

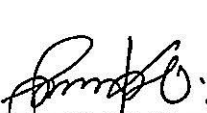


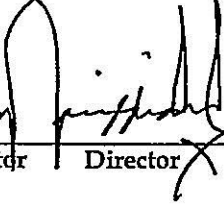

Bangladesh Submarine Cable Company Limited

Statement of Financial Position (Un-Audited)

As at 31 December 2018

ASSETS	Notes	Amount in Taka	
		31 Dec 2018	30 June 2018
Non-current assets		7,051,399,922	7,267,361,968
Property, plant and equipment	4	7,051,399,922	7,267,361,968
Investment in SMW-5	5	-	-
Current Assets		3,956,083,433	3,166,318,255
Trade and other receivables	6	1,899,356,971	1,659,997,059
Advances and deposits	7	37,851,333	41,139,817
Advance income tax	8	358,908,247	298,066,627
Investment in shares	9	34,941,157	35,974,737
Cash and cash equivalents	10	1,625,025,724	1,131,140,015
Non-current Assets held for sale		103,079	-
TOTAL ASSETS		11,007,586,434	10,433,680,222
EQUITY AND LIABILITIES			
Shareholders' Equity		6,037,935,676	5,884,371,531
Share capital	11	1,649,055,100	1,649,055,100
Equity Money from GoB	12	1,660,000,000	1,660,000,000
Share premium	13	723,293,759	723,293,759
Tax holiday reserve	14	719,129,539	706,977,180
Revaluation reserve	15	336,165,684	336,165,684
Retained earnings	16	950,291,594	808,879,808
Non Current Liabilities		3,292,721,158	3,271,668,073
Deferred tax liabilities	17	407,921,557	353,212,788
Security deposits received from clients	18	216,606,259	164,005,987
Employees' pension, gratuity & provident fund	19	21,642,796	23,755,415
Long Term loan-net off current portion	20	2,646,550,547	2,730,693,883
Current Liabilities		1,676,929,599	1,277,640,618
Long Term loan-current portion	20	322,152,131	238,008,795
Sundry creditors	21	235,597,007	110,593,468
Provision for income tax	22	336,821,525	323,622,564
Provision for WPPF and WF	23	15,196,231	14,693,423
VAT payable	24	536,559,603	445,342,281
Liabilities for expenses	25	230,603,103	145,330,087
Total Liabilities		4,969,650,757	4,549,308,691
TOTAL EQUITY AND LIABILITIES		11,007,586,434	10,433,680,222
Net Asset Value per share	46	36.61	35.68

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

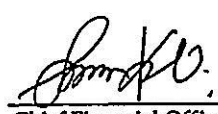
Chief Financial Officer Company Secretary Managing Director Director Chairman

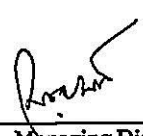
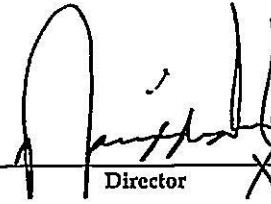

Dhaka
 30 January 2019

Bangladesh Submarine Cable Company Limited
Statement of Profit or Loss and Other Comprehensive Income (Un-audited)
For the Half-Year ended 31 December 2018

	Notes	Amount in Taka		Amount in Taka	
		July-Dec-2018	July-Dec-2017	Oct-Dec-2018	Oct-Dec-2017
Revenue					
IPLC (International Private Leased Circuit) rent	26	660,721,585	410,520,805	353,739,057	211,512,536
Circuit activation charge	27	11,459,000	1,595,000	279,000	680,000
IP Transit Service	28	191,651,383	183,777,244	101,061,216	96,793,340
Co-Location Charges	29	18,508,621	26,486,707	6,180,176	7,918,355
IP Transit Service-Export	30	28,055,700	48,804,000	10,193,700	24,588,000
		910,396,289	671,183,756	471,453,148	341,492,231
Direct cost of operation					
Electricity and generator fuel	31	6,305,573	6,037,646	3,006,364	3,370,237
Landing station and cable route repair	32	502,268	170,888	318,875	56,570
Backhaul & Data connectivity Charge	33	89,462,386	78,607,531	32,486,720	35,358,766
IP Transit Cost	34	23,775,462	22,525,250	12,812,985	9,910,578
Lease Rent	35	662,483	339,768	-	-
Depreciation of core machinery	36	206,527,243	206,940,822	103,283,000	103,534,658
		327,235,415	314,621,905	151,907,944	152,230,809
Gross profit		583,160,873	356,561,851	319,545,204	189,261,423
Operating expenses					
Operation and maintenance expenses	37	77,535,020	90,541,085	26,023,400	44,316,119
General and administrative expenses	38	81,882,486	76,954,488	39,381,860	37,642,923
Provision for bad & doubtful debts	39	65,367,625	16,408,957	36,134,495	12,359,822
Depreciation on property, plant and equipment	40	16,201,425	13,098,299	8,106,438	6,605,647
		240,986,557	197,002,830	109,646,194	100,924,511
Operating profit		342,174,317	159,559,021	209,899,011	88,336,911
Non-operating income/(Expenses)					
Bank interest and other income	41	63,343,133	22,361,825	34,452,887	11,401,494
Financial charges		(85,363,008)	(57,000,000)	(42,185,797)	(42,000,000)
(Loss)/Gain on investment in shares	42	(1,033,580)	(194,644)	500,995	(1,136,808)
		(23,053,455)	(34,832,818)	(7,231,916)	(31,735,314)
Profit before WPPF & WF		319,120,861	124,726,203	202,667,094	56,601,597
Provision for contribution to WPPF & WF		15,196,231	5,939,343	9,650,814	2,695,314
Profit before taxation		303,924,630	118,786,860	193,016,280	53,906,283
Less: Current tax expenses	43	13,198,961	10,690,324	6,762,996	4,550,736
Deferred tax (income)/expenses	44	54,708,768	98,368,748	28,072,493	43,392,468
		67,907,729	109,059,072	34,835,489	47,943,204
Net profit after tax		236,016,900	9,727,788	158,180,791	5,963,080
Total comprehensive income		236,016,900	9,727,788	158,180,791	5,963,080
Earnings Per Share (EPS) - Basic	45	1.43	0.06	0.96	0.04

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



Chief Financial Officer Company Secretary Managing Director Director Chairman

Dhaka
 30 January 2019

Bangladesh Submarine Cable Company Limited

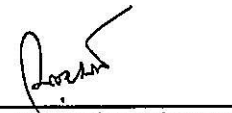
**Statement of Changes in Equity (Un-audited)
For the Half-Year ended 31 December 2018**

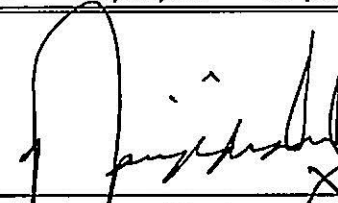
(Amount in Taka)

Particulars	Share capital	Equity Money from GoB	Share premium	Tax holiday reserve	Revaluation reserve	Retained earnings	Total Equity
Balance as at 01 July 2018	1,649,055,100	1,660,000,000	723,293,759	706,977,180	336,165,684	808,879,808	5,884,371,531
Transactions with shareholders:							
Dividend Paid	-	-	-	-	-	(82,452,755)	(82,452,755)
Net profit after tax for the period	-	-	-	-	-	236,016,900	236,016,900
Tax holiday reserve	-	-	-	12,152,359	-	(12,152,359)	-
Balance as at 31 Dec 2018	1,649,055,100	1,660,000,000	723,293,759	719,129,539	336,165,684	950,291,594	6,037,935,676
Balance as at 01 July 2017	1,649,055,100	1,660,000,000	723,293,759	662,947,522	336,165,684	977,535,608	6,008,997,673
Effect on change in tax rate							-
Transactions with shareholders:							-
Received during the period							-
Dividend Paid						(197,886,612)	(197,886,612)
Net profit after tax for the period						9,727,789	9,727,789
Tax holiday reserve				17,310,089		(17,310,089)	-
Balance as at 31 Dec 2017	1,649,055,100	1,660,000,000	723,293,759	680,257,611	336,165,684	772,066,696	5,820,838,850


Chief Financial Officer


Company Secretary


Managing Director


Director


Chairman


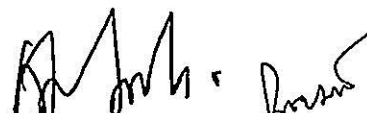


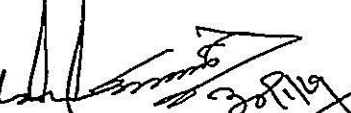
Dhaka
30 January 2019

Bangladesh Submarine Cable Company Limited

**Statement of Cash Flows (Un-audited)
For the Half-Year ended 31 December 2018**

	Notes	Amount in Taka	
		July-Dec-2018	July-Dec-2017
A. Cash flows from operating activities			
Cash received from clients		739,256,017	431,953,135
Cash paid to suppliers and others		(104,811,580)	(187,424,491)
Payment for WPPF/Gratuity		(14,693,423)	(25,395,013)
Payroll and other payments to employees		(57,366,920)	(50,249,594)
Income tax paid		(60,841,621)	(8,059,526)
Interest received		60,353,069	16,837,452
Receipts from rest house rent and others		13,220,393	650,021
Net cash flow from operating activities		575,115,935	178,311,985
B. Cash flows from investing activities			
Acquisition of property, plant and equipment		(8,311,574)	(33,869,358)
Dividend received		-	385,182
Net cash flow from/ (used in) investing activities		(8,311,574)	(33,484,175)
C. Cash flows from financing activities			
Dividend paid		(72,918,650)	(175,048,031)
Loan Received from Bank		-	102,368,810
Net cash flow from/(used in) financing activities		(72,918,651)	(72,679,220)
Net surplus/ deficit during the period (A+B+C)		493,885,710	72,148,590
Cash and cash equivalents at beginning of the period		1,131,140,015	671,693,463
Cash and cash equivalents at end of the period	10	1,625,025,724	743,842,053
Net Operating Cash Flows Per Share (NOCFPS)	47	3.49	1.08

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

Chief Financial Officer Company Secretary Managing Director Director Chairman

Dhaka
30 January 2019

Bangladesh Submarine Cable Company Limited

Notes to the financial statements For the Half-year ended 31 December 2018

1. Corporate information

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

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

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

2. Basis of preparation of financial statements

2.1 Statement of compliance

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

The financial statements have been authorised for issue by the Board of Directors of the Company on 30 January 2019.

2.2 Basis of measurement

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

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

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

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

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

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

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

Note: 39 Provision for bad & doubtful debts

Note: 43 Current tax expense

Note: 44 Deferred tax (income)/expense

3. Significant accounting policies

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

3.1 Property, plant and equipment

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

3.2 Depreciation on property, plant and equipment

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

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

3.3 Foreign currency transactions

The financial statements are presented in Taka /Tk./BDT, which is the company's functional currency. Transactions in foreign currencies are recorded in the books at the exchange rate prevailing on the date of the transaction. Assets and liabilities outstanding at 31 December 2018 denominated in foreign currencies have been shown in Taka at the rate in terms of foreign currencies ruling on the financial position date. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the Statement of Profit or Loss and Other Comprehensive Income as per BAS 21: The Effects of Changes in Foreign Exchange Rates.

3.4 Financial instruments

3.4.1 Financial assets

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

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

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

(a) Accounts receivable

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

(b) Short term investments

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

(c) Other receivables

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

(d) Cash and cash equivalents

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

3.4 Employee Benefit

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

3.5 Tax holiday reserve

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

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

3.6 Income tax expenses

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

3.6.1 Current tax

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

3.6.2 Deferred tax

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

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

3.7 Revenue recognition

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

Revenues primarily comprise of:

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

3.7.1 IPLC rent

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

3.7.2 Circuit activation charge

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

3.7.3 IP Transit service

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

3.7.4 Co-location Charges

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

3.7.5 IP Transit service-Export

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

3.8 Dividend income

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

3.9 Trade receivables

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

3.10 Cash and cash equivalents

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

3.11 Accounts payable

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

3.12 Contingencies

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

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

3.13 Earning per share (EPS)

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

3.14 Investment in shares

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

3.15 Events after the reporting period

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

3.16 Compliance with Financial Reporting Standards as applicable in Bangladesh

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

27	39	Financial Instruments: Recognition and Measurement	Complied
28	40	Investment Property	Not applicable
29	41	Agriculture	Not applicable

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

Amount in Taka	
31 Dec 2018	30 June 2018

4. Property, plant and equipment

Cost/revaluation (A)

Opening balance
Add: Purchased/Recognised during the Period
Less: Adjustment during the period

9,499,133,939	3,507,733,270
6,869,702	6,017,496,084
1,500,000	(26,095,415)
9,504,503,641	9,499,133,939

Accumulated Depreciation (B)

Opening balance
Add: Charged during the Period

Less: Adjustment during the Period

2,231,771,972	1,785,933,264
222,728,668	445,883,359
2,454,500,640	2,231,816,623
1,396,921	(44,651)
2,453,103,719	2,231,771,972
7,051,399,922	7,267,361,968

Written Down Value (A-B)

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

5 Investment in SMW-5

Opening Balance
Add: Addition during the Period
 Payment made to Central Billing Party
 Expenses Relating to Project

Recognised as fixed asset during the Period

-	5,528,460,826
-	17,643,427
-	18,999,962
-	36,643,389
-	5,565,104,215
-	(5,565,104,215)
-	-

6 Trade and other receivables

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

1,867,999,107	1,618,408,866
31,357,864	41,588,193
1,899,356,971	1,659,997,059

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

1,777,847,992	1,502,697,984
1,154,804,485	1,723,167,053
2,932,652,476	3,225,865,037
839,846,618	1,448,017,045
2,092,805,858	1,777,847,992
159,439,126	132,215,809
65,367,625	27,223,317
224,806,751	159,439,126
1,867,999,107	1,618,408,866

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

Amount in Taka	
31 Dec 2018	30 June 2018

6.2 Other receivables

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

3,150	3,150
3,790	4,240
31,350,924	41,580,803
31,357,864	41,588,193

7 Advances and deposits

Advances

Advance to:

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

(Note: 7.1)

20,750,000	23,750,000
1,548,126	313,606
57,500	57,500
12,000	12,000
21,735	39,004
10,000,000	10,000,000
-	322,715
670,500	605,000
112,000	-
279,874	1,640,394
33,451,735	36,740,219

Deposits

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

5,000	5,000
23,000	23,000
500,000	500,000
600,000	600,000
100,000	100,000
50,000	50,000
250,000	250,000
2,871,598	2,871,598
4,399,598	4,399,598
37,851,333	41,139,817

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

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

23,750,000	2,796,364
-	30,000,000
3,000,000	9,046,364
20,750,000	23,750,000

8. Advance Income Tax

Opening balance
Add: Payment made during the Period

Less: Settlement/ Adjustment

298,066,627	246,918,612
60,930,008	52,377,560
358,996,634	299,296,172
88,387	1,229,545
358,908,247	298,066,627

Amount in Taka	
31 Dec 2018	30 June 2018

9. Investment in Shares

SL	Ordinary shares of	Quantity	Cost price (Taka)	Market value	Market value
1	AB Bank Limited	137,581	3,209,275	1,650,972	1,706,004
2	ACI Limited	3,605	764,725	1,217,052	1,253,819
3	BATASHOE	1,000	696,429	1,116,400	1,137,200
4	BEXIMCO Limited	206,537	10,731,965	5,096,281	5,411,269
5	IFIC Bank Limited	109,902	1,246,776	1,341,681	1,563,243
6	Islami Bank BD Limited	39,091	951,084	946,002	930,366
7	Jamuna Oil Limited	23,716	4,392,440	4,517,898	4,413,548
8	MPetroleum	24,816	4,962,456	4,680,298	4,700,150
9	NCC Bank Limited	174,354	1,698,208	2,772,229	2,563,004
10	Padma Oil Limited	18,150	4,835,160	4,087,380	4,167,240
11	Square Pharma	22,334	2,633,566	6,074,617	6,546,095
12	Titas Gas	39,570	2,744,885	1,440,348	1,582,800
			38,866,968	34,941,157	35,974,737

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)	1,593,197	469,377
Cash at bank	(Note:10.2)	1,623,432,528	1,130,670,638
		1,625,025,724	1,131,140,015

10.1 Cash in hand

Head Office-Dhaka	1,420,601	430,537
Landing Station-Kuakata	84,867	37,581
Landing Station-Cox's Bazar	87,729	1,260
	1,593,197	469,377

10.2 Cash at bank

Savings and current deposits with:

Sonali Bank Limited-Dhaka	25,460,674	7,969,859
Sonali Bank Limited-Cox'sbazar	2,968,413	1,963,568
National Bank Limited	1,571,158	1,303,914
Mutual Trust Bank Limited	20,075,902	10,471,778
Farmers Bank Limited	-	245,815
Brac Bank Limited	712,567	703,435
IFIC Bank Limited	178,298	181,151
United Commercial Bank Limited	28,996,229	40,181,720
	79,963,240	63,021,239

Fixed deposits (FDR) with:

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

Amount in Taka	
31 Dec 2018	30 June 2018

306,835,493	176,710,437
40,000,000	30,000,000
285,660,648	181,210,793
124,440,187	61,830,665
242,869,615	242,335,149
-	62,946,101
113,375,351	110,405,000
174,530,999	81,164,061
60,885,000	20,000,000
51,908,367	30,656,193
41,097,070	20,391,000
101,866,563	50,000,000
1,543,469,288	1,067,649,399
1,623,432,528	1,130,670,638

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

11. Share capital**Authorized:**

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

Issued, subscribed and paid up capital:

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

12 Equity Money from GoB

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

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

13 Share premium

723,293,759 723,293,759

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

14 Tax holiday reserve

Opening balance
Add: Current period's reserve

706,977,180	662,947,522
12,152,359	44,029,659
<u>719,129,539</u>	<u>706,977,180</u>

15 Revaluation reserve

Opening balance
Less: Adjustment with deferred tax liability

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

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

16 Retained Earnings

Opening balance
Add: Profit for the Period

808,879,808	977,535,608
236,016,900	73,260,471
<u>1,044,896,708</u>	<u>1,050,796,079</u>

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

82,452,755	197,886,612
12,152,359	44,029,659
<u>94,605,114</u>	<u>241,916,271</u>
<u>950,291,594</u>	<u>808,879,808</u>

17 Deferred tax liabilities

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

Deferred tax relating to profit or loss account components	(Note: 17.1)	397,524,679	342,815,911
Deferred tax relating to components of other comprehensive income	(Note: 17.2)	10,396,877	10,396,877
		<u>407,921,557</u>	<u>353,212,788</u>

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

	Carrying amount	Tax base	Taxable/(deductible) temporary difference
	Taka	Taka	Taka
As at 31 Dec 2018			
Property, plant and equipment (excluding land)	6,582,225,884	4,745,677,619	1,836,548,265
Accounts receivable	1,867,999,107	2,092,805,858	(224,806,751)
Provision for pension, gratuity fund and provident fund	(21,642,796)	-	(21,642,796)
Net Taxable Temporary Difference			1,590,098,718
Applicable tax rate			25%
Deferred tax liability			<u>397,524,679</u>

Amount in Taka	
31 Dec 2018	30 June 2018

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

	Carrying amount	Tax base	Taxable/(deductible) temporary difference
	Taka	Taka	Taka
As at 30 June 2018			
Property, plant and equipment (excluding land)	6,798,187,930	5,243,729,745	1,554,458,185
Accounts receivable	1,618,408,865	1,777,847,992	(159,439,128)
Provision for pension, gratuity fund and provident fund	(23,755,415)	-	(23,755,415)
Net Taxable Temporary Difference			1,371,263,642
Applicable tax rate			25%
Deferred tax liability			<u>342,815,911</u>

17.2 Deferred tax relating to components of other comprehensive income

	Carrying Amount	Tax Base	Taxable/(deductible) temporary difference
As at 31 Dec 2018			
Revaluation reserve of property, plant and equipment	346,562,561	-	346,562,561
Applicable tax rate			3%
Deferred tax liability			<u>10,396,877</u>

Deferred tax relating to components of other comprehensive income

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

18. Security deposits received from clients

Opening Balance	164,005,987	128,503,172
Add: Addition during the Period	53,090,862	54,641,075
	217,096,849	183,144,248
Less: Adjustment during the Period	490,590	19,138,261
	<u>216,606,259</u>	<u>164,005,987</u>

19. Employees' pension, gratuity and provident fund

Employees' pension fund	(Note: 19.1)	13,808,952	13,808,952
Employees' gratuity fund	(Note: 19.2)	5,842,648	8,019,892
Employees' provident fund	(Note: 19.3)	1,991,196	1,926,571
		<u>21,642,796</u>	<u>23,755,415</u>

Amount in Taka	
31 Dec 2018	30 June 2018

19.1 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 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

8,019,892

5,919,380

Add: Provision made during the Period

5,842,649

8,019,892

13,862,541

13,939,272

Less: Paid/Transferred during the Period

(8,019,892)

(5,919,380)

5,842,648

8,019,892

19.3 Employees' provident fund

Opening balance

1,926,571

3,967,673

Add: Employees' Contribution

1,965,154

3,872,244

Employer's Contribution

1,965,154

3,872,244

Less: Transferred to RCPF during the Period

(3,865,682)

(9,785,590)

1,991,196

1,926,571

20 Term Loan

Opening balance

2,968,702,678

2,866,333,868

Received during the Period

-

102,368,810

Total IDB Loan

2,968,702,678

2,968,702,678

Current portion of Long Term Loan

322,152,131

238,008,795

Payable after one Period

2,646,550,547

2,730,693,883

Term Loan Particulars:

Islamic Development Bank (IDB)

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

Amount in Taka	
31 Dec 2018	30 June 2018

21. Sundry creditors

Share Money Deposit	109,101	109,101
Telecom Italia Sparkle Ltd.	17,470,015	11,800,215
Equinix Singapore PTE Ltd.	2,011,440	502,500
Cogent Communication Ltd	988,468	1,139,838
NTT communications Ltd.	1,844,810	7,325,223
Withholding tax payable	25,577,778	23,290,107
Fiber@Home	33,839,440	22,898,110
Bangla Phone Ltd.	-	-
Milky & Associates	116,602	116,602
Farnes & R	103,500	90,000
KK Enterprise	13,590,789	13,590,789
Partex Furniture	2,418,176	-
Unpaid dividend	14,001,371	4,467,266
Habib Intelligent Software Ltd.	196,400	-
Hi Yan Enterprise Ltd.	387,555	-
Spectrum Engineering Consortium Limited	939,477	9,945,058
Summit Communications Ltd.	6,715,629	1,678,629
ICB Securities Trading Company Limited	1,610,932	1,610,932
Payable to BTCL	90,671,715	4,214,875
Payable to BTCL Staff College(Focus Point)	23,000	23,000
BTCL Sorbojonin Puja Udjapon Parishad	50,000	-
New S.N. Motors	16,700	-
Payable to BTRC	7,148,961	3,947,379
Sony Chocolate Industries Ltd.	288,191	330,615
Huawei Technologies (BD). Limited	187,297	2,016,724
Sikder Filling & Service Station	139,164	139,794
Capital Law Chamber	146,280	146,280
ECCE,CUET	50,000	50,000
1st Clean Pest Specialist	-	4,000
ICAB Puja Udjapon Parishad	20,000	20,000
Kamal Trading Agency	-	3,738
M.J.Abedin & Co.	-	287,500
M.M.International	509,998	509,998
Civil Works Consultant Limited	44,100	44,100
OTOBI Ltd.	-	18,981
Next Tech Ltd.	5,600	16,800
Synkron Communications	20,795	-
Shakil Motors	71,474	-
Peshajibi Samonnoy Parishad	25,000	25,000
SA Rashid & Associates	28,750	28,750
Southern Automobiles Ltd.	54,877	34,508
Excursion & Resorts Bangladesh Ltd.	454,825	-
The Financial Express	19,851	181
Temporary Loan from Project Director # SMW5	1,000	1,000
M/S Gazi Store	-	68,850
M/S N.Islam Motor Works	92,985	-
Cyber Link	4,975	-
Caps Lock	8,000	-
Patuakhali Palli Biddut Samity	369,082	-
Bangladesh Association of Publicly Listed Companies	-	30,000
Telnet Communication Ltd.	3,675	7,700
The Daily ManobKantha	28,750	-

The Daily Janakantha
A-1 Pest Specialist Pte.Ltd.
Dhaka Stock Exchange Ltd.
Mashik Peshajibi Barta
BD ren
The Daily Observer

Amount in Taka	
31 Dec 2018	30 June 2018
-	37,260
8,000	-
600,000	-
20,000	-
12,540,000	-
22,480	22,066
<u>235,597,007</u>	<u>110,593,468</u>

22. Provision for income tax

Opening balance	323,622,564	299,126,594
Add: Provision made during the Period		
IPLC	4,518,704	6,150,278
IIG Unit	8,680,257	18,345,691
	<u>13,198,961</u>	<u>24,495,969</u>
	336,821,525	323,622,564
Less: Settlement for previous period:		
	-	-
	<u>336,821,525</u>	<u>323,622,564</u>

For the income year 2010-11 an amount of tk. 2,52,40,639 has been demanded by DCT against of which appeal is processed to High Court Division. For the income year 2012-13 after revised assessment of DCT the demand amount is Tk. 78,79,309 which has already been paid and receiving certificate is pending. We have filed an appeal for the Income year 2013-14 to the High Court Division. As per revised order of DCT Tk. 40,79,846/- has been deposited and receiving certificate is pending for the year 2014-15. Assessment Order of income year 2015-16 was received in which DCT demanded Tk.1,38,27,010/-and further appeal was made to the Tribunal and the Tribunal confirm on portion and set aside the other portion. Appeal was made to the Commissioner (Appeal) for set aside portion. Return of the income year 2016-2017 was filed to DCT for assessment and DCT demanded Tk. 4,68,30,131 for this year against which appeal was made to the Commissioner (Appeal).Return of Income year 2017-18 has also been filed with DCT.

23. Provision for WPPF and WF

Opening balance	14,693,423	19,475,633
Add: Provision made during the Period	15,196,231	14,693,423
	29,889,654	34,169,056
Less: Settlement for previous Period	14,693,423	19,475,633
	<u>15,196,231</u>	<u>14,693,423</u>

24. VAT Payable

VAT payable against Receivable	363,498,497	391,459,410
VAT payable against Deduction at source	173,061,106	53,882,871
	<u>536,559,603</u>	<u>445,342,281</u>

This represents the amount of Tk.36,34,98,497.00 VAT receivable from clients against revenue receivable from clients arising from International Private Leased Circuit (IPLC) rentals, IP transit service, and Co-location charges. In addition to that this amount of Tk. 17,30,61,106.00 includes VAT deducted from other parties and suppliers.

25. Liabilities for expenses

Office rent	4,800,000	4,800,000
Audit & other fees	23,000	115,000
Provision for different expenses	111,334	331,460
Telephone bill	26,110	41,602
Electricity bill	604,464	416,838
Donation	9,364	9,364
Accrued Interest on IDB loan	225,028,831	139,665,823
	<u>230,603,103</u>	<u>145,380,087</u>

	Amount in Taka		Amount in Taka	
	July-Dec-2018	July-Dec-2017	Oct-Dec-2018	Oct-Dec-2017
26. IPLC (International Private Leased Circuit) Rent				
SMW-4	352,292,470	339,087,294	176,108,124	166,688,610
SMW-5	308,429,115	71,433,511	177,630,933	44,823,926
	<u>660,721,585</u>	<u>410,520,805</u>	<u>353,739,057</u>	<u>211,512,536</u>

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

27 Circuit activation charge

Circuit Activation Charge-IPLC-SMW-4	1,300,000	940,000	-	420,000
Circuit Activation Charge-IPLC-SMW-5	9,190,000	-	-	-
Circuit Activation Charge-IP Transit (IIG Unit)	530,000	220,000	190,000	120,000
Circuit Activation Charge-ISP	-	140,000	80,000	140,000
Circuit Activation Charge-ISP (IIG Unit)	370,000	-	-	-
Circuit Activation Charge-Co-location	69,000	295,000	9,000	-
	<u>11,459,000</u>	<u>1,595,000</u>	<u>279,000</u>	<u>680,000</u>

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

28 IP Transit Service	<u>191,651,383</u>	<u>183,777,244</u>	<u>101,061,216</u>	<u>96,793,340</u>
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This represents the service charges for providing internet bandwidth to IIGs and ISPs.

29 Co-Location Charges

SMW-4	11,576,064	26,486,707	6,180,176	7,918,355
SMW-5	6,932,557	-	-	-
	<u>18,508,621</u>	<u>26,486,707</u>	<u>6,180,176</u>	<u>7,918,355</u>

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

30 IP Transit Service -Export	<u>28,055,700</u>	<u>48,804,000</u>	<u>10,193,700</u>	<u>24,588,000</u>
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Amount in Taka		Amount in Taka	
July-Dec-2018	July-Dec-2017	Oct-Dec-2018	Oct-Dec-2017

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

Referring to the note no-26-30, Bangladesh Submarine Cable Company Limited (BSCCL)'s turnover is mainly comprised of IPLC Rent, IP Transit Service and Co-location Service. BSCCL has implemented Regional Submarine Telecommunications Project, Bangladesh (SMW-5) Project and started providing service commercially through the system during the period under consideration. 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.

31 Electricity and generator fuel

Electricity bill	5,591,435	5,076,368	2,745,564	2,950,152
Fuel for generator	714,138	961,278	260,800	420,085
	<u>6,305,573</u>	<u>6,037,646</u>	<u>3,006,364</u>	<u>3,370,237</u>

This cost is directly related to cost of operation.

32 Landing station and cable route repair	<u>502,268</u>	<u>170,888</u>	<u>318,875</u>	<u>56,570</u>
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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	86,147,989	75,670,079	30,887,469	33,990,169
Data Connectivity & Fiber Core Charge	112,815	190,325	-	77,510
Revenue Sharing Cost	3,201,582	2,330,827	1,599,251	1,291,087
Co-location cost	-	416,300	-	-
	<u>89,462,386</u>	<u>78,607,531</u>	<u>32,486,720</u>	<u>35,358,766</u>

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

34 IP Transit Cost	<u>23,775,462</u>	<u>22,525,250</u>	<u>12,812,985</u>	<u>9,910,578</u>
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Amount in Taka		Amount in Taka	
July-Dec-2018	July-Dec-2017	Oct-Dec-2018	Oct-Dec-2017

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

35 Lease Rent	662,483	339,768	-	-
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This rent represents rent of leasing land of beachmanhole for Kuakata landing station from Parjaton Corporation.

36 Depreciation of core machinery	206,527,243	206,940,822	103,283,000	103,534,658
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This represents the depreciation charged on core machinery which are directly related to IPLC and IP transit revenue.

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

37 Operation and maintenance expenses

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

SEA-ME-WE-4	-	19,888,056	-	10,223,821
SEA-ME-WE-5	77,535,019	70,653,029	26,023,400	34,092,298
	77,535,019	90,541,085	26,023,400	44,316,119

Amount in Taka		Amount in Taka	
July-Dec-2018	July-Dec-2017	Oct-Dec-2018	Oct-Dec-2017

38 General and administrative expenses

Salary and allowances	46,564,905	43,598,142	24,178,021	20,961,169
Managing Director's remuneration	1,784,394	1,275,573	844,155	685,517
Festival bonus	3,090,820	3,310,355	-	-
Office rent	7,003,500	6,796,498	3,501,750	3,501,750
Repair and maintenance	1,560,463	1,153,890	1,011,371	462,603
Internet Expenses	105,450	-	105,450	-
Business Development Expenses	920,438	1,661,768	395,805	538,017
Fees and Subscription	679,871	665,438	636,407	623,298
Gratuity provision	5,842,649	2,820,276	675,420	1,221,138
Vehicles Maintenance	1,150,119	906,765	610,086	467,984
Board and other meetings fees	1,863,728	1,718,825	940,248	655,422
Consultancy fees	207,000	388,900	103,500	262,500
Audit Fees	-	92,000	-	92,000
Consortium meeting expenses	-	2,057,524	-	1,741,208
Advertisement and publicity expenses	1,118,206	1,148,037	721,140	305,478
Vehicles running expenses	1,351,828	1,462,046	629,484	672,905
Travelling & conveyance	834,196	602,052	495,993	319,853
Printing and Office stationery	1,392,604	467,169	1,183,153	171,113
Postage and courier expenses	26,399	31,977	10,765	19,555
Entertainment	767,900	1,050,331	365,812	496,063
AGM expenses	509,888	1,158,970	447,890	911,609
Bank charges and commission	478,739	397,417	367,004	307,758
Telephone Bill	28,362	96,742	1,500	62,450
Legal Fees	2,147,648	347,440	710,148	284,440
Rent, rates & taxes	-	354,480	-	350,000
Training Expenses	781,992	-	608,792	-
Books & Periodicals	33,120	28,050	20,161	14,118
Inauguration-SMW-5 expenses	-	3,156,304	-	2,400,475
Reception & Dinner	473,574	-	18,749	-
Recruitment expenses	537,300	-	537,300	-
National Integrity and Strategy / Training Expenses	627,393	207,520	261,755	114,500
	<u>81,882,486</u>	<u>76,954,488</u>	<u>39,381,860</u>	<u>37,642,923</u>

Amount in Taka		Amount in Taka	
July-Dec-2018	July-Dec-2017	Oct-Dec-2018	Oct-Dec-2017

39 Provision for bad & doubtful debts

Closing balance of provision for bad & doubtful debts	224,806,751	148,624,766	224,806,751	148,624,766
Less: Opening balance of provision for bad & doubtful debts	159,439,126	132,215,809	188,672,256	136,264,944
	<u>65,367,625</u>	<u>16,408,957</u>	<u>36,134,495</u>	<u>12,359,822</u>

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

40 Depreciation on property, plant and equipment 16,201,425 13,098,299 8,106,438 6,695,647

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

41 Bank interest and other income

Rest house rent and others	11,048,350	563,641	7,310,646	324,250
Interest on FDR & Others	50,123,190	21,691,968	24,970,648	10,981,528
Landing Station Cross Connection Charge	2,171,593	-	2,171,593	-
Dividend income	-	106,216	-	95,716
	<u>63,343,133</u>	<u>22,361,825</u>	<u>34,452,887</u>	<u>11,401,494</u>

42 Gain/(loss) on investment in shares

Opening market value of investment	35,974,737	40,150,006	34,440,163	41,092,171
Add: Investment during the period	-	-	-	-
Total cost of investment(B)	<u>35,974,737</u>	<u>40,150,006</u>	<u>34,440,163</u>	<u>41,092,171</u>
Closing Market Value of Investment (A)	34,941,158	39,955,363	34,941,158	39,955,363
Gain/(Loss)(A-B)	<u>(1,033,580)</u>	<u>(194,644)</u>	<u>500,995</u>	<u>(1,136,808)</u>

43 Current tax expense 13,198,961 10,690,324 6,762,996 4,550,736

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

	Amount in Taka		Amount in Taka	
	July-Dec-2018	July-Dec-2017	Oct-Dec-2018	Oct-Dec-2017
44 Deferred tax (income)/expense				
Closing balance of deferred tax liability	397,524,679	245,072,630	397,524,679	245,072,630
Opening balance of deferred tax liability	342,815,911	146,703,882	369,452,186	201,680,162
Deferred tax (income)/expense	<u>54,708,768</u>	<u>98,368,748</u>	<u>28,072,493</u>	<u>43,392,468</u>
45 Basic Earnings Per Share (EPS)				
Earnings attributable to the Ordinary Shareholders	236,016,900	9,727,789	158,180,791	5,963,080
Weighted average number of ordinary Shares outstanding during the year	<u>164,905,510</u>	<u>164,905,510</u>	<u>164,905,510</u>	<u>164,905,510</u>
Earnings Per Share (EPS)	<u>1.43</u>	<u>0.06</u>	<u>0.96</u>	<u>0.04</u>

The increase in EPS is the result of increase in ordinary course of business activities which has been disclosed in the notes 26 to 30 in the Revenue Part of the Statement of Profit and Loss and Other Comprehensive Income for the period under consideration. There was no Extraordinary Transactions during this period.

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

46 Net Asset Value	Amount in Taka	
	31 Dec 2018	30 June 2018
Total Assets	11,007,586,434	10,433,680,222
(-)Total Liabilities	<u>4,969,650,757</u>	<u>4,549,308,691</u>
	<u>6,037,935,677</u>	<u>5,884,371,531</u>
Number of Ordinary Shares of Tk. 10 each at Financial Position date	164,905,510	164,905,510
NAV-Per Share	<u>36.61</u>	<u>35.68</u>

Amount in Taka		Amount in Taka	
July-Dec-2018	July-Dec-2017	Oct-Dec-2018	Oct-Dec-2017

47 Net operating cash flows per share (NOCFPS)

Net cash flows from operating activities (A)	575,115,935	178,311,985
Number of Ordinary Shares of Tk. 10 each at Financial Position date	164,905,510	164,905,510
Net operating cash flows per share (NOCFPS)	<u>3.49</u>	<u>1.08</u>

Revenue of Bangladesh Submarine Cable Company Limited has been increased comparing to that of previous period of last year. Moreover, BSCCL has emphasized on revenue collection and took some stern steps for the realization which led to significant increment of Cash Received from clients as disclosed in the Statement of Cash Flows. Consequently Net Operating Cash Flow per Share of BSCCL has been increased comparing to that of previous period of last year. Please note that there was no cash flow due to Extraordinary Transactions during this period.

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

	Amount(Tk.)
	July-Dec-2018
Net Porfit Before Tax	303,924,630
Adjustment to reconcile profit to net cash provided by opeating activities:	
Depreciation	222,728,669
Financial Charges	85,363,008
Loss on Investment in Share	1,033,580
Provision for Bad debts	65,367,626
Other Income	(63,343,133)
(Increase)/Decrease in Advance Income tax	(60,841,621)
(Increase)/ Dcrease in other receivable	73,573,462
(Increase)/ Dcrease in debtors	(314,957,867)
(Increase)/ Dcrease in adv. & deposit	3,288,484
Increase/(Dcrease) in sundry creditors	116,911,307
Increase/(Dcrease) in Security Deposit	52,600,272
Increase/(Dcrease) in Employees Pension,Gratuity and PF	(2,112,619)
Increase/(Dcrease) in Provision for WPPF and WF	502,808
Increase/(Dcrease) in VAT Payable	91,217,322
Increase/(Dcrease) in Liability for Expenses	(139,992)
Net cash flows from operating activites	<u>575,115,935</u>

48 Contingent liabilities and commitments

- 48.1 There is a dispute between BSCCL and BTCL regarding office rent for office space used by BSCCL up to 30 June 2012. BTCL claimed Tk . 11,538,320 excluding VAT but BSCCL kept provision for Tk . 4,800,000. So there is a dispute for Tk. 6,738,320.
- 48.2 Charges relating to Licence fee and renewal fee of Tk. 3 (Three) Crore and 50 (fifty) lac.
- 48.3 1% Revenue sharing after getting Licence from BTRC.

49 Related party disclosures

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

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

- (a) Name of the Directors along with all related Firms/Companies/Institutions/Parties as at 31 December 2018.

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

- (b) Transactions with the following companies where the Directors of the company are related for the period ended 31 December 2018:

SI No.	Name of the company (Related party)	Name of the Director	Relationship of the Director with the company	Type of transaction	Transactions during the period	Period end balance
1	Bangladesh Telecommunications Company Limited	Mr.Shyam Sunder Sikder	Chairman	Bandwidth sale	206,274,405	1,008,530,666
2	Bangladesh Telecommunications Company Limited	Mr.Shyam Sunder Sikder	Chairman	Co-location Sale	-	21,463,462

3	Bangladesh Telecommunications Company Limited	Mr. Shyam Sunder Sikder	Chairman	Backhaul Purchase	70,687,311	70,687,311
4	Teletalk Bangladesh Ltd.	Mr. Shyam Sunder	Chairman	Bandwidth sale	6,210,000	7,930,093

(c) Transactions with the following companies where the Directors of the company are related for the period ended 31 December 2017:

Sl No.	Name of the company (Related party)	Name of the Director	Relationship of the Director with the	Type of transaction	Transactions during the period	Period end balance
1	Bangladesh Telecommunications Company Limited	Mr. Shyam Sunder Sikder	Director	Bandwidth sale	166,495,522	999,701,255
2	Bangladesh Telecommunications Company Limited	Mr. Shyam Sunder Sikder	Director	Co-location Sale	21,463,462	21,463,462
3	Bangladesh Telecommunications Company Limited	Mr. Shyam Sunder Sikder	Director	Backhaul Purchase	62,929,572	62,929,572
5	Teletalk Bangladesh Limited	Mr. Shyam Sunder Sikder	Director	Bandwidth sale	2,915,250	1,976,936

July- Dec-2018	July- Dec-2017
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(d) Key management personnels compensation

(i) MD's Remuneration

Short term employee benefits (salary and other allowances)

1,784,394	1,275,573
1,784,394	1,275,573

(ii) Other Management personnel remuneration and benefit

Salary

Bonus

46,564,905	43,598,142
3,090,820	3,310,355
49,655,725	88,862,904

(e) Director's Board Meeting Attendance Fees

293,851	442,668
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(f) Other Disclosures

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

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

6 Other allowances and commission including guarantee commission - Nil.

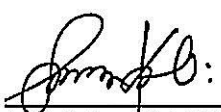

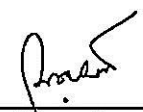
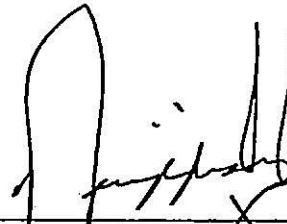

- i) Pensions
- ii) Gratuities
- iii) Payment from Provident Fund
- iv) Compensation for loss of office
- v) Consideration in connection with retirement from office

50 Segment information

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

51 Comparatives

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

				
Chief Financial Officer	Company Secretary	Managing Director	Director	Chairman

Dhaka
30 January 2019

Bangladesh Submarine Cable Company Limited

Schedule of Property, Plant & Equipment

As at 31 December 2018

Annexure-A
(Amount in Taka)

Name of assets	Cost				Rate	Accumulated depreciation				As at 31 Dec 2018
	As at 01 July 2018	Additions during the period	Adjustment during the period	As at 31 Dec 2018		As at 01 July 2018	Charged during the period	Adjustment during the period	As at 31 Dec 2018	
a. Freehold assets										
Land and land development	122,612,477			122,612,477	-	-	-	-	-	122,612,477
Core equipment-IPLC-SMW-4	2,661,109,442			2,661,109,442	10%	1,735,500,122	57,850,582	-	1,793,350,705	867,758,737
Core equipment-IPLC-SMW-5	5,539,614,370	2,115,657		5,541,730,027	5%	276,980,718	138,546,034	-	415,526,753	5,126,203,274
Core equipment-IIG	189,116,338	408,635		189,524,973	14.29%	88,218,713	10,130,626	-	98,349,339	91,175,634
Building	62,160,351			62,160,351	4%	18,333,710	876,533	-	19,210,243	42,950,108
Building-SMW-5	291,283,034			291,283,034	5%	14,564,152	7,282,076	-	21,846,228	269,436,806
Floor development	2,654,065			2,654,065	10%	1,886,194	38,394	-	1,924,588	729,477
Security barak & security wall	7,827,297			7,827,297	4%	2,399,990	108,546	-	2,508,536	5,318,761
Deep tube-well & pump house	2,343,837			2,343,837	10%	1,682,379	33,073	-	1,715,452	628,385
Deep tube-well & pump house-SMW-5	1,334,855			1,334,855	5%	66,743	33,371	-	100,114	1,234,741
Generator-500 KVA(SMW#5)	13,694,661			13,694,661	10%	1,369,466	684,733	-	2,054,199	11,640,462
500 KV sub-station	3,284,000			3,284,000	10%	2,767,778	32,264	-	2,800,042	483,958
500 KV sub-station-SMW-5	17,866,349			17,866,349	5%	866,223	446,659	-	1,312,882	16,553,467
Power system	35,631,806			35,631,806	10%	25,411,530	638,767	-	26,050,297	9,581,509
Power system-SMW-5	20,847,215			20,847,215	5%	1,042,361	521,180	-	1,563,541	19,283,674
Boundary wall	11,249,905			11,249,905	4%	2,689,514	171,208	-	2,860,722	8,389,183
Boundary wall-SMW-5	38,218,321			38,218,321	5%	1,910,916	955,458	-	2,866,374	35,351,947
Ducting from beach manhole	18,960,526			18,960,526	10%	9,621,759	583,673	-	10,205,432	8,755,094
Ducting from beach manhole-SMW-5	21,813,789			21,813,789	5%	1,090,689	545,345	-	1,636,034	20,177,755
Vehicles	52,391,512		1,500,000	50,891,512	20%	32,707,559	1,958,087	1,396,921	33,268,726	17,622,786
Office equipment and furniture	31,621,534	4,277,972		35,899,506	10%	10,266,319	1,097,020	-	11,363,339	24,536,167
Co-Location point	916,051			916,051	10%	265,255	32,540	-	297,795	618,256
Co-Location point-SMW-5	1,397,121			1,397,121	5%	49,237	34,928	-	84,165	1,312,956
Office decoration	4,623,522	67,438		4,690,960	10%	2,080,643	127,571	-	2,208,214	2,482,746
Sub-total	9,152,572,378	6,869,702	1,500,000	9,157,942,080		2,231,771,972	222,728,668	1,396,921	2,453,103,719	6,704,838,361
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 31 Dec 2018 (a+b)	9,499,133,939	6,869,702	1,500,000	9,504,503,641		2,231,771,972	222,728,668	1,396,921	2,453,103,719	7,051,399,922
Total balance as at 30 June 2018(a+b)	3,507,733,270	6,017,496,084	26,095,415	9,499,133,939		1,785,933,264	445,883,359	(44,651)	2,231,771,972	7,267,361,968