


Bangladesh Submarine Cable Company Limited
Statement of Financial Position (Un-audited)
As at 30 September 2020

ASSETS	Notes	Amount in Taka	
		30 Sep. 2020	30 June 2020
Property, plant and equipment	4	6,376,338,830	6,484,407,737
Current Assets		6,108,879,380	5,665,478,464
Trade and other receivables	5	2,566,727,125	2,587,654,161
Advances and deposits	6	30,590,975	30,387,107
Advance income tax	7	686,726,196	603,695,577
Investment in shares	8	33,005,267	25,201,905
Cash and cash equivalents	9	2,791,829,818	2,418,539,714
TOTAL ASSETS		12,485,218,211	12,149,886,201
EQUITY AND LIABILITIES			
Shareholders' Equity		7,080,933,573	6,750,015,017
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	750,967,255	741,577,846
Revaluation reserve	14	336,165,684	336,165,684
Retained earnings	15	1,961,451,775	1,639,922,628
Non Current Liabilities		3,217,795,535	3,223,942,791
Deferred tax liabilities	16	526,939,317	532,115,288
Security deposits received from clients	17	332,132,761	294,942,951
Employees' pension, gratuity & provident fund	18	27,405,939	18,215,001
Long Term loan-net off current portion	19	2,331,317,518	2,378,669,551
Current Liabilities		2,186,489,104	2,175,928,393
Long Term loan-current portion	19	315,233,029	352,024,332
Sundry creditors	20	145,718,131	167,859,812
Provision for income tax	21	738,646,467	633,906,543
Provision for WPPF and WF	22	84,123,139	62,599,014
VAT payable	23	484,035,557	499,683,513
Liabilities for expenses	24	88,921,762	130,044,159
Amount to be distributed as dividend (Proposed)		329,811,020	329,811,020
Total Liabilities		5,404,284,639	5,399,871,184
TOTAL EQUITY AND LIABILITIES		12,485,218,211	12,149,886,201
Net Asset Value per share	45	42.94	40.93


Chief Financial Officer


Company Secretary


Managing Director



Director


Chairman

Dated, Dhaka;
12 November 2020

Bangladesh Submarine Cable Company Limited
Statement of Profit or Loss and Other Comprehensive Income (Un-Audited)
For the period ended 30 September 2020

	Notes	Amount in Taka	
		30 Sep. 2020	30 Sep. 2019
Revenue			
IPLC (International Private Leased Circuit) rent	25	599,306,887	416,854,581
Circuit activation charge	26	2,863,000	2,213,000
IP Transit service	27	148,970,474	98,244,863
Co-location charges	28	19,624,048	5,556,180
IP transit service-export	29	-	15,207,000
		770,764,408	538,075,625
Direct cost of operation			
Electricity and generator fuel	30	3,684,187	3,315,458
Landing station and cable route repair	31	347,532	144,970
Backhaul & data connectivity charge	32	24,710,704	28,035,640
IP transit cost	33	13,364,383	12,588,888
Lease rent	34	298,810	298,810
Depreciation of core machinery	35	106,445,019	103,209,144
		148,850,634	147,592,911
Gross profit		621,913,774	390,482,714
Operating expenses			
Operation and maintenance expenses	36	50,569,360	51,456,602
General and administrative expenses	37	53,685,910	52,869,288
Provision for bad & doubtful debts	38	64,836,496	28,659,649
Depreciation on property, plant and equipment	39	8,863,750	8,976,855
Exchange fluctuation loss/(gain)		(62,352)	(96,466)
		177,893,164	141,865,928
Operating profit		444,020,609	248,616,786
Non-operating income/(Expenses)			
Bank interest and other income	40	38,357,738	43,773,914
Financial charges		(38,175,074)	(40,750,050)
Loss on sale of Property, plant & equipment		-	(14,219,491)
(Loss)/Gain on investment in shares	41	7,803,362	(3,717,778)
		7,986,026	(14,913,405)
Profit before WPPF & WF		452,006,635	233,703,380
Provision for contribution to WPPF & WF		21,524,125	11,128,732
Profit before taxation		430,482,509	222,574,648
Current tax expenses	42	104,739,924	38,796,300
Deferred tax (income)/expenses	43	(5,175,971)	12,026,723
		99,563,953	50,823,024
Net profit after tax		330,918,556	171,751,625
Total comprehensive income		330,918,556	171,751,625
Earnings Per Share (EPS) - Basic	44	2.01	1.04


Chief Financial Officer


Company Secretary


Managing Director


Director


Chairman

Dated, Dhaka;
12 November 2020

Bangladesh Submarine Cable Company Limited
Statement of Changes in Equity (Un-audited)
For the period ended 30 September 2020

Particulars	(Amount in Taka)						
	Share capital	Equity money from GoB	Share premium	Tax holiday reserve	Revaluation reserve	Retained earnings	Total equity
Balance as at 01 July 2020	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
Transactions with shareholders:							
Net profit after tax for the period	-	-	-	-	-	330,918,556	330,918,556
Tax holiday reserve	-	-	-	9,389,409	-	(9,389,409)	-
Balance as at 30 Sep. 2020	1,649,055,100	1,660,000,000	723,293,759	750,967,255	336,165,684	1,961,451,775	7,080,933,573
Balance as at 01 July 2019	1,649,055,100	1,660,000,000	723,293,759	714,543,556	336,165,684	1,304,618,748	6,387,676,848
Dividend	-	-	-	-	-	-	-
Net profit after tax for the period	-	-	-	-	-	171,751,625	171,751,625
Tax holiday reserve	-	-	-	3,901,147	-	(3,901,147)	-
Balance as at 30 Sep. 2019	1,649,055,100	1,660,000,000	723,293,759	718,444,703	336,165,684	1,472,469,227	6,559,428,474


Chief Financial Officer


Company Secretary


Managing Director


Director


Chairman

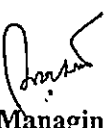
Dated, Dhaka;
12 November 2020

Bangladesh Submarine Cable Company Limited
Statement of Cash Flows (Un-audited)
For the period ended 30 September 2020

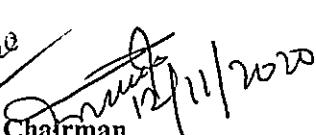
	Notes	Amount in Taka	
		30 Sep. 2020	30 Sep 2019
A. Cash flows from operating activities			
Cash received from clients		739,573,854	532,630,861
Cash paid to suppliers and others		(84,390,707)	(136,366,957)
Exchange fluctuation (loss)/ gain		62,352	96,466
Payroll and other payments to employees		(45,882,534)	(33,065,055)
Income tax paid		(83,030,619)	(33,142,594)
Interest received		46,834,782	34,875,052
Receipts from rest house rent and others		345,901	433,495
Net cash flow from operating activities	46.1	<u>573,513,031</u>	<u>365,461,268</u>
B. Cash flows from investing activities			
Purchase of property, plant and equipment		(7,518,673)	(22,848,296)
Dividend received		-	136,768
Net cash flow from/ (used in) investing activities		<u>(7,518,673)</u>	<u>(22,711,529)</u>
C. Cash flows from financing activities			
Dividend paid		(29,164,400)	(516)
Financial charges		(79,396,517)	(86,750,987)
Loan repaid		(84,143,336)	(79,313,164)
Net cash flow from/(used in) financing activities		<u>(192,704,254)</u>	<u>(166,064,667)</u>
Net surplus/ deficit during the period (A+B+C)		373,290,105	176,685,073
Cash and cash equivalents at beginning of the period		2,418,539,714	2,023,140,004
Cash and cash equivalents at end of the period	9	<u>2,791,829,818</u>	<u>2,199,825,077</u>
Net Operating Cash Flows Per Share (NOCFPS)	46	<u>3.48</u>	<u>2.22</u>


Chief Financial Officer


Company Secretary


Managing Director


Director


Chairman

Dated, Dhaka;
12 November 2020

Bangladesh Submarine Cable Company Limited (BSCCL)
Notes to the Financial Statements
For the period ended 30 September 2020

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 Act, 2012
- The Value Added Tax 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 land and land development which are stated at revalued amount (fair market value) as explained in the accompanying notes (Note- 3.1).

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 2020;
- (b) Statement of Profit or Loss and Other Comprehensive Income for the period ended 30 September 2020;
- (c) Statement of Changes in Equity for the period ended 30 September 2020;
- (d) Statement of Cash Flows for the period ended 30 September 2020;
- (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 2020 to 30 September 2020.

2.11 Comparative information

Comparative information has been disclosed in respect of 01 July 2020 to 30 September 2020 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 period figure has been rearranged wherever considered necessary to ensure comparability with the current period.

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.

Items of property, plant and equipment are measured at cost less accumulated depreciation 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 period for the full period in which those assets are put into ready for use and on which depreciation is charged on Straight line basis. Periodic depreciation is charged on additions on which reducing balance depreciation method is applied. Depreciation is charged on all the fixed assets except land and land development cost at the following rates.

Name of Assets	Depreciation rate	Basis
Core equipment-IPLC-SMW-4	10%	Straight line
Core equipment-IIG	14.29%	Straight line
Core equipment-IPLC-SMW-5	5.00%	Straight line
Building -SMW-5	5.00%	Straight line
Building-SMW-4	8.33%	Straight line
Floor development	8.33%	Straight line
Security barak & security wall	8.33%	Straight line
Deep tube-well & pump house-SMW-4	8.33%	Straight line
Deep tube-well & pump house-SMW-5	5%	Straight line

Name of Assets	Depreciation rate	Basis
500 KV sub-station-SMW-4	10%	Straight line
500 KV sub-station-SMW-5	5%	Straight line
Power system-SMW4	10%	Straight line
Generator-500KVA(SMW#5)	10%	Straight line
Power system-SMW5	5%	Straight line
Boundary wall-SMW-4	8.33%	Straight line
Boundary wall-SMW-5	5%	Straight line
Ducting from beach manhole-SMW-4	10%	Straight line
Ducting from beach manhole-SMW-5	5%	Straight line
Vehicles	20%	Reducing balance
Office equipment and furniture	10%	Reducing balance
Co-Location point-SMW-4	12.50%	Straight line
Co-Location point-SMW-5	5%	Straight line
Office decoration	10%	Reducing balance
Power System-IIG	20%	Straight line
Water Treatment Plant & Others	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	17,03,91,471	35,23,00,000	18,19,08529
Total:				17,03,91,471	35,23,00,000	18,19,08529

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

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.

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 12 November 2020 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 compliance with the standard, the Company has elected to use the recognition exemptions in the standard due to their being short-term leases and leases of low value items. In such cases the lease payments are accounted for as expenses in the statement of profit or loss and other comprehensive income.

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 period.

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 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 Bangladesh 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 48.

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 period, 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 25% 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.

IAS No.	IAS Title	Compliance Status
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

IFRS No.	IFRS Title	Compliance Status
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 2020	30 June 2020
4	Property, plant and equipment		
	Cost/ revaluation (A)		
	Opening balance	9,582,945,535	9,549,402,528
	Add: Purchased/Recognised during the period	7,239,862	89,044,054
	Less: Adjustment during the period	-	(55,501,047)
		<u>9,590,185,397</u>	<u>9,582,945,535</u>
	Accumulated Depreciation (B)		
	Opening balance	3,098,537,798	2,684,518,697
	Add: Charged during the period	115,308,769	455,300,657
		3,213,846,567	3,139,819,354
	Less: Adjustment during the period	-	(41,281,556)
		<u>3,213,846,567</u>	<u>3,098,537,798</u>
	Written Down Value (A-B)	<u>6,376,338,830</u>	<u>6,484,407,737</u>

A schedule of property, plant & equipment is given in Annexure-A. Adjustment in Cost and Accumulated Depreciation is for a non-current asset property plant & equipment and Office equipment.

5	Trade and other receivables		
	Trade receivables	(Note: 5.1)	2,526,202,298
	Other receivables	(Note: 5.2)	40,524,827
			<u>2,566,727,125</u>
			<u>2,538,306,389</u>
5.1	Trade receivables		
	Opening Balance		2,922,702,992
	Add: Addition during the period		900,376,896
			3,823,079,887
	Less: Collection during the period		(847,644,490)
	Closing Balance		<u>2,975,435,397</u>
			<u>2,233,381,822</u>
	Less: Provision for bad and doubtful debts		
	Opening Balance		384,396,603
	Add: Addition during the period		64,836,496
			449,233,099
	Trade receivables, net of provision		<u>2,526,202,298</u>
			<u>2,538,306,389</u>
5.2	Other receivables		
	Dividend		3,150
	ICB Securities Trading Co. Ltd.		2,440
	FDR Interest & Others		40,519,238
			<u>40,524,827</u>
			<u>3,150</u>
6	Advances and Deposits		
	Advances		
	<u>Advance to:</u>		
	Sony Chocolate Industries Ltd.	(Note: 6.1)	11,372,000
	Employees against Expenses		436,630
	Advance to Employee against Salary		1,383,870
	Civil Works Consultant Limited		57,500
	K.K. Enterprise		1,649,773
	Milky & Associates		12,000
	BUET		21,735
			<u>12,872,000</u>
			<u>436,630</u>
			<u>1,617,270</u>
			<u>57,500</u>
			<u>-</u>
			<u>12,000</u>
			<u>21,735</u>

	Amount in Taka	
	30 Sep 2020	30 June 2020
BTCL	10,000,000	10,000,000
ICB	287,500	-
IDEB	20,000	20,000
Mustafa Tariq Hossain & Associates	670,500	670,500
Others	279,874	279,874
	26,191,377	25,987,509

Deposits

Security deposit - Duncan Products Limited	5,000	5,000
BTCL - for phone line	23,000	23,000
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	2871597.55	2,871,598
	4,399,598	4,399,598
	30,590,975	30,387,107

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

Opening balance	12,872,000	18,872,000
Add: Paid during the period	-	-
Less: Adjustment during the period	(1,500,000)	(6,000,000)
	11,372,000	12,872,000

7 Advance Income Tax

Opening balance	603,695,577	412,835,551
Add: Payment made during the period	83,030,619	190,982,526
	686,726,196	603,818,077
Less: Settlement/Adjustment	-	(122,500)
	686,726,196	603,695,577

8 Investment in Shares

Sl.	Ordinary shares of	Quantity	Cost price (Tk)	Market value	Market value
1	AB Bank Limited	144,460	3,209,275	1,502,384	935,551
2	ACI Limited	4,290	764,725	1,075,074	876,018
3	BATASHOE	1,000	696,429	705,800	693,200
4	BEXIMCO Limited	216,863	10,731,965	5,269,771	2,819,219
5	IFIC Bank Limited	148,938	1,765,186	1,682,999	1,164,431
6	Islami Bank BD Limited	39,091	951,084	1,051,548	684,093
7	Jamuna Oil Limited	23,716	4,392,440	3,951,086	3,277,551
8	MPetroleum	24,816	4,962,456	4,841,602	3,915,965
9	NCC Bank Limited	183,071	1,698,208	2,502,209	2,233,466
10	Padma Oil Limited	18,150	4,835,160	3,873,210	3,016,530
11	Square Pharma	25,569	2,633,566	5,216,076	4,410,653
12	Titas Gas	39,570	2,744,885	1,333,509	1,175,229
			39,385,378	33,005,267	25,201,905

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

		Amount in Taka	
		30 Sep 2020	30 June 2020
9	Cash and cash equivalents		
	Cash in hand	(Note: 9.1) 840,571	942,069
	Cash at bank	(Note: 9.2) 2,790,989,247	2,417,597,645
		<u>2,791,829,818</u>	<u>2,418,539,714</u>
9.1	Cash in hand		
	Head Office-Dhaka	577,029	600,776
	Landing Station-Kuakata	221,656	15,871
	Landing Station-Cox's Bazar	41,886	325,422
		<u>840,571</u>	<u>942,069</u>
9.2	Cash at bank		
	Savings and current deposits with:		
	Brac Bank Limited	690,469	690,469
	IFIC Bank Limited	302,884	179,584
	Mutual Trust Bank Limited	11,359,153	11,368,164
	National Bank Limited	2,037,846	1,808,254
	Sonali Bank Limited-Cox'sbazar	6,293,907	5,875,556
	Sonali Bank Limited-Dhaka	1,423,892	7,466,187
	The City Bank Limited	3,723,298	32,878,916
	United Commercial Bank Limited	110,019,078	35,906,964
		<u>135,850,526</u>	<u>96,174,094</u>
	Fixed deposits (FDR) with:		
	Agrani Bank Limited	304,567,465	162,102,250
	Bangladesh Development Bank Limited	230,000,000	110,000,000
	Bank Asia Ltd.	112,875,501	104,944,501
	BASIC Bank Limited	318,268,667	254,376,167
	Brac Bank Limited	135,062,906	326,000,295
	First Security Islami Bank Ltd.	20,000,000	-
	IFIC Bank Limited	312,173,360	308,710,623
	Jamuna Bank Limited	69,563,819	89,489,116
	Janata Bank Limited	85,270,000	50,270,000
	Mutual Trust Bank Limited	182,449,698	221,742,174
	One Bank Limited	86,945,724	86,622,949
	Pubali Bank Limited	87,125,671	64,827,910
	Social Islami Bank Ltd.	70,000,000	-
	Sonali Bank limited	30,000,000	30,000,000
	Southeast Bank Ltd.	128,169,281	149,473,941
	Standard Bank Limited	137,211,892	129,796,847
	The City Bank Limited	85,810,000	55,000,000
	Trust Bank Ltd.	40,000,000	-
	Union Bank Ltd.	40,000,000	-
	United Commercial Bank Limited	169,343,492	167,765,528
	Uttara Bank Limited	10,301,250	10,301,250
		<u>2,655,138,722</u>	<u>2,321,423,551</u>
		<u>2,790,989,247</u>	<u>2,417,597,645</u>

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

		Amount in Taka	
		30 Sep 2020	30 June 2020
10	Share capital		
	Authorized:		
	1,000,000,000 ordinary shares of Taka 10 each	<u>10,000,000,000</u>	<u>10,000,000,000</u>
	Issued, subscribed and paid up capital:		
	31,000,000 Ordinary Shares of Taka 10 each fully paid up in cash	310,000,000	310,000,000
	140 Ordinary share of Taka 10 each fully paid up in cash to GOB	1,400	1,400
	67,314,640 ordinary shares of Tk.10 each fully paid up other than cash to MoPT, GOB	673,146,400	673,146,400
	66,590,730 Ordinary shares of Tk. 10 each issued as Bonus Share	<u>665,907,300</u>	<u>665,907,300</u>
		<u>1,649,055,100</u>	<u>1,649,055,100</u>
11	Equity Money from GoB	<u>1,660,000,000</u>	<u>1,660,000,000</u>
	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.		
	The Board of Directors of BSCCL has appointed ICB Capital Management Limited as Issue Manager and a Chartered Accountants Firm as a valuer of assets and liabilities as a process to 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 for an amount of Tk 1,660,000,000.		
12	Share premium	<u>723,293,759</u>	<u>723,293,759</u>
	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.		
13	Tax holiday reserve		
	Opening balance	741,577,846	714,543,556
	Add: Current period's reserve	9,389,409	27,034,290
		<u>750,967,255</u>	<u>741,577,846</u>
14	Revaluation reserve		
	Opening balance	336,165,684	336,165,684
	Less: Adjustment with deferred tax liability	-	-
		<u>336,165,684</u>	<u>336,165,684</u>

This amount represents the revalued amount of Land at Cox's Bazar. This revaluation has been done by a Professional Valuer named A B SAHA & CO., Chartered Accountants in the financial year 2010-11. Valuation work has been carried out on the basis of Guidelines issued by the Ministry of Finance in valuing Assets of State Owned Companies as well as professional Judgment. 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.

	Amount in Taka	
	30 Sep 2020	30 June 2020
15 Retained Earnings		
Opening balance	1,639,922,628	1,304,618,748
Add: Profit for the period	330,918,557	955,998,006
	<u>1,970,841,184</u>	<u>2,260,616,754</u>
Less: Dividend paid during the period	-	263,848,816
Amount to be distributed as dividend (Proposed)	-	329,811,020
Transferred to Tax Holiday Reserve	9,389,409	27,034,290
	<u>9,389,409</u>	<u>620,694,126</u>
	<u>1,961,451,775</u>	<u>1,639,922,628</u>

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: 43. Deferred tax assets and liabilities are attributable to the following:

Deferred tax relating to statement of profit or	(Note: 16.1)	516,542,440	521,718,411
Deferred tax relating to other comprehensive income	(Note: 16.2)	10,396,877	10,396,877
		<u>526,939,317</u>	<u>532,115,288</u>

16.1 Deferred tax relating to Statement of Profit or Loss

	Carrying amount	Tax base	Taxable/ (deductible) temporary difference
	Taka	Taka	Taka
As at 30 Sep 2020			
Property, plant and equipment (excluding	5,907,164,791	3,364,355,996	2,542,808,795
Accounts receivable (Note: 5.1)	2,526,202,298	2,975,435,397	(449,233,099)
Provision for pension, gratuity fund and provident fund (Note: 18)	(27,405,939)	-	(27,405,939)
Net Taxable Temporary Difference			2,066,169,758
Applicable tax rate			25%
Deferred tax liability			<u>516,542,440</u>

Deferred tax relating to Statement of Profit or Loss

	Carrying Amount	Tax Base	Taxable/ (deductible) temporary difference
	Taka	Taka	Taka
As at 30 June 2020			
Property, plant and equipment (excluding	6,015,233,699	3,525,748,454	2,489,485,244
Accounts receivable (Note: 5.1)	2,538,306,389	2,922,702,992	(384,396,603)
Provision for pension, gratuity fund and provident fund (Note:18)	(18,215,001)	-	(18,215,001)
Net Taxable Temporary Difference			2,086,873,640
Applicable tax rate			25%
Deferred tax liability			<u>521,718,411</u>

Amount in Taka	
30 Sep 2020	30 June 2020

16.2 Deferred tax relating to other comprehensive income

	Carrying Amount	Tax Base	Taxable/ (deductible) temporary difference
	Taka	Taka	Taka
As at 30 Sep 2020			
Revaluation reserve of property, plant and	346,561,561	-	346,562,561
Applicable tax rate			3%
Deferred tax liability			<u>10,396,877</u>

Deferred tax relating to other comprehensive income

	Carrying Amount	Tax Base	Taxable/ (deductible) temporary difference
	Taka	Taka	Taka
As at 30 June 2020			
Revaluation reserve of property, plant and	346,562,561	-	346,562,561
Applicable tax rate			3%
Deferred tax liability			<u>10,396,877</u>

17 Security deposits received from clients

Opening Balance	294,942,951	220,378,430
Add: Addition during the period	37,189,810	89,059,592
	332,132,761	309,438,022
Less: Adjustment during the period	-	(14,495,071)
	<u>332,132,761</u>	<u>294,942,951</u>

18 Employees' pension, gratuity and provident fund

Employees' pension fund	(Note: 18.1)	13,808,952	13,808,952
Employees' gratuity fund	(Note: 18.2)	10,232,347	3,611,732
Employees' provident fund	(Note: 18.3)	3,364,639	794,317
		<u>27,405,939</u>	<u>18,215,001</u>

18.1 Employees' pension fund

13,808,952 13,808,952

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.

18.2 Employees' gratuity fund

Opening balance	3,611,732	4,901,587
Add: Provision made during the period	6,620,615	8,820,226
	10,232,347	13,721,813
Less: Paid/Transferred during the period	-	(10,110,081)
	<u>10,232,347</u>	<u>3,611,732</u>

	Amount in Taka	
	30 Sep 2020	30 June 2020
18.3 Employees' provident fund		
Opening balance	794,317	2,139,943
Add: Employees' Contribution	1,285,161	4,694,286
Employer's Contribution	1,285,161	4,697,102
Less: Transferred to RCPF during the period	-	(10,737,014)
	<u>3,364,639</u>	<u>794,317</u>
19 Term Loan		
Opening balance	2,730,693,883	2,891,699,606
Received during the period	-	-
Total IDB Loan	<u>2,730,693,883</u>	<u>2,891,699,606</u>
Less: Payment during the period	(84,143,336)	(161,005,723)
	<u>2,646,550,547</u>	<u>2,730,693,883</u>
Current portion of Long Term Loan	(315,233,029)	(352,024,332)
Non-current portion of Long Term Loan	<u>2,331,317,518</u>	<u>2,378,669,551</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

ACE Autos	9,056	119,988
Amader Somoy	32,601	186,299
Anika Enterprise	69,310	69,310
APOGEE IT	-	137,063
Arthosuchak	-	3,500
Arra Technologies Ltd.	729,603	-
Asia Pacific Communication Ltd.	17,167	17,167
Bangabandhu Cultural Centre	20,000	-
Bangla Media Ltd.	-	96,255
Bangladesh Parjatan Corporation	-	40,958
Bangladesh Science House	100,000	100,000
Bank Bima Shilpa	-	40,000
BD Jobs.Com	12,285	4,095
Biz Bangla Media Ltd.	6,480	-
Capital Law Chamber	146,280	146,280
CDBL	-	4,417
Chittagong Stock Exchange Ltd.	600,000	600,000
Cogent Communication Ltd	251,546	454,088
Corporate Sangbad .Com	-	4,025
Cyber Link	52,380	52,380
Design Associates	78,599	78,599
Dream Energy	-	99,426
ECCE,CUET	50,000	50,000
Equinix Singapore PTE Ltd.	2,202,551	1,436,985

	Amount in Taka	
	30 Sep 2020	30 June 2020
Express Systems Ltd.	4,274,450	4,324,450
Fames & R	119,025	-
Fiber@Home Ltd	8,742,657	3,017,952
Galpo Ghar	-	40,000
Habib Intelligent Software Ltd.	322,875	322,875
Hatil Complex Ltd.	-	348,990
Hurricane Electric Internet Service	1,834,095	297,704
ICB Securities Trading Company Limited	1,610,932	1,610,932
Innovative Technology & Engineering	24,188	24,188
Jai Jai Din Publications Ltd.	57,500	-
Kazi Mynul Hassan	71,875	71,875
Khondoker Advertisement	-	60,000
KK Enterprise	544,874	544,874
M.M. Enterprise	32,059	32,059
M.M.International	307,319	817,317
M/S Islamia Traders	1,870	1,870
M/S MS Power Engineering	36,400	36,400
M/S N Islam Motor Works.	37,400	-
M/S Syeed Automobiles	44,660	6,750
M2M Communications	-	16,200
Milky & Associates	116,602	116,602
Murad Reza	143,750	143,750
New S.N. Motors	16,700	16,700
Next Tech Ltd.	22,400	22,400
NRB Telecom Ltd.-IIG	7,500	10,000
NTT communications Ltd.	6,312,833	4,013,867
Pabna Automobiles	-	4,950
Padakkhep Bangladesh	-	50,000
Payable to BTCL	33,326,678	35,159,628
Payable to BTCL Staff College(Focus Point)	23,000	23,000
Payable to BTRC	16,451,327	14,729,510
PCCW Global (Singapore) Pte. Ltd.	1,056,607	-
Peshajibi Samonnoy Parishad	25,000	25,000
Rangpur Bivag Samity Dhaka	-	50,000
Royal Office Equipment	-	25,800
S.F.Ahmed & Co.	345,000	345,000
S.T. Enterprise	-	41,918
Sadhan Das & Co.	168,388	-
SA Rashid & Associates	28,750	28,750
Shakil Motors	-	43,142
Share biz Pvt. Ltd.	-	42,946
Sikder Filling & Service Station	136,927	79,242
Sony Chocolate Industries Ltd.	378,463	341,242
Southern Automobiles Ltd.	34,837	28,819
Spectrum Engineering Consortium Limited	2,209,492	2,209,492
S.T. Enterprise	41,918	-
Summit Communications Ltd.	1,451,307	6,405,870
Suraya Parveen & Associates	51,750	51,750
Tameem Rahman	46,000	-
Telecom Italia Sparkle Ltd.	20,093,963	20,672,748
Telephone Shilpa Sangstha Ltd.	612,593	612,593
Telnet Communication Ltd.	3,675	11,025

	Amount in Taka	
	30 Sep 2020	30 June 2020
Temporary Loan from Project Director # SMW5	1,000	1,000
The Daily Amader Orthony	-	43,200
The Daily Bangladesh Pratidin	-	27,945
The Daily Janakantha	-	74,520
The Daily Jugantor	37,441	-
The Daily Observer	-	115,211
The Daily Sun	22,480	-
The Detective	-	30,000
The Financial Express	-	99,468
The Weekly Protimuhurto	-	30,000
The Weekly Kaler Digonto	40,000	-
The Weekly Ovijog	20,000	-
The Weekly Vorer Bangladesh	20,000	-
Unclaimed dividend	6,898,764	36,063,164
Unclaimed IPO subscription	109,101	109,101
Unearned Revenue	4,171,300	4,508,800
Withholding tax payable	28,814,593.84	26,098,437
Zico Motors	37,950	37,950
	145,718,131	167,859,812

21 Provision for income tax

Opening balance		633,906,543	393,874,301
Add: Provision made during the period	Annexure - B	104,739,924	240,032,242
Less: Settlement for previous period		-	-
		738,646,467	633,906,543

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. For the income year 2012-2013 after revised assessment of DCT the demand amount is Tk. 7,879,309 which has already been paid and receiving certificate is pending. We have filed an appeal for the Income year 2013-2014 to the High Court Division. As per revised order of DCT Tk. 4,079,846 has been deposited and receiving certificate is pending for the year 2014-2015. Assessment Order of income year 2015-2016 was received in which DCT demanded Tk.56,88,726. Return of the income year 2016-2017 was filed to DCT for assessment and DCT demanded Tk.94,36,501 for this year. Now assessment for the year 2015-2016 and 2016-2017 remains under process at DCT u/s 173. Assessment order for the income year 2017-2018 was received from DCT which creates tax refundable of tk. 2,32,45,907 and income year 2018-2019 remains in processing at DCT.

22 Provision for WPPF and WF

Opening balance	62,599,014	38,948,113
Add: Provision made during the period	21,524,125	62,599,014
	84,123,139	101,547,126
Less: Settlement for previous period	-	(38,948,113)
	84,123,139	62,599,014

	Amount in Taka	
	30 Sep 2020	30 June 2020
23 VAT Payable		
VAT payable against Receivable	422,386,216	441,875,282
VAT payable against Deduction at source	61,649,341	57,808,231
	<u>484,035,557</u>	<u>499,683,513</u>

This represents the amount of Tk. 42,23,86,216 VAT receivable from clients against revenue receivable arising from International Private Leased Circuit (IPLC) rentals, IP transit service, and Co-location charges. In addition to that this amount of Tk. 6,16,49,341 includes VAT deducted from other parties and suppliers.

24 Liabilities for expenses		
Office rent	4,800,000	4,800,000
Audit & other fees	138,000	138,000
Provision for different expenses	80,361	224,205
Telephone bill	59,426	45,368
Electricity bill	870,950	642,119
	5,948,737	5,849,692
Accrued Interest on IDB loan	82,973,025	124,194,467
	<u>88,921,762</u>	<u>130,044,159</u>

	Amount in Taka	
	July-Sep-2020	July-Sep-2019
25 IPLC (International Private Leased Circuit) Rent		
SMW-4	205,538,021	160,641,816
SMW-5	393,768,866	256,212,765
	<u>599,306,887</u>	<u>416,854,581</u>

26 Circuit activation charge

Circuit Activation Charge-IPLC-SMW-4	630,000	500,000
Circuit Activation Charge-IPLC-SMW-5	1,625,000	1,050,000
Circuit Activation Charge-ITC	-	100,000
Circuit Activation Charge-Co-location-IIG	140,000	3,000
Circuit Activation Charge-Co-location-SMW-4	50,000	160,000
Circuit Activation Charge-Co-location-SMW-5	418,000	400,000
	<u>2,863,000</u>	<u>2,213,000</u>

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

27 IP Transit Service	<u>148,970,474</u>	<u>98,244,863</u>
------------------------------	--------------------	-------------------

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

28 Co-Location Charges

SMW-4	8,166,615	5,323,680
SMW-5	11,428,471	232,500
IP Transit -IIG	28,962	-
	<u>19,624,048</u>	<u>5,556,180</u>

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

29 IP Transit Service -Export	<u>-</u>	<u>15,207,000</u>
--------------------------------------	----------	-------------------

This represents charges to Bharat Sanchar Nigam Limited (BSNL) for IP transit service. Export to BSNL has been discontinued from 8th February 2020.

Referring to the note number 25 to 29, 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 consumption in the country. Consequently, BSCCL's revenue also increased.

30 Electricity and generator fuel

Electricity bill	3,215,387	2,865,958
Fuel for generator	468,800	449,500
	<u>3,684,187</u>	<u>3,315,458</u>

This cost is directly related to cost of operation.

Amount in Taka	
July-Sep-2020	July-Sep-2019

31 Landing station and cable route repair

347,532 144,970

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

32 Backhaul & Data Connectivity Charge

Backhaul Charge

22,587,731

25,857,451

Data Connectivity & Fiber Core Charge

106,155

116,265

License & Membership fees

287,500

287,500

Revenue Sharing Cost

1,721,817

1,774,424

Co-location cost

7,500

-

24,710,704

28,035,640

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

33 IP Transit Cost

13,364,383

12,588,888

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

34 Lease Rent

298,810

298,810

This rent represents rent of leasing land of beach manhole for Kuakata landing station from Bangladesh Parjaton Corporation.

35 Depreciation of core machinery

106,445,019

103,209,144

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

36 Operation and maintenance expenses

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

SEA-ME-WE-4

8,305,584

6,063,434

SEA-ME-WE-5

42,263,776

45,393,169

50,569,360

51,456,602

37 General and administrative expenses

Advertisement and publicity expenses

668,321

119,480

Bank charges and commission

578,554

200,476

Board and other meetings fees

1,128,413

824,993

Books & Periodicals

4,710

19,322

Business Development Expenses

159,122

1,096,111

Consortium meeting expenses

-

837,194

Consultancy fees

254,725

119,025

CSR Expenses

729,603

2,039,500

Entertainment

349,186

370,884

Fees and Subscription

203,669

144,576

	Amount in Taka	
	July-Sep-2020	July-Sep-2019
Festival bonus	4,206,440	4,215,743
Gratuity provision	6,620,615	5,208,494
Innovation Expenses	40,749	20,000
Legal Fees	413,642	858,130
Managing Director's remuneration	374,385	865,500
Medical expenses.	12,569	-
National Integrity and Strategy Training Expenses	80,900	293,250
Office Expenses	172,004	118,114
Office rent	4,902,450	4,902,450
Postage and courier expenses	6,350	12,020
Printing and Office stationery	210,832	163,250
Recruitment expenses	199,635	588,222
Rent, rates & taxes	350,000	4,480
Repair and maintenance	657,346	534,220
Salary and allowances	29,710,710	27,457,170
Telephone Bill	24,580	20,054
Training Expenses	145,350	320,355
Travelling & conveyance	379,161	370,282
Vehicles Maintenance	570,170	510,911
Vehicles running expenses	531,720	635,082
	53,685,910	52,869,288

38 Provision for bad & doubtful debts

Closing balance of provision for bad & doubtful debts	449,233,099	264,357,394
Less: Opening balance of provision for bad & doubtful debts	384,396,603	235,697,745
	64,836,496	28,659,649

Provision made for the period according to the company policy.

39 Depreciation on property, plant and equipment

8,863,750 **8,976,855**

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	345,901	433,045
Interest on FDR & Others	38,011,837	43,204,101
Dividend income	-	136,768
	38,357,738	43,773,914

Amount in Taka	
July-Sep-2020	July-Sep-2019

41 Gain/(loss) on investment in shares		
Opening market value of investment	25,201,905	34,348,102
Add: Investment during the period	-	-
Total cost of investment(B)	<u>25,201,905</u>	<u>34,348,102</u>
Closing Market Value of Investment (A)	<u>33,005,267</u>	<u>30,630,324</u>
Gain/(Loss)(A-B)	<u><u>7,803,362</u></u>	<u><u>(3,717,778)</u></u>
42 Current tax expense	<u><u>104,739,924</u></u>	<u><u>38,796,300</u></u>

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

43 Deferred tax (income)/expense		
Closing balance of deferred tax liability	516,542,440	477,795,095
Opening balance of deferred tax liability	<u>521,718,411</u>	<u>465,768,372</u>
Deferred tax (income)/expense	<u><u>(5,175,971)</u></u>	<u><u>12,026,723</u></u>
44 Basic Earnings Per Share (EPS)		
Earnings attributable to the Ordinary Shareholders	330,918,556	171,751,625
Weighted average number of ordinary Shares outstanding during the period	164,905,510	164,905,510
Earnings Per Share (EPS)	<u><u>2.01</u></u>	<u><u>1.04</u></u>

The increase in EPS is the result of increase in revenue from the ordinary course of the business activities which has been disclosed in the notes 25 to 29 in the Revenue Part of the Statement of Profit or Loss and Other Comprehensive Income for the period under consideration. There was no Extraordinary Transactions during this period.

- 44.1 Diluted earnings per share is not calculated during the period as the number of potential shares could not be calculated because of valuation of the company's assets and liabilities could not be done due to pandemic situation of Covid-19. However, after considering the notification of Financial Reporting Council (FRC), the Board of Directors of BSCCL has appointed ICB Capital Management Limited as Issue Manager and a Chartered Accountants Firm as a valuer of assets & liabilities as a process to 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 for an amount of Tk 1,660,000,000.

45 Net Asset Value		
Total Assets	12,485,218,211	12,149,886,201
Less: Total Liabilities	<u>5,404,284,639</u>	<u>5,399,871,184</u>
	<u><u>7,080,933,571</u></u>	<u><u>6,750,015,017</u></u>
Number of Ordinary Shares of Tk. 10 each at Financial Position date	164,905,510	164,905,510
NAV-Per Share	<u><u>42.94</u></u>	<u><u>40.93</u></u>

	Amount in Taka	
	July-Sep-2020	July-Sep-2019
46 Net operating cash flows per share (NOCFPS)		
Net cash flows from operating activities (A)	573,513,031	365,461,268
Number of Ordinary Shares of Tk. 10 each at Financial Position date (B)	164,905,510	164,905,510
Net operating cash flows per share (NOCFPS) (C=A/B)	3.48	2.22

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

	Amount (Tk.)	Amount (Tk.)
	July-Sep-2020	July-Sep-2019
Net Profit Before Tax	430,482,509	222,574,649
Adjustment to reconcile profit to net cash provided by operating activities:		
Depreciation	115,308,769	112,185,999
Financial Charges	38,175,074	40,750,050
Loss/(gain) on Investment in Share	(7,803,362)	3,717,778
Loss on disposal of fixed assets	-	14,219,490.82
Provision for Bad debts	64,836,496	28,659,649
Exchange fluctuation gain	62,352	96,466
Other Income	(38,357,738)	(43,870,380)
(Increase)/Decrease in Advance Income tax	(83,030,618)	(33,142,593)
(Increase)/ Decrease in other receivable	47,180,683	35,308,548
(Increase)/ Decrease in debtors	(52,732,405)	32,415,853
(Increase)/ Decrease in adv. & deposit	(203,868)	353,328
Increase/(Decrease) in sundry creditors	7,239,178	(26,671,079)
Increase/(Decrease) in Security Deposit	37,189,810	4,672,987
Increase/(Decrease) in Employees Pension, Gratuity and PF	9,190,937	5,352,929
Increase/(Decrease) in Provision for WPPF and WF	21,524,125	11,128,733
Increase/(Decrease) in VAT Payable	(15,647,956)	(42,533,606)
Increase/(Decrease) in Liability for Expenses	99,045	242,467
Net cash flows from operating activities	573,513,031	365,461,268

47 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.56,88,726 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. 94,36,501 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 & 2018-2019 remains under process at DCT.

48 Related party disclosures

- 48.1 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

(a) Name of the Directors along with all related Firms/Companies/Institutions/Parties as at 30 September 2020.

Sl. No.	Name of the Directors	Status with the company	Name of the related Ministries/ Companies/ Parties etc.	Remarks
1	Mr. Md.Afzal Hossain	Chairman	Secretary, Posts & Telecommunications Division, MoPT & IT	Nominated by GOB
2	Mr. Khandker Md. Abdul Hye, Phd.	Director	Joint Secretary-Posts & Telecommunications division, MoPT & IT	Nominated by GOB
3	MS. Kulsum Begum	Director	Joint Secretary, Finance Division, MoF	Nominated by GOB
4	Mr. Md. Monjur Rahman	Director	Joint Secretary, MoST	Nominated by GOB
5	Col Rakibul Karim Chowdhury, 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. Hossain Khaled	Independent Director	Director-DCCI	Nominated by GOB
8	Mr. N.K.A Mobin, FCA, FCS	Independent Director	Council Member, ICAB	Nominated by GOB
9	Mr. Mashur Rahman	Managing Director	BSCCL	Nominated by GOB

(b) Transactions with the following companies where the Directors of the company are related for the year ended 30 September 2020:

Sl No.	Name of the company (Related party)	Name of the Director	Relationship of the Director with the company	Type of transaction	Transactions during the period
1	Bangladesh Telecommunications Company Limited	Mr. Md.Afzal Hossain	Chairman	Bandwidth sale	121,968,942
2	Bangladesh Telecommunications Company Limited	Mr. Md.Afzal Hossain		Co-location Sale	-
3	Bangladesh Telecommunications Company Limited	Mr. Md.Afzal Hossain		Backhaul Purchase	16,086,827
4	Teletalk Bangladesh Ltd.	Mr. Md.Afzal Hossain		Co-location Sale	38,593
5	Teletalk Bangladesh Ltd.	Mr. Md.Afzal Hossain		Bandwidth sale	4,612,420

(c) Outstanding balances at at 30 September 2020


Sl. No.	Name of the company (Related party)	Name of the Director	Relationship of the Director with the company	Type of transaction	Opening balance 01.07.2020	Amount of transaction during the period July-September-2020.		Closing balance 30.09.2020
						Addition	Adjustment/ Received	
1	Bangladesh Telecommunications Company Limited	Mr. Md.Afzal Hossain	Chairman	Bandwidth sale	861,727,454	121,968,942	(133,920,558)	849,775,838
2	Bangladesh Telecommunications Company Limited	Mr. Md.Afzal Hossain		Co-location Sale	21,463,462	-	-	21,463,462
3	Bangladesh Telecommunications Company Limited	Mr. Md.Afzal Hossain		Backhaul Purchase	24,098,117	16,086,827	(19,253,277)	20,931,668
4	Teletalk Bangladesh Ltd.	Mr. Md.Afzal Hossain		Co-location Sale	11,731	38,593		50,324
5	Teletalk Bangladesh Ltd.	Mr. Md.Afzal Hossain		Bandwidth sale	11,837,643	4,612,420	(3,144,593)	13,305,470

49 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.

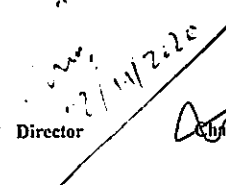
50 Comparatives

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


Chief Financial Officer
Date: 12 November 2020


Company Secretary


Managing Director


Director


Chairman

Annexure-A

Bangladesh Submarine Cable Company Limited
Schedule of Property, Plant & Equipment

As at 30 September 2020

(Amount in Taka)

Name of assets	Cost		Accumulated depreciation		As at 01 July 2020	Rate	As at 30 Sep. 2020	Adjustment during the period	Additions during the period	As at 01 July 2020
	As at 01 July 2020	As at 30 Sep. 2020	As at 30 Sep. 2020	As at 30 Sep. 2020						

a. Freehold assets	122,612,477	122,612,477	-	-	1,916,484,275	10.00%	2,603,865,991	5,617,236,063	6,915,636	2,603,865,991
Land and land development	122,612,477	122,612,477	-	-	1,916,484,275	10.00%	2,603,865,991	5,617,236,063	6,915,636	2,603,865,991
Core equipment-IPLC-SMW-4	2,603,865,991	5,624,151,699	835,707,091	70,418,303	835,707,091	5.00%	5,624,151,699	906,125,394	-	906,125,394
Core equipment-IPLC-SMW-5	5,617,236,063	232,783,594	232,783,594	144,153,859	144,153,859	14.29%	232,783,594	151,539,670	-	81,243,924
Core equipment-ITG	63,415,462	63,415,462	25,847,335	939,203	939,203	8.33%	63,415,462	26,786,538	-	36,628,924
Building	291,283,034	2,014,173	3,304,541	113,069	3,304,541	8.33%	2,014,173	3,417,610	-	4,409,687
Building-SMW-5	2,654,065	2,654,065	3,304,541	113,069	3,304,541	8.33%	2,654,065	3,417,610	-	4,409,687
Floor development	7,827,297	7,827,297	1,792,622	13,780	1,792,622	8.33%	7,827,297	1,806,402	-	537,435
Security bark & security wall	2,343,837	2,343,837	1,792,622	13,780	1,792,622	8.33%	2,343,837	2,169,914	-	1,117,941
Deep tube-well & pump house	1,334,855	1,334,855	200,228	16,686	200,228	5.00%	1,334,855	5,984,625	-	12,429,606
Deep tube-well & pump house-SMW-5	18,414,231	18,414,231	5,524,269	460,356	5,524,269	10.00%	18,414,231	12,429,606	-	12,429,606
Generator-500 KVA(SMW#5)	3,284,000	3,284,000	2,896,834	16,132	2,896,834	10.00%	3,284,000	2,912,966	-	371,034
500 KV sub-station	13,146,779	13,146,779	1,972,018	164,335	1,972,018	5.00%	13,146,779	11,010,427	-	11,010,427
500 KV sub-station-SMW-5	35,631,806	35,631,806	27,966,599	319,884	27,966,599	10.00%	35,631,806	7,345,823	-	7,345,823
Power system	20,847,215	20,847,215	3,127,082	260,590	3,127,082	5.00%	20,847,215	17,440	-	17,440
Power system-SMW-5	387,555	387,555	155,022	19,378	155,022	20.00%	387,555	4,374,043	-	7,299,625
Power system-ITG	11,673,668	11,673,668	4,186,873	187,170	4,186,873	8.33%	11,673,668	6,210,477	-	32,007,844
Boundary wall	38,218,321	38,218,321	5,732,748	477,729	5,732,748	5.00%	38,218,321	12,248,287	-	6,712,239
Boundary wall-SMW-5	18,960,526	18,960,526	11,956,450	291,836	11,956,450	10.00%	18,960,526	18,269,048	-	18,269,048
Ducting from beach manhole	21,813,789	21,813,789	3,272,068	272,672	3,272,068	5.00%	21,813,789	18,247,081	-	14,943,931
Ducting from beach manhole-SMW-5	55,191,012	55,191,012	39,460,558	786,523	39,460,558	20.00%	55,191,012	40,247,081	-	40,247,081
Vehicles	43,222,606	43,222,606	15,608,616	695,917	15,608,616	10.00%	43,222,606	16,304,534	-	27,242,298
Office equipment and furniture	916,051	916,051	427,954	20,337	427,954	12.50%	916,051	448,291	-	467,760
Co-Location point	1,397,121	1,397,121	188,950	17,464	188,950	5.00%	1,397,121	206,414	-	1,190,707
Co-Location point-SMW-5	7,702,120	7,702,120	2,776,977	123,129	2,776,977	10.00%	7,702,120	2,900,105	-	4,802,015
Office decoration	220,500	220,500	88,200	11,025	88,200	20.00%	220,500	99,225	-	121,275
Water Treatment Plant & Others	9,236,383,973	9,243,623,835	3,098,537,799	115,308,769	3,098,537,799	-	9,236,383,973	3,213,846,568	-	6,029,772,68
Sub-total	346,561,561	346,561,561	-	-	346,561,561	-	346,561,561	-	-	346,561,561
b. Revalued assets	346,561,561	346,561,561	-	-	346,561,561	-	346,561,561	-	-	346,561,561
Land and land development	346,561,561	346,561,561	-	-	346,561,561	-	346,561,561	-	-	346,561,561
Sub-total	9,582,945,534	9,590,185,397	3,098,537,799	115,308,769	3,098,537,799	-	9,582,945,534	3,213,846,567	-	6,376,338,829
Total balance as at 30 Sep. 2020 (a+b)	9,582,945,534	9,590,185,397	3,098,537,799	115,308,769	3,098,537,799	-	9,582,945,534	3,213,846,567	-	6,376,338,829
Total balance as at 30 June 2020 (a+b)	9,549,402,528	89,044,054	55,501,047	9,582,945,535	2,684,518,697	-	9,549,402,528	41,281,556	3,098,537,798	6,484,407,737

Bangladesh Submarine Cable Company Limited
Calculation of Current Tax Provision
For the period ended 30 September 2020

Particulars	Total Amount	Exemption rate	Exempted Amount	Chargeable Income	Amount in Taka	
					Tax Rate	Tax Liability
Profit Before Taxation	430,482,509					
Add: Provision for bad debt	64,836,496					
Provision for WPPF & WF	-					
Provision for gratuity	-					
Excess perquisite	-					
CSR expense	729,603					
Accounting depreciation	115,308,769					
	<u>611,357,377</u>					
Less: Tax depreciation	168,632,319					
Total taxable income	442,725,058					
Less: Non -operating Income	38,357,738					
Profit on which tax holiday is applicable	404,367,320					
Profit as per Ratio of Sales	326,122,244	0%	-	326,122,244	25%	81,530,561
Profit-IIG as per Ratio of Sales	78,245,076	30%	23,473,523	54,771,554	25%	13,692,888
Tax on Other Income				38,357,738	25%	9,589,435
Tax on Dividend Income				-	20%	-
Total			23,473,523	419,251,536		104,812,884
		<u>CSR</u>	<u>PM R Fund</u>	<u>Total</u>		<u>Rebate</u>
Investment tax credit		729,603	-	729,603	10%	72,960
Net tax liability						<u><u>104,739,924</u></u>