opening balance  
Add: Profit for the Period

808,879,808	977,535,608
77,047,022	73,260,471
<u>885,926,830</u>	<u>1,050,796,079</u>

Less: Dividend paid during the Period  
Transferred to Tax Holiday Reserve

-	197,886,612
7,130,879	44,029,659
<u>7,130,879</u>	<u>241,916,271</u>
<u>878,795,951</u>	<u>808,879,808</u>

# 17 Deferred tax liabilities

Deferred tax assets and liabilities have been recognized and measured in accordance with the provisions of BAS 12: Income Taxes. Related deferred tax expense/(income) have been disclosed in Note: 44. Deferred tax assets and liabilities are attributable to the following:

Deferred tax relating to profit or loss account components	(Note: 17.1)	369,452,186	342,815,911
Deferred tax relating to components of other comprehensive income	(Note: 17.2)	10,396,877	10,396,877
		<u>379,849,063</u>	<u>353,212,788</u>

## 17.1 Deferred tax relating to Statement of Profit or Loss and Other Comprehensive Income

	Carrying amount	Tax base	Taxable/(deductible) temporary
	Taka	Taka	Taka
As at 30 Sep 2018			
Property, plant and equipment (excluding land)	6,689,435,003	4,994,018,821	1,695,416,183
Accounts receivable	1,819,931,003	2,008,603,260	(188,672,256)
Provision for pension, gratuity fund and provident fund	(28,935,184)	-	(28,935,184)
Net Taxable Temporary Difference			1,477,808,742
Applicable tax rate			25%
Deferred tax liability			<u>369,452,186</u>

Amount in Taka	
30 Sep 2018	30 June 2018

Deferred tax relating to Statement of Profit or Loss and Other Comprehensive Income

	Carrying amount	Tax base	Taxable/(deductible) temporary difference
	Taka	Taka	Taka
As at 30 June 2018			
Property, plant and equipment (excluding land)	6,798,187,930	5,243,729,745	1,554,458,185
Accounts receivable	1,618,408,866	1,777,847,992	(159,439,127)
Provision for pension, gratuity fund and provident fund	(23,755,415)	-	(23,755,415)
Net Taxable Temporary Difference			1,371,263,642
Applicable tax rate			25%
Deferred tax liability			<u>342,815,911</u>

17.2 Deferred tax relating to components of other comprehensive income

	Carrying Amount	Tax Base	Taxable/(deductible) temporary difference
As at 30 Sep 2018			
Revaluation reserve of property, plant and equipment	346,562,561	-	346,562,561
Applicable tax rate			3%
Deferred tax liability			<u>10,396,877</u>

Deferred tax relating to components of other comprehensive income

	Carrying Amount	Tax Base	Taxable/(deductible) temporary difference
As at 30 June 2018			
Revaluation reserve of property, plant and equipment	346,562,561	-	346,562,561
Applicable tax rate			3%
Deferred tax liability			<u>10,396,877</u>

18. Security deposits received from clients

Opening Balance	164,005,987	128,503,172
Add: Addition during the Period	38,048,944	54,641,075
	202,054,931	183,144,248
Less: Adjustment during the Period	586,153	19,138,261
	<u>201,468,778</u>	<u>164,005,987</u>

19. Employees' pension, gratuity and provident fund

Employees' pension fund	(Note: 19.1)	13,808,952	13,808,952
Employees' gratuity fund	(Note: 19.2)	13,187,121	8,019,892
Employees' provident fund	(Note: 19.3)	1,939,111	1,926,571
		<u>28,935,184</u>	<u>23,755,415</u>

Amount in Taka	
30 Sep 2018	30 June 2018

#### 19.1 Employees' pension fund

This represents amount payable to BTCL employees worked on deputation and the amount incorporated in the vendor agreement. The above noted amount is adequate to take care of the liabilities on account of the employees worked for the Company as deputed from BTCL and therefore no additional provision has been made in the accompanying financial statements. The Company however, does not have any pension fund.

13,808,952	13,808,952
------------	------------

#### 19.2 Employees' gratuity fund

Opening balance

Add: Provision made during the Period

Less: Paid/Transferred during the Period

8,019,892	5,919,380
5,167,229	8,019,892
13,187,121	13,939,272
-	(5,919,380)
13,187,121	8,019,892

#### 19.3 Employees' provident fund

Opening balance

Add: Employees' Contribution

Employer's Contribution

Less: Transferred to RCPF during the Period

1,926,571	3,967,673
969,555	3,872,244
969,555	3,872,244
(1,926,571)	(9,785,590)
1,939,111	1,926,571

#### 20 Term Loan

Opening balance

Received during the Period

Total IDB Loan

Current portion of Long Term Loan

Payable after one Period

2,968,702,678	2,866,333,868
-	102,368,810
2,968,702,678	2,968,702,678
277,665,377	238,008,795
2,691,037,301	2,730,693,883

##### Term Loan Particulars:

##### Islamic Development Bank (IDB)

Loan has been taken from IDB through Bangladesh Government for implementation of Regional Submarine Telecommunications Project, Bangladesh (SMW-5) Project. An agreement named Installment Sale Agreement between The Government of People's Republic of Bangladesh and IDB has been signed on 27 August 2014 with effect from 24 November 2014 for loan amount of USD 44 million. Actual loan received by BSCCL in USD 38.048 million. Subsequently Bangladesh Submarine Cable Company Limited signed a subsidiary loan agreement with The Government of People's Republic of Bangladesh, Ministry of Finance, Finance Division on 15 February 2015. This sub-loan is for a 13 years term with a gestation period of 3 years and the interest payable will be @ 6% per annum.

Amount in Taka	
30 Sep 2018	30 June 2018

21. Sundry creditors

Share Money Deposit  
Telecom Italia Sparkle Ltd.  
Equinix Singapore PTE Ltd.  
Cogent Communication Ltd  
NTT communications Ltd.  
Withholding tax payable  
Fiber@Home  
Milky & Associates  
Fames & R  
KK Enterprise  
Unpaid dividend  
Spectrum Engineering Consortium Limited  
Summit Communications Ltd.  
ICB Securities Trading Company Limited  
Payable to BTCL  
Payable to BTCL Staff College(Focus Point)  
Payable to BTRC  
Sony Chocolate Industries Ltd.  
Huawei Technologies (BD). Limited  
Sikder Filling & Service Station  
Capital Law Chamber  
ECCE,CUET  
1st Clean Pest Specialist  
Arique Associates  
ICAB Puja Udjapan Parishad  
Kamal Trading Agency  
Bangladesh Parjatan Corporation  
M.J.Abedin & Co.  
M.M.International  
Eshan Engineering & Refrigeration  
Civil Works Consultant Limited  
OTOBI Ltd.  
Next Tech Ltd.  
Peshajibi Samonnoy Parishad  
Rotary Club of Dhaka City  
SA Rashid & Associates  
Southern Automobiles Ltd.  
The Financial Express  
Temporary Loan from Project Director # SMW5  
M/S Gazi Store  
Cyber Link  
Caps Lock  
Times Flow  
Corporate Sangbad.com  
Bangladesh Association of Publicly Listed Companies  
The Weekly Kaler Digonta  
The Weekly Ovijog  
Telnat Communication Ltd.  
The Daily Janakantha  
The Daily Observer

109,101	109,101
16,455,478	11,800,215
1,005,000	502,500
988,251	1,139,838
9,674,410	7,325,223
24,478,323	23,290,107
28,368,775	22,898,110
116,602	116,602
103,500	90,000
13,590,789	13,590,789
4,465,226	4,467,266
1,807,911	9,945,058
-	1,678,629
1,610,932	1,610,932
71,480,172	4,214,875
23,000	23,000
5,549,710	3,947,379
378,086	330,615
2,016,724	2,016,724
158,880	139,794
146,280	146,280
50,000	50,000
-	4,000
29,000	-
20,000	20,000
-	3,738
339,768	-
-	287,500
509,998	509,998
12,000	-
44,100	44,100
-	18,981
-	16,800
25,000	25,000
30,000	-
28,750	28,750
61,905	34,508
22,247	181
1,000	1,000
-	68,850
121,310	-
17,250	-
16,500	-
3,500	-
-	30,000
30,000	-
15,000	-
3,675	7,700
-	37,260
-	22,066
183,908,153	110,593,468

Amount in Taka	
30 Sep 2018	30 June 2018

22. Provision for income tax

Opening balance

Add: Provision made during the Period

IPLC

IIG Unit

Less: Settlement for previous Period:

323,622,564	299,126,594
1,979,166	6,150,278
4,456,799	18,345,691
6,435,965	24,495,969
330,058,529	323,622,564
-	-
-	-
330,058,529	323,622,564

For the income year 2010-11 an amount of tk. 2,52,40,639 has been demanded by DCT against of which appeal is processed to High Court Division. For the income year 2012-13 after revised assessment of DCT the demand amount is Tk. 78,79,309 which has already been paid and receiving certificate is pending. We have filed an appeal for the Income year 2013-14 to the High Court Division. As per revised order of DCT Tk. 40,79 846/- has been deposited and receiving certificate is pending for the year 2014-15. Assessment Order of income year 2015-16 was received in which DCT demanded Tk.1,38,27,010/-and further appeal was made to the Tribunal.Return of the income year 2016-2017 was filed to DCT for assessment.

23. Provision for WPPF and WF

Opening balance

Add: Provision made during the Period

Less: Settlement for previous Period

14,693,423	19,475,633
5,505,963	14,693,423
20,199,386	34,169,056
	19,475,633
20,199,386	14,693,423

24. VAT Payable

VAT payable against Receivable

VAT payable against Deduction at source

497,180,411	391,459,410
3,708,083	53,882,871
500,888,494	445,342,281

This represents the amount of Tk.49,40,08,282.00 VAT receivable from clients against revenue receivable from clients arising from International Private Leased Circuit (IPLC) rentals, IP transit service, and Co-location charges. In addition to that this amount of Tk. 37,08,083.00 includes VAT deducted from other parties and suppliers.

25. Liabilities for expenses

Office rent

Audit & other fees

Provision for different expenses

Telephone bill

Electricity bill

Donation

Accrued Interest on IDB loan

4,800,000	4,800,000
333,500	115,000
1,804	331,460
49,193	41,602
418,640	416,838
9,364	9,364
182,843,035	139,665,823
188,455,536	145,380,087



26. IPLC (International Private Leased Circuit) Rent

SMW-4

SMW-5

Amount in Taka	
July-Sep-2018	July-Sep-2017
169,509,076	173,118,684
153,596,008	23,209,585
323,105,085	196,328,269

IPLC (International Private Leased Circuit) rent is billed at the beginning of each month and recognized as income on delivery of the bills to clients.

27 Circuit activation charge

Circuit Activation Charge-IPLC-SMW-4

Circuit Activation Charge-IPLC-SMW-5

Circuit Activation Charge-IP Transit (IIG Unit)

Circuit Activation Charge-ISP (IIG Unit)

Circuit Activation Charge-Co-location

1,300,000	520,000
-	3,400,000
340,000	100,000
290,000	-
60,000	295,000
1,990,000	4,315,000

This represents charges imposed to clients for activation of new circuits.

28 IP Transit Service

90,590,166	86,983,904
------------	------------

This represents the service charges for providing internet bandwidth to IIGs and ISPs.

29 Co-Location Charges

SMW-4

SMW-5

4,987,657	18,568,352
408,231	-
5,395,889	18,568,352

This represents charges to customers for using BSCCL's resources at Cox's Bazar, Kuakata and

30 IP Transit Service -Export

17,430,000	24,216,000
------------	------------

This represents charges to Bharat Sanchar Nigam Limited (BSNL) for IP transit service.

31 Electricity and generator fuel

Electricity bill

Fuel for generator

2,845,871	2,126,216
453,338	541,193
3,299,209	2,667,409

This cost is directly related to cost of operation.

32 Landing station and cable route repair

183,393	114,318
---------	---------

This cost is directly related to repair and maintenance for Cox's Bazar landing station and cable route.

Amount in Taka	
July-Sep-2018	July-Sep-2017

### 33 Backhaul & Data Connectivity Charge

Backhaul Charge  
Data Connectivity & Fiber Core Charge  
Revenue Sharing Cost  
Co-location cost

55,260,520	41,679,910
112,815	112,815
1,602,331	1,039,740
-	416,300
<u>56,975,666</u>	<u>43,248,765</u>

This cost represents backhaul charges and for data connectivity & fiber core charge.

### 34 IP Transit Cost

<u>10,962,477</u>	<u>12,614,672</u>
-------------------	-------------------

This cost represents the cost of purchasing IP bandwidth from Telecom Italia Sparkle, NTT Communications Ltd, Equinix Singapore Pte Ltd. Cogent Communications Ltd.

### 35 Lease Rent

<u>662,483</u>	<u>339,768</u>
----------------	----------------

This rent represents rent of leasing land of beachmanhole for Kuakata landing station from Parjaton Corporation.

### 36 Depreciation of core machinery

<u>103,244,244</u>	<u>103,406,164</u>
--------------------	--------------------

This represents the depreciation charged on core machinery which are directly related to IPLC and IP transit revenue.

Depreciation has been charged considering 20 years estimated life of fixed assets relating to SMW-5 for the period. During the year 2016-17, considering the estimated useful life of the Assets, Management has changed depreciation method on Core Equipments of IPLC and IIG unit from Reducing Balance Method to Straight Line method to reflect fair presentation of the financial results and financial position. For further details Annexure-A is referred.

### 37 Operation and maintenance expenses

This represents amount paid to SEA-ME-WE 4 & 5 during the period for expenses of cable operation and maintenance purpose. The break-up of the expenses is as under:

SEA-ME-WE-4	9,446,493	9,664,235
SEA-ME-WE-5	38,275,543	36,560,731
	<u>47,722,036</u>	<u>46,224,966</u>

Amount in Taka	
July-Sep-2018	July-Sep-2017

38 General and administrative expenses

Salary and allowances	23,231,039	22,341,946
Managing Director's remuneration	940,239	885,084
Festival bonus	3,090,820	3,310,355
Office rent	3,501,750	3,294,748
Repair and maintenance	722,292	691,287
Business Development Expenses	524,633	1,123,751
Fees and Subscription	43,464	42,140
Gratuity provision	5,167,229	1,599,138
Vehicles Maintenance	540,033	438,781
Board and other meetings fees	923,480	1,063,403
Consultancy fees	103,500	126,400
Consortium meeting expenses	7,470	316,316
Advertisement and publicity expenses	397,066	842,559
Vehicles running expenses	722,344	789,141
Travelling & conveyance	338,203	282,199
Printing and Office stationery	209,451	296,056
Postage and courier expenses	15,634	12,422
Entertainment	402,088	554,268
AGM expenses	61,998	247,361
Bank charges and commission	111,475	89,659
Telephone Bill	26,862	34,292
Legal Fees	1,437,500	63,000
Rent, rates & taxes	-	4,480
Training Expenses	-	93,020
Books & Periodicals	12,959	13,932
Inauguration-SMW-5 expenses	-	755,829
National Integrity and Strategy / Training Expenses	365,638	-
	<u>42,897,167</u>	<u>39,311,566</u>

39 Provision for bad & doubtful debts

Closing balance of provision for bad & doubtful debts	188,672,256	136,264,944
Less: Opening balance of provision for bad & doubtful debts	159,439,126	132,215,809
	<u>29,233,130</u>	<u>4,049,135</u>

Provision made for the period according to the company policy and as recommended by Audit Committee.

Amount in Taka	
July-Sep-2018	July-Sep-2017

40 Depreciation on property, plant and equipment

8,094,987

6,492,653

This represents the depreciation charged on other than core machinery. For further details Annexure-A is referred.

41 Bank interest and other income

Rest house rent and others  
Interest on FDR & Others  
Dividend income

142,131	239,391
24,958,533	10,710,440
-	10,500
25,100,664	10,960,331

42 Gain/(loss) on investment in shares

Opening market value of investment (Note: 9)  
Add: Investment during the period  
Total cost of investment(B)  
Closing Market Value of Investment (A)  
Gain/(Loss)(A-B)

(Note: 9)

35,974,737	40,150,006
-	-
35,974,737	40,150,006
34,440,163	41,092,171
(1,534,574)	942,165

43 Current tax expense

6,435,965

6,139,588

Current tax has been charged on gross receipts applying regular rate.

44 Deferred tax (income)/expense

Closing balance of deferred tax liability (Note: 17.1)  
Opening balance of deferred tax liability  
Deferred tax (income)/expense

(Note: 17.1)

369,452,186	201,680,162
342,815,911	146,703,882
26,636,275	54,976,280

45 Basic Earnings Per Share (EPS)

Earnings attributable to the Ordinary Shareholders  
Weighted average number of ordinary Shares outstanding during the year  
Earnings Per Share (EPS)

77,047,022

4,450,421

164,905,510

164,905,510

0.47

0.03

45.1 No diluted earnings per share is required to be calculated for the period as there has no dilutive potential ordinary shares.

46 Net Asset Value

Total Assets  
(-)Total Liabilities

10,763,884,352

10,433,680,222

4,802,465,800

4,549,308,691

5,961,418,553

5,884,371,532

Number of Ordinary Shares of Tk. 10 each at Financial Position date

164,905,510

164,905,510

NAV-Per Share

36.15

35.68

Amount in Taka	
July-Sep-2018	July-Sep-2017

47 Net operating cash flows per share (NOCFPS)

Net cash flows from operating activities (A)	261,784,918	78,079,801
Number of Ordinary Shares of Tk. 10 each at Financial Position date	164,905,510	164,905,510
Net operating cash flows per share (NOCFPS)	<u>1.59</u>	<u>0.47</u>

47.1 Reconciliation of Net income or Net profit with cash flows from operating activities.:

Net Porfit Before Tax	110,119,261
Adjustment to reconcile profit to net cash provided by opreating activities:	
Depreciation	111,339,231
Financial Charges	43,177,211
Loss on Investment in Share *	1,534,574
Provision for Bad debts	29,233,130
Other Income	(25,100,664)
(Increase)/Decrease in Advance Income tax	(11,679,700)
(Increase)/ Dcrease in other receivable	48,099,293
(Increase)/ Dcrease in debtors	(230,755,268)
(Increase)/ Dcrease in adv. & deposit	873,333
Increase/(Dcrease) in sundry creditors	81,351,543
Increase/(Decrease) in Security Deposit	37,462,792
Increase/(Decrease) in Employees Pension,Gratuity and PF	5,179,768
Increase/(Decrease) in Provision for WPPF and WF	5,505,963
Increase/(Decrease) in VAT Payable	55,546,213
Increase/(Decrease) in Liability for Expenses	(101,763)
Net cash flows from operating activites	<u>261,784,918</u>

48 Contingent liabilities and commitments

48.1 There is a dispute between BSCCL and BTCL regarding office rent for office space used by BSCCL up to 30 June 2012. BTCL claimed Tk. 11,538,320 excluding VAT but BSCCL kept provision for Tk. 4,800,000. So there is a dispute for Tk. 6,738,320.

48.2 Charges relating to Licence fee and renewal fee of Tk. 3 (Three) Crore and 50 (fifty) lac.

48.3 1% Revenue sharing after getting Licence from BTRC.

#### 49 Related party disclosures

As per BAS 24 "Related Party Disclosures", a related party is a person or entity that is related to the entity (i.e. BSCCL) that is preparing its financial statements. Related party transaction is a transfer of resources, services, or obligations between a reporting entity and a related party, regardless of whether a price is charged as per BAS 24.

Related parties include the company's directors, key management personnel, associates, companies under common directorship etc. as per BAS 24 "Related Party Disclosures". All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible.

- (a) Name of the Directors along with all related Firms/Companies/Institutions/Parties as at 30 September 2018.

Sl No.	Name of the Directors	Status with the company	Name of the related Ministries/ Companies/ Parties etc.	Remarks
1	Mr. Shyam Sunder Sikder	Chairman	Secretary- Posts & Telecommunications Division, MoPT & IT	Nominated by GOB
2	Mr. Md.Azizul Islam	Director	Additional Secretary- Posts & Telecommunications division, MoPT & IT	Nominated by GOB
3	Ms. Touhida Bulbul	Director	Additional Secretary(Admin)-	Nominated by GOB
4	Mr. Md.Jalal Uddin	Director	Joint Secretary-MoF	Nominated by GOB
5	Col. Md.Arefin Talukder, PSC	Director	Colonel GS, DGFI, Bangladesh Army	Nominated by GOB
6	Dr. Md. Mahbulul Alam Joarder	Director	Professor -Institute of Information Technology, University of Dhaka	Nominated by GOB
7	Mr. Hossian Khaled	Independent	Director-DCCI	Nominated by GOB
8	Mr. Nasir Uddin Ahmed, FCA, FCS	Independent Director	Council Member, ICAB & Partner, MABS & J Partners, Chartered Accountants	Nominated by GOB
9	Mr. Mashiur Rahman	Managing Director	BSCCL	Nominated by GOB

- (b) Transactions with the following companies where the Directors of the company are related for the period ended 30 September 2018:

Sl No.	Name of the company (Related party)	Name of the Director	Relationship of the Director with the company	Type of transaction	Transactions during the period	Period end balance
1	Bangladesh Telecommunication s Company Limited	Mr.Shyam Sunder Sikder	Chairman	Bandwidth sale	103,913,826	1,071,758,736
2	Bangladesh Telecommunication s Company Limited	Mr.Shyam Sunder Sikder	Chairman	Co-location Sale	-	21,463,462
3	Bangladesh Telecommunication s Company Limited	Mr.Shyam Sunder Sikder	Chairman	Backhaul Purchase	23,274,599	23,274,599
4	Teletalk Bangladesh Ltd.	Mr.Shyam Sunder	Chairman	Bandwidth sale	3,105,000	5,617,083

- (c) Transactions with the following companies where the Directors of the company are related for the period ended 30 September 2017:

Sl No.	Name of the company (Related party)	Name of the Director	Relationship of the Director with the	Type of transaction	Transactions during the period	Period end balance
1	Bangladesh Telecommunication s Company Limited	Mr.Shyam Sunder Sikder	Director	Bandwidth sale	78,064,303	913,068,060
2	Bangladesh Telecommunication s Company Limited	Mr.Shyam Sunder Sikder	Director	Co-location Sale	14,233,688	14,233,688
3	Bangladesh Telecommunication s Company Limited	Mr.Shyam Sunder Sikder	Director	Backhaul Purchase	36,587,089	36,610,089
4	Bangladesh Telecommunication	Mr.Shyam Sunder	Director	IP Transit Sale	8,004,000	41,446,844
5	Teletalk Bangladesh Limited	Mr.Shyam Sunder Sikder	Director	Bandwidth sale	1,035,000	1,756,855

- (d) Key management personnels compensation

(i) MD's Remuneration

Short term employee benefits (salary and other allowances)

Provident Fund

WPPF

July- Sep-2018	July- Sep-2017
----------------	----------------

940,239	831,278
-	53,806
-	-
940,239	885,084

(ii) Other Management personnel remuneration and benefit

Salary

Bonus

23,231,039	22,341,946
3,090,820	3,310,355
26,321,859	88,862,904

- (e) Director's Board Meeting Attendance Fees

-	-
---	---

- (f) Other Disclosures

The Directors of the company did not take any benefit from the company other than the board meeting attendance fees as disclosed above.

- Expense reimbursed to the managing agent - Nil
- Commission or other remuneration payable separately to a managing agent or his associate - Nil
- Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into such concerns with the company - Nil
- The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year.
- Any other perquisites or benefit in cash or in kind stating - Nil



6 Other allowances and commission including guarantee commission - Nil.






- i) Pensions
- ii) Gratuities
- iii) Payment from Provident Fund
- iv) Compensation for loss of office
- v) Consideration in connection with retirement from office

50 Segment information

Business activities of BSCCL are not organized on the basis of differences in related services or differences in geographical areas of operations. It essentially provides similar services to clients across the country.

51 Comparatives

Comparative information in the following major areas has been rearranged to conform to current periods's presentation:

				
Chief Financial Officer	Company Secretary	Managing Director	Director	Chairman

Dhaka

13 November 2018

# Bangladesh Submarine Cable Company Limited

## Schedule of Property, Plant & Equipment

As at 30 September 2018

As at 30 September 2018										Annexure-A (Amount in Taka)
Name of assets	Cost			Accumulated depreciation					WDV as at 30 Sep 2018	
	As at 01 July 2018	Additions during the period	Adjustment during the period	As at 30 Sep 2018	Rate	As at 01 July 2018	Charged during the period	Adjustment during the period		
										As at 30 Sep 2018
a. Freehold assets										
Land and land development	122,612,477			122,612,477	-	1,735,500,122	28,925,291	-	1,764,425,413	122,612,477
Core equipment-IP/LC-SMW-4	2,661,109,442			2,661,109,442	10%	276,980,718	69,273,017	-	346,253,736	896,684,029
Core equipment-IP/LC-SMW-5	5,539,614,370	2,115,657		5,541,730,027	5%	88,218,713	5,045,935	-	93,264,648	5,195,476,291
Core equipment-IG	189,116,338	21,080		189,137,418	14.29%	18,333,710	438,266	-	18,771,976	95,872,770
Building	62,160,351			62,160,351	4%	14,564,152	3,641,038	-	18,205,190	43,388,375
Building-SMW-5	291,283,034			291,283,034	5%	1,886,194	19,197	-	1,905,391	273,077,844
Floor development	2,654,065			2,654,065	10%	2,399,990	54,273	-	2,454,263	748,674
Security barak & security wall	7,827,297			7,827,297	4%	1,682,379	16,536	-	1,698,915	5,373,034
Deep tube-well & pump house	2,343,837			2,343,837	10%	66,743	16,686	-	83,428	644,922
Deep tube-well & pump house-SMW-5	1,334,855			1,334,855	5%	1,369,466	342,367	-	1,711,833	1,251,427
Generator-500 KVA(SMW#5)	13,694,661			13,694,661	10%	2,767,778	16,132	-	2,783,910	11,982,828
500 KV sub-station	3,284,000			3,284,000	10%	866,223	223,329	-	1,089,553	500,090
500 KV sub-station-SMW-5	17,866,349			17,866,349	5%	25,411,530	319,384	-	25,730,914	16,776,796
Power system	35,631,806			35,631,806	10%	1,042,361	260,590	-	1,302,951	9,900,892
Power system-SMW-5	20,847,215			20,847,215	5%	2,689,514	85,604	-	2,775,118	19,544,264
Boundary wall	11,249,905			11,249,905	4%	1,910,916	477,729	-	2,388,645	8,474,787
Boundary wall-SMW-5	38,218,321			38,218,321	5%	9,621,759	291,836	-	9,913,595	35,829,676
Ducting from beach manhole	18,960,526			18,960,526	10%	1,090,689	272,672	-	1,363,362	9,046,931
Ducting from beach manhole-SMW-5	21,813,789			21,813,789	5%	32,707,559	984,198	-	33,691,757	20,450,427
Vehicles	52,391,512			52,391,512	20%	10,266,319	537,843	-	10,804,163	18,699,755
Office equipment and furniture	31,621,534	449,567		32,071,101	10%	265,255	16,270	-	281,525	21,266,938
Co-Location point	916,051			916,051	10%	49,237	17,464	-	66,701	634,526
Co-Location point-SMW-5	1,397,121			1,397,121	5%	2,080,643	63,572	-	2,144,215	1,330,420
Office decoration	4,623,522			4,623,522	10%	2,231,771,972	111,339,230	-	2,343,111,202	2,479,307
Sub-total	9,152,572,378	2,586,304	-	9,155,158,682		2,231,771,972	111,339,230	-	2,343,111,202	6,812,047,480
b. Revalued assets										
Land and land development	346,561,561	-	-	346,561,561	-	-	-	-	-	346,561,561
Sub-total	346,561,561	-	-	346,561,561		-	-	-	-	346,561,561
Total balance as at 30 Sep 2018 (a+b)	9,499,133,939	2,586,304	-	9,501,720,243		2,231,771,972	111,339,230	-	2,343,111,202	7,158,609,041
Total balance as at 30 June 2018(a+b)	3,507,733,270	6,017,496,084	26,095,415	9,499,133,939		1,785,933,264	445,883,359	(44,651)	2,231,771,972	7,267,361,968

Annexure-A  
(Amount in Taka)