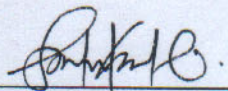
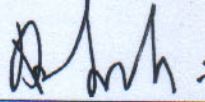


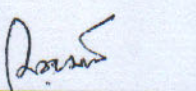
Bangladesh Submarine Cable Company Limited

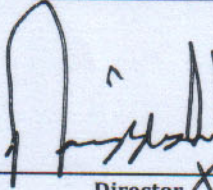
Statement of Financial Position As at 30 September 2016

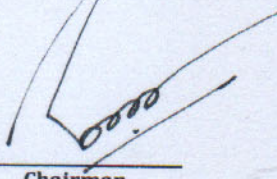
ASSETS	Notes	Amount in Taka	
		30 Sep 2016	30 June 2016
Non-current assets		6,652,474,223	6,651,320,205
Property, plant and equipment	4	1,797,549,276	1,832,208,327
Investment in SMW-5	5	4,854,924,947	4,819,111,878
Current Assets		2,470,564,839	2,353,829,144
Trade and other receivables	6	1,240,205,355	1,109,484,746
Advances and deposits	7	255,646,632	248,598,014
Advance income tax	8	194,894,015	187,077,343
Investment in shares	9	32,696,916	29,474,880
Cash and cash equivalents	10	747,121,921	779,194,162
TOTAL ASSETS		9,123,039,062	9,005,149,349
EQUITY AND LIABILITIES			
Shareholders' Equity		5,484,522,514	5,599,138,280
Share capital	11	1,649,055,100	1,649,055,100
Equity Money from GoB	12	1,400,000,000	1,400,000,000
Share premium	13	723,293,759	723,293,759
Tax holiday reserve	14	611,642,698	600,100,158
Revaluation reserve	15	339,631,310	339,631,310
Retained earnings	16	760,899,648	887,057,954
Non Current Liabilities		2,813,292,201	2,817,163,189
Deferred tax liabilities	17	165,815,516	161,772,631
Security deposits received from clients	18	107,168,317	104,731,766
Employees' pension, gratuity & provident fund	19	19,785,798	30,136,221
Long Term Loan	20	2,520,522,570	2,520,522,570
Current Liabilities		825,224,346	588,847,880
Sundry creditors	21	282,013,656	76,368,052
Provision for income tax	22	242,202,775	227,586,252
Provision for WPPF and WF	23	15,517,827	12,070,369
VAT payable	24	278,644,211	267,251,285
Liabilities for expenses	25	6,845,878	5,571,922
Total Liabilities		3,638,516,548	3,406,011,069
TOTAL EQUITY AND LIABILITIES		9,123,039,062	9,005,149,349
Net Asset Value per share	45	33.26	33.95


Chief Financial Officer


Company Secretary


Managing Director

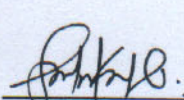
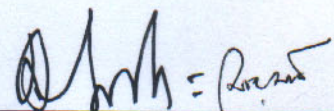
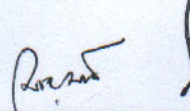
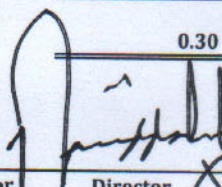
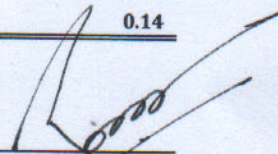

Director


Chairman

Dhaka,
13 November 2016

Bangladesh Submarine Cable Company Limited
Statement of Profit or Loss and Other Comprehensive Income
For the period ended 30 September 2016

	Notes	Amount in Taka	
		July-Sep-2016	July-Sep-2015
Revenue			
IPLC (International Private Lease Circuit) rent	26	103,073,873	62,886,238
Circuit activation charge	27	288,000	380,000
IP Transit Service	28	93,384,018	53,731,292
Co-Location Charges	29	2,400,000	1,729,667
IP Transit Service-Export	30	23,289,655	-
		222,435,546	118,727,197
Direct cost of operation			
Electricity and generator fuel	31	1,960,603	1,722,624
Landing station and cable route repair	32	132,228	493,649
Backhaul & Data connectivity Charge	33	27,679,189	9,650,614
IP Transit Cost	34	27,916,523	8,500,714
Depreciation of core machinery	35	32,666,312	36,795,539
		90,354,855	57,163,140
Gross profit		132,080,691	61,564,057
Operating expenses			
Operation and maintenance expenses	36	18,798,653	10,675,316
General and administrative expenses	37	41,347,032	27,213,252
Provision for bad & doubtful debts	38	7,266,586	4,049,502
Depreciation on property, plant and equipment	39	2,379,226	2,474,932
		69,791,498	44,413,002
Operating profit		62,289,193	17,151,055
Non-operating income			
Bank interest and other income	40	8,941,197	8,376,859
(Loss)/Gain on investment in shares	41	1,166,220	1,022,982
		10,107,417	9,399,841
Profit before WPPF & WF		72,396,609	26,550,896
Provision for contribution to WPPF & WF		3,447,458	1,264,328
Profit before taxation		68,949,152	25,286,568
Less: Current tax expense	42	14,616,523	3,301,991
Deferred tax (income)/expense	43	4,042,885	(714,622)
		18,659,408	2,587,369
Net profit after tax		50,289,744	22,699,199
Total comprehensive income		50,289,744	22,699,199
Earnings Per Share (EPS) - Basic	44	0.30	0.15
Earnings Per Share (EPS) - Restated		0.30	0.14

 Chief Financial Officer	 Company Secretary	 Managing Director	 Director	 Chairman
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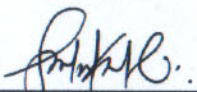
Dhaka,
 13 November 2016

Bangladesh Submarine Cable Company Limited

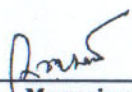
Statement of Changes in Equity For the period ended 30 September 2016

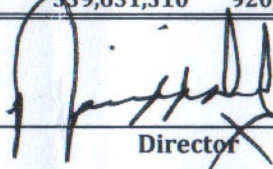
(Amount in Taka)

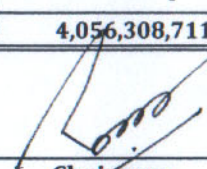
Particulars	Share capital	Equity Money from GoB	Share premium	Tax holiday reserve	Revaluation reserve	Retained earnings	Total Equity
Balance as at 01 July 2016	1,649,055,100	1,400,000,000	723,293,759	600,100,158	339,631,310	887,057,954	5,599,138,280
Transactions with shareholders:							
Dividend Payable						(164,905,510)	(164,905,510)
Bonus Issue						-	-
Net profit after tax for the period						50,289,744	50,289,744
Tax holiday reserve				11,542,540	-	(11,542,540)	-
Balance as at 30 September 2016	1,649,055,100	1,400,000,000	723,293,759	611,642,698	339,631,310	760,899,648	5,484,522,514
Balance as at 01 July 2015	1,499,141,000	-	723,293,759	565,408,277	339,631,310	906,135,166	4,033,609,513
Transactions with shareholders:							
Bonus Issue:							-
Dividend Paid							-
Net profit after tax for the period						22,699,199	22,699,199
Tax holiday reserve				8,363,078		(8,363,078)	-
Balance as at 30 September 2015	1,499,141,000	-	723,293,759	573,771,355	339,631,310	920,471,288	4,056,308,711


Chief Financial Officer


Company Secretary


Managing Director


Director


Chairman

Dhaka,
13 November 2016

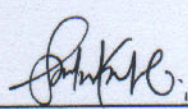
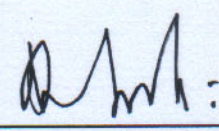
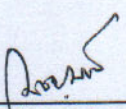
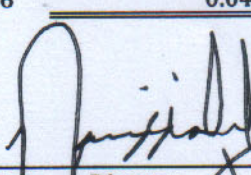
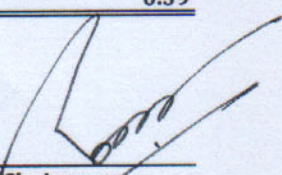
Bangladesh Submarine Cable Company Limited

Statement of Cash Flows For the period ended 30 September 2016

Notes	Amount in Taka	
	July-Sep- 2016	July-Sep- 2015
A. Cash flows from operating activities		
Cash received from clients	106,352,694	79,729,370
Cash paid to suppliers and others	(55,961,788)	(20,851,561)
Payment for WPPF/Gratuity	(14,443,556)	-
Payroll and other payments to employees	(22,808,520)	(16,436,133)
Income tax paid	(7,816,672)	(8,836,669)
Interest received	564,079	53,541
Receipts from rest house rent and others	79,949	29,988,367
Net cash flow from operating activities	5,966,186	63,646,916
B. Cash flows from investing activities		
Acquisition of property, plant and equipment	(386,487)	(18,678,522)
Payment for deferred expenditure	-	(1,082,820)
Investment in SMW-5	(35,813,069)	(402,638,816)
Investment in Share	(2,055,816)	-
Dividend received	222,301	142,100
Net cash flow from/ (used in) investing activities	(38,033,071)	(422,258,058)
C. Cash flows from financing activities		
Dividend paid	(5,355)	(16,755)
Equity Money from GoB	-	-
Loan Received from Bank	-	341,941,680
Loan Payment to Bank	-	-
Net cash flow from/(used in) financing activities	(5,355)	341,924,925
Net surplus/ deficit during the period (A+B+C)	(32,072,240)	(16,686,217)
Cash and cash equivalents at beginning of the period	779,194,162	51,374,192
Cash and cash equivalents at end of the period	747,121,921	34,687,975

Net Operating Cash Flows Per Share (NOCFPS)

46 0.04 0.39

				
Chief Financial Officer	Company Secretary	Managing Director	Director	Chairman

Dhaka,
13 November 2016

Bangladesh Submarine Cable Company Limited

Notes to the financial statements For the period ended 30 September 2016

1. Corporate information

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

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

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

2. Basis of preparation of financial statements

2.1 Statement of compliance

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

The financial statements have been authorised for issue by the Board of Directors of the Company on 13 November 2016.

2.2 Basis of measurement

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

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

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

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

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

- Note: 4 Property, plant and equipment (useful life of depreciable assets)
- Note: 17 Deferred tax liabilities (manner of recovery of temporary differences for determination of deferred tax liabilities)
- Note: 38 Provision for bad & doubtful debts
- Note: 42 Current tax expense
- Note: 43 Deferred tax (income)/expense

3. Significant accounting policies

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

3.1 Property, plant and equipment

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

3.2 Depreciation on property, plant and equipment

Depreciation on all property, plant and equipment is charged on reducing balance method considering the economic and useful lives of such assets. Periodical depreciation has been charged during the period. Depreciation method, useful lives and residual values are reviewed at each year-end and adjusted if appropriate.

<u>Name of Assets</u>	<u>Depreciation rate</u>
Core equipment-IPLC	10%
Core equipment-IIG	12%
Building	4%
Floor development	10%
Security barak & security wall	4%
Deep tube-well & pump house	10%
500 KV sub-station	15%
Power system	10%
Boundary wall	4%
Ducting from beach manhole	5%
Vehicles	20%
Office equipment and furniture	10%
Co-Location point	10%
Office decoration	10%

3.3 Foreign currency transactions

The financial statements are presented in Taka /Tk./BDT, which is the company's functional currency. Transactions in foreign currencies are recorded in the books at the exchange rate prevailing on the date of the transaction. Assets and liabilities outstanding at 30 September 2016 denominated in foreign currencies have been shown in Taka at the rate in terms of foreign currencies ruling on the financial position date. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the Statement of Profit or Loss and Other Comprehensive Income as per BAS 21: The Effects of Changes in Foreign Exchange Rates.

3.4 Employee Benefit

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

3.5 Tax holiday reserve

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

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

3.6 Income tax expense

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

3.6.1 Current tax

Provision for income tax is made as per Finance Act 2016. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. The Company has been granted 70% tax exemption for IIG operation income (IP Transit service). Required provision for income tax has been made in the accompanying financial statements based on proportionate income.

3.6.2 Deferred tax

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

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

3.7 Revenue recognition

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

Revenues primarily comprise of:

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

3.7.1 IPLC rent

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

3.7.2 Circuit activation charge

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

3.7.3 IP Transit service

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

3.7.4 Co-location Charges

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

3.7.5 IP Transit service-Export

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

3.8 Dividend income

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

3.9 Trade receivables

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

3.10 Cash and cash equivalents

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

3.11 Accounts payable

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

3.12 Contingencies

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

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

3.13 Earning per share (EPS)

The company presents basic and diluted (when dilution is applicable) earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period, adjusted for the effect of change in number of shares for bonus issue, share split and reverse split. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no dilutive potential ordinary shares during the relevant period.

3.14 Investment in shares

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

3.15 Events after the reporting period

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

Amount in Taka	
30 Sep 2016	30 June 2016

4. Property, plant and equipment

Cost/ revaluation (A)

Opening balance
Add: Purchased during the period
Less: Adjustment during the period

3,471,744,172	3,498,789,009
386,487	9,188,940
-	36,233,777
<u>3,472,130,659</u>	<u>3,471,744,172</u>

Accumulated Depreciation (B)

Opening balance as reported
Add: Charged during the period

Less: Adjustment during the period

1,639,535,845	1,503,420,284
35,045,538	156,039,902
1,674,581,383	1,659,460,186
-	19,924,341
<u>1,674,581,383</u>	<u>1,639,535,845</u>

Written Down Value (A-B)

<u>1,797,549,276</u>	<u>1,832,208,327</u>
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A schedule of property, plant & equipment is given in Annexure-A.

5 Investment in SMW-5

Opening Balance
Add: Addition during the period
 Payment made to Central Billing Party
 Expenses Relating to Project
 Interest on Term Loan

4,819,111,878	2,149,538,871
31,246,469	2,570,594,543
4,566,600	3,301,988
-	95,676,476
35,813,069	2,669,573,007
<u>4,854,924,947</u>	<u>4,819,111,878</u>

Payment made to Central Billing Party , Telekom Malaysia Berhed as 50% of Core Contract Price for CIF , Payment for BM 0, BM1, BM2, BM 3a, BM3b, BM 3c , BM4,BM6, BM8, BM9, BM10, BM11 and CV-20 for Branch , RRN-15 for Core part, RRN-16 for BM-7, RRN-17 for core, light up, BM-5, RRN-17a for core partand RRN -18 for core. Expenses like Salary & Allowances, Travelling & Conveyance, Printing & Stationery, Vehicle Running expenses, Vehicle Maintenance etc. relating to SMW-5 have been capitalised in Investment in SMW-5.

6 Trade and other receivables

Trade receivables (Note:6.1)
Other receivables (Note:6.2)

1,231,841,776	1,109,196,035
8,363,578	288,710
<u>1,240,205,355</u>	<u>1,109,484,746</u>

6.1 Trade receivables

Opening Balance
Add: Addition during the period

Less: Collection during the period
Closing Balance
Less: Provision for bad and doubtful debts
 Opening Balance
 Add: Addition during the period

Trade receivables, net of provision

1,205,647,864	1,244,201,368
282,719,711	814,389,375
1,488,367,576	2,058,590,743
152,807,384	852,942,879
<u>1,335,560,192</u>	<u>1,205,647,864</u>
96,451,829	87,094,096
7,266,586	9,357,733
103,718,415	96,451,829
<u>1,231,841,776</u>	<u>1,109,196,035</u>

Amount in Taka	
30 Sep 2016	30 June 2016

6.2 Other receivables

Dividend
ICB Securities Trading Co. Ltd.
FDR Interest

53,520	275,821
6,100	12,889
8,303,958	-
8,363,578	288,710

7 Advances and deposits

Advances

Advance to:

Advance for Office Rent
Employees for foreign travelling
Employees against Expenses
Civil Works Consultant Limited
Modern Engineers Planners and Consultants Ltd.
M/S Reliance Traders
Milky & Associates
BUET
M/S Palli Store
Bangladesh Porjoton Corporation
Spectrum Engineering & Consortium Ltd.
M/S K.K Enterprise
Kamal Trading Agency
Southern Automobiles

(Note: 7.1)

4,193,577	4,713,018
1,776,494	555,705
405,093	704,559
2,218,900	1,972,900
100,000	100,000
16,378,476	13,673,524
12,000	12,000
194,235	194,235
6,285,449	2,589,663
322,715	322,715
35,268,627	35,268,627
184,194,470	184,194,470
50,000	50,000
250,000	250,000
251,650,034	244,601,416

Deposits

Security deposit - Duncan Products Limited
BTCL - for phone line
CDBL - as security deposit
Security deposit - BTRC for International Internet Gateway (IIG)
license
Patuakhali Palli Bidyut Samity

5,000	5,000
20,000	20,000
500,000	500,000
600,000	600,000
2,871,598	2,871,598
3,996,598	3,996,598
255,646,632	248,598,014

7.1 Advance for Office Rent

Opening balance
Less: Adjustment during the period

4,713,018	6,790,782
519,441	2,077,764
4,193,577	4,713,018

8. Advance Income Tax

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

187,077,343	158,779,960
7,816,672	28,607,459
194,894,015	187,387,419
-	310,075
194,894,015	187,077,343

Amount in Taka	
30 Sep 2016	30 June 2016

9. Investment in Shares

SL #	Ordinary shares of	Quantity	Cost price (Taka)	Market value	Market value
1	AB Bank Limited	104,076	3,209,275	1,432,158	1,362,948
2	ACI Limited	2,980	764,724	2,091,245	1,356,198
3	BATASHOE	1,000	696,430	1,180,300	1,205,400
4	BEXIMCO Limited	176,654	10,731,965	4,583,157	3,688,848
5	IFIC Bank Limited	46,287	1,246,776	974,611	824,272
6	Islami Bank BD Limited	39,091	951,084	1,211,821	1,141,457
7	Jamuna Oil Limited	23,716	4,392,440	4,567,702	4,311,569
8	MPetroleum	24,816	4,962,456	4,556,218	4,275,797
9	NCC Bank Limited	174,354	1,698,208	1,691,234	1,516,880
10	Padma Oil Limited	18,150	4,835,160	3,435,795	3,372,270
11	Square Pharma	18,888	2,633,554	5,073,317	5,018,541
12	Titas Gas	39,570	2,744,885	1,899,360	1,400,700
			38,866,956	32,696,916	29,474,880

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

10. Cash and cash equivalents

Cash in hand	(Note:10.1)	1,250,725	160,773
Cash at bank	(Note:10.2)	745,871,196	779,033,389
		747,121,921	779,194,162

10.1 Cash in hand

Head Office-Dhaka	932,437	87,468
Landing Station-Kuakata	128,370	70,463
Landing Station-Cox's Bazar	189,918	2,842
	1,250,725	160,773

10.2 Cash at bank

Savings and current deposits with:

Sonali Bank Limited	5,039,947	10,746,583
National Bank Limited	754,027	464,156
Mutual Trust Bank Limited	2,894,857	2,900,212
Farmers Bank Limited	289,765	289,826
Brac Bank Limited	669,342	669,342
IFIC Bank Limited	6,405,254	6,405,254
United Commercial Bank Limited	19,950,045	718,197,728
	36,003,237	739,673,101

Fixed deposits (FDR) with:

United Commercial Bank Limited	367,073,513	36,600,000
Bank Asia Limited	12,794,446	2,760,288
Standard Bank Limited	200,000,000	-
AB Bank Limited	100,000,000	-
NRB Bank Limited	30,000,000	-
	709,867,959	39,360,288
	745,871,196	779,033,389

The fixed deposits will be matured within 3 (three) months.

Amount in Taka	
30 Sep 2016	30 June 2016

11. Share capital

Authorized:

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

10,000,000,000 10,000,000,000

Issued, subscribed and paid up capital:

164,905,510 Ordinary Shares of Taka 10 each

1,649,055,100 1,649,055,100

12 Equity Money from GoB

1,400,000,000 1,400,000,000

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

13 Share premium

723,293,759 723,293,759

In 2011-2012, total amount of Tk775,000,000 was received as share premium in respect of shares issued to shareholders. Net issue cost of Tk 51,706,241 was set off against share premium as per BAS 32:
Financial Instruments: Presentation.

14 Tax holiday reserve

Opening balance

600,100,158 565,408,278

Add: Current Period's reserve

11,542,540 34,691,880

611,642,698 600,100,158

15 Revaluation reserve

339,631,310 339,631,310

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

16 Retained Earnings

Opening balance

887,057,954 906,135,166

Add: Profit for the period

50,289,744 165,528,768

937,347,698 1,071,663,934

Less: Dividend paid during the period

164,905,510 149,914,100

Transferred to Tax Holiday Reserve

11,542,540 34,691,880

176,448,050 184,605,980

760,899,648 887,057,954

Amount in Taka	
30 Sep 2016	30 June 2016

17 Deferred tax liabilities

Deferred tax assets and liabilities have been recognized and measured in accordance with the provisions of BAS 12: Income Taxes. Related deferred tax expense /(income) have been disclosed in Note : 43. Deferred tax assets and liabilities are attributable to the following:

Deferred tax relating to profit or loss account components	(Note: 17.1)	158,884,265	154,841,380
Deferred tax relating to components of other comprehensive income	(Note: 17.2)	6,931,251	6,931,251
		165,815,516	161,772,631

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

	Carrying amount	Tax base	Taxable/(deductible) temporary difference
	Taka	Taka	Taka
As at 30 Sep 2016			
Property, plant and equipment (excluding land)	1,366,250,648	623,142,636	743,108,012
Accounts receivable	1,231,841,776	1,335,560,192	(103,718,415)
Difference for vehicle	-	-	-
Provision for pension, gratuity fund and provident fund	(3,852,536)	-	(3,852,536)
Net Taxable Temporary Difference			635,537,061
Applicable tax rate			25%
Deferred tax liability			158,884,265

	Carrying amount	Tax base	Taxable/(deductible) temporary difference
	Taka	Taka	Taka
As at 30 June 2016			
Property, plant and equipment (excluding land)	1,400,909,699	653,904,347	747,005,352
Accounts receivable	1,109,196,035	1,205,647,864	(96,451,829)
Difference for vehicle	(1,051,781)	-	(1,051,781)
Provision for pension, gratuity fund and provident fund	(30,136,221)	-	(30,136,221)
Net Taxable Temporary Difference			619,365,521
Applicable tax rate			25%
Deferred tax liability			154,841,380

17.2 Deferred tax relating to components of other comprehensive income

	Carrying Amount	Tax Base	Taxable/(deductible) temporary difference
As at 30 June 2016			
Revaluation reserve of property, plant and equipment	346,562,561	-	346,562,561
Applicable tax rate			2%
Deferred tax liability			6,931,251

Amount in Taka	
30 Sep 2016	30 June 2016

18. Security deposits received from clients

Opening Balance	104,731,766	90,511,707
Add: Addition during the period	2,448,971	43,485,070
	107,180,737	133,996,777
Less: Adjustment during the period	12,420	29,265,010
	<u>107,168,317</u>	<u>104,731,766</u>

19. Employees' pension, gratuity and provident fund

Employees' pension fund	(Note: 19.1)	13,808,952	13,808,952
Employees' gratuity fund	(Note: 19.2)	2,124,310	14,443,556
Employees' provident fund	(Note: 19.3)	3,852,536	1,883,713
		<u>19,785,798</u>	<u>30,136,221</u>

19.1 Employees' pension fund

<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 to take care of the liabilities on account of the employees worked for the Company as deputed from BTCL and therefore no additional provision has been made in the accompanying financial statements. The Company however, does not have any pension fund.

19.2 Employees' gratuity fund

Opening balance	14,443,556	9,848,120
Add: Provision made during the period	2,124,310	5,692,536
	16,567,866	15,540,656
Less: Paid during the period	14,443,556	1,097,100
	<u>2,124,310</u>	<u>14,443,556</u>

19.3 Employees' provident fund

Opening balance	1,883,713	8,238,527
Add: Employees' Contribution	984,411	2,922,044
Employer's Contribution	984,411	2,922,044
Less: Transferred to RPF during the period	-	(12,198,902)
	<u>3,852,536</u>	<u>1,883,713</u>

20 Term Loan

Islamic Development Bank (IDB)	2,520,522,570	2,520,522,570
	<u>2,520,522,570</u>	<u>2,520,522,570</u>

Term Loan Particulars

Islamic Development Bank (IDB)

Loan has been taken from IDB through Bangladesh Government respectively 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 has been signed on 27 August 2014 with effect from 24 November 2014 for loan amount of USD 44 million. Subsequently Bangladesh Submarine Cable Company Limited signed a subsidiary loan agreement with The Government of People 's Republic of Bangladesh, Ministry of Finance , Finance Division on 15 February 2015. This sub-loan is for a 13 years term with a gestation period of 3 years and the interest payable will be @ 6% per annum.

Amount in Taka	
30 Sep 2016	30 June 2016

21. Sundry creditors

Share Money Deposit	119,622	119,622
Withholding tax payable	6,996,328	5,455,986
Milky & Associates	116,602	116,602
Telecom Italia Sparkle	13,994,205	26,849,778
Tradevision Ltd.	-	1,040,000
TM Malaysia	6,725,000	-
NTT communications	21,558,866	11,763,084
Unclaimed dividend	167,534,774	2,634,619
Fiber @ Home	123,165	-
Spectrum Engineering Consortium Limited	1,179,065	1,179,065
ICB Securities Trading Company Limited	1,610,932	1,610,932
Bangla Phone Limited	95,910	-
Payable to BTCL	56,467,356	21,649,986
Payable to BTRC	521,796	384,485
Sony Chocolate Industries Ltd.	189,081	275,400
MARM Automobiles	140,642	171,586
M/S Evan Enterprise	605,570	605,570
Zibran & Associates	115,000	115,000
Shahadat Rashid & Co.	90,000	-
Huawei Technologies (BD). Limited	2,016,724	2,016,724
Habib Intelligent Software Ltd	1,245,006	-
Others	568,013	379,613
	282,013,656	76,368,052

22. Provision for income tax

Opening balance	227,586,252	197,553,163
Add: Provision made during the period	14,616,523	30,033,089
	242,202,775	227,586,252
Less: Settlement for previous period	-	-
Tax paid directly from bank account through challan	-	-
Adjustment from advance income tax	-	-
	242,202,775	227,586,252

For the income year 2010-11 an amount of tk .2,52,40,639.00 has been demanded by DCT against the order of the Commissioner (Appeal). For the income year 2012-13 after assessment of DCT the demand amount is Tk . 85,22,343.00 against which Appeal has been filed to Commissioner (Appeal) on 12.06.2016. For the Income year 2013-14 no demand has been claimed but we have submitted Appeal against disallowance of Expenses . The assessment of the income year 2014-15 is going on.

23. Provision for WPPF and WF

Opening balance	12,070,369	9,390,270
Add: Provision made during the period	3,447,458	8,934,681
	15,517,827	18,324,951
Less: Settlement for previous period	-	6,254,582
	15,517,827	12,070,369

Amount in Taka	
30 Sep 2016	30 June 2016

24. VAT Payable

VAT payable against Receivable	255,285,290	247,057,587
VAT payable against Deduction at source	23,358,920	20,193,698
	278,644,211	267,251,285

This represents the amount of Tk.25,52,85,290.00 VAT receivable from clients against revenue receivable from clients arising from International Private Leased Circuit (IPLC) rentals, IP transit service, Circuit activation and Co-location charges. In addition to that this amount of Tk.2,33,58,920 includes VAT deducted from other parties and suppliers.

25. Liabilities for expenses

Office rent	4,923,000	4,923,000
Audit & other fees	-	212,750
CSR Expenses	1,500,000	-
Telephone bill	13,514	26,808
Electricity bill	400,000	400,000
Others	9,364	9,364
	6,845,878	5,571,922

Amount in Taka	
July-Sep-2016	July-Sep-2015
103,073,873	62,886,238

26. IPLC (International Private Leased Circuit) Rent

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
Circuit Activation Charge-IP Transit
Circuit Activation Charge-ISP
Circuit Activation Charge-ITC

-	-
260,000	380,000
28,000	-
-	-
288,000	380,000

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

28. IP Transit Service

93,384,018	53,731,292
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This represents the service charges for providing internet bandwidth to IIGs and ISPs.

29. Co-Location Charges

2,400,000	1,729,667
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This represents charges to customers for using BSCCL's resources at Cox's Bazar and Dhaka.

30 IP Transit Service -Export

23,289,655	-
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This represents charges to Bharat Sanchar Nigam Limited(BSNL) for IP transit service.

31 Electricity and generator fuel

Electricity bill
Fuel for generator

1,815,388	1,491,624
145,215	231,000
1,960,603	1,722,624

This cost is directly related to cost of operation.

32 Landing station and cable route repair

132,228	493,649
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This cost is directly related to repair and maintenance for Cox's Bazar landing station and cable route.

33 Backhaul & Data Connectivity Charge

Backhaul Charge
Data Connectivity & Fiber Core Charge
Revenue Sharing Cost

27,074,910	9,413,599
123,165	237,015
481,114	-
27,679,189	9,650,614

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

34 IP Transit Cost

27,916,523	8,500,714
------------	-----------

This cost represents the cost of purchasing IP bandwidth from Telecom Italia Sparkle.

35 Depreciation of core machinery

32,666,312	36,795,539
------------	------------

This represents the depreciation charged on core machinery which are directly related to IPLC rent revenue. For further details Annexure-A is referred.

Amount in Taka	
July-Sep-2016	July-Sep-2015

36 Operation and maintenance expenses

18,798,653

10,675,316

This represents amount payable to SEA-ME-WE 4 during the period for expenses of cable operation and maintenance purpose.

37 General and administrative expenses

Salary and allowances	20,862,593	13,948,860
Managing Director's remuneration	1,447,760	894,000
Festival bonus	2,466,990	2,778,973
Office rent	2,470,462	2,364,450
Repair and maintenance	355,397	565,986
Business Development Expenses	1,803,862	1,118,923
Fees and Subscription	401,249	5,554
Gratuity provision	2,124,310	-
Vehicles Maintenance	504,662	255,624
Board and other meetings fees	634,989	1,120,209
Consultancy fees	245,250	107,948
Consortium meeting expenses	580,050	1,315,395
Advertisement and publicity expenses	65,203	481,165
Vehicles running expenses	715,850	561,069
Travelling & conveyance	454,972	312,323
Printing and Office stationery	2,080,738	136,053
Postage and courier expenses	20,321	10,470
Entertainment	330,288	273,633
AGM expenses	1,625,401	142,581
Bank charges and commission	85,112	64,824
Telephone Bill	24,673	44,682
Legal Fees	537,600	164,180
Rent, rates & taxes	-	41,007
CSR expenses	1,500,000	500,000
Books & Periodicals	9,300	5,342
	41,347,032	27,213,252

38 Provision for bad & doubtful debts

Closing balance of provision for bad & doubtful debts	103,718,415	103,292,106
Less: Opening balance of provision for bad & doubtful debts	96,451,829	87,094,096
	7,266,586	4,049,502

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

39 Depreciation on property, plant and equipment

2,379,226

2,474,932

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

40 Bank interest and other income

Rest house rent and others	73,159	571,378
Interest on FDR	8,868,037	53,541
Landing Station Cross Connection Charges	-	7,741,440
Dividend income	-	10,500
	8,941,197	8,376,859

41 Gain/(loss) on investment in shares

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

(Note: 9)

Amount in Taka	
July-Sep-2016	July-Sep-2015
29,474,880	32,573,325
2,055,816	-
<u>31,530,696</u>	<u>32,573,325</u>
32,696,916	33,596,307
<u>1,166,220</u>	<u>1,022,982</u>
<u>14,616,523</u>	<u>3,301,991</u>

42 Current tax expense**43 Deferred tax (income)/expense**

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

(Note: 17.1)

158,884,265	170,994,987
154,841,380	171,709,609
<u>4,042,885</u>	<u>(714,622)</u>

44 Basic Earnings Per Share (EPS)

Earnings attributable to the Ordinary Shareholders
 (Net profit after Tax)
 Weighted average number of ordinary Shares outstanding during the period

Earnings Per Share (EPS)

50,289,744	22,699,199
164,905,510	149,914,100
<u>0.30</u>	<u>0.15</u>

Earnings Per Share (EPS)-Restated

Earnings attributable to the Ordinary Shareholders
 Weighted average number of ordinary Shares outstanding during the period

Earnings Per Share (EPS)/(Adjusted EPS of 2016)

50,289,744	22,699,199
164,905,510	164,905,510
<u>0.30</u>	<u>0.14</u>

45 Net Asset Value

Total Assets
 (-)Total Liabilities

Number of Ordinary Shares of Tk. 10 each at Balance Sheet date
 NAV-Per Share

9,123,039,062	9,005,149,349
3,638,516,548	3,406,044,069
<u>5,484,522,514</u>	<u>5,599,105,280</u>
164,905,510	164,905,510
<u>33.26</u>	<u>33.95</u>

46 Net operating cash flows per share (NOCFPS)

Net cash flows from operating activities (A)
 Number of Ordinary Shares of Tk. 10 each at Balance Sheet date
 Net operating cash flows per share (NOCFPS)

5,966,186	63,646,916
164,905,510	164,905,510
<u>0.04</u>	<u>0.39</u>

47 Related party disclosures

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

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

48 Name of the Directors along with all related Firms /Companies/Institutions/Parties as at 30 September 2016

48.1

Sl No.	Name of the Directors	Status with the company	Name of the related Ministries/ Companies/ Parties etc.	Remarks
1	Mr. Md. Faizur Rahman Chowdhury	Chairman	Secretary- Posts & Telecommunications Division, MoPT & IT	Nominated by GOB
2	Mr. Jalal Ahmed	Director	Additional Secretary-MoF	Nominated by GOB
3	Mr. Shawkat Mostafa	Director	Additional Secretary- Posts & Telecommunications division, MoPT & IT	Nominated by GOB
4	Mr. Rabindranath Roy Chowdhury	Director	Additional Secretary-MoST	Nominated by GOB
5	Col. Md.Arefin Talukder, PSC	Director	Colonel GS, DGFI, Bangladesh Army	Nominated by GOB
6	Dr. Md. Mahbubul Alam Joarder	Director	Professor -Institute of Information Technology, University of Dhaka	Nominated by GOB
7	Mr. Hossian Khaled	Independent Director	President-DCCI	Nominated by GOB
8	Mr. Nasir Uddin Ahmed, FCA, FCS	Independent Director	Council Member, ICAB & Partner, MABS & J Partners, Chartered Accountants	Nominated by GOB
9	Mr. Md. Monwar Hossain	Managing Director	BSCCL	Nominated by GOB

48.2 Related party transactions

a) The company has transacted with the following companies where the Directors of the company are related:

Sl No.	Name of the company (Related party)	Name of the Director	Relationship of the Director with the company	Type of transaction	Sales (in Taka)	
					July-Sep-2016	July-Sep-2015
1	Bangladesh Telecommunications Company Limited	Mr. Md. Faizur Rahman Chowdhury	Chairman	Bandwidth sale	76,418,937	53,283,078

b) Key management personnel compensation

Short term employee benefits (salary and other allowances)
 Provident Fund
 Post employment benefits (gratuity fund)

July-Sep-2016	July-Sep-2015
1,397,000	858,000
50,760	36,000
-	-
1,447,760	894,000

49 Disclosure as per Schedule XI, Part II, Para 4 of the Companies Act 1994:

Directors are also executive of the company. There executive compensation for the period is given below:

Managing Director's remuneration and benefit	(Note: 49.1)	1,447,760	894,000
Management and other personnel remuneration and benefit	(Note: 49.2)	23,329,583	16,727,833
		24,777,343	17,621,833

49.1 Managing Director's remuneration

Salary and others benefit

1,447,760	894,000
------------------	----------------

49.2 Management and other personnel remuneration and benefit

Salary
 Bonus

20,862,593	13,948,860
2,466,990	2,778,973
23,329,583	16,727,833

Period of payment to Directors is from July 2016 to September 2016.

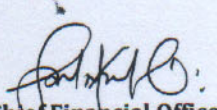
The above Directors of the company except Managing Director did not take any benefit from the company other than the board meeting attendance fees and

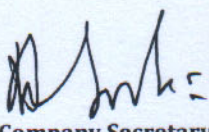
- Expense reimbursed to the managing agent - Nil
- Commission or other remuneration payable separately to a managing agent or his associate - Nil
- Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into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

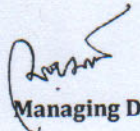
- 1) Pensions
- 2) Gratuities
- 3) Payment from Provident Fund
- 4) Compensation for loss of office
- 5) Consideration in connection with retirement from office

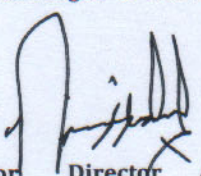
50 Comparatives

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

Dhaka,
 13 November 2016

Bangladesh Submarine Cable Company Limited
Schedule of Property, Plant & Equipment
As at 30 September 2016

(Amount in Taka)

Name of assets	Cost				Rate	Accumulated depreciation				WDV as at 30 September 2016
	As at 01 July 2016	Additions during the period	Adjustment during the period	As at 30 September 2016		As at 01 July 2016	Charged during the period	Adjustment during the period	As at 30 September 2016	
a. Freehold assets										
Land and land development	84,737,067			84,737,067	-	-			-	84,737,067
Core equipment-IPLC	2,661,109,442			2,661,109,442	10%	1,504,097,793	28,925,291		1,533,023,084	1,128,086,358
Core equipment-IIG	172,583,745			172,583,745	12%	47,883,057	3,741,021		51,624,077	120,959,667
Building	62,765,921			62,765,921	4%	14,628,619	481,373		15,109,992	47,655,929
Floor development	2,654,065			2,654,065	10%	1,706,077	23,700		1,729,776	924,289
Security barak & security wall	7,827,297			7,827,297	4%	1,938,292	58,890		1,997,182	5,830,115
Deep tube-well & pump house	2,343,837			2,343,837	10%	1,527,222	20,415		1,547,638	796,199
500 KV sub-station	3,284,000			3,284,000	10%	2,638,723	16,132		2,654,855	629,145
Power system	35,631,806			35,631,806	10%	22,856,461	319,384		23,175,845	12,455,961
Boundary wall	8,255,575			8,255,575	4%	2,044,348	62,112		2,106,460	6,149,115
Ducting from beach manhole	18,960,526			18,960,526	10%	7,287,067	291,836		7,578,903	11,381,623
Vehicles	41,661,512			41,661,512	20%	24,046,811	880,735		24,927,546	16,733,966
Office equipment and furniture	18,606,047	386,487		18,992,534	10%	7,210,538	284,973		7,495,511	11,497,023
Co-Location point	528,605			528,605	10%	135,985	9,815		145,801	382,804
Office decoration	4,233,166			4,233,166	10%	1,534,851	67,458		1,602,309	2,630,857
Sub-total	3,125,182,611	386,487	-	3,125,569,098		1,639,535,845	35,183,135	-	1,674,718,980	1,450,850,118
b. Revalued assets										
Land and land development	346,561,561	-	-	346,561,561	-	-	-	-	-	346,561,561
Sub-total	346,561,561	-	-	346,561,561		-	-	-	-	346,561,561
Total balance as at 30 September 2016 (a+b)										
	3,471,744,172	386,487	-	3,472,130,659		1,639,535,845	35,183,135	-	1,674,718,980	1,797,411,679
Total balance as at 30 June 2016 (a+b)										
	3,498,789,009	9,188,940	36,233,777	3,471,744,172		1,503,420,284	156,039,902	19,924,341	1,639,535,845	1,832,208,327