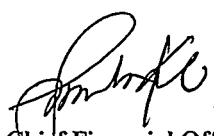


**Bangladesh Submarine Cable Company Limited**

Statement of Financial Position (Un-audited)

As at 30 September 2021

	Notes	Amount in Taka	Amount in Taka
		30 Sep. 2021	30 June 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	4	6,705,809,766	6,816,455,730
Capital Work in Progress SMW-6	4.1	4,048,086	4,048,086
		<b>8,136,604,707</b>	<b>7,086,118,261</b>
<b>Current Assets</b>			
Trade and other receivables	5	2,112,467,703	1,943,558,845
Advances and deposits	6	26,354,533	23,412,700
Advance income tax	7	1,019,521,578	1,169,718,384
Investment in shares	8	33,278,063	29,501,318
Cash and cash equivalents	9	4,944,982,829	3,919,927,014
		<b>14,846,462,560</b>	<b>13,906,622,077</b>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity</b>			
Share capital	10	1,649,055,100	1,649,055,100
Equity Money from GoB	11	1,660,000,000	1,660,000,000
Share premium	12	723,293,759	723,293,759
Tax holiday reserve	13	800,747,631	788,905,267
Revaluation reserve	14	1,035,330,017	1,037,294,938
Retained earnings	15	3,317,898,874	2,798,121,902
		<b>9,186,325,381</b>	<b>8,656,670,966</b>
<b>Non Current Liabilities</b>			
Deferred tax liabilities	16	606,646,612	606,110,821
Security deposits received from clients	17	379,419,884	357,068,437
Employees' pension, gratuity & provident fund	18	30,553,388	15,394,307
Long Term loan-net off current portion	19	2,186,420,299	2,186,420,299
		<b>3,203,040,183</b>	<b>3,164,993,865</b>
<b>Current Liabilities</b>			
Long Term loan-current portion	19	192,249,252	192,249,252
Sundry creditors	20	414,396,569	84,170,222
Provision for income tax	21	987,765,447	1,037,421,348
Provision for WPPF and WF	22	153,561,126	119,991,410
VAT payable	23	(15,059,521)	(25,398,163)
Liabilities for expenses	24	105,139,333	57,437,162
Amount to be distributed as dividend (Proposed)		610,150,387	610,150,387
Unclaimed Dividend Account	25	8,894,402	8,935,626
		<b>2,457,096,995</b>	<b>2,084,957,244</b>
<b>Total Liabilities</b>		<b>5,660,137,179</b>	<b>5,249,951,110</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>14,846,462,560</b>	<b>13,906,622,077</b>
<b>Net Asset Value per share</b>	46	<b>55.71</b>	<b>52.49</b>

  
Chief Financial Officer

  
Company Secretary

  
Managing Director

  
Director

  
Chairman

Dated, Dhaka;  
14 November 2021

**Bangladesh Submarine Cable Company Limited**  
Statement of Profit or Loss and Other Comprehensive Income (Un-audited)  
For the period ended 30 September 2021

	Notes	Amount in Taka	
		July-Sep-2021	July-Sep-2020
<b>Revenue</b>			
IPLC (International Private Leased Circuit) rent	26	685,584,914	599,306,887
Circuit activation charge	27	1,600,000	2,863,000
IP Transit service	28	233,901,734	148,970,474
Co-location charges	29	25,308,142	19,624,048
IPLC-SMW-5-export	30	4,798,125	-
		<b>951,192,915</b>	<b>770,764,408</b>
<b>Direct cost of operation</b>			
Electricity and generator fuel	31	4,113,662	3,684,187
Landing station and cable route repair	32	1,417,573	347,532
Backhaul & data connectivity charge	33	23,873,853	24,710,704
IP transit cost	34	21,991,624	13,364,383
Lease rent	35	343,631	298,810
Depreciation of core machinery	36	108,209,700	106,445,019
		<b>159,950,043</b>	<b>148,850,634</b>
		<b>791,242,872</b>	<b>621,913,774</b>
<b>Gross profit</b>			
<b>Operating expenses</b>			
Operation and maintenance expenses	37	29,367,105	50,569,360
General and administrative expenses	38	67,546,822	53,685,910
Provision for bad & doubtful debts	39	5,836,387	64,836,496
Depreciation on property, plant and equipment	40	8,604,576	8,863,750
Exchange fluctuation loss/(gain)		88,920	(62,352)
		<b>111,443,809</b>	<b>177,893,165</b>
		<b>679,799,063</b>	<b>444,020,609</b>
<b>Operating profit</b>			
<b>Non-operating income/(Expenses)</b>			
Bank interest and other income	41	56,831,524	38,357,738
Financial and Other charges		(35,443,284)	(38,175,074)
Gain/(Loss) on investment in shares	42	3,776,746	7,803,362
		<b>25,164,986</b>	<b>7,986,026</b>
		<b>704,964,049</b>	<b>452,006,635</b>
Provision for contribution to WPPF & WF		33,569,717	21,524,125
		<b>671,394,332</b>	<b>430,482,509</b>
<b>Profit before taxation</b>			
Current tax expenses	43	141,204,125	104,739,924
Deferred tax (income)/expenses	44	535,791	(5,175,971)
		<b>141,739,916</b>	<b>99,563,953</b>
		<b>529,654,416</b>	<b>330,918,556</b>
<b>Net profit after tax</b>			
<b>Other Comprehensive Income ,net of tax</b>			
Gain on revaluation of Property Plant and equipment		-	-
<b>Total comprehensive income</b>		<b>529,654,416</b>	<b>330,918,556</b>
<b>Earnings Per Share (EPS) - Basic</b>	45	<b>3.21</b>	<b>2.01</b>

  
Chief Financial Officer

  
Company Secretary

  
Managing Director

  
Director

  
Chairman

Dated, Dhaka;  
14 November 2021

**Bangladesh Submarine Cable Company Limited**  
Statement of Changes in Equity (Un-audited)  
For the period ended 30 September 2021

Particulars	Share capital	Equity money from GoB	Share premium	Tax holiday reserve	Revaluation reserve	Retained earnings	Total equity
<b>Balance as at 01 July 2021</b>	1,649,055,100	1,660,000,000	723,293,759	788,905,267	1,037,294,938	2,798,121,902	8,656,670,966
<b>Transactions with shareholders:</b>							
Net profit after tax for the period	-	-	-	-	-	529,654,416	529,654,415
Excess Depreciation of Revalued amount	-	-	-	-	(1,964,921)	1,964,921	-
Tax holiday reserve	-	-	-	11,842,365	-	(11,842,365)	-
<b>Balance as at 30 September 2021</b>	<b>1,649,055,100</b>	<b>1,660,000,000</b>	<b>723,293,759</b>	<b>800,747,632</b>	<b>1,035,330,017</b>	<b>3,317,898,874</b>	<b>9,186,325,381</b>
<b>Balance as at 30 July 2020</b>	1,649,055,100	1,660,000,000	723,293,759	741,577,846	336,165,684	1,639,922,628	6,750,015,017
<b>Transactions with shareholders:</b>							
Net profit after tax for the period	-	-	-	-	-	330,918,556	330,918,556
Tax holiday reserve	-	-	-	9,389,409	-	(9,389,409)	-
<b>Balance as at 30 September 2020</b>	<b>1,649,055,100</b>	<b>1,660,000,000</b>	<b>723,293,759</b>	<b>750,967,255</b>	<b>336,165,684</b>	<b>1,961,451,775</b>	<b>7,080,933,573</b>

  
Chief Financial Officer

  
Company Secretary

  
Managing Director

  
Director

  
Chairman

Dated, Dhaka;  
14 November 2021

**Bangladesh Submarine Cable Company Limited**  
Statement of Cash Flows (Un-audited)  
For the period ended 30 September 2021

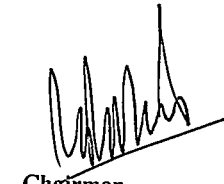
	Notes	Amount in Taka	
		July-Sep-2021	July-Sep-2020
<b>A. Cash flows from operating activities</b>			
Cash received from clients		1,143,645,248	739,573,854
Cash paid to suppliers and others		(87,810,364)	(84,390,707)
Exchange fluctuation (loss)/ gain		88,920	62,353
Payroll and other payments to employees		(48,715,577)	(45,882,534)
Income tax paid		(40,663,220)	(83,030,619)
Interest received		57,089,923	46,834,782
Receipts from rest house rent and others		1,563,809	345,901
<b>Net cash flow from operating activities</b>	47.1	<b>1,025,198,739</b>	<b>573,513,031</b>
<b>B. Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(283,340)	(7,518,673)
Investment in SMW-6		-	-
Dividend received		181,640	-
<b>Net cash flow from/ (used in) investing activities</b>		<b>(101,700)</b>	<b>(7,518,673)</b>
<b>C. Cash flows from financing activities</b>			
Dividend paid		(41,224)	(29,164,400)
Financial charges		-	(79,396,517)
Loan repaid		-	(84,143,336)
<b>Net cash flow from/(used in) financing activities</b>		<b>(41,224)</b>	<b>(192,704,254)</b>
Net surplus/ deficit during the period (A+B+C)		1,025,055,814	373,290,104
Cash and cash equivalents at beginning of the period		3,919,927,014	2,418,539,714
<b>Cash and cash equivalents at end of the period</b>	9	<b>4,944,982,829</b>	<b>2,791,829,818</b>
Net Operating Cash Flows Per Share (NOCFPS)	47	<b>6.22</b>	<b>3.48</b>

  
Chief Financial Officer

  
Company Secretary

  
Managing Director

  
Director

  
Chairman

Dated, Dhaka;  
14 November 2021

**Bangladesh Submarine Cable Company Limited (BSCCL)**  
Notes to the Financial Statements  
For the period ended 30 September 2021

**1. Reporting entity**

**1.1 The Company**

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 period 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 People's 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).

**1.2 Nature of business**

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 on compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act, 1994, Securities and Exchange Rules, 1987 and other relevant laws applicable in Bangladesh.

**2.2 Other regulatory compliances**

The Company is also required to comply with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations in Bangladesh:

- The Income Tax Ordinance, 1984
- The Income Tax Rules, 1984
- The Value Added Tax and Supplementary duty Act, 2012
- The Value Added Tax and Supplementary duty Rules, 2016
- The Customs Act, 1969
- The Stamp Act, 1899
- The Bangladesh Securities and Exchange Commission Act, 1993
- The Bangladesh Securities and Exchange Commission Rules, 1987
- DSE/CSE Rules
- Listing Regulations, 2015
- Bangladesh Labour Act, 2006 (as amended to 2013)
- Financial Reporting Act, 2015.

**2.3 Basis of measurement**

The financial statements have been prepared on historical cost basis except for certain assets such as Property, Plant & Equipment which are stated at revalued amount (fair market value) as explained in the accompanying notes (Note- 3.1) and equity instruments which are stated at fair value as explained in the accompanying notes ( Note- 3.7).

## **2.4 Accrual basis of accounting**

Bangladesh Submarine Cable Company Limited (BSCCL) prepares its financial statements, except for cash flow information, using the accrual basis of accounting. Since the accrual basis of accounting is used, the company recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the IAS or IFRS conceptual Framework.

## **2.5 Presentation of financial statements**

The presentation of these financial statements is in accordance with the guidelines provided by IAS 1: Presentation of Financial Statements. The financial statements comprise of:

- (a) Statement of Financial Position as at 30 September 2021.
- (b) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 September 2021.
- (c) Statement of Changes in Equity for the year ended 30 September 2021.
- (d) Statement of Cash Flows for the year ended 30 September 2021.
- (e) Notes, comprising summary of significant accounting policies and other explanatory information.

## **2.6 Functional and presentation currency**

Functional and presentation currency items included in these financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). These financial statements are presented in Bangladesh Taka ("BDT") which is also the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest BDT except otherwise indicated.

## **2.7 Use of estimates and judgments**

The preparation of financial statements in conformity with International Financial Reporting Standards and International Accounting Standards 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 and for contingent assets and liabilities that require disclosure, during and at the date of the financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors.

## **2.8 Materiality, aggregation and offsetting**

Each material item as considered by management significant has been displayed separately in the financial statements. No amount has been set off unless the Company has legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards. The values of assets or liabilities as shown in the statement of financial position are not off-set by way of deduction from another liability or asset unless there exist a legal right therefore. No such incident existed during the year.

## **2.9 Going concern assumption**

As per IAS-1 para 25, a company is required to make assessment at the end of each year to assess its capability to continue as a going concern. Management of the Company makes such assessment each year. As per management assessment there is no material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

There is no indication of declining of economic activity in terms of demand for services those BSCCL provides due to severity of COVID-19 which might have negative impact of future business and cash flows rather the industry is booming because online activities using Internet bandwidth is growing rapidly.

## **2.10 Reporting period**

The reporting period of the company covers 3 (three) months from 01 July 2021 to 30 September 2021.

## **2.11 Comparative information**

Comparative information has been disclosed in respect of 01 July 2021 to 30 September 2021 in accordance with **IAS 01: Presentation of Financial Statements** for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current periods of financial statements. Prior year figure has been rearranged wherever considered necessary to ensure comparability with the current year.

## **3. Significant accounting policies**

### **3.1 Property, plant and equipment**

#### **Recognition and measurement**

An item shall be recognized as property, plant and equipment if, and only if it is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably.

Up to the financial period 30 September 2021, after recognition, items of property, plant and equipment are measured at cost less accumulated depreciation as per **IAS 16: Property, Plant and Equipment**.

BSCCL follows Revaluation model instead of Cost model regarding measurement after recognition of Assets from the year 2020-2021. As such, after recognition as asset, items of property, plant and equipment whose fair value can be measured reliably shall be carried at a revalued amount being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses from the year 2020-2021 as per **IAS 16: Property, Plant and Equipment**.

The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner. The cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term debt availed for the construction/ implementation of the Property, Plant and Equipment, if the recognition criteria are met.

The cost of self-constructed assets includes the cost of material and direct labor and other costs directly attributable to bringing the assets to a working condition inclusive of inward freight, duties and non-refundable taxes for their intended use.

#### **Subsequent costs**

The subsequent expenditure is only capitalized as part of assets when the useful life or economic benefit or both of that asset is increased provided that it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of day to day servicing of property, plant and equipment are recognized in the Statement of Profit or loss and Other Comprehensive Income as 'Repair and Maintenance' when it is incurred.

#### **Depreciation on Non-current assets**

Depreciation is provided to amortize the cost of the assets after commissioning, over the period of their expected useful lives, in accordance with the provision of **IAS 16 Property, Plant and Equipment**. Depreciation is charged on additions made during the year for the full year in which those assets are put into ready for use and on which depreciation is charged on Straight line basis. Depreciation is charged on all the fixed assets except land and land development cost at the following rates according to the estimated life disclosed in the valuation report.

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	2.70%	Straight line
Building-SMW-4	4.00%	Straight line
Building-Low cost Quarter	2.50%	Straight line
Floor development	4.00%	Straight line
Security barak & security wall	4.00%	Straight line
Deep tube-well & pump house-SMW-4	-	Straight line
Deep tube-well & pump house-SMW-5	-	Straight line
500 KV sub-station-SMW-4	11.11%	Straight line
500 KV sub-station-SMW-5	3.13%	Straight line
Power system-SMW4	16.67%	Straight line
Generator-500KVA(SMW#5)	8.33%	Straight line
Power system-SMW5	5.88%	Straight line
Power System-IIG	33.33%	Straight line
Boundary wall-SMW-4	3.85%	Straight line
Boundary wall-SMW-5	2.70%	Straight line
Ducting from beach manhole-SMW-4	9.09%	Straight line
Ducting from beach manhole-SMW-5	6.25%	Straight line
Vehicles	10.00%	Straight line
Office equipment and furniture	5-10%	Straight line
Co-Location point-SMW-4	25.00%	Straight line
Co-Location point-SMW-5	5.88%	Straight line
Office decoration	10%	Straight line
Water Treatment Plant & Others	20%	Straight line
Surveillance System	20%	Straight line

Depreciation methods, useful lives and residual values are reviewed after each reporting period.

#### Revaluation of property, plant and equipment

As per IAS 16: **Property, Plant and Equipment** paragraph 34, “the frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Some items of property, plant and equipment experience significant and volatile changes in fair value, thus necessitating annual revaluation. Such frequent revaluations are unnecessary for items of property, plant and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three or five periods”.

To comply with the above paragraph The Company made its first valuation of and at Cox's Bazar on 30 June 2011 by an independent valuer to reflect fair value (prevailing market price) thereof following “both Depreciated Replacement Costs and Revaluation Method”.



**Details of revaluation of property, plant and equipment:**

Amount in Taka

Particulars of the assets	Name of the Valuer	Qualification of the Valuer	Date of Revaluation	Carrying amount of Assets	Value of Assets after revaluation	Revaluation Surplus
Land and Land Development	A B SAHA & CO.	Chartered Accountants	June 30, 2011	170,391,471	352,300,000	181,908,529
<b>Total:</b>				<b>170,391,471</b>	<b>352,300,000</b>	<b>181,908,529</b>

Other Non-Current Assets were kept outside the scope of the revaluation works. These are expected to be realizable at written down value (WDV) as mentioned in the Statement of Financial Position of the company

A further revaluation has been made by a profession valuer named Hussain Farhad & Co, Chartered Accountants. Valuation work has been carried out by visiting, surveying, indentifying and verifying the assets physically of all offices of BSCCL considering cutoff date for valuation on 30 June 2020. At the time of valuation the valuer firm has considered the following guidelines:

- a) Valuation Guideline for listed companies provided by Bangladesh Securities and Exchange Commission (No. SEC/CMRRCD/2009-193/150/Admin dated August 18, 2013;
- b) International Accounting Standard-16 (IAS-16). Property, Plant and Equipment.
- c) International Financial Reporting Standard-13 (IFRS-13). Fair Value Measurement.
- d) PWD's rates 2018.
- e) Procurement Procedures of BSCCL; and
- f) Relevant purchase documents of BSCCL.

The valuer firm has followed replacement value or fair value method for valuation of fixed assets and straight line method has been followed for the computation of depreciation and to find out the estimated evaluated value of respective fixed asset as on 30th June 2020.

**Details of revaluation of property, plant and equipment:**

Amount in Taka

Particulars of the assets	Name of the Valuer	Qualification of the Valuer	Date of Revaluation	Carrying amount of Assets	Value of Assets after revaluation	Revaluation Surplus
Property Plant and Equipment	Hussain Farhad & Co	Chartered Accountants	June 30, 2020	6,484,407,739	7,224,238,645	739,830,906
<b>Total (Net off revaluation loss)</b>				<b>6,484,407,739</b>	<b>7,224,238,645</b>	<b>739,830,906</b>

The increase in the carrying amount of revalued assets is recognized in the separate component of equity as Revaluation Reserve.

**Impairment**

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated to determine the extent of the impairment loss, if any. Impairment loss is recorded on judgmental basis, for which provision may differ in the future periods based on the actual experience.

### **Disposal of property, plant and equipment**

An item of Property, Plant and Equipment is removed from the statement of financial position when it is disposed of or when no future economic benefits are expected from its use or disposal. The gain or loss on the disposal of an item of Property, Plant and Equipment is included in the statement of profit or loss of the period in which the de-recognition occurs.

### **3.2 Intangible assets and research and development expenditure**

Intangible assets are stated at cost less provisions for amortization and impairments, if any. License, patents, know-how and marketing rights acquired are amortized over their estimated useful lives, using the straight-line basis, from the time they are available for use. The cost of acquiring and developing computer software for internal use and internet sites for external use are capitalized as intangible assets where the software or site supports a significant business system and the expenditure leads to the creation of a durable asset.

In compliance with the requirements of IAS 38: Intangible assets, research, development and experimental costs are usually absorbed as revenue charges as and when incurred. However, the research and development expenditures that is definite to yield benefit to the Company and is material in the Company's and/ local context, are capitalized as per IAS 38: Intangible Assets.

### **3.3 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds as per IAS 23: Borrowing Costs.

### **3.4 Authorization date for issuing financial statements**

The financial statements were authorized by the Board of Directors on 14 November 2021 for issue after completion of review.

### **3.5 Revenue from contract with customers**

The Company recognizes as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange of services when (or as) it transfers control to the customer. To achieve that core principle, IFRS-15 establishes a five-step model as follows:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognize revenue when (or as) the entity satisfies a performance obligation.

Considering the five steps model, the Company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised service to a customer. Service is considered as transferred when (or as) the customer obtains control of that service. Revenue from sale of service is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT). Where the amounts received or receivable from customers exceeded the revenues recognized for contracts, contract liabilities or advance billings are recognized in the statement of Financial Position as Unearned Revenue. Contract liabilities or advance billings are recognized as revenue when services are provided to customers satisfying the performance obligation.

Revenues primarily comprise of:

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

#### **3.5.1 Revenue from International Private Leased Circuit (IPLC) Rent**

Revenue from IPLC rent are recognized over the period of time (i.e. monthly) through satisfying the performance obligation as the customer simultaneously receives and consumes the services provided by BSCCL as it promises to perform in the contract.

### **3.5.2 Revenue from circuit activation charge**

Circuit activation is non-recurring service mostly comprise of registration and installation services provided by BSCCL. This charge imposed to clients for activation of new circuits in the form of Registration and Installation charge through demand notes. Revenue from this charge are recognized at a certain point in time when the services or benefits passed to its customers.

### **3.5.3 Revenue from IP Transit Service Fees**

IP Transit service charges for providing internet bandwidth to IIGs and ISPs on a recurring basis. Invoice regarding IP Transit service is generated at the beginning of each month but recognize the revenue over the period of time (i.e. monthly) through satisfying the performance obligation as the customer simultaneously receives and consumes the services provided by BSCCL as promise to perform in the contract.

### **3.5.4 Revenue from co-location charges**

Revenue from Co-location charges arises for using BSCCL's resources by the customers on a recurring basis at Cox's bazaar, Kuakata and Dhaka. Invoice regarding Co-location service is generated at the beginning of each month but recognize the revenue over the period of time (i.e. monthly) through satisfying the performance obligation as the customer simultaneously receives and consumes the services provided by BSCCL as promise to perform in the contract.

### **3.5.5 Revenue from IP transit service – export**

IP Transit Service - Export represents IP transit services provided to international customer Bharat Sanchar Nigam Limited (BSNL) on a recurring basis. Invoice regarding IP Transit service is generated at the beginning of each quarter in advance but recognize the revenue over the period of time (i.e. monthly) through satisfying the performance obligation as the customer simultaneously receives and consumes the services provided by BSCCL as promise to perform in the contract.

In case of revenue recognition, BSCCL Management applied their judgment that due to COVID-19 ,there is no possibility of cancellation of orders and modification of contractual arrangement with customers regarding return, discount and timing of transferring risk and reward due to supply chain disruption before recognizing revenue as per IFRS-15.

### **3.5.6 Revenue from investment income**

#### **(a) Interest income**

Interest on bank deposits have been accounted for on accrual basis.

#### **(b) Dividends**

Dividend Income is recognized when the company's right to receive the payment is established or after received of dividend, which is generally when shareholders approve the dividend.

### **3.6 Leases**

Financial Reporting Principles IFRS 16: Leases effective from annual periods beginning on or after January 1, 2019 has significantly changed how the company accounts for its lease contracts. Before the adoption of IFRS 16, all lease contracts were classified as operating leases. IFRS 16 requires all contracts that contain a lease to be recognized in the statement of financial position as a right-of-use asset and lease liability. Only certain short-term and low-value leases are exempt. In such cases the lease payments associated with those leases as an expense on either a straight line basis over the lease term or another systematic basis in the statement of profit or loss and other comprehensive income

In compliance with the standard, BSCCL has elected not to recognise right of use assets and lease liabilities for short term leases that have a lease term (non-cancellable period) of 12 months or less and leases of low-value assets. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### **3.7 Financial instruments**

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

### **Classification and measurement of financial assets and financial liabilities**

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the company's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortized cost; Fair Value through Other Comprehensive Income (FVOCI) – debt investment; Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or Fair Value Through Profit or Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the cost is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

**A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:**

- a. it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- b. its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:**

- a. it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- b. its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets.

### **Financial assets at FVTPL**

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

### **Financial assets at amortized cost**

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss. Trade receivables are classified as financial assets measured at amortized cost.

### **Debt investments at FVOCI**

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

### **Equity investments at FVOCI**

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

### **Impairment of financial assets**

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

The financial assets at amortized cost consist of trade receivables, cash and cash equivalents, and corporate debt securities. The company measures loss allowances at an amount equal to ECL from trade receivables.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

The company considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realizing security (if any is held).

### **Presentation of impairment**

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognized in OCI, instead of reducing the carrying amount of the asset.

Impairment losses related to trade receivables and others, including contract assets, are presented separately in the notes to the financial statement.

## **3.8 Cash and cash equivalents**

Cash and cash equivalents consists of cash on hand and with banks on current accounts, deposit accounts and short-term investments which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

## **3.9 Earnings Per Share(EPS)**

Earnings Per Share (EPS) are calculated in accordance with the International Accounting Standard IAS 33: Earnings Per Share.

### **Basic earnings per share**

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary equity holders of the entity by the weighted average number of ordinary shares outstanding during the year.

### **Diluted earnings per share**

For the purpose of calculating Diluted earnings per shares, an entity adjusts profit or loss attributable to each ordinary equity holders of the entity, and weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares. Diluted EPS is only calculated where the company has commitment to issue ordinary share in future at reporting date. There is a commitment to issue share to Ministry of Posts, Telecommunication and Information Technology against equity money received for an amount of Tk. 1,660,000,000. However, number of potential shares to be issued is under process of negotiation with Ministry of Posts, Telecommunications and Information Technology (MoPT & IT), the Government of the People's Republic of Bangladesh.

### **3.10 Foreign currency transactions**

Foreign currency transactions are recorded, on initial recognition in the functional currency at the spot exchange rate ruling at the transaction date.

At the end of each reporting period in compliance with the provision of IAS 21: The Effects of Changes in Foreign Exchange Rates.

- a) Foreign currency monetary items are translated using the closing rate.
- b) Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction.
- c) Non-monetary items that are measured at fair value in a foreign currency is translated using the exchange rate at the date when the fair value is determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rate different from those at which they were translated on initial recognition during the period or in previous financial statements is recognized in Profit or loss in the period in which they arise.

### **3.11 Employee benefits**

The company maintains defined contribution plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective trust deeds and rules. The plan is funded and recognized/approved under Income Tax Ordinance 1984.

#### **(a) Defined contribution plan (Provident fund)**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. BSCCL has a separate recognized provident fund scheme. All permanent employees of BSCCL contribute 10% of their basic salary to the provident fund and the company makes matching contributions.

#### **(b) Defined Benefit Plan (Gratuity)**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The 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 current and former employees.

#### **(c) Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

### 3.12 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: Note No. 08.01.0000.035.01.0021.2013 dated 12 February 2014) for a period of 10 periods 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 periods (1 July 2013 to 30 June 2015)	100%
Third period (1 July 2015 to 30 June 2016)	80%
Fourth period (1 July 2016 to 30 June 2017)	70%
Fifth period (1 July 2017 to 30 June 2018)	60%
Sixth period (1 July 2018 to 30 June 2019)	50%
Seventh period (1 July 2019 to 30 June 2020)	40%
Eighth period (1 July 2020 to 30 June 2021)	30%
Ninth period (1 July 2021 to 30 June 2022)	20%
Tenth period (1 July 2022 to 30 June 2023)	10%

### 3.13 Accruals, provisions and contingencies

#### (a) Accruals

Accruals are liabilities to pay for services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees. Accruals are reported as part of Trade and other payables.

#### (b) Provisions

A provision is recognized in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. During the reporting period the company has made sufficient provisions where applicable.

#### (c) 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 but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a 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 company. At the reporting date the company does not have any contingent asset.

### 3.14 Statement of cashflows

The Statement of Cash Flows has been prepared in accordance with the requirements of IAS 7: Statement of Cash Flows. The cash generating from operating activities has been reported using the Direct Method and Indirect Method as prescribed by the Securities and Exchange Rules, 1987 and as the benchmark treatment of IAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

### **3.15 Related party disclosures**

As per International Accounting Standards IAS 24: Related Party Disclosures, parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in Note 49.

### **3.16 Income tax**

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity in accordance with IAS 12: Income Tax.

#### **(a) Current tax**

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. The tax rate used for the reporting period was 22.5% as a publicly traded company.

#### **(b) Deferred tax**

Deferred tax is recognized as income or an expense amount within the tax charge, and included in the net profit or loss for the period. Deferred tax relating to items dealt with as Other Comprehensive income (such as a revaluation) is recognized as tax relating to Other Comprehensive income within the statement of Profit or loss and Other Comprehensive income.

#### Taxable Temporary difference

A deferred tax liability is recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of goodwill; or the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

#### Revaluations to fair value – Property, Plant and Equipment

The revaluation does not affect taxable profits in the period of revaluation and consequently, the tax base of the asset is not adjusted. Hence a temporary difference arises. This is provided for in full based on the difference between carrying amount and tax base. An upward revaluation is therefore give rise to a deferred tax liability.

#### Deductible temporary difference

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

### **3.17 Events after the Reporting period**

Events after the reporting period that provide additional information about the company's position at the statement of financial position date are reflected in the financial statements as per International Accounting Standards IAS 10: Events after the Reporting Period.

All material events occurring after the balance sheet date have been considered and where necessary, adjusted for or disclosed.



**Compliance with financial reporting standards as applicable in Bangladesh:**

The Company as per Para-12 of Securities & Exchange Rule-1987, with the following International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) in preparing the financial statements.

<b>IAS No.</b>	<b>IAS Title</b>	<b>Compliance Status</b>
1	Presentation of Financial Statements	Complied
2	Inventories	Not applicable
7	Statement of Cash Flows	Complied
8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
10	Events after the Reporting Period	Complied
12	Income Taxes	Complied
16	Property, Plant & Equipment	Complied
19	Employee Benefits	Complied
20	Accounting for Government Grants and Disclosure of Government Assistance	Not applicable
21	The Effects of Changes in Foreign Exchange Rates	Complied
23	Borrowing Costs	Complied
24	Related Party Disclosures	Complied
26	Accounting and Reporting by Retirement Benefit Plans	Not applicable
27	Separate Financial Statements	Not applicable
28	Investments in Associates and Joint Ventures	Not applicable
29	Financial Reporting in Hyperinflationary Economics	Not applicable
31	Interest in Joint Ventures	Not applicable
32	Financial Instruments: Presentation	Complied
33	Earnings per Share	Complied
34	Interim Financial Reporting	Complied
36	Impairment of Assets	Complied
37	Provisions, Contingent Liabilities and Contingent Assets	Complied
38	Intangible Assets	Not applicable

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

		Amount in Taka	
		30- Sep.2021	30- June 2021
<b>4</b>	<b>Property, plant and equipment</b>		
	Cost/ revaluation (A)		
	Opening balance	10,375,599,670	10,321,328,540
	Add: Addition during the period	6,168,313	60,600,130
	Less: Adjustment during the period	-	(6,329,000)
		<u>10,381,767,982</u>	<u>10,375,599,671</u>
	<b>Accumulated Depreciation (B)</b>		
	Opening balance as reported	3,559,143,940	3,097,958,639
	Add: Charged during the period	116,814,275	466,970,644
		3,675,958,216	3,564,929,283
	Less: Adjustment during the period	-	(5,785,343)
		<u>3,675,958,216</u>	<u>3,559,143,940</u>
	<b>Written Down Value (A-B)</b>	<u>6,705,809,766</u>	<u>6,816,455,730</u>
	A schedule of property, plant & equipment is given in <b>Annexure-A</b> . Adjustment in Cost and Accumulated Depreciation is for non-current asset property plant & equipment.		
<b>4.1</b>	<b>Capital Work in Progress SMW-6</b>	<u>4,048,086</u>	<u>4,048,086</u>
	This represents previous year balance. During the year 2020-2021 an amount of USD 47,664.38 equivalent Tk.4,048,086 has been paid as SMW6 Pre C&MA under MOU cost. This amount will be recognised as asset after completion of the project.		
<b>5</b>	<b>Trade and other receivables</b>		
	Trade receivables	(Note: 5.1) 2,042,150,463	1,871,237,757
	Other receivables	(Note: 5.2) 70,317,240	72,321,088
		<u>2,112,467,703</u>	<u>1,943,558,845</u>
<b>5.1</b>	<b>Trade receivables</b>		
	Opening Balance	2,228,912,756	2,874,240,783
	Add: Addition during the period	1,330,908,128	3,836,827,477
		3,559,820,884	6,711,068,259
	Less: Collection/Adjustment during the period	(1,154,159,035)	(4,482,155,503)
	Closing Balance	2,405,661,849	2,228,912,756
	Less: Provision for bad and doubtful debts		
	Opening Balance	357,674,999	384,396,603
	Add: Addition during the period	5,836,387	(26,721,604)
		363,511,386	357,674,999
	Trade receivables, net of provision	<u>2,042,150,463</u>	<u>1,871,237,757</u>
<b>5.2</b>	<b>Other receivables</b>		
	Dividend	3,150	3,150
	ICB Securities Trading Co. Ltd.	17,416,131	17,416,131
	FDR Interest & Others	52,897,959	54,901,807
		<u>70,317,240</u>	<u>72,321,088</u>

		<b>Amount in Taka</b>			
		<b>30- Sep.2021</b>	<b>30- June 2021</b>		
<b>6</b>	<b>Advances and Deposits</b>				
	<b>Advances</b>				
	<b>Advance to:</b>				
	Sony Chocolate Industries Ltd. (Note: 6.1)	5,372,000	6,872,000		
	Employees against Expenses	1,009,053	1,254,350		
	ACE Autos (Pvt) Ltd.	-	20,162		
	Advance to Employee against Salary	1,532,704	1,187,554		
	Bangladesh Porjoton Corporation	-	343,631		
	Deputy Commissioner of Customs CTG	8,147,619	8,147,619		
	James International	56,011	56,011		
	ICB Capital Management Ltd.	287,500	287,500		
	Hamida Trader Ltd	4,705,772	-		
	Mustafa Tariq Hossain & Associates	670,500	670,500		
	Others	279,874	279,874		
		<b>22,061,033</b>	<b>19,119,200</b>		
	<b>Deposits</b>				
	Security deposit - Duncan Products Limited	5,000	5,000		
	BTCL - for phone line	23,000	23,000		
	UCB-locker Service	4,500	4,500		
	CDBL - as security deposit	500,000	500,000		
	Security deposit - BTRC for International Internet Gateway (IIG)	600,000	600,000		
	Security Deposit-Sikder Filing Station	100,000	100,000		
	Kamal Trading Agency	50,000	50,000		
	Southern Automobiles Ltd.	250,000	250,000		
	Patuakhali Palli Bidyut Samity	2,761,000	2,761,000		
		<b>4,293,500</b>	<b>4,293,500</b>		
		<b>26,354,533</b>	<b>23,412,700</b>		
<b>6.1</b>	<b>Advance for Office Rent (Sony Chocolate Industries Ltd.)</b>				
	Opening balance	6,872,000	12,872,000		
	Add: Paid during the period	-	-		
	Less: Adjustment during the period	(1,500,000)	(6,000,000)		
		<b>5,372,000</b>	<b>6,872,000</b>		
<b>7</b>	<b>Advance Income Tax</b>				
	Opening balance	1,169,718,384	603,695,577		
	Add: Payment made during the period	40,663,219	601,298,510		
		1,210,381,603	1,204,994,087		
	Less: Settlement/Adjustment (F-Y:2019-20)	(190,860,026)	(35,275,703)		
		<b>1,019,521,578</b>	<b>1,169,718,384</b>		
<b>8</b>	<b>Investment in Shares</b>				
	<b>Sl. Ordinary shares of</b>	<b>Quantity</b>	<b>Cost price (Tk)</b>	<b>Market value</b>	<b>Market value</b>
	1 AB Bank Limited	151,683	3,209,275	2,305,582	2,244,908
	2 ACI Limited	4,719	764,725	1,418,531	1,244,400
	3 BATASHOE	1,000	696,429	898,600	650,200
	4 Beximco	-	-	-	-
	5 IFIC Bank Limited	156,384	1,765,186	2,502,144	1,986,077
	6 Islami Bank BD Limited	39,091	951,084	1,176,639	1,161,003
	7 Jamuna Oil Limited	23,716	4,392,440	4,361,372	3,851,478
	8 M Petroleum	24,816	4,962,456	5,032,685	4,531,402
	9 NCC Bank Limited	200,736	1,698,208	3,151,555	2,930,746
	10 Padma Oil Limited	18,150	4,835,160	4,183,575	3,698,970
	11 Square Pharma	26,847	2,633,566	6,502,343	5,785,529
	12 Titas Gas	39,570	2,744,885	1,745,037	1,416,606
			<b>28,653,413</b>	<b>33,278,063</b>	<b>29,501,318</b>

Investment in shares is recognised and measured according to IFRS 9 as stated in note 3.7

		Amount in Taka	
		30- Sep.2021	30- June 2021
<b>9</b>	<b>Cash and cash equivalents</b>		
	Cash in hand	(Note: 9.1) 1,972,124	609,248
	Cash at bank	(Note: 9.2) 4,943,010,705	3,919,317,766
		<u>4,944,982,829</u>	<u>3,919,927,014</u>
<b>9.1</b>	<b>Cash in hand</b>		
	Head Office-Dhaka	1,149,556	181,562
	Landing Station-Kuakata	661,809	309,120
	Landing Station-Cox's Bazar	160,759	118,566
		<u>1,972,124</u>	<u>609,248</u>
<b>9.2</b>	<b>Cash at bank</b>		
	<b>Savings and current deposits with:</b>		
	Brac Bank Limited	676,318	676,318
	IFIC Bank Limited	314,832	314,831
	Mutual Trust Bank Limited	22,380,410	14,635,701
	Mutual Trust Bank Limited-Cox'sbazar	1,317,154	-
	National Bank Limited-Kuakata	45,722	6,527,272
	Agrani Bank Limited-Kuakata	3,939,708	-
	Sonali Bank Limited-Cox'sbazar	5,945,407	9,314,864
	Sonali Bank Limited-Dhaka	31,478,147	28,301,421
	The City Bank Limited	505,246,103	121,556,543
	United Commercial Bank Limited	226,390,312	172,705,923
		<u>797,734,113</u>	<u>354,032,874</u>
	<b>Fixed deposits (FDR) with:</b>		
	Agrani Bank Limited	1,092,077,001	948,990,297
	Bangladesh Development Bank Limited	363,465,355	239,317,303
	Bank Asia Ltd.	-	10,807,501
	BASIC Bank Limited	338,288,970	331,950,817
	Brac Bank Limited	13,943,418	28,698,433
	First Security Islami Bank Ltd.	51,417,898	50,516,250
	IFIC Bank Limited	318,870,938	355,565,728
	Jamuna Bank Limited	-	72,687,087
	Janata Bank Limited	673,245,515	250,070,000
	Meghna Bank Ltd.	30,580,191	30,000,000
	Mercantile Bank Limited.	50,000,000	50,000,000
	NRB Commercial Bank Ltd.	80,000,000	40,000,000
	One Bank Limited	167,169,617	126,829,188
	Pubali Bank Limited	165,640,740	162,322,875
	Social Islami Bank Ltd.	74,154,535	71,890,000
	Sonali Bank limited	73,059,992	71,750,732
	Southeast Bank Ltd.	53,720,075	85,616,238
	South Bangla Agricultural Bank Ltd.	20,000,000	-
	Standard Bank Limited	91,390,235	90,045,333
	The City Bank Limited	-	86,470,000
	Trust Bank Ltd.	41,050,000	40,000,000
	Union Bank Ltd.	327,202,111	301,757,111
	United Commercial Bank Limited	120,000,000	120,000,000
		<u>4,145,276,592</u>	<u>3,565,284,893</u>
		<u>4,943,010,705</u>	<u>3,919,317,766</u>

The fixed deposits will be matured within 3 (three)/6 (Six) months, 9 (nine) months, and yearly.

		<b>Amount in Taka</b>	
		<b>30- Sep.2021</b>	<b>30- June 2021</b>
<b>10</b>	<b>Share capital</b>		
	<b>Authorized:</b>	<b>10,000,000,000</b>	<b>10,000,000,000</b>
	1,000,000,000 ordinary shares of Taka 10 each		
	<b>Issued, subscribed and paid up capital:</b>		
	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
	66,590,730 Ordinary shares of Tk. 10 each issued as Bonus Share	665,907,300	665,907,300
		<b>1,649,055,100</b>	<b>1,649,055,100</b>
<b>11</b>	<b>Equity Money from GoB</b>	<b>1,660,000,000</b>	<b>1,660,000,000</b>
	<p>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 getting proper approval from Concerned Authority.</p> <p>The Board of Directors of BSCCL has approved the appointment of ICB Capital Management Limited as Issue Manager and valuation of fixed assets has already been completed as a process to issue shares in favour of Ministry of Posts, Telecommunications and Information Technology ( MoPT &amp; IT) against equity money received from the Government of the People's Republic of Bangladesh for an amount of Tk 1,660,000,000.</p>		
<b>12</b>	<b>Share premium</b>	<b>723,293,759</b>	<b>723,293,759</b>
	<p>In the year 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 IAS 32: Financial Instruments: Presentation.</p>		
<b>13</b>	<b>Tax holiday reserve</b>		
	Opening balance	788,905,267	741,577,846
	Add: Current period's reserve	11,842,365	47,327,421
		<b>800,747,632</b>	<b>788,905,267</b>
<b>14</b>	<b>Revaluation reserve</b>		
	Opening balance	1,037,294,938	1,042,041,533
	Less: Adjustment for Excess Depreciation on Revalued Amount	(1,964,921)	(7,859,683)
	Less: Adjustment with deferred tax liability	-	3,113,088
		<b>1,035,330,017</b>	<b>1,037,294,938</b>

The opening balance represents the revalued amount of Property , plant & equipment at Dhaka,Cox's Bazar and Kuakata. First revaluation has been done by a Professional Valuer named A B SAHA & CO., Chartered Accountants in the financial year 2010-11. A further revaluation for all class of assets has been made by a professional valuer named Hussain Farhad & Co, Chartered Accountants. Valuation work has been carried out by visiting, surveying, identifying and verifying the assets physically of all offices of BSCCL considering cut off date for valuation on 30 June 2020.

Amount in Taka	
30- Sep.2021	30- June 2021

**15 Retained Earnings**

Opening balance	2,798,121,902	1,513,286,463
Add: Profit for the period	529,654,416	1,907,331,861
Adjustment for Excess Depreciation on Revalued Amount	1,964,921	7,859,683
Adjustment for previous periods Tax	-	27,121,703
	<b>3,329,741,238</b>	<b>3,455,599,710</b>
Less: Amount to be distributed as dividend (Proposed)	-	610,150,387
Transferred to Tax Holiday Reserve	11,842,365	47,327,421
	<b>11,842,365</b>	<b>657,477,808</b>
	<b>3,317,898,874</b>	<b>2,798,121,902</b>

**16 Deferred tax liabilities**

Deferred tax assets and liabilities have been recognized and measured in accordance with the provisions of IAS 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 statement of profit or loss (Note: 16.1)	549,289,156	548,753,365
Deferred tax relating to other comprehensive income (Note: 16.2)	57,357,455	57,357,455
	<b>606,646,612</b>	<b>606,110,821</b>

**16.1 Deferred tax relating to Statement of Profit or Loss**

	Carrying Amount	Tax base	Taxable/ (deductible) temporary difference
	Taka	Taka	Taka
<b>As at 30 Sep. 2021</b>			
Property, plant and equipment (excluding land)	5,605,209,764	2,769,859,851	2,835,349,913
Accounts receivable (Note: 5.1)	2,042,150,463	2,405,661,849	(363,511,386)
Provision for pension, gratuity fund and provident fund, Leave Encashment (Note: 18)	(30,553,388)	-	(30,553,388)
Net Taxable Temporary Difference			2,441,285,139
Applicable tax rate			22.50%
<b>Deferred tax liability</b>			<b>549,289,156</b>
<b>As at 30 June 2021</b>			
Property, plant and equipment (excluding land)	5,713,620,812	2,901,647,660	2,811,973,152
Accounts receivable	1,871,237,757	2,228,912,756	(357,674,999)
Provision for pension, gratuity fund and provident fund (Note:18)	(15,394,307)	-	(15,394,307)
Net Taxable Temporary Difference			2,438,903,846
Applicable tax rate			22.50%
<b>Deferred tax liability</b>			<b>548,753,365</b>

		Amount in Taka	
		30- Sep.2021	30- June 2021
<b>16.2</b>	<b>Deferred tax relating to other comprehensive income</b>		
		Carrying Amount	Taxable/ (deductible) temporary difference
		Taka	Taka
	<b>As at 30 Sep. 2021</b>		
	Revaluation reserve on Land and Land Development	977,988,523	977,988,523
	Applicable tax rate	-	3.00%
	<b>Deferred tax liability</b>		<u>29,339,656</u>
	Add: Revaluation reserve on PPE other than land		124,523,554
	Applicable tax rate		22.50%
	<b>Deferred tax liability on Other Assets</b>		<u>28,017,800</u>
	<b>Total Deferred Tax relating to other comprehensive income</b>		<u><u>57,357,455</u></u>
	<b>As at 30 June 2021</b>		
	Revaluation reserve on Land and Land Development	977,988,523	977,988,523
	Applicable tax rate	-	3.00%
	<b>Deferred tax liability</b>		<u>29,339,656</u>
	Add: Revaluation reserve on PPE other than land		124,523,554
	Applicable tax rate		22.50%
	<b>Deferred tax liability on Other Assets</b>		<u>28,017,800</u>
	<b>Total Deferred Tax relating to other comprehensive income</b>		<u><u>57,357,455</u></u>
<b>17</b>	<b>Security deposits received from clients</b>		
	Opening Balance	357,068,437	294,955,533
	Add: Addition during the period	28,058,046	107,225,439
		385,126,482	402,180,971
	Less: Adjustment during the period	(5,706,599)	(45,112,535)
		<u>379,419,884</u>	<u>357,068,437</u>
<b>18</b>	<b>Employees' pension, gratuity and provident fund</b>		
	Employees' pension fund (Note: 18.1)	13,808,952	13,808,952
	Employees' gratuity fund (Note: 18.2)	11,606,802	1,592,234
	Employees' provident fund (Note: 18.3)	2,860,008	(6,879)
	Provision for Leave Encashment (Note: 18.4)	2,277,626	-
		<u>30,553,388</u>	<u>15,394,307</u>
<b>18.1</b>	<b>Employees' pension fund</b>	<u>13,808,952</u>	<u>13,808,952</u>

This represents amount payable to BTCL employees worked on deputation and the amount incorporated in the vendor agreement. The above noted amount is adequate against 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.

		Amount in Taka	
		30- Sep.2021	30- June 2021
<b>18.2</b>	<b>Employees' gratuity fund</b>		
	Opening balance	1,592,234	3,611,732
	Add: Provision made during the period	10,014,568	16,890,968
		11,606,802	20,502,700
	Less: Paid/Transferred during the period	-	(18,910,466)
		<u>11,606,802</u>	<u>1,592,234</u>
<b>18.3</b>	<b>Employees' provident fund</b>		
	Opening balance	(6,879)	794,317
	Add: Employees' Contribution	1,433,444	5,176,665
	Employer's Contribution	1,433,444	5,176,665
	Less: Transferred to RCPF during the period	-	(11,154,526)
		<u>2,860,008</u>	<u>(6,879)</u>
<b>18.4</b>	<b>Provision for Leave Encashment</b>		
	Opening balance	-	-
	Add: Made during the period	2,277,626	-
	Less: Payment during the period	-	-
		<u>2,277,626</u>	<u>-</u>
<b>19</b>	<b>Term Loan</b>		
	Opening balance	2,378,669,551	2,730,693,883
	Received during the period	-	-
	Total IDB Loan	<u>2,378,669,551</u>	<u>2,730,693,883</u>
	Less: Payment during the period	-	(352,024,332)
		<u>2,378,669,551</u>	<u>2,378,669,551</u>
	Current portion of Long Term Loan	(192,249,252)	(192,249,252)
	Non-current portion of Long Term Loan	<u>2,186,420,299</u>	<u>2,186,420,299</u>

**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.

**20 Sundry creditors**

A.R Engineering	22,701	-
ACE Autos	17,611	83,237
Amader Somoy	79,176	32,601
Anashwar Prokashon	40,000	-
Arra Technologies Ltd.	36,480	36,480
Bangla Phone Ltd.	-	-
Bangladesh Protidin	37,280	-
Bangladesh Science House	100,000	100,000
BD Jobs.Com	-	12,285
Best IT Sololutions Ltd	18,000	-
Biz Bangla Media Ltd.	55,890	108,675
Capital Law Chamber	146,280	146,280
Caps Lock	13,500	13,500
Cogent Communication Ltd	1,738,877	435,283



	Amount in Taka	
	30- Sep.2021	30- June 2021
Credit Rating Information & Services Ltd	-	80,625
Cyber Link	1,225	1,225
DE-CIX(IIG)	58,583	433,290
Design Associates	47,899	47,899
Dhaka Reporters Unit	40,000	-
Elias Enterprise	47,380	47,380
Equinix Singapore PTE Ltd.	4,942,121	2,570,521
Express Systems Ltd.	2,021,500	2,021,500
Fames & R	264,025	264,025
Farid Automobiles & Engineering Works	12,485	-
Fiber@Home Ltd	5,941,212	6,898,833
FS Technology	43,000	-
H.S. Engineering	1,316,740	1,316,740
Habib Intelligent Software Ltd.	518,743	518,743
HKT Global (Singapore) Pte. Ltd.	3,076,419	3,672,301
Hurricane Electric Internet Service	2,295,771	2,405,538
Hussain Farhad & Co.	-	1,035,000
ICB Securities Trading Company Limited	450	1,617,982
Information Service Network Ltd	10,000	-
Innovative Technology & Engineering	300	300
International Computers Solution	33,300	33,300
Jajjaidin Publications Ltd	42,746	-
Kazi Mynul Hassan	107,875	107,875
Khondoker Advertisement	-	70,000
KK Enterprise	2,782,771	2,782,771
M/S MS Power Engineering	-	36,400
M/S Syeed Automobiles	7,700	-
M2M Communications	4,950	-
Md.Tameem Rahman	213,693	-
Milky & Associates	104,602	104,602
Murad Reza	143,750	143,750
Next Tech Ltd.	22,400	5,600
NRB Telecom Ltd.-IIG	5,000	10,000
NTT communications Ltd.	5,423,608	5,384,457
Oviggan	91,200	-
Pabna Automobiles	33,385	9,130
Padakkhep Bangladesh	-	60,000
Payable to BTCL	34,989,121	18,950,735
Payable to BTRC	11,345,651	9,231,020
Payable to Kuakata-Revenue Stamp	870	-
Pragoti Industries Ltd	5,371,100	-
Prochito IMC Ltd.	-	123,140
R.J.Printing&Packaging	14,405	-
Rich Digital Communications	2,370	2,370
Royal Office Equipment	-	16,000
S.A. Basher & Co, Ltd.	207,656	207,656
S.F.Ahmed & Co.	379,500	379,500
S.T. Enterprise	41,918	41,918
SA Rashid & Associates	28,750	28,750
Sadhan Das & Co.	10,710	64,300
Shanu Enterprise	69,450	-

	Amount in Taka	
	30- Sep.2021	30- June 2021
Sharebazarnews.com	-	4,025
Sikder Filling & Service Station	162,980	-
Sony Chocolate Industries Ltd.	304,691	278,723
Southern Automobiles Ltd.	30,279	37,291
Spectrum Engineering Consortium Limited	589,492	589,492
Summit Communications Ltd.	4,190,010	1,676,004
Suraya Parveen & Associates	56,925	56,925
Sys solution	437,000	-
Telecom Italia Sparkle Ltd.	17,159,148	15,818,964
Telephone Shilpa Sangstha Ltd.	673,208	673,208
Telnet Communication Ltd.	3,675	3,675
Temporary Loan from Ex-Project Director # SMW5	1,000	1,000
The Daily Kaler Kantho	-	37,260
The Daily New Nation	27,583	-
The Daily Observer	27,946	78,526
The Daily Our Time	-	22,273
The Daily Sun	-	16,860
The Daily Vorer Kagoj	-	27,945
The Financial Express	28,283	62,002
The Weekly Bangla Bichitra	20,000	-
The Weekly Swadesh Khabar	40,000	-
Unclaimed IPO subscription	109,101	109,101
Unearned Revenue	302,281,875	2,759,200
Urban Solution	70,273	-
Withholding tax payable	3,746,980	224,232
Zero Pest	13,992	-
	<b>414,396,569</b>	<b>84,170,222</b>

20.1 The significant increase in Sundry creditors is mainly due to unrecognised portion of of total amount (i.e. 3.6 million USD) received from Saudi Telecom Company against transfer of capacity equivalent to 25.31% of BSCCL's capacity between Yanbou-Toulon-Marseilles segments based on IRU considering the remaining cable life(i.e.16 years ) of SMW-5 to comply with the criteria mentioned in the IFRS-15. Note:30

**21 Provision for income tax**

Opening balance	1,037,421,348	633,906,543
Add: Provision made during the period	141,204,125	459,812,378
Add: Provision for the year-2014-2015	-	5,648,994
Less: Settlement for the year 2019-20	(190,860,026)	(61,946,567)
	<b>987,765,447</b>	<b>1,037,421,348</b>

**22 Provision for WPPF and WF**

Opening balance	119,991,410	62,599,014
Add: Provision made during the period	33,569,717	119,991,410
	153,561,126	182,590,424
Less: Settlement for previous period	-	(62,599,014)
	<b>153,561,126</b>	<b>119,991,410</b>

**23 VAT**

VAT payable against Receivable	(18,809,971)	(45,356,439)
VAT payable against Deduction at source	3,750,451	19,958,276
	<b>(15,059,521)</b>	<b>(25,398,163)</b>

The amount of Tk. (1,88,09,971) represents advance VAT paid to NBR which is adjustable against VAT receivable from clients related to revenue receivable arising from International Private Leased Circuit (IPLC) rentals, IP transit service, and Co-location charges. In addition to that the amount of Tk. 37,50,451 includes VAT deducted from other parties and suppliers.

		Amount in Taka	
		30- Sep.2021	30- June 2021
<b>24</b>	<b>Liabilities for expenses</b>		
	Office rent	4,800,000	4,800,000
	Audit & other fees	161,000	161,000
	Provision for different expenses	-	428,447
	Telephone bill	153,746	130,166
	Electricity bill	816,235	290,831
	Payable for Cable route shifting SMW4	22,138,350	10,000,000
		<b>28,069,331</b>	<b>15,810,444</b>
	Accrued Interest on IDB loan	77,070,002	41,626,718
		<b>105,139,333</b>	<b>57,437,162</b>

**25 Unclaimed Dividend Account**

Year wise details of unclaimed dividend is given below:

Year		
2011-2012	404,808	404,808
2012-2013	1,136,722	188,133
2013-2014	1,087,734	524,594
2014-2015	91,419	1,603,322
2015-2016	945,351	945,351
2016-2017	794,397	794,397
2017-2018	401,664	401,664
2018-2019	1,926,705	1,967,756
2019-2020	2,105,601	2,105,601
	<b>8,894,402</b>	<b>8,935,626</b>

		<b>Amount in Taka</b>	
		<b>July-Sep. 2021</b>	<b>July-Sep. 2020</b>
<b>26</b>	<b>IPLC (International Private Leased Circuit) Rent</b>		
	SMW-4	219,046,434	205,538,021
	SMW-5	466,538,480	393,768,866
		<u>685,584,914</u>	<u>599,306,887</u>

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	150,000	630,000
Circuit Activation Charge-IPLC-SMW-5	1,120,000	1,625,000
Circuit Activation Charge-IIG	200,000	-
Circuit Activation Charge-ISP(IIG)	60,000	-
Circuit Activation Charge-Co-location-IIG	-	140,000
Circuit Activation Charge-Co-location-SMW-4	-	50,000
Circuit Activation Charge-Co-location-SMW-5	70,000	418,000
	<u>1,600,000</u>	<u>2,863,000</u>

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

<b>28</b>	<b>IP Transit Service</b>	<u>233,901,734</u>	<u>148,970,474</u>
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This represents the service charges for providing internet bandwidth to IIGs and ISPs.

**29 Co-Location Charges**

SMW-4	11,300,587	8,166,615
SMW-5	13,953,093	11,428,471
IP Transit -IIG	54,462	28,962
	<u>25,308,142</u>	<u>19,624,048</u>

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

<b>30</b>	<b>IPLC -Export(SMW#5)</b>	<u>4,798,125</u>	<u>-</u>
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This represents partial recognition of total amount (i.e. 3.6 million USD) received from Saudi Telecom Company against transfer of capacity equivalent to 25.31% of BSCCL's capacity between Yanbou-Toulon-Marseilles segments based on IRU considering the remaining cable life(i.e.16 years ) of SMW-5 to comply with the criteria mentioned in the IFRS-15.

Referring to the note number 26 to 30 , Bangladesh Submarine Cable Company Limited (BSCCL)'s turnover is mainly comprised of IPLC Rent, IP Transit Service and Co-location Service. In addition to that, substantial effort of BSCCL's management, Govt. policy of digitalization of govt. service and introduction of 4G services contributed to increase in overall IPLC & IP transit consumption in the country. Consequently, BSCCL's revenue also increased.

**31 Electricity and generator fuel**

Electricity bill	3,308,902	3,215,387
Fuel for generator	804,760	468,800
	<u>4,113,662</u>	<u>3,684,187</u>

This cost is directly related to cost of operation.

		<b>Amount in Taka</b>	
		<b>July-Sep. 2021</b>	<b>July-Sep. 2020</b>
<b>32</b>	<b>Landing station and cable route repair</b>	<b>1,417,573</b>	<b>347,532</b>
	This cost is directly related to cable route and landing station maintenance for Cox's Bazar, Kuakata.		
<b>33</b>	<b>Backhaul &amp; Data Connectivity Charge</b>		
	Backhaul Charge	16,070,006	17,038,481
	Data Connectivity & Fiber Core Charge	5,672,266	5,655,405
	Revenue Sharing Cost	2,114,631	1,721,817
	License & Membership fees	-	287,500
	Co-location cost	16,950	7,500
		<b>23,873,853</b>	<b>24,710,704</b>
	This cost represents backhaul charges and for data connectivity & fiber core charge.		
<b>34</b>	<b>IP Transit Cost</b>	<b>21,991,624</b>	<b>13,364,383</b>
	This cost represents the cost of purchasing IP bandwidth from Telecom Italia Sparkle, NTT Communications Ltd, Equinix Singapore Pte Ltd. and Cogent Communications Ltd, DE-ICX(IIG),PCCW (HKT) Global (Singapore) Pte. Ltd., Hurricane Electric Internet Service.		
<b>35</b>	<b>Lease Rent</b>	<b>343,631</b>	<b>298,810</b>
	This rent represents rent of leasing land of beach manhole for Kuakata landing station from Bangladesh Parjaton Corporation.		
<b>36</b>	<b>Depreciation of core machinery</b>	<b>108,209,700</b>	<b>106,445,019</b>
	This represents the depreciation charged on core machinery which are directly related to IPLC and IP transit revenue. For further details Annexure-A is referred.		
<b>37</b>	<b>Operation and maintenance expenses</b>		
	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	-	8,305,584
	SEA-ME-WE-5	29,367,105	42,263,776
		<b>29,367,105</b>	<b>50,569,360</b>

Amount in Taka	
July-Sep. 2021	July-Sep. 2020

**38 General and administrative expenses**

Advertisement and publicity expenses	649,598	668,321
Bank charges and commission	762,547	578,554
Board and other meetings fees	904,245	1,128,413
Books & Periodicals	10,660	2,286
Business Development Expenses	2,773,256	159,122
Consultancy fees	125,925	254,725
CSR Expenses	2,000,000	729,603
Entertainment	641,433	349,186
Fees and Subscription	148,219	203,669
Festival bonus	5,128,890	4,206,440
Gratuity provision	10,014,568	6,620,615
Innovation Expenses	-	40,749
Leave Encashment Provision	2,277,626	-
Legal Fees	220,823	413,642
Managing Director's remuneration	865,500	374,385
Medical Expenses	6,643	12,569
National Integrity and Strategy Training Exp.	27,508	80,900
Newspaper & Periodicals	2,123	2,424
Office Expenses	176,046	172,004
Office rent	4,902,450	4,902,450
Postage and courier expenses	12,760	6,350
Printing and Office stationery	208,198	210,832
Recruitment expenses	-	199,635
Rent, rates & taxes	-	350,000
Repair and maintenance	655,851	657,346
Salary and allowances	33,502,858	29,710,710
Telephone Bill	24,580	24,580
Training Expenses	227,218	145,350
Travelling & conveyance	302,570	379,161
Vehicles Maintenance	305,987	570,170
Vehicles running expenses	668,739	531,720
	<b>67,546,822</b>	<b>53,685,910</b>

**39 Provision for bad & doubtful debts**

Closing balance of provision for bad & doubtful debts	363,511,386	449,233,099
Less: Opening balance of provision for bad & doubtful debts	(357,674,999)	(384,396,603)
	<b>5,836,387</b>	<b>64,836,496</b>

**40 Depreciation on property, plant and equipment**

	<b>8,604,575</b>	<b>8,863,750</b>
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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	240,700	345,901
Other Income	1,323,109	-
Interest on FDR & Others	55,086,075	38,011,837
Dividend income	181,640	-
	<b>56,831,524</b>	<b>38,357,738</b>

	Amount in Taka	
	July-Sep. 2021	July-Sep. 2020
<b>42 Gain /(Loss) on investment in shares</b>		
Opening market value of investment	29,501,318	25,201,905
Add: Investment during the period	-	-
Total cost of investment(B)	29,501,318	25,201,905
Closing Market Value of Investment (A)	33,278,064	33,005,267
Gain/(Loss)(A-B)	<u>3,776,746</u>	<u>7,803,362</u>
<b>43 Current tax expense</b>	<u>141,204,125</u>	<u>104,739,924</u>

Detail calculation of current tax expenses has presented in Annexure - B.

<b>44 Deferred tax (income)/expense</b>		
Closing balance of deferred tax liability	549,289,156	516,542,440
Opening balance of deferred tax liability	548,753,365	521,718,411
Deferred tax (income)/expense	<u>535,791</u>	<u>(5,175,971)</u>
<b>45 Basic Earnings Per Share (EPS)</b>		
Earnings attributable to the Ordinary Shareholders	529,654,416	330,918,556
Weighted average number of ordinary Shares outstanding during the period	164,905,510	164,905,510
Earnings Per Share (EPS)	<u>3.21</u>	<u>2.01</u>

The increase in EPS is the result of increase in revenue for the ordinary course of the business activities which has been disclosed in the notes 26 to 30 in the Revenue Part of the Statement of Profit or Loss and Other Comprehensive Income for the period under consideration.

- 45.1 Diluted earnings per share is not calculated during the period as the number of potential shares could not be calculated because the value of the issuable shares has not yet been fixed. However, after considering the notification of Financial Reporting Council (FRC), in order to issue shares to the government against the investment of the government as equity in SMW-5 project the Board of Directors of BSCCL has approved the appointment of ICB Capital Management Limited as Issue Manager. According to the suggestion of the Issue Manager a Chartered Accountants Firm was appointed as a valuer of assets & liabilities of BSCCL and they have issued a valuation report. After finalization of Audit and final adoption by the BoD we will send the same to the Issue Manager to have an opinion regarding Fair Value of Share. After getting the opinion of Issue Manager regarding the Fair Value of Share, the same will be placed to the BoD for their approval. Having approval of the BoD, BSCCL will communicate the offered Share Issue price to the Government for acceptance. Upon getting the Approval of Govt. the same will be placed to the EGM for Share Holder's approval and subsequently for the approval of BSEC. With the approval of BSEC, BSCCL will issue shares in favour of Ministry of Posts, Telecommunications and Information Technology (MoPT& IT) against equity money received from the Government of the People's Republic of Bangladesh of an amount of Tk 1,660,000,000.

	Amount in Taka	
	30 Sep.2021	30 June 2021
<b>46 Net Asset Value</b>		
Total Assets	14,846,462,560	13,906,622,077
Less: Total Liabilities	5,660,137,179	5,249,951,110
	<u>9,186,325,381</u>	<u>8,656,670,968</u>
Number of Ordinary Shares of Tk. 10 each at Financial Position date	164,905,510	164,905,510
NAV-Per Share	<u>55.71</u>	<u>52.49</u>

Amount in Taka	
July-Sep. 2021	July-Sep. 2020

**47 Net operating cash flows per share (NOCFPS)**

Net cash flows from operating activities (A)	1,025,198,739	573,513,031
Number of Ordinary Shares of Tk. 10 each at Financial Position date (B)	164,905,510	164,905,510
<b>Net operating cash flows per share (NOCFPS) (C=A/B)</b>	<b><u>6.22</u></b>	<b><u>3.48</u></b>

BSCCL management has emphasized on revenue collection and took some stern steps for the realisation which led to significant increment of cash received from clients as disclosed in the Statement of Cash Flows. There was no significant cash flows due to extraordinary transactions during the period.

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

<b>Net Profit Before Tax</b>	<b>671,394,332</b>	<b>430,482,509</b>
Adjustment to reconcile profit to net cash provided by operating activities:		
Depreciation	116,814,275	115,308,769
Financial Charges	35,443,284	38,175,074
Loss/(gain) on Investment in Share	(3,776,746)	(7,803,362)
Provision for Bad debts	5,836,387	64,836,496
Exchange fluctuation gain	88,920	62,353
Other Income	(56,831,524)	(38,357,738)
(Increase)/Decrease in Provision for income tax	(190,860,026)	-
(Increase)/Decrease in Advance Income tax	150,196,806	(83,030,618)
(Increase)/ Decrease in other receivable	58,653,732	47,180,683
(Increase)/ Decrease in debtors	(176,745,206)	(52,732,405)
(Increase)/ Decrease in adv. & deposit	(2,941,832)	(203,868)
Increase/(Decrease) in sundry creditors	324,248,564	7,239,177
Increase/(Decrease) in Security Deposit	22,351,447	37,189,810
Increase/(Decrease) in Employees Pension, Gratuity and PF	15,159,082	9,190,937
Increase/(Decrease) in Provision for WPPF and WF	33,569,717	21,524,125
Increase/(Decrease) in VAT Payable	10,338,642	(15,647,956)
Increase/(Decrease) in Liability for Expenses	12,258,887	99,045
<b>Net cash flows from operating activities</b>	<b><u>1,025,198,739</u></b>	<b><u>573,513,031</u></b>



#### **48 Contingent liabilities and commitments**

BSCCL is currently involved in a number of legal proceedings, including inquiries from, or discussions with, governmental authorities that are incidental to its operations. However, the company is not currently involved in any legal proceedings which may have a significant effect on the financial position or profitability of the company as such provision has not been recognised in these financial statements.

##### **(i) BTCL claim office rent:**

On 13 January 2013, BTCL claimed some office rent for using office space by BSCCL for the period from 01 July 2008 to 30 June 2012. BTCL claimed total Tk. 11,538,320 excluding VAT regarding office rent. Due to excess rent claimed by BTCL compare to market rate, BSCCL disagreed to pay the excess office rent and made a provision of Tk. 4,800,000 regarding this claim based on the market rent rate. As a result, a dispute of Tk. 6,738,320 was arisen between BSCCL and BTCL and the decision is pending for the long time.

##### **(ii) Income Tax:**

For the income year 2010-2011 an amount of Tk. 25,240,639 has been demanded by DCT against of which appeal is processed to High Court Division. Assessment Order of income year 2015-2016 was received in which DCT demanded Tk.5,688,726 against which application was made to DCT for correction u/s 173. Return of the income year 2016-2017 was filed to DCT for assessment and DCT demanded Tk. 9,436,501 against which application was made to DCT for correction u/s 173. Now assessment for the year 2015-2016 and 2016-2017 remains under process at DCT.

49 Related party disclosures

49.1 As per IAS 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 IAS 24.

Related parties include the company's directors, key management personnel, associates, companies under common directorship etc. as per IAS 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 2021.

Sl. No.	Name of the Directors	Status with the company	Name of the related Ministries/ Companies/ Parties etc.	Remarks
1	Mr. Md.Khalilur Rahman	Chairman	Secretary, Posts & Telecommunications Division, MoPT & IT	Nominated by GOB
2	MS.Kulsum Begum	Director	Joint Secretary, Finance Division, MoF	Nominated by GOB
3	Mr. Khandker Md.Abdul Hye, Phd.	Director	Joint Secretary-Posts & Telecommunications division, MoPT & IT	Nominated by GOB
4	Mr. Md.Abdul Momin	Director	Joint Secretary, MoST	Nominated by GOB
5	Col Ekram Ahmed Bhuyan, afwc, psc	Director	Col Staff, AHQ, GS Br (SD Dte), Dhaka Cantonment, Dhaka	Nominated by GOB
6	Dr. Md. Mahbul Alam Joarder	Director	Professor -Institute of Information Technology, University of Dhaka	Nominated by GOB
7	Mr. N.K.A Mobin, FCA, FCS	Independent Director	Council Member, ICAB	Nominated by GOB
8	Mr. Syed Mammun Quader	Independent Director	Former Director-DCCI	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 Sep. 2021:

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 Year
1	Bangladesh Telecommunications Company Limited	Mr. Md.Khalilur Rahman	Chairman	Bandwidth sale	130,149,447
2	Bangladesh Telecommunications Company Limited	Mr. Md.Khalilur Rahman		Backhaul Purchase	15,955,505
3	Bangladesh Telecommunications Company Limited	Mr. Md.Khalilur Rahman		Port charge	9,450
4	Bangladesh Telecommunications Company Limited	Mr. Md.Khalilur Rahman		Co-location Service	151,200
5	Teletalk Bangladesh Ltd.	Mr. Md.Khalilur Rahman		Co-location Service	13,236
6	Teletalk Bangladesh Ltd.	Mr. Md.Khalilur Rahman		Bandwidth sale	10,299,555

(c) Outstanding balances at 30 September 2021

Sl. No.	Name of the company (Related party)	Name of the Director	Relationship of the Director with the company	Type of transaction	Opening balance 01.07.2021	Amount of transaction during the year 2021-2022		Closing balance 30.09.2021
						Addition	Adjustment/ Received	
1	Bangladesh Telecommunications Company Limited	Mr. Md.Khalilur Rahman	Chairman	Bandwidth sale	349,699,131	130,149,447		479,848,578
2	Bangladesh Telecommunications Company Limited	Mr. Md.Khalilur Rahman		Co-location Sale	21,463,462	-	-	21,463,462
3	Bangladesh Telecommunications Company Limited	Mr. Md.Khalilur Rahman		Backhaul Purchase	47,041,260	15,955,505	(77,768)	62,918,997
4	Bangladesh Telecommunications Company Limited	Mr. Md.Khalilur Rahman		Backhaul (Co-location) Purchase	151,200	151,200	-	302,400
5	Bangladesh Telecommunications Company Limited	Mr. Md.Khalilur Rahman		Port charge	47,250	9,450	-	56,700
6	Teletalk Bangladesh Ltd.	Mr. Md.Khalilur Rahman		Bandwidth sale	28,146,595	10,299,555	(10,955,108)	27,491,042
7	Teletalk Bangladesh Ltd.	Mr. Md.Khalilur Rahman		Co-location Sale	93,062	13,236	-	106,298

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.

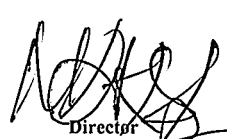
51 Comparatives

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

  
Chief Financial Officer

  
Company Secretary

  
Managing Director

  
Director

  
Chairman

Dated, Dhaka;  
14 November 2021

**Bangladesh Submarine Cable Company Limited**  
Schedule of Property, Plant & Equipment  
As at 30 September 2021

Annexure-A

(Amount in Taka)

Name of assets	Cost					Accumulated depreciation						WDV as at 30 Sep. 2021
	As at 01 July 2021	Impairment	As at 01 July 2021	Additions during the period	Adjustment during the period	As at 30 Sep. 2021	Rate	As at 01 July 2021	Charged during the period	Adjustment during the period	As at 30 Sep. 2021	
<b>A. Freehold assets (cost less accumulated depreciation)</b>												
Land and land development	122,611,477	-	122,610,477	-	-	122,610,477	-	-	-	-	-	122,610,477
Core equipment-IPLC-SMW-4	2,603,865,991	-	2,603,865,991	-	-	2,603,865,991	10.00%	2,031,047,895	28,640,905	-	2,059,688,800	544,177,191
Core equipment-IPLC-SMW-5	5,636,245,073	-	5,636,245,073	-	-	5,636,245,073	5.00%	1,118,091,678	70,596,147	-	1,188,687,825	4,447,557,248
Core equipment-IIG	250,590,980	-	250,590,980	437,000	-	251,027,980	14.29%	179,246,793	8,972,649	-	188,219,441	62,808,539
Building-SMW-4	63,415,462	-	63,415,462	-	-	63,415,462	4.00%	27,350,060	375,681	-	27,725,742	35,689,720
Building-Low cost Quarter-SMW4	5,242,135	-	5,242,135	-	-	5,242,135	2.50%	131,053	32,763	-	163,817	5,078,318
Building-SMW-5	288,918,374	-	288,918,374	-	-	288,918,374	2.70%	50,320,176	1,656,932	-	51,977,108	236,941,266
Floor development	2,535,402	-	2,535,402	-	-	2,535,402	4.00%	2,035,022	5,212	-	2,040,234	495,168
Security barak & security wall	7,827,297	-	7,827,297	-	-	7,827,297	4.00%	3,485,452	45,228	-	3,530,679	4,296,618
Deep tube-well & pump house	2,193,635	-	2,193,635	-	-	2,193,635	0.00%	1,792,622	-	-	1,792,622	401,013
Deep tube-well & pump house-SMW-5	1,334,855	-	1,334,855	-	-	1,334,855	0.00%	200,228	-	-	200,228	1,134,627
Generator-500 KVA(SMW#5)	18,414,231	-	18,414,231	-	-	18,414,231	8.33%	6,598,433	268,541	-	6,866,974	11,547,258
500 KV sub-station	3,284,000	-	3,284,000	-	-	3,284,000	11.11%	2,939,852	10,755	-	2,950,607	333,393
500 KV sub-station-SMW-5	13,146,779	-	13,146,779	-	-	13,146,779	3.13%	2,321,229	87,303	-	2,408,532	10,738,247
Power system	48,160,046	-	48,160,046	-	-	48,160,046	16.67%	31,332,172	841,394	-	32,173,566	15,986,480
Power system-SMW-5	21,036,315	-	21,036,315	-	-	21,036,315	5.88%	4,180,145	263,378	-	4,443,523	16,592,792
Power system-IIG	387,555	-	387,555	-	-	387,555	33.33%	232,533	19,378	-	251,911	135,644
Boundary wall	9,946,329	-	9,946,329	-	-	9,946,329	3.85%	4,408,390	55,379	-	4,463,770	5,482,559
Boundary wall-SMW-5	38,218,321	-	38,218,321	-	-	38,218,321	2.70%	6,610,736	219,497	-	6,830,233	31,388,089
Ducting from beach manhole	18,769,788	-	18,769,788	-	-	18,769,788	9.09%	12,575,783	154,850	-	12,730,633	6,039,155
Ducting from beach manhole-SMW-5	21,813,789	-	21,813,789	-	-	21,813,789	6.25%	4,430,926	289,714	-	4,720,640	17,093,149
Vehicles	48,862,012	-	48,862,012	5,371,100	-	54,233,112	10.00%	36,619,252	870,287	-	37,489,539	16,743,573
Office equipment and furniture	34,467,517	-	34,467,517	336,464	-	34,803,981	5-10%	20,549,952	1,146,586	-	21,696,538	13,107,443
Co-Location point	1,768,031	-	1,768,031	-	-	1,768,031	25.00%	762,973	83,755	-	846,728	921,303
Co-Location point-SMW-5	1,380,694	-	1,380,694	-	-	1,380,694	5.88%	259,024	17,526	-	276,550	1,104,144
Office decoration	7,993,459	-	7,993,459	23,749	-	8,017,208	10.00%	3,542,068	168,106	-	3,710,175	4,307,033
Water Treatment Plant & Others	186,120	-	186,120	-	-	186,120	20.00%	125,424	3,794	-	129,218	56,903
Surveillance System	471,925	-	471,925	-	-	471,925	20.00%	94,385	23,596	-	117,981	353,944
<b>Sub-total</b>	<b>9,273,087,592</b>	<b>-</b>	<b>9,273,086,593</b>	<b>6,168,313</b>	<b>-</b>	<b>9,279,254,907</b>		<b>3,551,284,258</b>	<b>114,849,355</b>	<b>-</b>	<b>3,666,133,613</b>	<b>5,613,121,293</b>
<b>Incremental value of revalued Freehold assets</b>												
(i) As per valuation based on Financial Statement as on 30 June 2020												
Land and land development	631,425,962	-	631,425,962	-	-	631,425,962	4.00%	2,886,379	721,595	-	3,607,973	631,425,962
Building	72,159,463	-	72,159,463	-	-	72,159,463	4.00%	3,392	848	-	4,240	68,551,490
Security barak & security wall	84,809	-	84,809	-	-	84,809	0.00%	-	-	-	-	84,809
Deep tube-well & pump house-SMW-5	95,589	-	95,589	-	-	95,589	0.00%	-	-	-	-	95,589
Generator-500 KVA(SMW#5)	2,523,709	-	2,523,709	-	-	2,523,709	8.33%	210,309	52,577	-	262,886	2,260,823
500 KV sub-station	1,181,221	-	1,181,221	-	-	1,181,221	11.11%	131,247	32,812	-	164,058	1,017,163
500 KV sub-station-SMW-5	1,041,697	-	1,041,697	-	-	1,041,697	3.13%	32,553	8,138	-	40,691	1,001,006
Power system	15,612,099	-	15,612,099	-	-	15,612,099	16.67%	2,602,015	650,504	-	3,252,519	12,359,580
Power system-SMW-5	27,112,088	-	27,112,088	-	-	27,112,088	5.88%	1,594,191	398,548	-	1,992,738	25,119,349
Power system-IIG	9,301	-	9,301	-	-	9,301	33.33%	3,100	775	-	3,875	5,426
Boundary wall-SMW-5	1,012,168	-	1,012,168	-	-	1,012,168	2.70%	27,356	6,839	-	34,195	977,973
Vehicle	3,691,409	-	3,691,409	-	-	3,691,409	10.00%	369,141	92,285	-	461,426	3,229,983
<b>Sub Total (i)</b>	<b>755,949,515</b>	<b>-</b>	<b>755,949,515</b>	<b>-</b>	<b>-</b>	<b>755,949,514</b>		<b>7,859,683</b>	<b>1,964,921</b>	<b>-</b>	<b>9,824,604</b>	<b>746,124,911</b>
(ii) As per previous valuation												
Land and land development	346,562,561	-	346,562,561	-	-	346,562,561	-	-	-	-	-	346,562,561
<b>Sub Total (ii)</b>	<b>346,562,561</b>	<b>-</b>	<b>346,562,561</b>	<b>-</b>	<b>-</b>	<b>346,562,561</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>346,562,561</b>
<b>Balance as on 30 September 2021</b>	<b>10,375,599,669</b>	<b>-</b>	<b>10,375,598,669</b>	<b>6,168,313</b>	<b>-</b>	<b>10,381,766,982</b>	<b>-</b>	<b>3,559,143,941</b>	<b>116,814,275</b>	<b>-</b>	<b>3,675,958,217</b>	<b>6,705,808,766</b>
<b>Balance as on 30 June 2021</b>	<b>10,337,448,151</b>	<b>(16,118,611)</b>	<b>10,321,328,540</b>	<b>60,600,130</b>	<b>(6,329,000)</b>	<b>10,375,599,671</b>	<b>-</b>	<b>3,097,958,639</b>	<b>466,970,644</b>	<b>(5,785,343)</b>	<b>3,559,143,940</b>	<b>6,816,455,730</b>

Bangladesh Submarine Cable Company Limited  
Calculation of Current Tax Provision  
As at 30 September 2021

Amount in Taka

Particulars	Total Amount	Exemption rate	Exempted Amount	Chargeable Income	Tax Rate	Tax Liability
<b>Profit Before Taxation</b>	671,394,332					
Add: Provision for bad debt	5,836,387					
CSR expense	2,000,000					
Accounting depreciation	116,814,275					
	<u>796,044,994</u>					
Less: Tax depreciation	137,956,122					
<b>Total taxable income</b>	<u>658,088,872</u>					
Less: Non -operating Income	56,831,524					
<b>Taxable profit including Tax holiday</b>	<u>601,257,348</u>					
Profit from IIG Exempted due to Tax Holiday	148,029,559					
<b>Taxable profit from IPLC unit</b>	<u><u>453,227,789</u></u>					
Taxable profit from IPLC unit	453,227,789	0%	-	453,227,789	22.50%	101,976,253
Profit-IIG as per Ratio of Sales	148,029,559	20%	29,605,912	118,423,647	22.50%	26,645,321
Tax on Other Income				56,649,884	22.50%	12,746,224
Tax on Dividend Income				181,640	20%	36,328
<b>Total</b>	<b>601,257,348</b>		<b>29,605,912</b>	<b>628,482,960</b>		<b>141,404,125</b>
<b>Investment tax credit</b>		<u>CSR</u>	<u>PM R Fund</u>	<u>Total</u>		<u>Rebate</u>
		2,000,000	-	2,000,000	10%	200,000
<b>Net tax liability</b>						<u><u>141,204,125</u></u>