

Bangladesh Submarine Cable Company Limited
Statement of Financial Position (Un-audited)
As at 31 December 2021


	Notes	Amount in Taka	Amount in Taka
		31 Dec. 2021	30 June 2021
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	6,608,410,266	6,816,455,730
Capital Work in Progress SMW-6	4.1	4,048,086	4,048,086
Current Assets		9,674,428,086	7,086,118,261
Trade and other receivables	5	2,417,944,450	1,943,558,845
Advances and deposits	6	156,704,166	23,412,700
Advance income tax	7	1,079,101,993	1,169,718,384
Investment in shares	8	31,516,438	29,501,318
Cash and cash equivalents	9	5,989,161,038	3,919,927,014
TOTAL ASSETS		16,286,886,438	13,906,622,077
EQUITY AND LIABILITIES			
Shareholders' Equity		10,535,674,992	8,656,670,966
Share capital	10	1,649,055,100	1,649,055,100
Equity Money from GoB	11	2,410,000,000	1,660,000,000
Share premium	12	723,293,759	723,293,759
Tax holiday reserve	13	815,047,777	788,905,267
Revaluation reserve	14	1,033,365,096	1,037,294,938
Retained earnings	15	3,904,913,259	2,798,121,902
Non Current Liabilities		3,267,266,349	3,164,993,865
Deferred tax liabilities	16	604,094,301	606,110,821
Security deposits received from clients	17	441,299,610	357,068,437
Employees' pension, gratuity & provident fund	18	35,452,138	15,394,307
Long Term loan-net off current portion	19	2,186,420,299	2,186,420,299
Current Liabilities		2,483,945,097	2,084,957,245
Long Term loan-current portion	19	192,249,252	192,249,252
Sundry creditors	20	426,043,931	84,170,223
Provision for income tax	21	1,102,728,442	1,037,421,348
Provision for WPPF and WF	22	83,615,484	119,991,410
VAT payable	23	(3,186,244)	(25,398,163)
Liabilities for expenses	24	67,979,851	57,437,162
Amount to be distributed as dividend (Proposed)		-	610,150,387
Unclaimed Dividend Account	25	614,514,381	8,935,626
Total Liabilities		5,751,211,446	5,249,951,110
TOTAL EQUITY AND LIABILITIES		16,286,886,438	13,906,622,077
Net Asset Value per share	46	63.89	52.49


Chief Financial Officer


Company Secretary


Managing Director


Director


Chairman

Dated, Dhaka;
30 January 2022

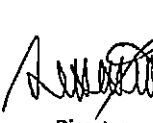
Bangladesh Submarine Cable Company Limited
Statement of Profit or Loss and Other Comprehensive Income (Un-audited)
For the Half-Year ended 31 December 2021

Notes	Amount in Taka		Amount in Taka		
	July-Dec.-2021	July-Dec.-2020	Oct-Dec.2021	Oct-Dec.2020	
Revenue					
IPLC (International Private Leased Circuit) rent	26	1,451,292,357	1,202,124,293	765,707,443	602,817,406
Circuit activation charge	27	9,110,000	6,991,000	9,019,313	4,128,000
IP Transit service	28	506,441,470	313,142,638	272,539,735	164,172,164
Co-location charges	29	48,666,580	39,659,767	21,849,125	20,035,719
IPLC-SMW-5-export	30	9,829,902	-	5,031,777	-
		2,025,340,309	1,561,917,698	1,074,147,394	791,153,289
Direct cost of operation					
Electricity and generator fuel	31	7,809,004	6,981,455	3,695,342	3,297,268
Landing station and cable route repair	32	2,769,857	658,232	1,352,284	310,700
Backhaul & data connectivity charge	33	48,445,462	48,157,144	24,581,059	23,446,441
IP transit cost	34	41,816,822	28,599,315	19,815,748	15,234,933
Lease rent	35	343,631	298,810	-	-
Depreciation of core machinery	36	216,999,451	212,933,294	108,789,751	106,488,275
		318,184,227	297,628,250	158,234,184	148,777,616
Gross profit		1,707,156,082	1,264,289,448	915,913,209	642,375,673
Operating expenses					
Operation and maintenance expenses	37	72,863,155	99,467,013	43,496,050	48,897,653
General and administrative expenses	38	129,620,745	108,909,916	61,947,264	55,223,926
Provision for bad & doubtful debts	39	34,615,777	68,595,900	28,779,390	3,759,404
Depreciation on property, plant and equipment	40	17,363,919	17,727,947	8,759,344	8,864,196
Exchange fluctuation loss/(gain)		11,418	(67,995)	(77,502)	(5,643)
		254,475,015	294,632,781	142,904,547	116,739,537
Operating profit		1,452,681,067	969,656,667	773,008,662	525,636,136
Non-operating income/(Expenses)					
Bank interest and other income	41	118,949,764	81,612,528	62,118,240	43,254,790
Financial and Other charges		(69,702,767)	(75,234,303)	(34,259,483)	(37,059,229)
Gain/(Loss) on investment in shares	42	2,015,121	16,219,988	(1,761,626)	8,416,626
		51,262,118	22,598,213	26,097,131	14,612,187
Profit before WPPF & WF		1,503,943,185	992,254,879	799,105,793	540,248,323
Provision for contribution to WPPF & WF		71,616,342	47,250,232	38,052,657	25,726,111
Profit before taxation		1,432,326,843	945,004,647	761,053,136	514,522,212
Current tax expenses	43	305,339,336	215,041,339	164,135,211	110,301,415
Deferred tax (income)/expenses	44	(2,016,519)	9,871,835	(2,552,310)	15,047,806
		303,322,817	224,913,174	161,582,901	125,349,221
Net profit after tax		1,129,004,026	720,091,473	599,470,235	389,172,991
Other Comprehensive Income ,net of tax					
Gain on revaluation of Property Plant and equipment		-	-	-	-
Total comprehensive income		1,129,004,026	720,091,473	599,470,235	389,172,991
Earnings Per Share (EPS) - Basic	45	6.85	4.37	3.64	2.36
Earnings Per Share (EPS) - Diluted	45.1	6.28	4.01	3.33	2.16


Chief Financial Officer


Company Secretary


Managing Director


Director


Chairman

Dated, Dhaka;
30 January 2022

Bangladesh Submarine Cable Company Limited
Statement of Changes in Equity (Un-audited)
For the Half-Year ended 31 December 2021

(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 2021	1,649,055,100	1,660,000,000	723,293,759	788,905,267	1,037,294,938	2,798,121,902	8,656,670,966
Transactions with shareholders:	-	-	-	-	-	-	-
Net profit after tax for the period	-	-	-	-	-	1,129,004,026	1,129,004,026
Equity money from GoB	-	750,000,000	-	-	-	-	750,000,000
Excess Depreciation of Revalued amount	-	-	-	-	(3,929,842)	3,929,842	-
Tax holiday reserve	-	-	-	26,142,510	-	(26,142,510)	-
Balance as at 31 December 2021	1,649,055,100	2,410,000,000	723,293,759	815,047,777	1,033,365,096	3,904,913,259	10,535,674,992
Balance as at 30 July 2020	1,649,055,100	1,660,000,000	723,293,759	741,577,846	336,165,684	1,639,922,628	6,750,015,018
Transactions with shareholders:	-	-	-	-	-	-	-
Net profit after tax for the period	-	-	-	-	-	720,091,472	720,091,473
Tax holiday reserve	-	-	-	19,574,913	-	(19,574,913)	-
Balance as at 31 Dec.2020	1,649,055,100	1,660,000,000	723,293,759	761,152,759	336,165,684	2,340,439,187	7,470,106,491


Chief Financial Officer


Company Secretary


Managing Director


Director


Chairman

Dated, Dhaka;
30 January 2022

Bangladesh Submarine Cable Company Limited

Statement of Cash Flows (Un-audited)

For the Half-Year ended 31 December 2021

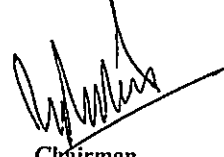
	Notes	Amount in Taka	
		July-Dec-2021	July-Dec-2020
A. Cash flows from operating activities			
Cash received from clients		1,967,194,994	1,485,294,473
Cash paid to suppliers and others		(295,016,348)	(176,638,149)
Exchange fluctuation loss/ (gain)		11,418	67,995
Payroll and other payments to employees		(229,901,067)	(86,621,499)
Income tax paid		(149,415,851)	(160,471,861)
Interest received		111,835,997	81,281,557
Receipts from rest house rent and others		18,870,052	387,882
Payment for WPPF/Gratuity		-	(56,339,112)
Net cash flow from operating activities	47.1	<u>1,423,579,196</u>	<u>1,086,961,286</u>
B. Cash flows from investing activities			
Purchase of property, plant and equipment		(28,642,116)	(11,639,100)
Investment in SMW-6		-	-
Dividend received		276,194	-
Net cash flow from/ (used in) investing activities		<u>(28,365,922)</u>	<u>(11,639,100)</u>
C. Cash flows from financing activities			
Dividend paid		(4,571,633)	(29,218,219)
Financial charges		(71,360,089)	(79,396,516)
Equity money received		750,000,000	-
Unclaimed IPO subscription		(47,527)	-
Loan repaid		-	(84,143,335)
Net cash flow from/(used in) financing activities		<u>674,020,751</u>	<u>(192,758,070)</u>
Net surplus/ deficit during the period (A+B+C)		<u>2,069,234,024</u>	<u>882,564,116</u>
Cash and cash equivalents at beginning of the period		<u>3,919,927,014</u>	<u>2,418,539,714</u>
Cash and cash equivalents at end of the period	9	<u><u>5,989,161,038</u></u>	<u><u>3,301,103,830</u></u>
Net Operating Cash Flows Per Share (NOCFPS)	47	<u><u>8.63</u></u>	<u><u>6.59</u></u>


Chief Financial Officer


Company Secretary


Managing Director


Director


Chairman

Dated, Dhaka;
30 January 2022

Bangladesh Submarine Cable Company Limited (BSCCL)
Notes to the Financial Statements
For the period ended 31 December 2021

1. Reporting entity

1.1 The Company

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

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

1.2 Nature of business

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

2. Basis of preparation of financial statements

2.1 Statement on compliance

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

2.2 Other regulatory compliances

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

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

2.3 Basis of measurement

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

2.4 Accrual basis of accounting

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

2.5 Presentation of financial statements

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

- (a) Statement of Financial Position as at 31 December 2021.
- (b) Statement of Profit or Loss and Other Comprehensive Income for the Period ended 31 December 2021.
- (c) Statement of Changes in Equity for the Period ended 31 December 2021.
- (d) Statement of Cash Flows for the Period ended 31 December 2021.
- (e) Notes, comprising summary of significant accounting policies and other explanatory information.

2.6 Functional and presentation currency

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

2.7 Use of estimates and judgments

The preparation of financial statements in conformity with International Financial Reporting Standards and International Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosure, during and at the date of the financial statements.

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

2.8 Materiality, aggregation and offsetting

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

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 6 (Six) months from 01 July 2021 to 31 December 2021.

2.11 Comparative information

Comparative information has been disclosed in respect of 01 July 2021 to 31 December 2021 in accordance with IAS 01: **Presentation of Financial Statements** for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current periods of financial statements. Prior year figure has been rearranged wherever considered necessary to ensure comparability with the current year.

3. Significant accounting policies

3.1 Property, plant and equipment

Recognition and measurement

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

Up to the financial period 31 December 2021, after recognition, items of property, plant and equipment are measured at cost less accumulated depreciation as per IAS 16: **Property, Plant and Equipment**.

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

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

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

Subsequent costs

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

Depreciation on Non-current assets

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

Name of Assets	Depreciation rate	Basis
Core equipment-IPLC-SMW-4	10%	Straight line
Core equipment-IIG	14.29%	Straight line
Core equipment-IPLC-SMW-5	5.00%	Straight line
Building -SMW-5	2.70%	Straight line
Building-SMW-4	4.00%	Straight line
Building-Low cost Quarter	2.50%	Straight line
Floor development	4.00%	Straight line
Security barak & security wall	4.00%	Straight line
Deep tube-well & pump house-SMW-4	-	Straight line
Deep tube-well & pump house-SMW-5	-	Straight line
500 KV sub-station-SMW-4	11.11%	Straight line
500 KV sub-station-SMW-5	3.13%	Straight line
Power system-SMW4	16.67%	Straight line
Generator-500KVA(SMW#5)	8.33%	Straight line
Power system-SMW5	5.88%	Straight line
Power System-IIG	33.33%	Straight line
Boundary wall-SMW-4	3.85%	Straight line
Boundary wall-SMW-5	2.70%	Straight line
Ducting from beach manhole-SMW-4	9.09%	Straight line
Ducting from beach manhole-SMW-5	6.25%	Straight line
Vehicles	10.00%	Straight line
Office equipment and furniture	5-10%	Straight line
Co-Location point-SMW-4	25.00%	Straight line
Co-Location point-SMW-5	5.88%	Straight line
Office decoration	10%	Straight line
Water Treatment Plant & Others	20%	Straight line
Surveillance System	20%	Straight line

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

Revaluation of property, plant and equipment

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

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

Details of revaluation of property, plant and equipment:

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

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

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

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

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

Details of revaluation of property, plant and equipment:

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

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

Impairment

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

Disposal of property, plant and equipment

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

3.2 Intangible assets and research and development expenditure

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

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

3.3 Borrowing costs

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

3.4 Authorization date for issuing financial statements

The financial statements were authorized by the Board of Directors on 30 January 2022 for issue after completion of review.

3.5 Revenue from contract with customers

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

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

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

Revenues primarily comprise of:

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

3.5.1 Revenue from International Private Leased Circuit (IPLC) Rent

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

3.5.2 Revenue from circuit activation charge

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

3.5.3 Revenue from IP Transit Service Fees

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

3.5.4 Revenue from co-location charges

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

3.5.5 Revenue from IP transit service – export

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

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

3.5.6 Revenue from investment income

(a) Interest income

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

(b) Dividends

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

3.6 Leases

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

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

3.7 Financial instruments

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

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

Classification and measurement of financial assets and financial liabilities

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

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

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

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

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

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

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

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

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

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

Financial assets at FVTPL

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

Financial assets at amortized cost

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

Debt investments at FVOCI

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

Equity investments at FVOCI

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

Impairment of financial assets

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

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

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

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

Presentation of impairment

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

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

3.8 Cash and cash equivalents

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

3.9 Earnings Per Share(EPS)

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

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary equity holders of the entity by the weighted average number of ordinary shares outstanding during the 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. The Board of Directors of BSCCL has approved in it's 195th BoD meeting held on 28th December 2021 issuance of 1,48,69,037 nos. of shares according to the recommendation of ICB Capital Management Ltd. being an issue manager. It is to be mentioned that 1,27,04,174 nos. of shares to be issued against Tk.1,40,00,00,000 received as equity money during the year 2015-2016 divided by the market value of Tk. 110.20 at the last working day of the financial year 2015-2016 and 21,64,863 nos. of shares to be issued against Tk. 26,00,00,000 received as equity money during the year 2016-2017 divided by the market value of Tk.120.10 at the last working day of the financial year 2016-2017. Please note that the above issuance is subject to approval of concerned Ministry, Shareholders and Bangladesh Securities and Exchange Commission.

3.10 Foreign currency transactions

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

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

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

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

3.11 Employee benefits

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

(a) Defined contribution plan (Provident fund)

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

(b) Defined Benefit Plan (Gratuity)

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The employee gratuity plan is considered as defined benefit plan as it meets the recognition criteria. The company's obligation is to provide the agreed benefits to current and former employees.

(c) Short-term employee benefits

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

3.12 Tax Holiday Reserve

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

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

3.13 Accruals, provisions and contingencies

(a) Accruals

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

(b) Provisions

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

(c) Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. At the reporting date the company does not have any contingent asset.

3.14 Statement of cashflows

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

3.15 Related party disclosures

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

3.16 Income tax

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

(a) Current tax

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

(b) Deferred tax

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

Taxable Temporary difference

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

Revaluations to fair value – Property, Plant and Equipment

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

Deductible temporary difference

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

3.17 Events after the Reporting period

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

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

Compliance with financial reporting standards as applicable in Bangladesh:

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

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	
		31- Dec.2021	30- June 2021
4	Property, plant and equipment		
	Cost/ revaluation (A)		
	Opening balance	10,375,599,670	10,321,328,540
	Add: Addition during the period	26,317,908	60,600,130
	Less: Adjustment during the period	-	(6,329,000)
		<u>10,401,917,577</u>	<u>10,375,599,671</u>
	Accumulated Depreciation (B)		
	Opening balance as reported	3,559,143,940	3,097,958,639
	Add: Charged during the period	234,363,371	466,970,644
		3,793,507,311	3,564,929,283
	Less: Adjustment during the period	-	(5,785,343)
		<u>3,793,507,311</u>	<u>3,559,143,940</u>
	Written Down Value (A-B)	<u>6,608,410,266</u>	<u>6,816,455,730</u>
	A schedule of property, plant & equipment is given in Annexure-A. Adjustment in Cost and Accumulated Depreciation is for non-current asset property plant & equipment.		
4.1	Capital Work in Progress SMW-6	<u>4,048,086</u>	<u>4,048,086</u>
	This represents previous year balance. During the year 2020-2021 an amount of USD 47,664.38 equivalent Tk.4,048,086 has been paid as SMW6 Pre C&MA under MOU cost. This amount will be recognised as asset after completion of the project.		
5	Trade and other receivables		
	Trade receivables	(Note: 5.1) 2,357,655,841	1,871,237,757
	Other receivables	(Note: 5.2) 60,288,609	72,321,088
		<u>2,417,944,450</u>	<u>1,943,558,845</u>
5.1	Trade receivables		
	Opening Balance	2,228,912,756	2,874,240,783
	Add: Addition during the period	2,538,907,292	3,836,827,477
		4,767,820,048	6,711,068,259
	Less: Collection/Adjustment during the period	(2,017,873,430)	(4,482,155,503)
	Closing Balance	2,749,946,618	2,228,912,756
	Less: Provision for bad and doubtful debts		
	Opening Balance	357,674,999	384,396,603
	Add: Addition during the period	34,615,777	(26,721,604)
		392,290,777	357,674,999
	Trade receivables, net of provision	<u>2,357,655,841</u>	<u>1,871,237,757</u>
5.2	Other receivables		
	Dividend	3,150	3,150
	ICB Securities Trading Co. Ltd.	416,131	17,416,131
	FDR Interest & Others	59,869,328	54,901,807
		<u>60,288,609</u>	<u>72,321,088</u>

		Amount in Taka			
		31- Dec.2021	30- June 2021		
6	Advances and Deposits				
	Advances				
	Advance to:				
	Sony Chocolate Industries Ltd. (Note: 6.1)	3,872,000	6,872,000		
	Employees against Expenses	797,053	1,254,350		
	ACE Autos (Pvt) Ltd.	-	20,162		
	Advance to Employee against Salary	1,786,954	1,187,554		
	Advance to BTRC (Submarine Cable License Acquisition Fees)	115,000,000	-		
	Bangladesh Porjoton Corporation	-	343,631		
	Deputy Commissioner of Customs CTG	8,147,619	8,147,619		
	Express Systems Ltd	5,473,500	-		
	James International	56,011	56,011		
	ICB Capital Management Ltd.	287,500	287,500		
	Pragati Life Insurance Ltd	511,200	-		
	Hamida Trader Ltd	15,648,839	-		
	Mustafa Tariq Hossain & Associates	670,500	670,500		
	Others	159,490	279,874		
		152,410,666	19,119,200		
	Deposits				
	Security deposit - Duncan Products Limited	5,000	5,000		
	BTCL - for phone line	23,000	23,000		
	UCB-locker Service	4,500	4,500		
	CDBL - as security deposit	500,000	500,000		
	Security deposit - BTRC for International Internet Gateway (IIG)	600,000	600,000		
	Security Deposit-Sikder Filing Station	100,000	100,000		
	Kamal Trading Agency	50,000	50,000		
	Southern Automobiles Ltd.	250,000	250,000		
	Patuakhali Palli Bidyut Samity	2,761,000	2,761,000		
		4,293,500	4,293,500		
		156,704,166	23,412,700		
6.1	Sony Chocolate Industries Ltd. (Advance for Office Rent)				
	Opening balance	6,872,000	12,872,000		
	Add: Paid during the period	-	-		
	Less: Adjustment during the period	(3,000,000)	(6,000,000)		
		3,872,000	6,872,000		
7	Advance Income Tax				
	Opening balance	1,169,718,384	603,695,577		
	Add: Payment made during the period	149,415,851	601,298,510		
		1,319,134,235	1,204,994,087		
	Less: Settlement/Adjustment (F-Y:2019-20)	(240,032,242)	(35,275,703)		
		1,079,101,993	1,169,718,384		
8	Investment in Shares				
	Sl. Ordinary shares of	Quantity	Cost price (Tk)	Market value	Market value
	1 AB Bank Limited	151,683	3,209,275	2,047,721	2,244,908
	2 ACI Limited	5,426	764,725	1,548,580	1,244,400
	3 BATASHOE	1,000	696,429	966,900	650,200
	5 IFIC Bank Limited	156,384	1,765,186	2,642,890	1,986,077
	6 Islami Bank BD Limited	39,091	951,084	1,250,912	1,161,003
	7 Jamuna Oil Limited	23,716	4,392,440	4,057,808	3,851,478
	8 M Petroleum	24,816	4,962,456	4,883,789	4,531,402
	9 NCC Bank Limited	200,736	1,698,208	3,071,261	2,930,746
	10 Padma Oil Limited	18,150	4,835,160	3,856,875	3,698,970
	11 Square Pharma	26,847	2,633,566	5,753,312	5,785,529
	12 Titas Gas	39,570	2,744,885	1,436,391	1,416,606
			28,653,413	31,516,438	29,501,318

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

		Amount in Taka	
		31- Dec.2021	30- June 2021
9	Cash and cash equivalents		
	Cash in hand	(Note: 9.1) 2,644,088	609,248
	Cash at bank	(Note: 9.2) 5,986,516,950	3,919,317,766
		<u>5,989,161,038</u>	<u>3,919,927,014</u>
9.1	Cash in hand		
	Head Office-Dhaka	1,843,790	181,562
	Landing Station-Kuakata	510,301	309,120
	Landing Station-Cox's Bazar	289,997	118,566
		<u>2,644,088</u>	<u>609,248</u>
9.2	Cash at bank		
	Savings and current deposits with:		
	Brac Bank Limited	676,251	676,318
	IFIC Bank Limited	196,804	314,831
	Mutual Trust Bank Limited	624,162,213	14,635,701
	Mutual Trust Bank Limited-Cox'sbazar	7,352,221	-
	National Bank Limited-Kuakata	45,722	6,527,272
	Agrani Bank Limited-Dhaka	749,959,072	-
	Agrani Bank Limited-Kuakata	3,993,315	-
	Sonali Bank Limited-Cox'sbazar	2,945,407	9,314,864
	Sonali Bank Limited-Dhaka	8,943,873	28,301,421
	The City Bank Limited	27,097,124	121,556,543
	United Commercial Bank Limited	20,657,059	172,705,923
		<u>1,446,029,060</u>	<u>354,032,874</u>
	Fixed deposits (FDR) with:		
	Agrani Bank Limited	1,144,583,084	948,990,297
	Bangladesh Development Bank Limited	465,717,727	239,317,303
	Bank Asia Ltd.	29,999,999	10,807,501
	BASIC Bank Limited	317,333,421	331,950,817
	Brac Bank Limited	74,228,910	28,698,433
	Exim Bank Ltd	20,000,001	-
	First Security Islami Bank Ltd.	52,360,262	50,516,250
	IFIC Bank Limited	247,730,084	355,565,728
	Jamuna Bank Limited	-	72,687,087
	Janata Bank Limited	677,639,161	250,070,000
	Meghna Bank Ltd.	50,580,192	30,000,000
	Mercantile Bank Limited.	71,605,000	50,000,000
	Mutual Trust Bank Limited	50,000,000	-
	NRB Commercial Bank Ltd.	120,525,000	40,000,000
	One Bank Limited	170,184,420	126,829,188
	Padma Bank Ltd	212,105,150	-
	Pubali Bank Limited	30,000,000	162,322,875
	Social Islami Bank Ltd.	106,172,845	71,890,000
	Sonali Bank limited	41,549,573	71,750,732
	Southeast Bank Ltd.	54,716,767	85,616,238
	Standard Bank Limited	92,476,292	90,045,333
	South Bangla Agricultur & Commerce Bank Ltd.	40,000,000	-
	The City Bank Limited	-	86,470,000
	Trust Bank Ltd.	21,050,000	40,000,000
	Union Bank Ltd.	307,950,000	301,757,111
	United Commercial Bank Limited	141,980,000	120,000,000
		<u>4,540,487,889</u>	<u>3,565,284,893</u>
		<u>5,986,516,950</u>	<u>3,919,317,766</u>

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

		Amount in Taka	
		31- Dec.2021	30- June 2021
10	Share capital		
	Authorized:	10,000,000,000	10,000,000,000
	1,000,000,000 ordinary shares of Taka 10 each		
	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	665,907,300	665,907,300
		1,649,055,100	1,649,055,100
11	Equity Money from GoB		
	Regional Submarine Telecommunications Project, Bangladesh-SMW-5	1,660,000,000	1,660,000,000
	Installation of 3rd Submarine Cable-SMW-6	750,000,000	-
		2,410,000,000	1,660,000,000
	<p>Tk.166 crore has been received (during the year 2015-16 Tk. 140 crore and 2016-17 Tk. 26 Crore)from Government for implementing the Regional Submarine Telecommunications Project, Bangladesh (Installation and Establishment of Second Submarine Cable System (SMW5) for International Telecommunications in Bangladesh). During the year 2021-2022 Tk. 75 crore has been received from Government for implementing the project named Installation of 3rd Submarine Cable for expansion of International Telecommunications System of Bangladesh.</p> <p>The Board of Directors of BSCCL has approved in it's 195th BoD meeting held on 28th December 2021 issuance of 1,48,69,037 nos. of shares according to the recommendation of ICB Capital Management Ltd. being an issue manager.It is to be mentioned that 1,27,04,174 nos. of shares to be issued against Tk.1,40,00,00,000 received as equity money during the year 2015-2016 divided by the market value of Tk. 110.20 at the last working day of the financial year 2015.2016 and 21,64,863 nos. of shares to be issued against Tk. 26,00,00,000 received as equity money during the year 2016-2017 divided by the market value of Tk.120.10 at the last working day of the financial year 2016.2017.Please note that the above issuance is subject to approval of concerned Ministry, Shareholders and Bangladesh Securities and Exchange Commission.</p>		
12	Share premium	723,293,759	723,293,759
	<p>In the year 2011-2012, total amount of Tk. 775,000,000 was received as share premium in respect of shares issued to shareholders. Net issue cost of Tk 51,706,241 was set off against share premium as per IAS 32: Financial Instruments: Presentation.</p>		
13	Tax holiday reserve		
	Opening balance	788,905,267	741,577,846
	Add: Current period's reserve	26,142,510	47,327,421
		815,047,777	788,905,267
14	Revaluation reserve		
	Opening balance	1,037,294,938	1,042,041,533
	Less: Adjustment for Excess Depreciation on Revalued Amount	(3,929,842)	(7,859,683)
	Less: Adjustment with deferred tax liability	-	3,113,088
		1,033,365,096	1,037,294,938

Amount in Taka	
31- Dec.2021	30- June 2021

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

15 Retained Earnings

Opening balance	2,798,121,902	1,513,286,463
Add: Profit for the period	1,129,004,026	1,907,331,861
Adjustment for Excess Depreciation on Revalued Amount	3,929,842	7,859,683
Adjustment for previous periods Tax	-	27,121,703
	3,931,055,770	3,455,599,710
Less: Amount to be distributed as dividend (Proposed)	-	610,150,387
Transferred to Tax Holiday Reserve	26,142,510	47,327,421
	26,142,510	657,477,808
	3,904,913,259	2,798,121,902

16 Deferred tax liabilities

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

Deferred tax relating to statement of profit or loss (Note: 16.1)	546,736,846	548,753,365
Deferred tax relating to other comprehensive income (Note: 16.2)	57,357,455	57,357,455
	604,094,301	606,110,821

16.1 Deferred tax relating to Statement of Profit or Loss

	Carrying Amount	Tax base	Taxable/ (deductible) temporary difference
	Taka	Taka	Taka
As at 31 Dec. 2021			
Property, plant and equipment (excluding land)	5,507,810,264	2,650,125,812	2,857,684,452
Accounts receivable (Note: 5.1)	2,357,655,841	2,749,946,618	(392,290,777)
Provision for pension, gratuity fund and provident fund, Leave Encashment (Note: 18)	(35,452,138)	-	(35,452,138)
Net Taxable Temporary Difference			2,429,941,537
Applicable tax rate			22.50%
Deferred tax liability			546,736,846
As at 30 June 2021			
Property, plant and equipment (excluding land)	5,713,620,812	2,901,647,660	2,811,973,152
Accounts receivable	1,871,237,757	2,228,912,756	(357,674,999)
Provision for pension, gratuity fund and provident fund (Note:18)	(15,394,307)	-	(15,394,307)
Net Taxable Temporary Difference			2,438,903,846
Applicable tax rate			22.50%
Deferred tax liability			548,753,365

		Amount in Taka	
		31- Dec.2021	30- June 2021
16.2	Deferred tax relating to other comprehensive income		
		Carrying Amount	Taxable/ (deductible) temporary difference
		Taka	Taka
	As at 31 Dec. 2021		
	Revaluation reserve on Land and Land Development	977,988,523	977,988,523
	Applicable tax rate	-	3.00%
	Deferred tax liability		<u>29,339,656</u>
	Add: Revaluation reserve on PPE other than land		124,523,554
	Applicable tax rate		22.50%
	Deferred tax liability on Other Assets		<u>28,017,800</u>
	Total Deferred Tax relating to other comprehensive income		<u><u>57,357,455</u></u>
	As at 30 June 2021		
	Revaluation reserve on Land and Land Development	977,988,523	977,988,523
	Applicable tax rate	-	3.00%
	Deferred tax liability		<u>29,339,656</u>
	Add: Revaluation reserve on PPE other than land		124,523,554
	Applicable tax rate		22.50%
	Deferred tax liability on Other Assets		<u>28,017,800</u>
	Total Deferred Tax relating to other comprehensive income		<u><u>57,357,455</u></u>
17	Security deposits received from clients		
	Opening Balance	357,068,437	294,955,533
	Add: Addition during the period	94,071,097	107,225,439
		451,139,533	402,180,971
	Less: Adjustment during the period	(9,839,924)	(45,112,535)
		<u>441,299,610</u>	<u>357,068,437</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)	13,684,752	1,592,234
	Employees' provident fund (Note: 18.3)	5,680,808	(6,879)
	Provision for Leave Encashment (Note:18.4)	2,277,626	-
		<u>35,452,138</u>	<u>15,394,307</u>
18.1	Employees' pension fund	<u>13,808,952</u>	<u>13,808,952</u>

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

		Amount in Taka	
		31- Dec.2021	30- June 2021
18.2	Employees' gratuity fund		
	Opening balance	1,592,234	3,611,732
	Add: Provision made during the period	12,092,518	16,890,968
		13,684,752	20,502,700
	Less: Paid/Transferred during the period	-	(18,910,466)
		<u>13,684,752</u>	<u>1,592,234</u>
18.3	Employees' provident fund		
	Opening balance	(6,879)	794,317
	Add: Employees' Contribution	2,843,844	5,176,665
	Employer's Contribution	2,843,844	5,176,665
	Less: Transferred to RCPF during the period	-	(11,154,526)
		<u>5,680,808</u>	<u>(6,879)</u>
18.4	Provision for Leave Encashment		
	Opening balance	-	-
	Add: Made during the period	2,277,626	-
	Less: Payment during the period	-	-
		<u>2,277,626</u>	<u>-</u>
19	Term Loan		
	Opening balance	2,378,669,551	2,730,693,883
	Received during the period	-	-
	Total IDB Loan	<u>2,378,669,551</u>	<u>2,730,693,883</u>
	Less: Payment during the period	-	(352,024,332)
		<u>2,378,669,551</u>	<u>2,378,669,551</u>
	Current portion of Long Term Loan	(192,249,252)	(192,249,252)
	Non-current portion of Long Term Loan	<u>2,186,420,299</u>	<u>2,186,420,299</u>

Term Loan Particulars:

Islamic Development Bank (IDB)

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

20 Sundry creditors

A.R Engineering	22,701	-
ACE Autos	-	83,237
Amader Somoy	32,601	32,601
Arra Technologies Ltd.	36,480	36,480
Bangladesh Science House	100,000	100,000
BD Jobs.Com	-	12,285
Biz Bangla Media Ltd.	-	108,675
Capital Law Chamber	8,280	146,280
Caps Lock	13,500	13,500
Cogent Communication Ltd	272,828	435,283
Credit Rating Information & Services Ltd	-	80,625
Cyber Link	1,225	1,225
DE-CIX(IIG)	347,214	433,290
Design Associates	-	47,899

	Amount in Taka	
	31- Dec.2021	30- June 2021
Elias Enterprise	-	47,380
Equinix Singapore PTE Ltd.	4,948,632	2,570,521
Express Systems Ltd.	2,021,500	2,021,500
Fames & R	-	264,025
Fiber@Home Ltd	6,065,367	6,898,833
H.S. Engineering	1,316,740	1,316,740
Habib Intelligent Software Ltd.	322,875	518,743
HKT Global (Singapore) Pte. Ltd.	4,905,248	3,672,301
Hurricane Electric Internet Service	5,128,872	2,405,538
Hussain Farhad & Co.	-	1,035,000
ICB Securities Trading Company Limited	450	1,617,982
Innovative Technology & Engineering	300	300
International Computers Solution	33,300	33,300
Irams Ltd	85,982	-
Kazi Mynul Hassan	107,875	107,875
Khondoker Advertisement	-	70,000
KK Enterprise	1,011,854	2,782,771
M/S MS Power Engineering	-	36,400
Milky & Associates	-	104,602
Mohammad Sanaullah & Associates	81,650	-
Murad Reza	143,750	143,750
Next Tech Ltd.	5,600	5,600
NRB Telecom Ltd.-IIG	12,500	10,000
NTT communications Ltd.	6,740,084	5,384,457
N.Islam Trading	79,516	-
Pabna Automobiles	-	9,130
Padakkhep Bangladesh	-	60,000
Payable to BTCL	50,677,452	18,950,735
Payable to BTRC	6,645,147	9,231,020
Payable to Kuakata-Revenue Stamp	1,720	-
Prochito IMC Ltd.	-	123,140
Pradip Electric	7,175	-
Rich Digital Communications	2,370	2,370
Royal Office Equipment	-	16,000
S.A. Basher & Co, Ltd.	103,828	207,656
S.F.Ahmed & Co.	-	379,500
S.T. Enterprise	41,918	41,918
SA Rashid & Associates	28,750	28,750
Sadhan Das & Co.	10,710	64,300
Sharebazarnews.com	-	4,025
Sikder Filling & Service Station	165,667	-
Sony Chocolate Industries Ltd.	510,658	278,723
Southern Automobiles Ltd.	85,147	37,291
Spectrum Engineering Consortium Limited	184,492	589,492
Summit Communications Ltd.	2,418,320	1,676,004
Suraya Parveen & Associates	56,925	56,925
Sys solution	23,000	-
Telecom Italia Sparkle Ltd.	13,580,706	15,818,964
Telephone Shilpa Sangstha Ltd.	673,208	673,208
Telnet Communication Ltd.	7,350	3,675
Temporary Loan from Ex-Project Director # SMW5	1,000	1,000
The Daily Kaler Kantho	-	37,260
The Daily Jugantor	46,575	-
The Daily Observer	27,946	78,526

	Amount in Taka	
	31- Dec.2021	30- June 2021
The Daily Our Time	-	22,273
The Daily Sun	-	16,860
The Daily Vorer Kagoj	-	27,945
The Financial Express	183	62,002
Unclaimed IPO subscription	61,574	109,101
Unearned Revenue-Saudi Telecom Company & Orange Telecom	312,203,848	2,759,200
Urban Solution	70,273	-
Withholding tax payable	4,561,064	224,232
	<u>426,043,931</u>	<u>84,170,222</u>

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

21 Provision for income tax

Opening balance	1,037,421,348	633,906,543
Add: Provision made during the period	305,339,336	459,812,378
Add: Provision for the year-2014-2015	-	5,648,994
Less: Settlement for the year 2019-20	(240,032,242)	(61,946,567)
	<u>1,102,728,442</u>	<u>1,037,421,348</u>

22 Provision for WPPF and WF

Opening balance	119,991,410	62,599,014
Add: Provision made during the period	71,616,342	119,991,410
	191,607,752	182,590,424
Less: Settlement for previous period	(107,992,268)	(62,599,014)
	<u>83,615,484</u>	<u>119,991,410</u>

23 VAT

VAT payable against Receivable	(8,857,712)	(45,356,439)
VAT payable against Deduction at source	5,671,468	19,958,276
	<u>(3,186,244)</u>	<u>(25,398,163)</u>

The amount of Tk. (88,57,712) represents advance VAT paid to NBR which is adjustable against VAT receivable from clients related to revenue receivable arising from International Private Leased Circuit (IPLC) rentals, IP transit service, and Co-location charges. In addition to that the amount of Tk. 56,67,158 includes VAT deducted from other parties and suppliers.

24 Liabilities for expenses

Office rent	4,800,000	4,800,000
Audit & other fees	161,000	161,000
Provision for different expenses	-	428,447
Telephone bill	133,253	130,166
Electricity bill	777,852	290,831
Payable for Cable route shifting SMW4	22,138,350	10,000,000
	28,010,455	15,810,444
Accrued Interest on IDB loan	39,969,396	41,626,718
	<u>67,979,851</u>	<u>57,437,162</u>

Amount in Taka	
31- Dec.2021	30- June 2021

25 **Unclaimed Dividend Account**
Year wise details of unclaimed dividend is given below:

Year		
2011-2012	-	404,808
2012-2013	-	188,133
2013-2014	-	524,594
2014-2015	-	1,603,322
2015-2016	-	945,351
2016-2017	-	794,397
2017-2018	401,664	401,664
2018-2019	1,926,705	1,967,756
2019-2020	2,035,625	2,105,601
2020-2021	610,150,387	-
	614,514,381	8,935,626

Amount In Taka		Amount in Taka	
July-Dec-2021	July-Dec-2020	Oct- Dec 2021	Oct- Dec 2020

26 IPLC (International Private Leased Circuit) Rent

SMW-4	451,443,447	374,774,316	232,397,013	169,236,296
SMW-5	999,848,911	827,349,977	533,310,431	433,581,111
	<u>1,451,292,357</u>	<u>1,202,124,293</u>	<u>765,707,443</u>	<u>602,817,406</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	1,420,000	1,430,000	1,420,000	800,000
Circuit Activation Charge-IPLC-SMW-5	5,835,000	4,390,000	6,224,313	2,765,000
Circuit Activation Charge-IIG	720,000	320,000	520,000	210,000
Circuit Activation Charge-ISP(IIG)	62,000	30,000	2,000	-
Circuit Activation Charge-ITC	-	-	-	-
Circuit Activation Charge-Co-location-IIG	3,000	-	3,000	-
Circuit Activation Charge-Co-location-SMW-4	300,000	200,000	150,000	150,000
Circuit Activation Charge-Co-location-SMW-5	770,000	621,000	700,000	203,000
	<u>9,110,000</u>	<u>6,991,000</u>	<u>9,019,313</u>	<u>4,128,000</u>

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

28 IP Transit Service

Local	501,579,470	313,142,638	267,677,735	164,172,164
Export	4,862,000	-	4,862,000	-
	<u>506,441,470</u>	<u>313,142,638</u>	<u>272,539,735</u>	<u>164,172,164</u>

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

29 Co-Location Charges

SMW-4	20,037,908	16,285,058	8,737,321	8,118,443
SMW-5	28,511,248	23,316,785	13,048,842	11,888,315
IP Transit -IIG	117,424	57,924	62,962	28,962
	<u>48,666,580</u>	<u>39,659,767</u>	<u>21,849,125</u>	<u>20,035,719</u>

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

30 IPLC -Export(SMW#5)

	9,829,902	-	5,031,777	-
	<u>9,829,902</u>	<u>-</u>	<u>5,031,777</u>	<u>-</u>

This represents partial recognition of total amount (i.e. 3.6 million USD) received from Saudi Telecom Company against transfer of capacity equivalent to 25.31% of BSCCL's capacity between Yanbou-Toulon-Marseilles segments based on IRU and also partial recognition of total amount (i.e.USD 175000) against transfer of 0.13x100G capacity between Equinix, Singapore and Marseilles france based on IRU considering the remaining cable life(i.e.16 years) of SMW-5 according to comply the criteria mentioned in the IFRS-15.

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

Amount in Taka		Amount in Taka	
July-Dec-2021	July-Dec-2020	Oct- Dec 2021	Oct- Dec 2020

31 Electricity and generator fuel

Electricity bill	6,554,244	6,042,255	3,245,342	2,826,868
Fuel for generator	1,254,760	939,200	450,000	470,400
	<u>7,809,004</u>	<u>6,981,455</u>	<u>3,695,342</u>	<u>3,297,268</u>

This cost is directly related to cost of operation.

32 Landing station and cable route repair

	<u>2,769,857</u>	<u>658,232</u>	<u>1,352,284</u>	<u>310,700</u>
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This cost is directly related to cable route and landing station maintenance for Cox's Bazar, Kuakata.

33 Backhaul & Data Connectivity Charge

Backhaul Charge	44,053,473	44,353,181	22,427,281	21,765,450
Data Connectivity & Fiber Core Charge	234,231	212,310	118,151	106,155
Revenue Sharing Cost	4,142,758	3,289,153	2,028,127	1,567,336
License & Membership fees	-	287,500	-	-
Co-location cost	15,000	15,000	7,500	7,500
	<u>48,445,462</u>	<u>48,157,144</u>	<u>24,581,059</u>	<u>23,446,441</u>

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

34 IP Transit Cost

	<u>41,816,822</u>	<u>28,599,315</u>	<u>19,815,748</u>	<u>15,234,933</u>
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This cost represents the cost of purchasing IP bandwidth from Telecom Italia Sparkle, NTT Communications Ltd, Equinix Singapore Pte Ltd. and Cogent Communications Ltd, DE-ICX(IIG),PCCW (HKT) Global (Singapore) Pte. Ltd., Hurricane Electric Internet Service.

35 Lease Rent

	<u>343,631</u>	<u>298,810</u>	<u>-</u>	<u>-</u>
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This rent represents rent of leasing land of beach manhole for Kuakata landing station from Bangladesh Parjaton Corporation.

36 Depreciation of core machinery

	<u>216,999,451</u>	<u>212,933,294</u>	<u>108,789,751</u>	<u>106,488,275</u>
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This represents the depreciation charged on core machinery which are directly related to IPLC and IP transit revenue. For further details Annexure-A is referred.

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	1,614,956	15,770,338	1,614,956	7,464,754
SEA-ME-WE-5	71,248,198	83,696,675	41,881,094	41,432,899
	<u>72,863,155</u>	<u>99,467,013</u>	<u>43,496,050</u>	<u>48,897,653</u>

38 General and administrative expenses

	Amount in Taka		Amount in Taka	
	July-Dec-2021	July-Dec-2020	Oct- Dec 2021	Oct- Dec 2020
Advertisement and publicity expenses	1,824,110	1,456,756	1,174,512	788,435
AGM expenses	908,070	620,288	908,070	620,288
Bank charges and commission	1,892,552	1,288,191	1,129,975	709,594
Board and other meetings fees	3,304,390	2,714,881	2,400,145	1,386,833
Books & Periodicals	22,085	12,086	11,425	9,840
Business Development Expenses	3,920,150	687,359	1,146,894	528,237
Consortium meeting expenses	-	-	-	-
Consultancy fees	149,275	888,750	23,350	634,025
CSR Expenses	2,285,000	3,766,328	285,000	3,036,725
Entertainment	1,498,839	910,258	857,406	561,072
Fees and Subscription	213,287	254,970	65,068	51,301
Festival bonus	5,128,890	-	-	-
Gratuity provision	12,092,518	8,011,873	2,077,950	1,391,258
Innovation Expenses	52,004	314,141	52,004	273,392
Insurance Premium	-	3,881	-	3,881
Internet Expenses	-	-	-	-
Legal Fees	534,191	604,612	313,368	190,970
Managing Director's remuneration	1,731,000	1,403,590	865,500	1,029,205
Medical Expenses	8,469	24,801	1,826	12,232
National Integrity and Strategy Training Exp.	126,582	478,595	99,074	397,695
Newspaper & Periodicals	5,778	7,130	3,655	4,666
Office Expenses	494,192	456,583	318,146	284,579
Office rent	9,804,900	9,804,900	4,902,450	4,902,450
Postage and courier expenses	23,862	23,110	11,102	16,760
Printing and Office stationery	1,019,953	1,024,766	811,755	813,904
Reception & Dinner	-	-	-	-
Recruitment expenses	636,825	88,852	636,825	88,852
Rent, rates & taxes	350,000	360,328	350,000	10,328
Repair and maintenance	1,881,712	1,506,421	1,225,861	849,075
Salary and allowances	75,712,094	68,575,781	39,931,610	34,658,630
Telephone Bill	42,042	26,580	17,462	2,000
Training Expenses	797,025	386,413	569,807	241,063
Travelling & conveyance	752,466	1,072,452	449,896	693,291
Vehicles Maintenance	950,091	909,208	522,459	339,038
Vehicles running expenses	1,458,393	1,226,032	784,670	694,311
	<u>129,620,745</u>	<u>108,909,916</u>	<u>61,947,264</u>	<u>55,223,926</u>

39 Provision for bad & doubtful debts

Closing balance of provision for bad & doubtful debts	392,290,777	452,992,503	392,290,776	452,992,503
Less: Opening balance of provision for bad & doubtful debts	(357,674,999)	384,396,603	363,511,386	449,233,099
	<u>34,615,777</u>	<u>68,595,900</u>	<u>28,779,390</u>	<u>3,759,404</u>

40 Depreciation on property, plant and equipment

	<u>17,363,919</u>	<u>17,727,946</u>	<u>8,759,344</u>	<u>8,864,196</u>
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This represents the depreciation charged on other than core machinery. For further details Annexure-A is referred.

41 Bank interest and other income

Rest house rent and others	522,976	387,882	282,276	210,499
Other Income	1,347,076	355,315	23,967	186,797
Interest on FDR & Others	116,803,518	80,869,331	61,717,443	42,857,494
Charge for backhaul shifting	-	-	-	-
Dividend income	276,194	-	94,554	-
	<u>118,949,764</u>	<u>81,612,528</u>	<u>62,118,240</u>	<u>43,254,790</u>

	Amount in Taka		Amount in Taka	
	July-Dec-2021	July-Dec-2020	Oct- Dec 2021	Oct- Dec 2020
42 Gain/(Loss) on investment in shares				
Opening market value of investment	29,501,318	25,201,905	33,278,065	33,005,267
Add: Investment during the period	-	-	-	-
Total cost of investment(B)	29,501,318	25,201,905	33,278,065	33,005,267
Closing Market Value of Investment (A)	31,516,439	41,421,893	31,516,439	41,421,893
Gain/(Loss)(A-B)	<u>2,015,121</u>	<u>16,219,988</u>	<u>(1,761,626)</u>	<u>8,416,626</u>
43 Current tax expense	<u>305,339,336</u>	<u>215,041,339</u>	<u>164,135,211</u>	<u>110,301,415</u>
Detail calculation of current tax expenses has presented in Annexure - B.				
44 Deferred tax (income)/expense				
Closing balance of deferred tax liability	546,736,846	531,590,246	546,736,846	531,590,246
Opening balance of deferred tax liability	548,753,365	521,718,411	549,289,156	516,542,440
Deferred tax (income)/expense	<u>(2,016,519)</u>	<u>9,871,835</u>	<u>(2,552,310)</u>	<u>15,047,806</u>
45 Basic Earnings Per Share (EPS)				
Earnings attributable to the Ordinary Shareholders	1,129,004,026	720,091,473	599,470,235	389,172,991
Weighted average number of ordinary Shares outstanding during	164,905,510	164,905,510	164,905,510	164,905,510
Earnings Per Share (EPS)-Bsic	<u>6.85</u>	<u>4.37</u>	<u>3.64</u>	<u>2.36</u>
Earnings Per Share (EPS)-Dilluted	<u>6.28</u>	<u>4.01</u>	<u>3.33</u>	<u>2.16</u>

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

45.1 Diluted earnings per share has been calculated considering the potential 1,48,69,037 nos. of shares according to the recommendation of ICB Capital Management Ltd. being an issue manager as approved by the Board of Director's in it's 195th BoD meeting held on 28th December 2021. It is to be mentioned that 1,27,04,174 nos. of shares to be issued against Tk. 1,40,00,00,000 received as equity money during the year 2015-2016 divided by the market value of Tk. 110.20 at the last working day of the financial year 2015-2016 and 21,64,863 nos. of shares to be issued against Tk. 26,00,00,000 received as equity money during the year 2016-2017 divided by the market value of Tk. 120.10 at the last working day of the financial year 2016.2017. Please note that the above issuance is subject to approval of concerned Ministry, Shareholders and Bangladesh Securities and Exchange Commission.

	Amount in Taka	
	31 Dec, 2021	30 June 2021
46 Net Asset Value		
Total Assets	16,286,886,438	13,906,622,077
Less: Total Liabilities	5,751,211,446	5,249,951,110
	<u>10,535,674,992</u>	<u>8,656,670,967</u>
Number of Ordinary Shares of Tk. 10 each at Financial Position	164,905,510	164,905,510
NAV-Per Share	<u>63.89</u>	<u>52.49</u>

Amount in Taka		Amount in Taka	
July-Dec-2021	July-Dec-2020	Oct- Dec 2021	Oct- Dec 2020

47 Net operating cash flows per share (NOCFPS)

Net cash flows from operating activities (A)	1,423,579,196	1,086,961,286
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)	8.63	6.59

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

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

	Amount (Tk.)	Amount (Tk.)
	July-Dec-2021	July-Dec-2020
Net Profit Before Tax	1,432,326,843	945,004,646
Adjustment to reconcile profit to net cash provided		
Depreciation	234,363,371	230,661,240
Financial Charges	69,702,767	75,234,303
Loss/(gain) on Investment in Share	(2,015,121)	(16,219,988)
Loss on disposal of fixed assets	-	-
Provision for Bad debts	34,615,777	68,595,900
Exchange fluctuation gain/loss	11,418	67,995
Other Income	(118,949,764)	(81,612,528)
(Increase)/Decrease in Provision for income tax	(240,032,242)	-
(Increase)/Decrease in Advance Income tax	90,616,391	(160,471,860)
(Increase)/ Decrease in adv. & deposit	(133,291,466)	(3,323,740)
(Increase)/ Decrease in debtors	(521,033,862)	(125,783,376)
(Increase)/ Decrease in other receivable	130,706,049	81,669,439
Increase/(Decrease) in sundry creditors	344,234,026	34,214,261
Increase/(Decrease) in Security Deposit	84,231,173	69,002,644
Increase/(Decrease) in Employees Pension, Gratuity and PF	20,057,832	(1,325,537)
Increase/(Decrease) in Provision for WPPF and WF	(36,375,926)	(9,088,880)
Increase/(Decrease) in VAT Payable	22,211,919	(19,842,493)
Increase/(Decrease) in Liability for Expenses	12,200,011	179,259
Net cash flows from operating activities	1,423,579,196	1,086,961,286

48 Contingent liabilities and commitments

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

(i) BTCL claim office rent:

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

(ii) Income Tax:

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

49 Related party disclosures

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

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

(a) Name of the Directors along with all related Firms/Companies/Institutions/Parties as at 31 December 2021.

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

(b) Transactions with the following companies where the Directors of the company are related for the period ended 31 Dec. 2021:

Sl No.	Name of the company (Related party)	Name of the Director	Relationship of the Director with the company	Type of transaction	Transactions during the period
1	Bangladesh Telecommunications Company Limited	Mr. Md.Khalilur Rahman	Chairman	Bandwidth sale	266,673,462
2	Bangladesh Telecommunications Company Limited	Mr. Md.Khalilur Rahman		Backhaul Purchase	31,531,049
3	Bangladesh Telecommunications Company Limited	Mr. Md.Khalilur Rahman		Port charge	9,450
4	Bangladesh Telecommunications Company Limited	Mr. Md.Khalilur Rahman		Co-location Service	302,400
5	Teletalk Bangladesh Ltd.	Mr. Md.Khalilur Rahman		Co-location Service	65,455
6	Teletalk Bangladesh Ltd.	Mr. Md.Khalilur Rahman		Bandwidth sale	22,048,110

(c) Outstanding balances at 31 December 2021

Sl. No.	Name of the company (Related party)	Name of the Director	Relationship of the Director with the company	Type of transaction	Opening balance 01.07.2021	Amount of transaction during the year 2021-2022		Closing balance 31.12.2021
						Addition	Adjustment/ Received	
1	Bangladesh Telecommunications Company Limited	Mr. Md.Khalilur Rahman	Chairman	Bandwidth sale	349,699,131	266,673,462		616,372,593
2	Bangladesh Telecommunications Company Limited	Mr. Md.Khalilur Rahman		Co-location Sale	21,463,462	-	-	21,463,462
3	Bangladesh Telecommunications Company Limited	Mr. Md.Khalilur Rahman		Backhaul Purchase	47,041,260	31,531,049	(301,887)	78,270,422
4	Bangladesh Telecommunications Company Limited	Mr. Md.Khalilur Rahman		Backhaul (Co-location) Purchase	151,200	302,400	-	453,600
5	Bangladesh Telecommunications Company Limited	Mr. Md.Khalilur Rahman		Port charge	47,250	9,450	-	56,700
6	Teletalk Bangladesh Ltd.	Mr. Md.Khalilur Rahman		Bandwidth sale	28,146,595	22,048,110	(25,498,604)	24,696,101
7	Teletalk Bangladesh Ltd.	Mr. Md.Khalilur Rahman		Co-location Sale	93,062	65,455	(120,250)	38,267

50 Segment information

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

51 Comparatives


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


Chief Financial Officer


Company Secretary


Managing Director


Director


Chairman

Dated, Dhaka;
30 January 2022

Bangladesh Submarine Cable Company Limited
Schedule of Property, Plant & Equipment
As at 31 December 2021

Annexure-A

Name of assets	Cost						Accumulated depreciation					WDV as at 31 Dec. 2021
	As at 01 July 2021	Impairment	As at 01 July 2021	Additions during the period	Adjustment during the period	As at 31 Dec. 2021	Rate	As at 01 July 2021	Charged during the period	Adjustment during the period	As at 31 Dec. 2021	
A. Freehold assets (cost less accumulated depreciation)												
Land and land development	122,611,477	-	122,611,477	-	-	122,611,477	-	-	-	-	-	122,611,477
Core equipment-IPLC-SMW-4	2,603,865,991	-	2,603,865,991	-	-	2,603,865,991	10.00%	2,031,047,895	57,281,810	-	2,088,329,705	515,536,286
Core equipment-IPLC-SMW-5	5,636,245,073	-	5,636,245,073	18,377,639	-	5,654,622,712	5.00%	1,118,091,678	141,766,595	-	1,259,858,273	4,394,764,439
Core equipment-IIG	250,590,980	-	250,590,980	460,000	-	251,050,980	14.29%	179,246,793	17,951,047	-	197,197,840	53,853,141
Building-SMW-4	63,415,462	-	63,415,462	-	-	63,415,462	4.00%	27,350,060	751,363	-	28,101,423	35,314,039
Building-Low cost Quarter-SMW4	5,242,135	-	5,242,135	-	-	5,242,135	2.50%	131,053	65,527	-	196,580	5,045,555
Building-SMW-5	288,918,374	-	288,918,374	-	-	288,918,374	2.70%	50,320,176	3,327,099	-	53,647,275	235,271,099
Floor development	2,535,402	-	2,535,402	-	-	2,535,402	4.00%	2,035,022	10,425	-	2,045,447	489,955
Security barak & security wall	7,827,297	-	7,827,297	-	-	7,827,297	4.00%	3,485,452	90,455	-	3,575,907	4,251,390
Deep tube-well & pump house	2,193,635	-	2,193,635	-	-	2,193,635	0.00%	1,792,622	-	-	1,792,622	401,013
Deep tube-well & pump house-SMW-5	1,334,855	-	1,334,855	-	-	1,334,855	0.00%	200,228	-	-	200,228	1,134,627
Generator-500 KVA(SMW#5)	18,414,231	-	18,414,231	-	-	18,414,231	8.33%	6,598,433	537,082	-	7,135,515	11,278,717
500 KV sub-station	3,284,000	-	3,284,000	-	-	3,284,000	11.11%	2,939,852	21,509	-	2,961,362	322,638
500 KV sub-station-SMW-5	13,146,779	-	13,146,779	-	-	13,146,779	3.13%	2,321,229	174,606	-	2,495,835	10,650,944
Power system	48,160,046	-	48,160,046	-	-	48,160,046	16.67%	31,332,172	1,682,787	-	33,014,960	15,145,086
Power system-SMW-5	21,036,315	-	21,036,315	-	-	21,036,315	5.88%	4,180,145	526,755	-	4,706,900	16,329,415
Power system-IIG	387,555	-	387,555	-	-	387,555	33.33%	232,533	38,756	-	271,288	116,267
Boundary wall	9,946,329	-	9,946,329	-	-	9,946,329	3.85%	4,408,390	110,759	-	4,519,149	5,427,180
Boundary wall-SMW-5	38,218,321	-	38,218,322	952,895	-	39,171,217	2.70%	6,610,736	465,464	-	7,076,199	32,095,017
Ducting from beach manhole	18,769,788	-	18,769,788	-	-	18,769,788	9.09%	12,575,783	309,700	-	12,885,484	5,884,304
Ducting from beach manhole-SMW-5	21,813,789	-	21,813,789	-	-	21,813,789	6.25%	4,430,926	579,429	-	5,010,355	16,803,434
Vehicles	48,862,012	-	48,862,012	5,371,100	-	54,233,112	10.00%	36,619,252	1,740,573	-	38,359,826	15,873,286
Office equipment and furniture	34,467,517	-	34,467,517	1,108,595	-	35,576,112	5-10%	20,549,952	2,407,040	-	22,956,992	12,619,120
Co-Location point	1,768,031	-	1,768,031	-	-	1,768,031	25.00%	762,973	167,510	-	930,483	837,548
Co-Location point-SMW-5	1,380,694	-	1,380,694	-	-	1,380,694	5.88%	259,024	35,052	-	294,076	1,086,618
Office decoration	7,993,459	-	7,993,459	47,679	-	8,041,138	10.00%	3,542,068	337,409	-	3,879,478	4,161,660
Water Treatment Plant & Others	186,120	-	186,120	-	-	186,120	20.00%	125,424	7,587	-	133,011	53,109
Surveillance System	471,925	-	471,925	-	-	471,925	20.00%	94,385	47,193	-	141,578	330,348
Sub-total	9,273,087,592	-	9,273,087,593	26,317,908	-	9,299,405,500		3,551,284,258	230,433,529	-	3,781,717,788	5,517,687,713
Incremental value of revalued Freehold assets												
(i) As per valuation based on Financial Statement as on 30 June 2020												
Land and land development	631,425,962	-	631,425,962	-	-	631,425,962	-	-	-	-	-	631,425,962
Building	72,159,463	-	72,159,463	-	-	72,159,463	4.00%	2,886,379	1,443,189	-	4,329,568	67,829,895
Security barak & security wall	84,809	-	84,809	-	-	84,809	4.00%	3,392	1,696	-	5,089	79,721
Deep tube-well & pump house-SMW-5	95,589	-	95,589	-	-	95,589	0.00%	-	-	-	-	95,589
Generator-500 KVA(SMW#5)	2,523,709	-	2,523,709	-	-	2,523,709	8.33%	210,309	105,155	-	315,464	2,208,246
500 KV sub-station	1,181,221	-	1,181,221	-	-	1,181,221	11.11%	131,247	65,623	-	196,870	984,351
500 KV sub-station-SMW-5	1,041,697	-	1,041,697	-	-	1,041,697	3.13%	32,553	16,277	-	48,830	992,867
Power system	15,612,099	-	15,612,099	-	-	15,612,099	16.67%	2,602,015	1,301,008	-	3,903,023	11,709,076
Power system-SMW-5	27,112,088	-	27,112,088	-	-	27,112,088	5.88%	1,594,191	797,095	-	2,391,286	24,720,802
Power system-IIG	9,301	-	9,301	-	-	9,301	33.33%	3,100	1,550	-	4,650	4,651
Boundary wall-SMW-5	1,012,168	-	1,012,168	-	-	1,012,168	2.70%	27,356	13,678	-	41,034	971,134
Vehicle	3,691,409	-	3,691,409	-	-	3,691,409	10.00%	369,141	184,570	-	553,711	3,137,698
Sub Total (i)	755,949,515	-	755,949,515	-	-	755,949,514		7,859,683	3,929,842	-	11,789,525	744,159,990
(ii) As per previous valuation												
Land and land development	346,562,561	-	346,562,561	-	-	346,562,561	-	-	-	-	-	346,562,561
Sub Total (ii)	346,562,561	-	346,562,561	-	-	346,562,561		-	-	-	-	346,562,561
Balance as on 31 December 2021	10,375,599,669	-	10,375,599,669	26,317,908	-	10,401,917,575		3,559,143,940	234,363,371	-	3,793,507,312	6,608,410,266
Balance as on 30 June 2021	10,337,448,151	(16,118,611)	10,321,328,540	60,600,130	(6,329,000)	10,375,599,671		3,097,958,639	466,970,644	(5,785,343)	3,559,143,940	6,816,455,730

Bangladesh Submarine Cable Company Limited
Calculation of Current Tax Provision
As at 31 December 2021

Particulars	Total Amount	Exemption rate	Exempted Amount	Chargeable Income	Amount in Taka	
					Tax Rate	Tax Liability
Profit Before Taxation	1,432,326,843					
Add: Provision for bad debt	34,615,777					
CSR expense	-					
Accounting depreciation	234,363,371					
	<u>1,701,305,991</u>					
Less: Tax depreciation	277,839,755					
Total taxable income	1,423,466,236					
Less: Non-operating Income	118,949,764					
Taxable profit including Tax holiday exempted	1,304,516,472					
Profit from IIG Exempted due to Tax Holiday	326,781,376					
Taxable profit from IPLC unit	<u>977,735,096</u>					
Taxable profit from IPLC unit	977,735,096	0%	-	977,735,096	22.50%	219,990,397
Profit-IIG as per Ratio of Sales	326,781,376	20%	65,356,275	261,425,101	22.50%	58,820,648
Tax on Other Income				118,673,570	22.50%	26,701,553
Tax on Dividend Income				276,194	20%	55,239
Total	1,304,516,472		65,356,275	1,358,109,961		305,567,836
Investment tax credit		<u>CSR</u>	<u>PM R Fund</u>	<u>Total</u>		<u>Rebate</u>
		-	-	2,285,000	10%	228,500
Net tax liability						<u>305,339,336</u>