

**AUDITOR'S REPORT AND FINANCIAL STATEMENTS
OF
BANGLADESH SUBMARINE CABLE COMPANY LIMITED**

191/B BIR UTTAM MIR SHAWKAT SARA, DHAKA-1208

FOR THE YEAR ENDED 30 June 2022

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**Independent Auditor's Report to the Shareholders
of
Bangladesh Submarine Cable Company Limited**

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Bangladesh Submarine Cable Company Limited (BSCCL), which comprise the statement of financial position as at 30 June 2022 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respect, the financial position of the Company as at 30 June 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Reference to Note # 12 of the Financial Statements, BSCCL received amounting to Taka 1,660,000,000 during the Financial Years 2015-2016 and 2016-2017 as Equity Money in six different phases from the Government of the People's Republic of Bangladesh for the purpose of implementing the Regional Submarine Telecommunications Project, Bangladesh (Installation and Establishment of Second Submarine Cable System (SMW5) with condition that the said amount will be converted into Equity Capital in favour of Ministry of Posts, Telecommunications and Information Technology through issuing shares after implementing the project and getting proper approval from the concerned authority of the Government of the People's Republic of Bangladesh and in compliance with the guidelines and policies issued by Ministry of Finance (Finance Division) for issuing equity capital.

Furthermore, BSCCL received amounting to Taka 249,600,000 during the Financial Year 2021-2022 in two different phases as Equity Money from the Government of the People's Republic of Bangladesh for implementing the installation of 3rd Submarine Cable (Work in progress) for expansion of International Telecommunications System of Bangladesh. Hence, total Equity Money stands at Taka 1,909,600,000 as on 30 June 2022.

On 11 February 2020 Financial Reporting Council (FRC) issued a notification (Notification No. 146/FRC/Admin/Notification/2020/01) regarding Accounting and Reporting on Share Money Deposit. As per the said notification any amount received from investor as Share Capital or call by whatever name that was considered as part of equity in the Financial Statements shall be converted to share capital within six months. Further, till to date of conversion of share money deposit to share capital, the amount of share money deposit shall be considered as potential share.

Although the official process with the Ministry of Posts, Telecommunications and Information Technology has been completed but BSCCL is awaiting for final approval from the Ministry of Finance to transfer the Equity Money to Share Capital. Hence, no Equity/Share Money has been converted into Share Capital by BSCCL as on 30 June 2022. However, they have calculated diluted EPS and disclosed in the financial statements considering the Equity Money received in the Financial Years 2015-2016 and 2016-2017 only.



Corporate Office:
SMC Tower (7th Floor)
33, Banani C/A, Road 17
Dhaka-1213, Bangladesh
Phone : +880-2-222275057-58
+880-2-222275365-66
E-mail : info@mabsj.com
Web : www.mabsj.com

Motijheel Branch Office :
21, Purana Pallan Line (4th & 7th Floor)
Dhaka-1000, Bangladesh
Phone : +88-02-58315469 / 58315471
Fax : +880-2-48320936
E-mail : info@mabsj.com
Web : www.mabsj.com

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the key audit matters
<p>Revenue Recognition</p> <p>We considered revenue recognition as a key audit matter because:</p> <ul style="list-style-type: none"> • Revenue is the most financially significant item in the statement of profit and loss and other comprehensive income. • The company has reported revenue of Taka 4,417,441,269 for the year ended 30 June 2022. • The Company's revenue is primarily generated from the provision of International Private Leased Circuit (IPLC) Service, Circuit activation charge, Co-Location Service, IP Transit Service – Local and Export. There is an inherent risk over the accuracy and timing of revenue recognition given the complexity of billing systems and processing various data which are impacted by the prices and rates including different rates based on services consumed, and discounts arrangements. As a result, the application of accounting standards is complex and involves, to a certain extent, a number of key judgments and estimates made by the management. <p>Following the application of the new revenue recognition standard (IFRS 15, Revenue from Contracts with Customers), the company adopted its accounting policies.</p>	<p>Our procedures included obtaining an understanding of management's revenue recognition policies and process. We tested sample of transactions to verify whether the revenue was accounted for in accordance with the revenue accounting policy as disclosed in Note 3.5 and 27 to 31 of the financial statements. In addition, we assessed whether the disclosed revenue accounting policy was in accordance with relevant accounting standards.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> • Evaluated the design of internal controls relating to implementation of the revenue recognition accounting standard. • Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, performance and inspection of evidence in respect of operation of these controls. <p>Selected a sample of continuing and new contracts and performed the following procedures:</p> <ul style="list-style-type: none"> • Read, analyzed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that identified and recorded by the Company. • Considered the terms of the contracts to determine

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Key Audit Matters	How our audit addressed the key audit matters
<p>Under IFRS 15 revenue is recognized when a performance obligation is satisfied by transferring control over a promised good or service. In addition, the application of the new standard, IFRS 15: Revenue from Contract with Customer for the current financial year immaterially impact on the financial statements.</p> <p>Details of the accounting policies for revenue recognition are set out in Note 3.5 to the financial statements and the various revenue streams for the company have been disclosed in Note 27-31 to the financial statements.</p>	<p>the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</p> <ul style="list-style-type: none"> • Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. • Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. • Testing the key controls over the calculation of the amounts billed to customers and the capturing and recording of the revenue transactions. • Testing the key controls over the authorization of the rate changes and the input of such rates to the billing systems. • Testing the accuracy of customer bill calculations and the respective revenue transactions recorded. • Testing the appropriateness of the accounting treatment on a sample basis. In addition, we verified the accuracy of IFRS 15 related disclosures. • examining material journal entries and other adjustments posted to revenue. • performed enquiries with management to understand their risk assessments and inspected meeting minutes to identify relevant changes in their assessments and estimates. <p>We specifically put emphasis on those transactions occurring close before or after the financial position date to obtain sufficient evidence over the accuracy of cut-off.</p> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.</p> <p>Based on our work, we noted no significant issues regarding the accuracy of revenue reported for the year.</p>
<p>Property Plant and Equipment</p>	



Key Audit Matters	How our audit addressed the key audit matters
<p>The company incurred a significant level of capital expenditure in connection with the expansion of its equipped capacity and improvements of bandwidth. The carrying value of Property Plant and Equipment aggregating to Taka 6,441,934,356 represents a significant amount in the company's statement of financial position as at 30 June 2022 and carries the risk of:</p> <ul style="list-style-type: none"> • There are a number of areas where management judgement impacts the carrying value of PPE, and the related depreciation profiles. • determining which costs meet the criteria for capitalization; • determining the date on which the assets is recognized to property, plant and equipment and depreciation commences; • the estimation of economic useful lives and residual values assigned to property, plant and equipment. • useful lives of assets shortening and technological obsolescence. <p>The management reviews the estimated depreciable lives and the residual value of property, plant and equipment annually. After conducting a review on the depreciable lives of the property, plant and equipment of the company during this year, the management resolved to change the accounting estimates of the depreciable lives of certain equipment.</p> <p>We identified the carrying value of property, plant and equipment as a key audit matter because of the high level of management judgement involved and because of its significance to the financial statements.</p> <p>See note no 3.1 and 4 to the financial statements</p>	<p>Our audit procedures to assess the carrying value of PPE included the following:</p> <p>Our audit procedures included controls testing and substantive procedures covering, in particular:</p> <ul style="list-style-type: none"> • assessing the design, implementation and operating effectiveness of key internal controls over the completeness, existence and accuracy of property, plant and equipment, including the key internal controls over the estimation of useful economic lives and residual values; • assessing on a sample basis, costs capitalized during the year by comparing the costs capitalized with the relevant underlying documentation, which included purchase agreements and invoices, and assessing whether the costs capitalized met the relevant criteria for capitalization. • Testing the key controls over the management's judgment in relation to the accounting estimates of the depreciable lives and residual values of property, plant and equipment. • Reconcile on a sample basis the additional capitalized costs for the year to the underlying invoices and supporting documents.

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Key Audit Matters	How our audit addressed the key audit matters
Revaluation of PPE	
<p>The financial statements contain material entries on the SOFP as well as material disclosure notes in relation to the entity's holding of PPE by revaluating it's all class of assets. The revaluation reserve amounting to Taka 1,032,360,394 as at 30 June, 2022. Although BSCCL employs a valuation expert to provide information on valuations, there remains a high degree of estimation, uncertainty associated with the revaluation of PPE due to the significant judgements and number of variables involved in providing revaluations. Disclosed in Note- 3.1, 4 and 15.</p>	<p>We considered the entity's arrangements for ensuring that PPE values were reasonable and engaged our own expert to provide data to assist us in assessing the reasonableness of the valuations provided by the Professional valuer. We also assessed the competence, skills and experience of the valuer. We performed further audit procedures on individual assets to ensure that the basis and level of revaluation was appropriate.</p>
Measurement of deferred tax Liability	
<p>Company reported net deferred tax liability totaling Taka. 613,197,063 as at 30 June 2022.</p> <p>Significant judgment is required in relation to deferred tax liability as their liability is dependent on forecasts of future profitability over a number of years.</p> <p>See note no. 3.16 (b) and 17 to the financial statements</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of Deferred Tax Assets and Liabilities and the assumptions used in estimating the future taxable expense of the company.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable expense.</p> <p>We evaluated the reasonableness of key assumptions, timing of reversal of temporary differences and expiration of tax loss carry forwards, recognition and measurement of Deferred Tax Liability.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition and measurement of deferred tax assets.</p> <p>We assessed the adequacy of the company's disclosures setting out the basis of deferred tax liability balances and the level of estimation involved. We also assisted in evaluating the tax implications, the reasonableness of estimates and calculations determined by management.</p> <p>Finally assessed the appropriateness and presentation of disclosures against IAS 12: Income Tax.</p>

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Key Audit Matters	How our audit addressed the key audit matters
Equity Money from GoB	
<p>In the Financial Years 2014-2015 & 2020-2021, BSCCL received the approval for the purpose of implementing the Regional Submarine Telecommunications Project, Bangladesh (Installation and Establishment of Second Submarine Cable System (SMW5) and Third Submarine Cable System (SMW6) for International Telecommunications in Bangladesh for the amount of Taka 1,660,000,000 and Taka 249,600,000 respectively from the Government of the People's Republic of Bangladesh (GoB) as Equity Money with condition that the said amount will be converted into Equity Capital in favour of Ministry of Posts, Telecommunications and Information Technology through issuing Shares after implementing the project and getting proper approval from the Concerned Authority of the Government of the People's Republic of Bangladesh and in compliance with the guidelines and policies issued by Finance Division for issuing equity capital.</p> <p>On 11 February 2020 Financial Reporting Council (FRC) has issued a notification (Notification No. 146/ FRC/ Admin/ Notification /2020/ 01) regarding Accounting and Reporting on Share Money Deposit. As per the said notification any amount received from investor as share capital or call by whatever name that was considered as part of equity in the Financial Statements shall be converted to share capital within six months. Further, till to date of conversion of share money deposit to share capital, the amount of share money deposit shall be considered as potential share. Disclosed in Note 12.</p>	<p>To assess the implementation of the condition applied by the Inter-Ministerial Meeting under the Ministry of Finance for approval of these project, following audit procedure has been followed:</p> <ul style="list-style-type: none"> i) approval from ECNEC dated 11 June 2015 and 01 December 2020 have been checked. ii) approval from Ministry of Posts, Telecommunications and Information Technology, the Government of the People's Republic of Bangladesh dated 29 June 2015 & 26 January 2021 for these projects. iii) approved amount of Taka 1,660,000,000 as GOB equity money has been received through six installments from the year 2015-2016 to 2016-2017. iv) approved amount of Taka 249,600,000 as GOB equity money has been received through two installments from the year 2021-2022. <p>To evaluate the steps taken by management after considering the notification by FRC, following audit procedure has been followed.</p> <ul style="list-style-type: none"> i) analysis of the minutes of meetings of the Board of Directors & has appointed ICB Capital Management Limited on 22 July 2020 as Issue Manager regarding issue of shares against Equity money by Taka 1,660,000,000 from -GOB to Share Capital. ii) reviewed the notification (Notification No. 146/ FRC/ Admin/Notification/2020/01) and related correspondence from management of BSCCL regarding the guidance on limitation to comply the said notification. iii) reviewed the appointment of Valuer for revaluation of assets and liabilities of BSCCL and iv) communicated the issue of noncompliance of the notification (Notification No. 146/ FRC/ Admin /Notification/ 2020/ 01) to the Management who are in Charged with the Governance.
Legal and regulatory matters	
<p>The Company has aggregating claims of Taka 25,240,639 in respect of previous years. The Company has tax claim from the previous assessment year. Other than this there are no legal proceedings, claims and government investigations and inquiries pending that expose it to</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant</p>

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Key Audit Matters	How our audit addressed the key audit matters
<p>significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict. These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Company's best estimate for existing legal matters that have a probable and estimable impact on the Company's financial position.</p> <p>See note no. 22 and 55 to the financial statements</p>	<p>litigation and regulatory matters.</p> <p>We discussed material legal cases with the company's legal department for all significant litigation and regulatory matters and inspected internal notes and reports. We also received formal confirmations from external counsel. We have analyzed of responses in legal letters independently obtained from the external legal counsels of the Company;</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Company's provisions and contingent liabilities disclosures.</p> <ul style="list-style-type: none">• Analysis of the minutes of meetings of the Board of Directors and the Board Audit Committee;• Analysis of assessment of contingent liabilities and changes in provisions for claims and litigations which are updated on a quarterly basis;• Assess disclosures in the financial statements which are potentially of material contingent nature and their measurement.

Other Matter

The financial statements of the Company for the year ended 30 June 2021 were audited by **S.F. Ahmed & Co.**, Chartered Accountants who expressed a qualified opinion on 24 October 2021.

Other Information

Management is responsible for the other information. The other information comprises all the information in the Annual Report other than the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the board of directors of the company.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of financial statements in accordance with IFRSs as explained in note 02 and 03, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material

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misstatement, whether due to fraud or error. The Companies Act, 1994 require the Management to ensure effective internal audit, internal control and risk management functions of the Company.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statements of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred was for the purposes of the Company's business for the year.

Signed for & on behalf of
MABS & J Partners
Chartered Accountants


Nasir U Ahmed
FCA, FCS, CGMA (AICPA), ACMA (UK), FCA (England & Wales)
Deputy Managing Partner
ICAB Enrollment No: 535
DVC: 2210100535AS843986

Place: Dhaka, Bangladesh
Dated: 10 October 2022

Bangladesh Submarine Cable Company Limited

Statement of Financial Position

As at 30 June 2022

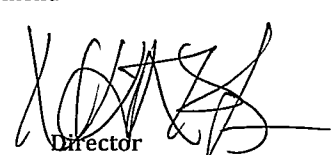
Particulars	Notes	Amount in Taka	
		30 June 2022	30 June 2021
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	6,441,934,356	6,816,455,730
Capital Work in Progress SMW-6	4.1	1,591,351,700	4,048,086
Intangible Assets	5	113,865,972	-
Current Assets		8,721,400,798	7,086,118,261
Trade and other receivables	6	2,758,769,054	1,943,558,845
Advances and deposits	7	79,771,775	23,412,700
Advance income tax	8	820,905,007	1,169,718,384
Investment in shares	9	31,073,048	29,501,318
Cash and cash equivalents	10	210,798,632	354,642,122
Investment in FDR	10.3	4,820,083,283	3,565,284,893
TOTAL ASSETS		16,868,552,825	13,906,622,077
EQUITY AND LIABILITIES			
Shareholders' Equity			
Share capital	11	1,649,055,100	1,649,055,100
Equity Money from GoB	12	1,909,600,000	1,660,000,000
Share premium	13	723,293,759	723,293,759
Tax holiday reserve	14	847,740,119	788,905,267
Revaluation reserve	15	1,032,360,394	1,037,294,938
Retained earnings	16	4,500,521,682	2,798,121,902
Non Current Liabilities		3,579,539,867	3,164,993,865
Deferred tax liabilities	17	613,197,063	606,110,821
Security deposits received from clients	18	451,258,714	357,068,437
Employees' pension, gratuity, LE & provident fund	19	32,221,023	15,394,307
Long Term loan-net off current portion	20	2,482,863,067	2,186,420,299
Current Liabilities		2,626,441,902	2,084,957,245
Long Term loan-current portion	20	301,502,419	192,249,252
Sundry creditors	21	528,467,200	84,170,223
Provision for income tax	22	821,805,495	1,037,421,348
Provision for WPPF and WF	23	160,053,970	119,991,410
VAT payable	24	(29,412,028)	(25,398,163)
Liabilities for expenses	25	79,632,880	57,437,162
Amount to be distributed as dividend (Proposed)		758,565,346	610,150,387
Unclaimed Dividend Account	26	5,826,620	8,935,626
Total Liabilities		6,205,981,770	5,249,951,111
TOTAL EQUITY AND LIABILITIES		16,868,552,825	13,906,622,077
Net Asset Value (NAV) per Share	47	64.66	52.49

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


Chief Financial Officer

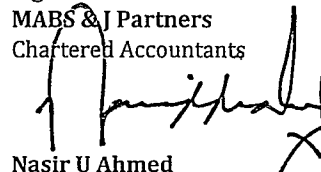

Company Secretary


Managing Director


Director

Signed in terms of our report of even date annexed

Signed for & on behalf of
MABS & J Partners
Chartered Accountants


Nasir U Ahmed

Place: Dhaka, Bangladesh

Dated: 10 October 2022

FCA, FCS, CGMA (AICPA), ACMA (UK), FCA (England & Wales)

Deputy Managing Partner


ICAB Enrollment No: 535

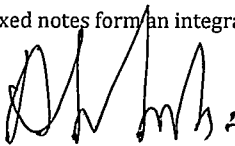
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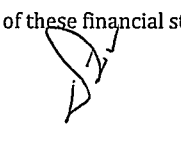
Bangladesh Submarine Cable Company Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2022


Particulars	Notes	Amount in Taka	
		2021-2022	2020-2021
Revenue			
IPLC (International Private Leased Circuit) rent	27	3,156,137,972	2,648,270,439
Circuit activation charge	28	14,102,700	12,511,000
IP Transit service	29	1,125,408,635	702,829,030
Co-location charges	30	101,899,326	84,916,391
IPLC-SMW-5-export	31	19,892,636	-
		4,417,441,269	3,448,526,860
Direct cost of operation			
Electricity and generator fuel	32	16,393,892	14,131,457
Landing station and cable route repair	33	3,958,133	2,508,967
Backhaul , data connectivity charge and Revenue Sharing	34	125,771,066	83,673,754
IP Transit cost	35	84,660,465	66,632,955
Lease rent	36	343,631	345,912
Depreciation of core machinery	37	438,532,866	432,620,300
		669,660,052	599,913,345
Gross profit		3,747,781,217	2,848,613,515
Operating expenses			
Operation and maintenance expenses	38	171,529,434	189,551,850
General and administrative expenses	39	277,173,458	221,717,520
Provision for bad & doubtful debts	40	34,615,778	(26,721,604)
Depreciation on property, plant and equipment	41	33,659,348	34,350,344
Exchange fluctuation loss/(gain)		(2,012,113)	(85,268)
		514,965,903	418,812,841
Operating profit		3,232,815,314	2,429,800,674
Non-operating income/(Expenses)			
Bank interest and other income	42	264,068,872	220,938,686
Financial and Other charges		(136,514,690)	(147,743,711)
Amortization of License Fee		(1,134,028)	-
Gain on sale of Property, Plant & equipment		326,160	163,343
Gain on investment in shares	43	1,571,730	16,660,604
		128,318,043	90,018,923
Profit before WPPF & WF		3,361,133,357	2,519,819,597
Provision for contribution to WPPF & WF		160,053,969	119,991,409
Profit before taxation		3,201,079,387	2,399,828,187
Current tax expenses	44	690,326,921	465,461,372
Deferred tax (income)/expenses	45	10,533,426	27,034,954
		700,860,348	492,496,326
Net profit after tax		2,500,219,040	1,907,331,861
Other Comprehensive Income, net of tax			
Gain on revaluation of Property, Plant and Equipment		-	-
Total comprehensive income		2,500,219,040	1,907,331,861
Earnings Per Share (EPS) - Basic	46	15.16	11.57
Earnings Per Share (EPS) - Diluted	46.1	13.91	10.61

The annexed notes form an integral part of these financial statement

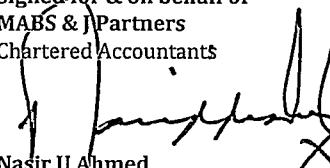

Chief Financial Officer


Company Secretary
Signed in terms of our report of even date annexed


Managing Director


Director

Signed for & on behalf of
MABS & J Partners
Chartered Accountants


Naşir U Ahmed
FCA, FCS, CGMA (AICPA), ACMA (UK), FCA (England & Wales)
Deputy Managing Partner
ICAB Enrollment No: 535
DVC: 2210100535AS843986

Place: Dhaka, Bangladesh
Dated: 10 October 2022

Bangladesh Submarine Cable Company Limited


Statement of Changes in Equity

For the year ended 30 June 2022

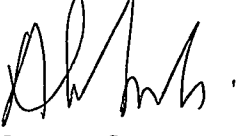
(Amount in Taka)

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 Year	-	-	-	-	-	2,500,219,040	2,500,219,040
Amount to be distributed as dividend (Proposed 2021-2022)	-	-	-	-	-	(758,565,346)	(758,565,346)
Equity money from GoB	-	249,600,000	-	-	-	-	249,600,000
Excess Depreciation of Revalued amount net off deferred tax	-	-	-	-	(5,782,380)	5,782,380	-
Tax holiday reserve	-	-	-	58,834,852	-	(58,834,852)	-
Adjustment for deferred tax (FY 2020-21)	-	-	-	-	1,768,429	-	1,768,429
Adjustment for deferred tax (FY 2021-22)	-	-	-	-	-	1,678,755	1,678,755
Adjustment for Sale of Revalued Assets	-	-	-	-	(920,593)	(144,107)	(1,064,700)
Tax Settlement for the year 2016-17	-	-	-	-	-	12,263,911	12,263,911
Balance as at 30 June 2022	1,649,055,100	1,909,600,000	723,293,759	847,740,119	1,032,360,394	4,500,521,682	10,662,571,054
Balance as at 01 July 2020	1,649,055,100	1,660,000,000	723,293,759	741,577,846	1,042,041,533	1,513,286,463	7,329,254,701
Transactions with shareholders:	-	-	-	-	-	-	-
Net profit after tax for the year	-	-	-	-	-	1,907,331,861	1,907,331,861
Amount to be distributed as dividend (Proposed 2020-2021)	-	-	-	-	-	(610,150,387)	(610,150,387)
Excess Depreciation of Revalued amount	-	-	-	-	(7,859,683)	7,859,683	-
Adjustment for Deferred Tax	-	-	-	-	3,113,088	-	3,113,088
Adjustment for previous years	-	-	-	-	-	27,121,703	27,121,703
Tax holiday reserve	-	-	-	47,327,421	-	(47,327,421)	-
Balance as at 30 June 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


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

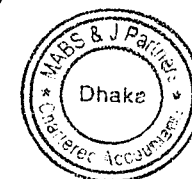

Chief Financial Officer

Place: Dhaka, Bangladesh
Dated: 10 October 2022


Company Secretary


Managing Director


Director



Bangladesh Submarine Cable Company Limited

Statement of Cash Flows

For the year ended 30 June 2022

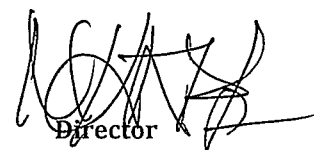
Particulars	Notes	Amount in Taka	
		2021-2022	2020-2021
A. Cash flows from operating activities			
Cash received from clients		4,124,778,048	3,610,921,898
Cash paid to suppliers and others		(547,597,637)	(505,440,162)
Exchange fluctuation loss/ (gain)		2,012,113	85,268
Payroll and other payments to employees		(171,764,799)	(147,513,284)
Income tax paid		(544,865,485)	(600,847,671)
Receipts from rest house rent and others		21,644,353	43,704,526
Payment for WPPF		(119,991,409)	(62,599,014)
Net cash flow from operating activities	48.1	2,764,215,184	2,338,311,562
B. Cash flows from investing activities			
Purchase of property, plant and equipment		(95,731,353)	(60,937,449)
Investment in SMW-6		(1,587,303,614)	(4,048,086)
Investment in FDR		(1,254,798,390)	(1,243,861,342)
Interest received		240,299,813	165,065,315
License Acquisition Fee		(115,000,000)	-
Proceeds from disposal of Fixed Assets		974,160	707,000
Dividend received		1,390,751	1,563,307
Net cash flow from/ (used in) investing activities		(2,810,168,634)	(1,141,511,254)
C. Cash flows from financing activities			
Dividend paid		(613,259,393)	(356,938,558)
Financial charges		(139,879,053)	(230,311,460)
Equity money received		249,600,000	-
Loan Receipts from GoB		500,400,000	-
Unclaimed IPO subscription Paid		(47,527)	-
Loan repaid		(94,704,065)	(352,024,332)
Net cash flow from/(used in) financing activities		(97,890,039)	(939,274,349)
Net surplus/ deficit during the Year (A+B+C)		(143,843,489)	257,525,958
Cash and cash equivalents at beginning of the year		354,642,122	97,116,163
Cash and cash equivalents at end of the year	10	210,798,632	354,642,122
Net Operating Cash Flows Per Share (NOCFPS)	48	16.76	14.18

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


Chief Financial Officer


Company Secretary


Managing Director


Director

Place: Dhaka, Bangladesh

Dated: 10 October 2022



Bangladesh Submarine Cable Company Limited (BSCCL)

Notes to the Financial Statements

For the year ended 30 June 2022

1. Reporting entity

1.1 The Company

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

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

1.2 Nature of business

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

2. Basis of preparation of financial statements

2.1 Statement on compliance

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

2.2 Other regulatory compliances

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

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



2.3 Basis of measurement

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

2.4 Accrual basis of accounting

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

2.5 Presentation of financial statements

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

- (a) Statement of Financial Position as at 30 June 2022.
- (b) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2022.
- (c) Statement of Changes in Equity for the year ended 30 June 2022.
- (d) Statement of Cash Flows for the year ended 30 June 2022.
- (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.

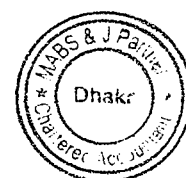
2.7 Use of estimates and judgments

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 12 (Months) months from 01 July 2021 to 30 June 2022.

2.11 Comparative information

Comparative information has been disclosed in respect of 01 July 2021 to 30 June 2022 in accordance with **IAS 01: Presentation of Financial Statements** for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current periods of financial statements. Prior year figure has been rearranged wherever considered necessary to ensure comparability with the current year.

3. Significant accounting policies

3.1 Property, plant and equipment

Recognition and measurement

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

Up to the financial period 30 June 2020, 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 years".

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

Details of revaluation of property, plant and equipment:

(Amount in Taka)						
Particulars of the assets	Name of the Valuer	Qualification of the Valuer	Date of Revaluation	Carrying amount of Assets	Value of Assets after revaluation	Revaluation Surplus
Land and Land Development	A B SAHA & CO.	Chartered Accountants	June 30, 2011	170,391,471	352,300,000	181,908,529
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 performed by another 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 a cut off date for valuation as on 30 June 2020. At the time of valuation the valuer firm has considered the following guidelines:

- Valuation Guideline for listed companies provided by Bangladesh Securities and Exchange Commission (No. SEC/CMRRCD/2009-193/150/Admin dated August 18, 2013;
- International Accounting Standard-16 (IAS-16) Property, Plant and Equipment.
- International Financial Reporting Standard-13 (IFRS-13) Fair Value Measurement.
- PWD's rates 2018.
- Procurement Procedures of BSCCL; and
- 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 assets 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 10 October 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 Bazar, Kuakata, Chattogram 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

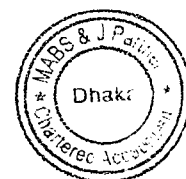
IP Transit Service - Export represents IP transit services provided to international customer Bharat Sanchar Nigam Limited (BSNL) on a recurring basis. Invoice regarding IP Transit service is generated at the beginning of each quarter in advance but recognize the revenue over the period of time (i.e. 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.

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 and deposit accounts 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 cash flows

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-57.

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.

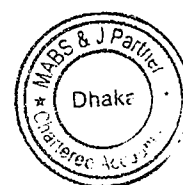
Compliance with financial reporting standards as applicable in Bangladesh:

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

IAS No.	IAS Title	Compliance Status
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	Complied

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



Notes	Particulars	Amount in Taka	
		30 June 2022	30- June 2021
4	Property, plant and equipment: Tk. 6,441,934,356 The break-up of the above amount is as follows:		
	Cost/ revaluation (A)		
	Opening balance	10,375,599,671	10,321,328,540
	Add: Addition during the year	99,383,539	60,600,130
	Less: Adjustment during the year	(5,478,264)	(6,329,000)
		<u>10,469,504,945</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 year	472,192,213	466,970,644
		4,031,336,154	3,564,929,283
	Less: Adjustment during the year	(3,765,565)	(5,785,343)
		<u>4,027,570,589</u>	<u>3,559,143,940</u>
	Written Down Value (A-B)	<u>6,441,934,356</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: Tk. 1,591,351,700

The break-up of the above amount is as follows:

Opening Balance	4,048,086	-
Add: Addition during the year	1,587,303,614	4,048,086
Closing Balance	<u>1,591,351,700</u>	<u>4,048,086</u>

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. During the year 2021-2022 an amount of USD 173,49,421.14 equivalent Tk.1,587,303,614 has been paid as Core Segment Capital Cost. The total Capital Work in Progress cost will be recognised as asset after completion of the project.

5 Intangible Assets: Tk. 113,865,972

The break-up of the above amount is as follows:

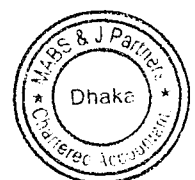
Cost/ revaluation (A)		
Opening balance	-	-
Add: Addition during the year	115,000,000	-
	<u>115,000,000</u>	-
Accumulated Amortization (B)		
Opening balance as reported	-	-
Add: Charged during the year	1,134,028	-
	<u>1,134,028</u>	-
Written Down Value (A-B)	<u>113,865,972</u>	-

This amount has been recognised as Intangible Assets for License issued on 19 April 2022 from BTRC named Build, Operate and Maintain Submarine Cable Systems and Services. A portion of the License Acquisition Fee has been amortised considering the validity of the license of 20 years.

6 Trade and other receivables: Tk. 2,758,769,054

The break-up of the above amount is as follows:

Trade receivables: Tk. 2,685,714,011	(Note: 6.1)	2,685,714,011	1,871,237,757
Other receivables: Tk. 73,055,042	(Note: 6.2)	73,055,042	72,321,088
Total		<u>2,758,769,054</u>	<u>1,943,558,845</u>



Notes	Particulars	Amount in Taka	
		30 June 2022	30- June 2021

6.1 Trade receivables: Tk. 2,685,714,011
The break-up of the above amount is as follows:

Opening Balance	2,228,912,756	2,874,240,783
Add: Addition during the year	5,160,847,986	3,836,827,477
	7,389,760,742	6,711,068,259
Less: Collection/Adjustment during the year	(4,311,755,953)	(4,482,155,503)
Closing Balance	3,078,004,789	2,228,912,756
Less: Provision for bad and doubtful debts		
Opening Balance	357,674,999	384,396,603
Add: Addition during the year	34,615,778	(26,721,604)
	392,290,777	357,674,999
Trade receivables, net of provision	2,685,714,011	1,871,237,757

A detailed schedule of trade receivable is given in Annexure -B.

Aging of Trade receivables

The aging of gross trade receivables as at the statement of Financial Position date is as follows:

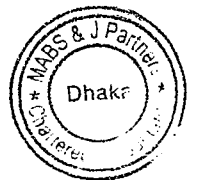
Past due 0-90 days	1,251,221,716	596,641,340
Past due 91-180 days	645,573,104	367,900,422
Past due 181 -365 days	622,168,831	189,305,793
Past due more than 365 days	559,041,138	1,075,065,201
	3,078,004,789	2,228,912,756

To realise the long pending outstanding from disconnected parties different types of suits have been filed against those parties. Details of litigation alongwith amount involved is given below:

Sl. No.	Types of litigation	No. of Parties	Amount involved
1	Money suit	4	47,067,718
2	Arbitration	2	16,865,660
3	Execution suit	2	168,175,538
4	Cheque Dishonour suit	7	2,970,697
5	Dissolution suit	5	50,650,787

6.2 Other receivables: Tk. 73,055,042
The break-up of the above amount is as follows:

Dividend	3,150	3,150
ICB Securities Trading Co. Ltd.	416,131	17,416,131
FDR Interest & Others	72,635,762	54,901,807
Total	73,055,042	72,321,088



Notes	Particulars	Amount in Taka	
		30 June 2022	30- June 2021

7 Advances and Deposits: Tk. 79,771,775
The break-up of the above amount is as follows:

Advances

Advance to:

Sony Chocolate Industries Ltd.	(Note: 7.1)	37,372,000	6,872,000
Employees against Expenses		1,337,595	1,254,350
ACE Autos (Pvt) Ltd.		-	20,162
Advance to Employee against Salary		4,895,120	1,187,554
Bangladesh Porjoton Corporation		-	343,631
Deputy Commissioner of Customs CTG		-	8,147,619
Express Systems Ltd		5,473,500	-
James International		56,011	56,011
ICB Capital Management Ltd.		287,500	287,500
Innovative Technology&Engineering		707,937	-
National Traders		8,063,950	-
Pragati Life Insurance Ltd		-	-
Systems & Services Ltd		810,832	-
Hamida Trader Ltd		15,648,839	-
Mustafa Tariq Hossain & Associates		670,500	670,500
Others		159,490	279,874
		75,483,275	19,119,200

Deposits

Security deposit - Duncan Products Limited		-	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
		4,288,500	4,293,500
Total		79,771,775	23,412,700

7.1 Sony Chocolate Industries Ltd. (Advance for Office Rent): Tk. 37,372,000

The break-up of the above amount is as follows:

Opening balance	6,872,000	12,872,000
Add: Paid during the year	36,000,000	-
Less: Adjustment during the year	(5,500,000)	(6,000,000)
Total	37,372,000	6,872,000

7.2 Aging of Advances and Deposits: Tk. 79,771,775

The break-up of the above amount is as follows:

The aging of Advances, Deposits & Prepayments as at the statement of financial position date was as follows:

For 0-90 days	43,430,925	1,588,670
For 91-180 days	7,190,225	16,010,254
For 181 -365 days	21,916,210	574,402
For more than 365 days	7,234,415	5,239,374
Total	79,771,775	23,412,700

Notes	Particulars	Amount in Taka	
		30 June 2022	30- June 2021

8 Advance Income Tax: Tk. 820,905,007
The break-up of the above amount is as follows:

Opening balance	1,169,718,384	603,695,577
Add: Payment made during the year	544,865,486	601,298,510
	1,714,583,870	1,204,994,087
Less: Settlement for the year (F-Y:2020-21)	(459,812,378)	-
Less: Settlement/Adjustment (F-Y:2019-20)	(240,032,242)	(35,275,703)
Less: Settlement for the year (F-Y:2018-19)	(81,321,243)	-
Less: Settlement for the year (F-Y:2017-18)	(19,387,162)	-
Less: Settlement for the year (F-Y:2016-17)	(62,223,548)	-
Less: Settlement for the year (F-Y:2015-16)	(30,902,290)	-
Total	820,905,007	1,169,718,384

9 Investment in Shares: Tk. 31,073,048
The break-up of the above amount is as follows:

Sl.	Ordinary shares of	Quantity	Cost price (Tk)	Market value	Market value
1	AB Bank Limited	156,233	3,209,275	1,640,447	2,244,908
2	ACI Limited	5,426	764,725	1,535,558	1,244,400
3	BATASHOE	1,000	696,429	936,200	650,200
5	IFIC Bank Limited	164,203	1,765,186	2,036,117	1,986,077
6	Islami Bank BD Limited	39,091	951,084	1,286,094	1,161,003
7	Jamuna Oil Limited	23,716	4,392,440	4,202,475	3,851,478
8	M Petroleum	24,816	4,962,456	5,032,685	4,531,402
9	NCC Bank Limited	208,765	1,698,208	3,006,216	2,930,746
10	Padma Oil Limited	18,150	4,835,160	3,885,915	3,698,970
11	Square Pharma	26,847	2,633,566	5,817,745	5,785,529
12	Titas Gas	39,570	2,744,885	1,693,596	1,416,606
Total			28,653,413	31,073,048	29,501,318

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

10 Cash and cash equivalents: Tk. 210,798,632
The break-up of the above amount is as follows:

Cash in hand	(Note: 10.1)	315,922	609,248
Cash at bank	(Note: 10.2)	210,482,710	354,032,874
Total		210,798,632	354,642,122

10.1 Cash in hand: Tk. 315,922

The break-up of the above amount is as follows:

Head Office-Dhaka	155,320	181,562
Landing Station-Kuakata	67,640	309,120
Landing Station-Cox's Bazar	92,962	118,566
Total	315,922	609,248

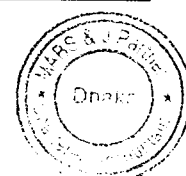


Notes	Particulars	Amount in Taka	
		30 June 2022	30- June 2021
10.2	Cash at bank: Tk. 210,482,710		
	The break-up of the above amount is as follows:		
	Savings and current deposits with:		
	Brac Bank Limited	846	676,318
	IFIC Bank Limited	1,121,672	314,831
	Mutual Trust Bank Limited	8,774,961	14,635,701
	Mutual Trust Bank Limited-Cox's bazar	1,441,817	-
	National Bank Limited-Kuakata	46,372	6,527,272
	Agrani Bank Limited-Dhaka	739,209	-
	Agrani Bank Limited-Kuakata	1,458,591	-
	Sonali Bank Limited-Cox's bazar	45,407	9,314,864
	Sonali Bank Limited-Dhaka	1,160,917	28,301,421
	The City Bank Limited	83,713,424	121,556,543
	United Commercial Bank Limited	111,979,494	172,705,923
		210,482,710	354,032,874

10.3 Investment in FDR: Tk. 4,820,083,283

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

Agrani Bank Limited	1,041,912,090	948,990,297
Bangladesh Development Bank Limited	375,419,473	239,317,303
Bank Asia Ltd.	30,000,000	10,807,501
BASIC Bank Limited	164,134,320	331,950,817
Brac Bank Limited	114,228,910	28,698,433
Exim Bank Ltd	20,540,001	-
First Security Islami Bank Ltd.	203,522,810	50,516,250
IFIC Bank Limited	325,729,474	355,565,728
Jamuna Bank Limited	-	72,687,087
Janata Bank Limited	742,507,113	250,070,000
Meghna Bank Ltd.	150,000,000	30,000,000
Mercantile Bank Limited.	72,669,924	50,000,000
Mutual Trust Bank Limited	70,000,000	-
NRB Commercial Bank Ltd.	71,129,500	40,000,000
One Bank Limited	113,259,789	126,829,188
Padma Bank Ltd	20,540,000	-
Pubali Bank Limited	257,240,673	162,322,875
Pemier Bank Ltd	80,000,000	-
Rupali Bank Limited	50,000,000	-
Social Islami Bank Ltd.	116,252,049	71,890,000
Sonali Bank limited	-	71,750,732
Southeast Bank Ltd.	24,360,517	85,616,238
Standard Bank Limited	169,492,896	90,045,333
South Bangla Agriculture & Commerce Bank Ltd.	20,574,058	-
The City Bank Limited	40,000,000	86,470,000
Trust Bank Ltd.	21,050,000	40,000,000
Union Bank Ltd.	385,519,685	301,757,111
United Commercial Bank Limited	140,000,000	120,000,000
Total	4,820,083,283	3,565,284,893



Notes	Particulars	Amount in Taka	
		30 June 2022	30- June 2021
11	Share capital: Tk. 1,649,055,100 The break-up of the above amount is as follows:		
	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 Tk. 10 each fully paid up in cash	310,000,000	310,000,000
	140 Ordinary share of Tk. 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
	Total	1,649,055,100	1,649,055,100

11.1 Percentage of shareholding

The break-up of the above amount is as follows:

Shareholding position as at 30 June 2022

Name of shareholders	Percentage of shareholding	No. of shares	Value in Taka
Sponsor/Director	0.00%	189	1,890
Govt.	73.84%	121,768,814	1,217,688,140
Institute	16.59%	27,365,547	273,655,470
Foreign Investor	2.72%	4,480,577	44,805,770
Public	6.85%	11,290,383	112,903,830
Total	100.00	164,905,510	1,649,055,100

Shareholding position as at 30 June 2021

Name of shareholders	Percentage of shareholding	No. of shares	Value in Taka
Posts & Telecommunications division, MoPT & Sponsor/Director	73.84%	121,768,814	1,217,688,140
Institute	14.34%	23,653,096	236,530,960
Public	9.15%	15,090,634	150,906,340
Foreign Investor	2.66%	4,392,777	43,927,770
Total	100%	164,905,510	1,649,055,100

11.2 Classification of shareholders by range of number of shares held:

Slabs wise number of shares	No. of share holders		No. of shares	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Less than 500	9208	9,665	1,075,239	1,075,239
500-5,000	1903	2,389	3,714,132	3,714,132
5,001-10,000	196	228	1,705,290	1,705,290
10,001-20,000	94	150	2,211,088	2,211,088
20,001-30,000	47	54	1,355,486	1,355,486
30,001-40,000	24	26	924,132	924,132
40,001-50,000	21	14	659,103	659,103
50,001-100,000	49	50	3,887,896	3,887,896
100,001-1,000,000	58	52	12,128,150	12,128,150
1,000,001-1,000,000,000	9	8	137,244,994	137,244,994
	11,609	12,636	164,905,510	164,905,510

Market Price:

Shares of the Company are listed in the Dhaka and Chittagong Stock Exchanges and quoted at Tk.219.10 per share as (2021: Tk.171.90) and Tk 218.00 per share (2021: Tk. 169.40) in the Dhaka and Chittagong Stock Exchanges respectively on 30 June 2022.



Notes	Particulars	Amount in Taka	
		30 June 2022	30- June 2021
12	Equity Money from GoB: Tk. 1,909,600,000		
	The break-up of the above amount is as follows:		
	Regional Submarine Telecommunications Project, Bangladesh-SMW-5	1,660,000,000	1,660,000,000
	Installation of 3rd Submarine Cable-SMW-6	249,600,000	-
	Total	1,909,600,000	1,660,000,000

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. 24.96 crore has been received as equity from Government for implementing the project named Installation of 3rd Submarine Cable for expansion of International Telecommunications System of Bangladesh.

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.

13	Share premium	723,293,759	723,293,759
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The break-up of the above amount is as follows:

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.

14	Tax holiday reserve: Tk. 847,740,119		
	The break-up of the above amount is as follows:		

Opening balance	788,905,267	741,577,846
Add: Current year's reserve	58,834,852	47,327,421
Total	847,740,119	788,905,267

15	Revaluation reserve: Tk. 1,032,360,394		
	The break-up of the above amount is as follows:		

Opening balance	1,037,294,938	1,042,041,533
Less: Adjustment for Excess Depreciation on Revalued Amount: netoff deferred tax	(5,782,380)	(7,859,683)
Less: Adjustment for Sale of Revalued Assets	(920,593)	-
Less: Adjustment with deferred tax liability (FY 2020-21)	1,768,429	3,113,088
Total	1,032,360,394	1,037,294,938

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.



Notes	Particulars	Amount in Taka	
		30 June 2022	30- June 2021
16	Retained Earnings: Tk. 4,500,521,682 The break-up of the above amount is as follows:		
	Opening balance	2,798,121,902	1,513,286,463
	Add: Profit for the year	2,500,219,040	1,907,331,861
	Adjustment for Excess Depreciation on Revalued Amount	5,782,380	7,859,683
	Adjustment with deferred tax liability for (FY 2021-2022)	1,678,755	-
	Adjustment for previous year's Tax (FY:2016-17)	12,263,911	27,121,703
		5,318,065,988	3,455,599,710
	Less: Amount to be distributed as dividend (Proposed)	758,565,346	610,150,387
	Adjustment for Sale of Revalued Assets	144,107	-
	Transferred to Tax Holiday Reserve	58,834,852	47,327,421
		817,544,305	657,477,808
	Total	4,500,521,682	2,798,121,902

17 Deferred tax liabilities: Tk. 613,197,063
The break-up of the above amount is as follows:

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

Deferred tax relating to statement of profit or loss	(Note: 17.1)	559,286,791	548,753,365
Deferred tax relating to other comprehensive income	(Note: 17.2)	53,910,271	57,357,455
Total		613,197,063	606,110,821

17.1 Deferred tax relating to Statement of Profit or Loss: Tk. 559,286,791
The break-up of the above amount is as follows:

	Carrying Amount	Tax base	Taxable/ (deductible) temporary difference
	Taka	Taka	Taka
As at 30 June 2022			
Property, plant and equipment (excluding land)	5,340,630,793	2,430,399,920	2,910,230,874
Accounts receivable (Note: 6.1)	2,685,714,011	3,078,004,789	(392,290,777)
Provision for pension, gratuity fund and provident fund, Leave Encashment (Note: 19)	(32,221,023)	-	(32,221,023)
Net Taxable Temporary Difference			2,485,719,073
Applicable tax rate			22.50%
Deferred tax liability			559,286,791
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:19)	(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

Notes	Particulars	Amount in Taka	
		30 June 2022	30- June 2021

17.2 Deferred tax relating to other comprehensive income: Tk. 53,910,271
The break-up of the above amount is as follows:

	Carrying Amount	Tax Base	Taxable/ (deductible) temporary difference
	Taka	Taka	Taka
As at 30 June 2022			
Revaluation reserve on Land and Land Development	977,988,523	-	977,988,523
Applicable tax rate			3.00%
Deferred tax liability			29,339,656
Add: Revaluation reserve on PPE other than land			124,523,554
Applicable tax rate			22.50%
Deferred tax liability on Other Assets			28,017,800
Adjustment of deferred tax on depreciation of revalued assets (FY 2020-21)			(1,768,429)
Adjustment of deferred tax on depreciation of revalued assets (FY 2021-22)			(1,678,755)
			24,570,616
Total Deferred Tax relating to other comprehensive income			53,910,271
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			29,339,656
Add: Revaluation reserve on PPE other than land			124,523,554
Applicable tax rate			22.50%
Deferred tax liability on Other Assets			28,017,800
Total Deferred Tax relating to other comprehensive income			57,357,455

18 Security deposits received from clients: Tk. 451,258,714
The break-up of the above amount is as follows:

Opening Balance	357,068,437	294,955,533
Add: Addition during the year	147,284,978	107,225,439
	504,353,415	402,180,971
Less: Adjustment during the year	(53,094,701)	(45,112,535)
Total	451,258,714	357,068,437

A detailed schedule of security deposit received from clients is given in Annexure -C. Adjustment amount

represents the amount adjusted with monthly bill as collection and the amount refunded to clients.

19 Employees' pension, gratuity, LE and provident fund: Tk. 32,221,023
The break-up of the above amount is as follows:

Employees' pension fund	(Note: 19.1)	13,808,952	13,808,952
Employees' gratuity fund	(Note: 19.2)	5,609,295	1,592,234
Employees' provident fund	(Note: 19.3)	3,837,281	(6,879)
Provision for Leave Encashment	(Note:19.4)	8,965,495	-
Total		32,221,023	15,394,307

19.1 Employees' pension fund

13,808,952	13,808,952
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This represents amount payable to BTTB 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.



Notes	Particulars	Amount in Taka	
		30 June 2022	30- June 2021
19.2	Employees' gratuity fund: Tk. 5,609,295 The break-up of the above amount is as follows:		
	Opening balance	1,592,234	3,611,732
	Add: Provision made during the year	17,701,813	16,890,968
		19,294,047	20,502,700
	Less: Paid/Transferred to Gratuity Fund during the year	(13,684,752)	(18,910,466)
	Total	5,609,295	1,592,234
19.3	Employees' provident fund: Tk. 3,837,281 The break-up of the above amount is as follows:		
	Opening balance	(6,879)	794,317
	Add: Employees' Contribution	5,745,850	5,176,665
	Employer's Contribution	5,743,034	5,176,665
	Less: Transferred to RCPF during the year	(7,644,723)	(11,154,526)
	Total	3,837,281	(6,879)
19.4	Provision for Leave Encashment: Tk. 8,965,495 The break-up of the above amount is as follows:		
	Opening balance	-	-
	Add: Made during the year	8,965,495	-
	Less: Payment during the year	-	-
	Total	8,965,495	-
20	Term Loan: Tk. 2,482,863,067 The break-up of the above amount is as follows:		
	Opening balance	2,378,669,551	2,730,693,883
	Received during the year	500,400,000	-
	Total	2,879,069,551	2,730,693,883
	Less: Payment during the year	(94,704,065)	(352,024,332)
		2,784,365,486	2,378,669,551
	Current portion of Long Term Loan	(301,502,419)	(192,249,252)
	Non-current portion of Long Term Loan	2,482,863,067	2,186,420,299

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.

Development Loan From Government People's Republic of Bangladesh

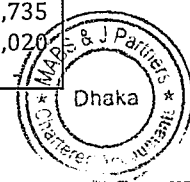
During the year 2021-2022 Tk. 50.04 crore has been received as loan from Government for implementing the project named Installation of 3rd Submarine Cable for expansion of International Telecommunications System of Bangladesh approved at the ECNEC meeting held on 1st December, 2020.



Notes	Particulars	Amount in Taka	
		30 June 2022	30- June 2021

21 Sundry creditors: Tk. 528,467,200
The break-up of the above amount is as follows:

Alpha Engineering	24,197	-
ACE Autos	16,346.00	83,237
Amader Somoy	32,601	32,601
Arra Technologies Ltd.	36,480	36,480
Allhar Dan Automobiles	110,880	-
Bangladesh Science House	100,000	100,000
BD Jobs.Com	-	12,285
Biz Bangla Media Ltd.	-	108,675
BCS Telecom Somity	150,000	-
Capital Law Chamber	8,280	146,280
Caps Lock	13,500	13,500
Cogent Communication Ltd	927,615	435,283
Credit Rating Information & Services Ltd	-	80,625
Cyber Link	1,225	1,225
DE-CIX(IIG)	845,728	433,290
Design Associates	-	47,899
Elias Enterprise	-	47,380
Equinix Singapore PTE Ltd.	6,411,089	2,570,521
Express Systems Ltd.	2,021,500	2,021,500
Fames & R	119,025	264,025
Fiber@Home Ltd	13,412,392	6,898,833
Farid Automobiles Engineering & Works	92,400	-
Guriga Engineering	69,308	-
H.S. Engineering	1,556,174	1,316,740
Habib Intelligent Software Ltd.	322,875	518,743
HKT Global (Singapore) Pte. Ltd.	5,832,095	3,672,301
Hurricane Electric Internet Service	1,938,508	2,405,538
Hussain Farhad & Co.	-	1,035,000
ICB Securities Trading Company Limited	450	1,617,982
Innovative Technology & Engineering	24,133	300
International Computers Solution	33,300	33,300
Irams Ltd	-	-
Kazi Mynul Hassan	107,875	107,875
Khondoker Advertisement	-	70,000
KK Enterprise	1,011,854	2,782,771
Kamal Trading Agency	185,798	-
M/S Khondokar Brothers	1,584,095	-
M/S MS Power Engineering	-	36,400
M2M Communications Ltd.	11,700	-
M/S National Traders	-	-
Milky & Associates	-	104,602
Mohammad Sanaulah & Associates	-	-
Murad Reza	143,750	143,750
Md.Tameem Rahman	8,625	-
MABS&J Partners	436,425	-
M.Mahsin &Co	51,750	-
Next Tech Ltd.	5,600	5,600
NRB Telecom Ltd	5,000	10,000
NTT communications Ltd.	6,549,462	5,384,457
Nabil Enterpirse	154,901	-
Nobrupa Builders	63,484	-
National Traders	712,628	-
Pabna Automobiles	12,694	9,130
Padakkhep Bangladesh	-	60,000
Payable to Orange	8,640,000	-
Payable to BTCL	70,079,670	18,950,735
Payable to BTRC- Under IIG License	10,066,019	9,231,020
Payable to BTRC - Under ILDC License	21,873,353	-



Notes	Particulars	Amount in Taka	
		30 June 2022	30- June 2021
	Payable to Kuakata-Revenue Stamp	3,940	-
	Prochito IMC Ltd.	-	123,140
	Pradip Electric	7,175	-
	Rich Digital Communications	2,370	2,370
	Royal Office Equipment	-	16,000
	Rotary Club of Dhaka Mega City	30,000	-
	S.A. Basher & Co, Ltd.	-	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	3,500	4,025
	Sikder Filling & Service Station	39,160	-
	Singapore Internet Exchange	277,739	-
	Sony Chocolate Industries Ltd.	359,224	278,723
	Southern Automobiles Ltd.	86,496	37,291
	Spectrum Engineering Consortium Limited	184,492	589,492
	Summit Communications Ltd.	4,775,706	1,676,004
	Suraya Parveen & Associates	-	56,925
	Sys solution	23,000	-
	Systems & Services Ltd	3,196,619	-
	Shakil Motors	31,600	-
	Telecom Italia Sparkle Ltd.	11,243,351	15,818,964
	Telephone Shilpa Sangstha Ltd.	673,208	673,208
	Telnet Communication Ltd.	3,675	3,675
	Temporary Loan from Ex-Project Director # SMW5	1,000	1,000
	Tiertech Engineering	23,811	-
	The Daily Kaler Kantho	-	37,260
	The Daily Jugantor	46,575	-
	The Daily Observer	27,946	78,526
	The Daily Our Time	-	22,273
	The Daily Sun	-	16,860
	The Daily Vorer Kagoj	-	27,945
	The Financial Express	183	62,002
	Unclaimed IPO subscription	61,574	109,101
	Unearned Revenue-Saudi Telecom Company &	302,141,114	2,759,200
	Unearned Revenue-Local Clients	45,693,212	-
	Urban Solution	70,273	-
	Withholding tax payable	3,560,101	224,232
	Zero Pest	13,992	-
	Total	528,467,200	84,170,223

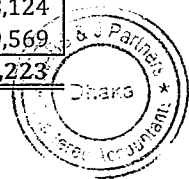
21.1 The significant increase in Sundry creditors is mainly due to unrecognised portion of total amount (i.e. 3.6 million USD) received from Saudi Telecom Company against transfer of capacity equivalent to 25.31% of BSCCL's capacity between Yanbou-Toulon-Marseilles segments based on IRU also partial recognition of total amount (i.e.USD 175000) received from Orange, France 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. Note : 31

21.2 Aging of sundry creditors: Tk. 528,467,200

The break-up of the above amount is as follows:

The aging of Sundry creditors as at the statement of financial position date is as follows:

Past due 0-90 days	128,767,269	36,981,171
Past due 91-180 days	39,824,143	2,451,360
Past due 181 -365 days	338,783,747	26,508,124
Past due more than 365 days	21,092,041	18,229,569
Total	528,467,200	84,170,223



Notes	Particulars	Amount in Taka	
		30 June 2022	30- June 2021
22	Provision for income tax: Tk. 821,805,495 The break-up of the above amount is as follows:		
	Opening balance	1,037,421,348	633,906,543
	Add: Provision made during the year	674,057,788	459,812,378
	Add: Provision for the year (F-Y:2014-15)	-	5,648,994
	Add: Provision for the year(F-Y:2015-16)	5,199,628	-
	Add: Provision for the year(F-Y:2018-19)	11,069,505	-
	Less: Settlement for the year (F-Y:2020-21)	(459,812,378)	-
	Less: Settlement for the year (F-Y:2019-20)	(240,032,242)	(61,946,567)
	Less: Settlement for the year (F-Y:2018-19)	(81,321,243)	-
	Less: Settlement for the year (F-Y:2017-18)	(19,387,162)	-
	Less: Settlement for the year (F-Y:2016-17)	(74,487,459)	-
	Less: Settlement for the year (F-Y:2015-16)	(30,902,290)	-
	Total	821,805,495	1,037,421,348

Annexure-E

Details Tax Status report is given in the annexure-F

23 Provision for WPPF and WF: Tk. 160,053,970

The break-up of the above amount is as follows:

Opening balance	119,991,410	62,599,014
Add: Provision made during the year	160,053,969	119,991,410
	280,045,379	182,590,424
Less: Settlement for previous year	(119,991,409)	(62,599,014)
Total	160,053,970	119,991,410

24 VAT payable: Tk. -29,412,028

The break-up of the above amount is as follows:

VAT payable against Receivable	(30,172,240)	(45,356,439)
VAT payable against Deduction at source	760,212	19,958,276
	(29,412,028)	(25,398,163)

The amount of Tk. (30,172,240) 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. 7,60,212 includes VAT deducted from other parties and suppliers.

25 Liabilities for expenses: Tk. 79,632,880

The break-up of the above amount is as follows:

Office rent	4,800,000	4,800,000
Audit & other fees	69,000	161,000
Provision for different expenses	13,537,639	428,447
IIG Licence Fee	287,500	-
Innovation Expenses	30,000	-
Meeting Fees	151,819	-
Telephone bill	133,253	130,166
Electricity bill	222,964	290,831
Payable for Cable route shifting SMW4	22,138,350	10,000,000
	41,370,525	15,810,444
Accrued Interest on IDB loan	38,262,355	41,626,718
Total	79,632,880	57,437,162

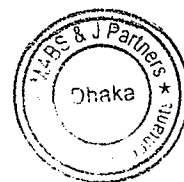


Notes	Particulars	Amount in Taka	
		30 June 2022	30- June 2021

26 Unclaimed Dividend Account: Tk. 5,826,620
The break-up of the above amount is as follows:

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
	2018-2019	1,924,218	1,967,756
	2019-2020	1,990,217	2,105,601
	2020-2021	1,912,185	-
Total		5,826,620	8,935,626



Notes	Particulars	Amount in Taka	
		2021-2022	2020-2021

27 IPLC (International Private Leased Circuit) Rent: Tk. 3,156,137,972

The break-up of the above amount is as follows:

SMW-4	930,918,710	858,246,885
SMW-5	2,225,219,263	1,790,023,554
Total	3,156,137,972	2,648,270,439

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.

28 Circuit activation charge: Tk. 14,102,700

The break-up of the above amount is as follows:

Circuit Activation Charge-IPLC-SMW-4	2,070,000	4,150,000
Circuit Activation Charge-IPLC-SMW-5	9,695,000	5,835,000
Circuit Activation Charge-IIG	930,000	930,000
Circuit Activation Charge-ISP(IIG)	64,000	30,000
Circuit Activation Charge-ITC	-	-
Circuit Activation Charge-Co-location-IIG	23,700	49,000
Circuit Activation Charge-Co-location-SMW-4	350,000	653,000
Circuit Activation Charge-Co-location-SMW-5	970,000	864,000
Total	14,102,700	12,511,000

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

29 IP Transit Service: Tk. 1,125,408,635

The break-up of the above amount is as follows:

Local	1,083,971,935	702,829,030
Export	41,436,700	-
Total	1,125,408,635	702,829,030

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

30 Co-Location Charges: Tk. 101,899,326

The break-up of the above amount is as follows:

SMW-4	40,841,788	33,962,429
SMW-5	60,784,306	49,596,976
IP Transit -IIG	273,232	1,356,986
Total	101,899,326	84,916,391

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

31 IPLC -Export (SMW # 5): Tk. 19,892,636

	19,892,636	-
Total	19,892,636	-

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) received from Orange, France 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 27 to 31 , 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.



Notes	Particulars	Amount in Taka	
		2021-2022	2020-2021
32	Electricity and generator fuel: Tk. 16,393,892 The break-up of the above amount is as follows:		
	Electricity bill	13,129,122	11,863,627
	Fuel for generator	3,264,770	2,267,830
	Total	16,393,892	14,131,457
	This cost is directly related to cost of operation.		
33	Landing station and cable route repair	3,958,133	2,508,967
	This cost is directly related to cable route and landing station maintenance for Cox's Bazar and Kuakata.		
34	Backhaul ,Data Connectivity Charge & Revenue Sharing: Tk. 125,771,066 The break-up of the above amount is as follows:		
	Backhaul Charge	95,455,915	75,075,108
	Data Connectivity & Fiber Core Charge	455,081	426,618
	Revenue Sharing Cost Under IIG License	7,563,630	7,719,927
	Revenue Sharing Cost Under ILDC License	21,873,353	-
	License & Membership fees	367,886	372,351
	Co-location cost	55,200	79,750
	Total	125,771,066	83,673,754
	This cost represents backhaul charges and for data connectivity & fiber core charge. This amount also includes the Revenue Sharing amount based on the condition of the license issued from BTRC.		
35	IP Transit Cost	84,660,465	66,632,955
	This cost represents the cost of purchasing IP bandwidth from Telecom Italia Sparkle, NTT Communications Ltd, Equinix Singapore Pte Ltd., Cogent Communications Ltd, DE-CIX,PCCW (HKT) Global (Singapore) Pte. Ltd. and Hurricane Electric Internet Service and Singapore Internet Exchange.		
36	Lease Rent	343,631	345,912
	This rent represents rent of leasing land of beach manhole for Kuakata landing station from Bangladesh Parjaton Corporation.		
37	Depreciation of core machinery	438,532,866	432,620,300
	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.		
38	Operation and maintenance expenses: Tk. 171,529,434 The break-up of the above amount is as follows: This represents amount paid to SEA-ME-WE 4 & 5 during the year for expenses of cable operation and maintenance purpose. The break-up of the expenses is as under:		
	SEA-ME-WE-4	6,453,191	29,428,862
	SEA-ME-WE-5	165,076,242	160,122,988
	Total	171,529,434	189,551,850



Notes	Particulars	Amount in Taka	
		2021-2022	2020-2021
39	General and administrative expenses: Tk. 277,173,458		
	The break-up of the above amount is as follows:		
	Advertisement and publicity expenses	3,504,992	2,707,635
	AGM expenses	1,255,897	925,156
	APA expenses	232,604	17,273
	Audit Fee	488,175	505,425
	Bank charges and commission	4,236,327	3,126,295
	Board and other meetings fees	5,243,906	5,252,432
	Books & Periodicals	34,090	35,963
	Business Development Expenses	6,049,597	2,765,884
	Consortium meeting expenses	458,170	-
	Consultancy fees	1,030,113	2,444,475
	CSR Expenses	8,877,715	5,361,328
	Entertainment	2,566,769	2,356,056
	Fees and Subscription	1,624,577	1,594,819
	Festival bonus	13,729,506	9,466,590
	Gratuity provision	17,701,813	16,890,968
	Innovation Expenses	675,235	1,004,374
	Insurance Premium	500,100	3,881
	Legal Fees	1,167,642	1,139,057
	Managing Director's remuneration	3,434,081	3,134,590
	Medical Expenses	9,764	101,201
	National Integrity and Strategy Training Exp.	517,094	1,392,992
	Newspaper & Periodicals	12,808	14,209
	Office Expenses	1,157,632	976,019
	Office rent	19,609,800	19,609,800
	Postage and courier expenses	45,469	47,336
	Printing and Office stationery	1,600,475	1,644,479
	Reception & Dinner	1,625,081	1,704,939
	Recruitment expenses	636,825	88,852
	Rent, rates & taxes	459,600	414,951
	Repair and maintenance	4,362,327	4,908,863
	Salary and allowances	164,638,008	124,233,125
	Telephone Bill	1,584,301	287,791
	Training Expenses	2,251,219	1,205,530
	Travelling & conveyance	1,242,982	2,059,610
	Vehicles Maintenance	1,932,786	1,895,563
	Vehicles running expenses	2,675,977	2,400,059
	Total	277,173,458	221,717,520
40	Provision for bad and doubtful debts: Tk. 34,615,778		
	The break-up of the above amount is as follows:		
	Closing balance of provision for bad & doubtful debts	392,290,777	357,674,999
	Less: Opening balance of provision for bad & doubtful debts	(357,674,999)	384,396,603
	Total	34,615,778	(26,721,604)
	BSCCL makes provision for bad and doubtful debts according to the company policy and following advice of the Audit Committee.		
41	Depreciation on property, plant and equipment	33,659,348	34,350,344
	This represents the depreciation charged on other than core machinery. For further details Annexure-A is referred.		
42	Bank interest and other income: Tk. 264,068,872		
	The break-up of the above amount is as follows:		
	Rest house rent and others	1,094,740	863,812
	Other Income	3,549,613	42,840,714
	Gain on Sale of Share	-	5,045,913
	Interest on FDR & Others	258,033,768	170,624,940
	Dividend income	1,390,751	1,563,307
	Total	264,068,872	220,938,686

Notes	Particulars	Amount in Taka	
		2021-2022	2020-2021
43	Gain on investment in shares: Tk. 1,571,730 The break-up of the above amount is as follows:		
	Opening market value of investment	29,501,318	25,201,905
	Add: Investment during the year	-	-
	Less: Market Value of Sales of Share	-	(12,361,191)
	Total cost of investment(B)	29,501,318	12,840,714
	Closing Market Value of Investment (A)	31,073,048	29,501,318
	Gain=(A-B)	<u>1,571,730</u>	<u>16,660,604</u>

44 **Current tax expenses: Tk. 690,326,921**
The break-up of the above amount is as follows:

For the year F-Y:2021-22 (Annexure-E)	674,057,788	-
For the year F-Y:2020-21	-	459,812,378
For the year F-Y:2014-15	-	5,648,994
For the year F-Y:2015-16 (Annexure-F)	5,199,628	-
For the year F-Y:2018-19 (Annexure-F)	11,069,505	-
	<u>690,326,921</u>	<u>465,461,372</u>

Detail calculation of current tax expenses has presented in Annexure - E and Annexure-F.

45 **Deferred tax (income)/expenses: Tk. 10,533,426**
The break-up of the above amount is as follows:

Closing balance of deferred tax liability	559,286,791	548,753,365
Opening balance of deferred tax liability	548,753,365	521,718,411
Deferred tax (income)/expense	<u>10,533,426</u>	<u>27,034,954</u>

46 **Basic Earnings Per Share (EPS): Tk. 15.16**
The break-up of the above amount is as follows:

Earnings attributable to the Ordinary Shareholders	2,500,219,040	1,907,331,861
Weighted average number of ordinary Shares outstanding during the year	164,905,510	164,905,510
Earnings Per Share (EPS)-Basic	<u>15.16</u>	<u>11.57</u>

46.1 **Earnings Per Share (EPS)-Dilluted** 13.91 10.61

The increase in EPS is the result of increase in revenue and other income for the ordinary course of the business activities which has been disclosed in the notes 27 to 31 and 42 in the Revenue Part of the Statement of Profit or Loss and Other Comprehensive Income for the period under consideration. As such there is a positive impact of EPS enhancement. There was no significant Extraordinary Transactions during this year.

46.1 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 and 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.



Notes	Particulars	Amount in Taka	
		2021-2022	2020-2021
47	Net Asset Value (NAV) Per Share: Tk. 64.66 The break-up of the above amount is as follows:		
	Total Assets	16,868,552,825	13,906,622,077
	Less: Total Liabilities	6,205,981,770	5,249,951,111
	Total	10,662,571,054	8,656,670,966
	Number of Ordinary Shares of Tk. 10 each at Financial Position date	164,905,510	164,905,510
	NAV-Per Share	64.66	52.49

48 Net operating cash flows per share (NOCFPS): Tk. 16.76

Net cash flows from operating activities (A)	2,764,215,184	2,338,311,561
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)	16.76	14.18

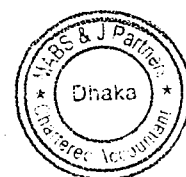
BSCCL management has emphasized on revenue collection and took some stern steps for the realisation which led to significant increment of cash received from clients as disclosed in the Statement of Cash Flows. There was no significant cash flows due to extraordinary transactions during the year. There is a change in previous year's amount due to rearrangement of cash and cash equivalent.

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

Net Profit Before Tax	3,201,079,387	2,399,828,187
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Adjustment to reconcile profit to net cash provided :

Depreciation	472,192,213	466,970,644
Amortization of License Fee	1,134,028	-
Financial Charges	136,514,690	147,743,711
Loss/(gain) on Investment in Share	(1,571,730)	(16,660,604)
Loss/(Gain) on disposal of fixed assets	(326,160)	(163,343)
Provision for Bad debts	34,615,778	(26,721,604)
Other Income	(264,068,872)	(220,938,687)
(Increase)/Decrease in Provision for income tax	(893,678,863)	(34,824,864)
(Increase)/Decrease in Advance Income tax	348,813,378	(566,022,807)
(Increase)/ Decrease in adv. & deposit	(56,359,075)	6,764,574
(Increase)/ Decrease in debtors	(849,092,033)	645,321,444
(Increase)/ Decrease in other receivable	21,644,353	43,704,526
Increase/(Decrease) in sundry creditors	440,692,318	(88,351,629)
Increase/(Decrease) in Security Deposit	94,190,277	62,112,905
Increase/(Decrease) in Employees Pension, Gratuity and PF	16,826,717	(2,820,694)
Increase/(Decrease) in Provision for WPPF and WF	40,062,560	57,392,396
Increase/(Decrease) in VAT Payable	(4,013,865)	(545,039,311)
Increase/(Decrease) in Liability for Expenses	25,560,081	10,016,717
Net cash flows from operating activities	2,764,215,184	2,338,311,561



49 Financial risk management

The management of the company has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies have been established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company has exposure to the following risks from its use of financial instruments.

- * Credit risk
- * Liquidity risk
- * Market risk

49.1 Credit risk

Credit risk is the risk of a financial loss to the company if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables.

As per terms and conditions of agreement with the clients, sale of Bandwidth is on prepaid basis. But for some unavoidable reasons a portion of sale remains outstanding and to make it acceptable management has made a credit recovery committee and the exposure to credit risk is monitored on an ongoing basis. As at 30 June 2022, receivables from Mango Teleservices Limited and other clients against whom litigations has been initiated are subject to significant credit risk. Risk exposures from other financial assets, i.e. cash at bank and other external receivables are nominal.

The uncertain economic environment has resulted in increase in credit risk and liquidity risk for many companies and BSCCL also faces some challenges in recovering the receivables due to COVID-19. But BSCCL management critically observed the situation. It is found that the overall market demand is in upward trend despite COVID-19 pandemic and hence it is expected that BSCCL could manage to minimize the dues to a reasonable extent in the near future. As such BSCCL management assumes that there is no need to provide sensibility disclosure regarding Credit and Liquidity Risk related to receivables.

(a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

		Amount in Taka	
		30 June 2022	30 June 2021
Trade receivables, net	(Note: 6.1)	2,685,714,011	1,871,237,757
Other receivables	(Note: 6.2)	73,055,042	72,321,088
Financial assets - investment in shares	(Note: 9)	31,073,048	29,501,318
Cash and cash equivalents	(Note: 10)	210,798,632	354,642,122
Investment in FDR	(Note: 10.3)	4,820,083,283	3,565,284,893
		7,820,724,016	5,892,987,177

The maximum exposure to credit risk for trade and other receivables as at the statement of financial position date by geographic regions was:

Domestic	3,054,065,295	2,205,022,038
Foreign (Export to India)	23,939,494	23,890,718
	3,078,004,789	2,228,912,756

b) Ageing of trade receivables

The aging of gross trade receivables as at the statement of financial position date was:

Past due 0-90 days	1,251,221,716	596,641,340
Past due 91-180 days	645,573,104	367,900,422
Past due 181-365 days	622,168,831	189,305,793
Past due more than 365 days	559,041,138	1,075,065,201
	3,078,004,789	2,228,912,756



c) Impairment losses

Impairment losses on the above receivables were recognised as per the company policy and recommendation made by Audit Committee.

49.2 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they falls due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

The following are the contractual maturities of financial liabilities of the company:

As at 30 June 2022

	Contractual cash flows (Taka)	1 year or less Taka	More than 1 year Taka
Security deposits received from clients	451,258,714	45,125,871	406,132,842
Employees' pension, gratuity and Provident fund	32,221,023	32,221,023	-
Sundry creditors and Unclaimed Dividend	534,293,820	534,293,820	-
Provision for WPPF and WF	160,053,970	160,053,970	-
Liabilities for expenses	79,632,880	79,632,880	-
Total	1,257,460,406	851,327,564	406,132,842

As at 30 June 2021

	Contractual cash flows (Taka)	1 year or less Taka	More than 1 year Taka
Security deposits received from clients	357,068,437	35,706,844	321,361,593
Employees' pension and gratuity fund	15,394,307	15,394,307	-
Sundry creditors and Unclaimed Dividend	93,105,850	93,105,850	-
Provision for WPPF and WF	119,991,410	119,991,410	-
Liabilities for expenses	57,437,162	57,437,162	-
Total	642,997,165	321,635,573	321,361,593

49.3 Market risk

Market risk is the risk that any change in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

a) Currency risk

The company is exposed to currency risk on payment of operation and maintenance expense, its reimbursement to and from consortium members and payment to foreign creditors against Upstream purchase . All of the company's foreign currency transactions are denominated in USD.

i) Exposure to currency risk

The company's exposure to foreign currency risk was as follows based on notional amounts:

Foreign currency denominated liabilities	Amount in Taka	
	30 June 2022	30 June 2021
Payable against IP transit cost	(34,025,587)	(30,720,353)
Unclaimed IPO Fund	(61,574)	(109,101)
Net exposure	(34,087,162)	(30,829,454)

The following rate has been applied:

	Taka	Taka
US Dollar (\$)	86.43	84.90



ii) Foreign exchange rate sensitivity analysis for foreign currency expenditures

A change of 10 basis points in foreign currencies would have increased/(decreased) equity and profit or loss of the company by the amounts shown below. This analysis assumes that all other variables, in particular interest rates remain constant.

	Profit or loss		Equity	
	Increase	Decrease	Increase	Decrease
2021-2022				
US Dollar (10% movement)	3,408,716	(3,408,716)	-	-
2020-2021				
US Dollar (10% movement)	3,082,945	(3,082,945)	-	-

b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. The company is not significantly exposed to fluctuation in interest rates as it has neither floating interest rate bearing financial liabilities nor entered into any type of derivative instrument in order to hedge interest rate risk as at 30 June 2022.

Profile

As at 30 June 2022, the interest rate profile of the company's interest bearing financial instruments was:

Fixed rate instruments

Financial assets (short term investments-FDR)	<u>4,820,083,283</u>	<u>3,565,284,893</u>
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Financial liabilities

Fair value of financial assets and liabilities of the company together with carrying amount shown in the statement of financial position are as follows:	<u>2,784,365,487</u>	<u>2,378,669,552</u>
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As at 30 June 2022		As at 30 June 2021	
Carrying amount Taka	Fair value Taka	Carrying amount Taka	Fair value Taka

Financial assets

Assets carried at fair value through profit or loss

Investment in shares	31,073,048	31,073,048	29,501,318	29,501,318
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Held to maturity assets

Short term investment-FDR	4,820,083,283	4,820,083,283	3,565,284,893	3,565,284,893
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Loans and receivables

Trade receivables, net	2,685,714,011	2,685,714,011	1,871,237,757	1,871,237,757
Other receivables	73,055,042	73,055,042	72,321,088	72,321,088

Financial assets for trading purpose

	-	-	-	-
	<u>7,609,925,385</u>	<u>7,609,925,385</u>	<u>5,538,345,055</u>	<u>5,538,345,055</u>

Financial Liabilities:

Liabilities carried at fair value through profit or loss

Liabilities carried at amortised costs

Security deposits received from clients	(451,258,714)	(451,258,714)	(357,068,437)	(357,068,437)
Sundry creditors	(534,293,820)	(534,293,820)	(93,105,850)	(93,105,850)
VAT payable	29,412,028	29,412,028	25,398,163	25,398,163
Provision for WPPF and WF	(160,053,970)	(160,053,970)	(119,991,410)	(119,991,410)
Liabilities for expenses	(79,632,880)	(79,632,880)	(57,437,162)	(57,437,162)
	<u>(1,195,827,356)</u>	<u>(1,195,827,356)</u>	<u>(602,204,695)</u>	<u>(602,204,696)</u>



	Gbps	Gbps
50 Bandwidth capacity		
Present Capacity	3,000	1,800
Utilization (Monthly Average)	1,852	1,406
Percentage of utilization	61.72%	78.11%

51 Capital management

Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of total equity of the company. The Board of Directors monitors the level of capital as well as the level of dividend to the ordinary shareholders. In order to maintain or adjust the capital structure, the company may adjust the amount of dividend, return on capital to shareholders, issue new shares or obtain long-term debt. The company is not subject to any externally imposed capital requirement.

52 Remittance of dividend

No amount has been remitted as dividend during the year.

53 Remittance of foreign currency to consortium and others

	30 June 2022 USD	30 June 2021 USD
Property, Plant and Equipment	1,004,839	223,850
Operation and maintenance expenses	1,807,692	2,030,397
IP Transit & Membership cost	2,670,508	2,670,508
	<u>5,483,040</u>	<u>4,924,756</u>

54 Earnings in foreign Exchange

During the year, earnings in foreign exchange for export of royalty know-how professional and consultation fees, interest & dividend is nil. But the company received foreign exchange against IP Transit Export, O&M reimbursement, Custom duty and against IRU based capacity sale etc. of US\$ 44,22,104.12 equivalent to Tk 37,78,95,174.21

55 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.

(iii) BSCCL has to spent 53.86 (Appx.) million USD for implementetion of the project named Installation of 3rd Submarine Cable for Expansion of International Telecommunications System of Bangladesh during the period 2022-2025.

56 Director's responsibility statement

The Board of Directors take the responsibility for the preparation and presentation of the financial statements.



7 Related party disclosures

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

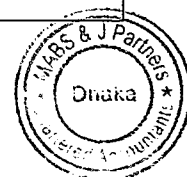
Related parties include the company's directors, key management personnel, associates, companies under common directorship etc. as per IAS 24 "Related Party Disclosures". All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial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

a) Name of the Directors along with all related Firms/Companies/Institutions/Parties as at 30 June 2022.

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	Dr.Nasima Akhter	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.Azam Ali	Managing Director	BSCCL	Nominated by GOB

b) Transactions with the following companies where the Directors of the company are related for the period ended 30 June 2022:

Sl No.	Name of the company (Related party)	Name of the Director	Relationship of the Director with the company	Type of transaction	Transactions during the year
1	Bangladesh Telecommunications Company Limited	Mr. Md.Khalilur Rahman	Chairman	Bandwidth sale	623,168,601
2	Bangladesh Telecommunications Company Limited	Mr. Md.Khalilur Rahman		Backhaul Purchase	65,763,667
3	Bangladesh Telecommunications Company Limited	Mr. Md.Khalilur Rahman		Port charge	25,200
4	Bangladesh Telecommunications Company Limited	Mr. Md.Khalilur Rahman		Co-location Purchase	579,600
5	Teletalk Bangladesh Ltd.	Mr. Md.Khalilur Rahman		Co-location Sale	132,085
6	Teletalk Bangladesh Ltd.	Mr. Md.Khalilur Rahman		Bandwidth sale	44,915,220



Outstanding balances at 30 June 2022

Sl. No.	Name of the company (Related party)	Name of the Director	Relationship of the Director with the company	Type of transaction	Opening balance 01.07.2021	Amount of transaction during the year 2021-2022		Closing balance 30.06.2022
						Addition	Adjustment/ Received	
1	Bangladesh Telecommunications Company Limited	Mr. Md.Khalilur Rahman	Chairman	Bandwidth sale	349,699,131	623,168,601	(135,028,823)	837,838,909
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	18,752,285	65,788,867	(15,088,328)	69,452,820
4	Bangladesh Telecommunications Company Limited	Mr. Md.Khalilur Rahman		Backhaul (Co-location) Purchase	198,450	579,600	(151,200)	626,850
5	Teletalk Bangladesh Ltd.	Mr. Md.Khalilur Rahman		Bandwidth sale	28,146,595	44,915,220	(45,527,606)	27,534,209
6	Teletalk Bangladesh Ltd.	Mr. Md.Khalilur Rahman		Co-location Sale	93,062	132,085	(212,028)	13,119

7.2 Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. (Para 9; IAS 24- Related Party Disclosure).

Even though it is very difficult to differentiate and exact the key personnel management in the organization's hierarchy of the Company (BSCCL), generally, MD, CS, GM and DGM possess authority and responsibility for planning and controlling the activities of the company, directly or indirectly.

The company's key management personnel compensation in total and for each of the following categories are stated below:

a) **Short Term Employee Benefits** - Employee benefits (other than termination benefits) which fall due wholly within twelve months during the year in which the employees render service. Such as -

	Amount in Taka	
	30 June 2022	30 June 2021
(i) MD's Remuneration		
Salary	3,434,081	3,134,590
Bonuses	822,500	435,836
WPPF	503,901	298,091
	<u>4,760,482</u>	<u>3,868,517</u>
ii) Other Key Management personnel remuneration and benefit		
Salary	23,044,811	17,412,775
Bonuses	5,227,098	2,599,034
WPPF	4,535,109	1,788,543
Leave encashment	1,874,785	894,470
	<u>34,681,803</u>	<u>22,694,822</u>
b) Post Employment Benefits - Employee benefits such as Gratuity, provident fund		
Gratuity	17,701,813	16,890,968
Provident Fund	11,488,883	5,176,665
	<u>29,190,696</u>	<u>22,067,633</u>

c) Other Long Term Employee Benefits

Employee benefits that is not due to be paid wholly within twelve months after the end of the period in which the employees render the related service. Such as - long service benefits or sabbatical leave, jubilee or other long service benefits, long term disability benefits.

No such benefits are available in the Company hence, it is not applicable.

d) Termination Benefits

Employee benefits payable as result of either: (i) an entity's decision to terminate an employee's employment before normal retirement date; or (ii) an entity's decision to accept voluntary redundancy in exchange for those benefits.

e) Share based payment

An entity shall recognize the goods or services received or acquired in a share based payment transaction when it obtains the goods or as the services are received. The entity shall recognize a corresponding increase in equity if the goods or services were received in an equity settled share based payment transaction, or a liability if the goods or services were acquired in a cash settled share based payment transaction.

No such benefits are available in the Company hence, it is not applicable.



f) Director's Board Meeting Attendance Fees

756,570

746,752

g) Other Disclosures

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

1. Expense reimbursed to the managing agent - Nil
2. Commission or other remuneration payable separately to a managing agent or his associate - Nil
3. Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into such concerns with the company - Nil
4. The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year.
5. Any other perquisites or benefit in cash or in kind stating - Nil
6. Other allowances and commission including guarantee commission - Nil.
7. i) Pensions-Nil ii) Gratuities-Nil iii) Payment from Provident Fund, in excess of own subscription and interest thereon-Nil iv) Compensation for loss of office -Nil and v) Consideration in connection with retirement from office -Nil

58 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.

59 Comparatives

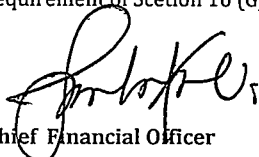
Comparative information in the following major areas has been rearranged to conform to current year's presentation.

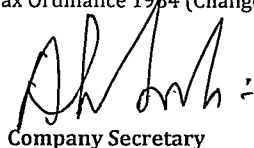
60 Number of employees

- (a) The number of employees employed in the company throughout the year who received aggregate remuneration not less than Tk.36,000 was Nil.
- (b) The number of employees employed in the company for part of the year who received aggregate remuneration not less than Tk.3,000 per month was Nil.
- (c) As at 30 June 2022 the number of regular employees receiving remuneration of Tk.36,000 or above per annum was 142 (2021: 130).

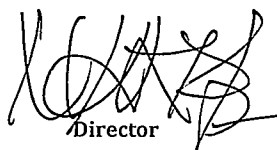
61 Events after the reporting period

The Board of Directors of BSCCL, at its 205th meeting held on 10 October 2022 proposed 46% Cash Dividend on the paid-up capital equivalent to Taka 758,565,346 for the year 2021-2022. This dividend is subject to final approval by the shareholders at the forthcoming Annual General Meeting (AGM) of the company. However, the amount of proposed dividend has been recognized in the financial statements as per the requirement of Section 16 (G) of income Tax Ordinance 1984 (Change made by Finance Act 2019).


Chief Financial Officer


Company Secretary


Managing Director


Director

Place: Dhaka, Bangladesh

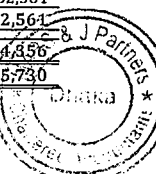
Dated: 10 October 2022



Bangladesh Submarine Cable Company Limited
Schedule of Property, Plant & Equipment
As at 30 June 2022

(Amount in Taka)

Name of assets	Cost					Accumulated depreciation					WDV as at 30 June 2022	
	As at 01 July 2021	Impairment	As at 01 July 2021	Additions during the year	Adjustment during the year	As at 30 June 2022	Rate	As at 01 July 2021	Charged during the year	Adjustment during the year		As at 30 June 2022
A. Freehold assets (cost less accumulated depreciation)												
Land and land development	122,611,477	-	122,611,477	703,561	-	123,315,038	-	-	-	-	-	123,315,038
Core equipment-IPLC-SMW-4	2,603,865,991	-	2,603,865,991	-	-	2,603,865,991	10.00%	2,031,047,895	114,563,619	-	2,145,611,514	458,254,477
Core equipment-IPLC-SMW-5	5,636,245,074	-	5,636,245,074	86,376,802	-	5,722,621,876	5.00%	1,118,091,678	287,783,137	-	1,405,874,816	4,316,747,060
Core equipment-IIG	250,590,980	-	250,590,980	1,028,030	-	251,619,011	14.29%	179,246,793	36,186,109	-	215,432,902	36,186,109
Building-SMW-4	63,415,462	-	63,415,462	-	-	63,415,462	4.00%	27,350,060	1,502,725	-	28,852,785	34,562,677
Building-Low cost Quarter-SMW4	5,242,135	-	5,242,135	-	-	5,242,135	2.50%	131,053	131,053	-	262,107	4,980,028
Building-SMW-5	288,918,374	-	288,918,374	-	-	288,918,374	2.70%	50,320,176	6,698,200	-	57,018,376	231,899,998
Floor development	2,535,402	-	2,535,402	-	-	2,535,402	4.00%	2,035,022	20,849	-	2,055,871	479,531
Security barak & security wall	7,827,297	-	7,827,297	-	-	7,827,297	4.00%	3,485,452	180,910	-	3,666,362	4,160,935
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	1,074,163	-	7,672,596	10,741,635
500 KV sub-station	3,284,000	-	3,284,000	-	-	3,284,000	11.11%	2,939,852	43,018	-	2,982,871	301,129
500 KV sub-station-SMW-5	13,146,779	-	13,146,779	-	-	13,146,779	3.13%	2,321,229	349,211	-	2,670,440	10,476,339
Power system	48,160,046	-	48,160,046	239,434	(5,478,264)	42,921,216	16.67%	31,332,172	2,317,809	3,765,565	29,884,416	13,036,800
Power system-SMW-5	21,036,315	-	21,036,315	14,754	-	21,051,069	5.88%	4,180,145	1,054,433	-	5,234,578	15,816,491
Power system-IIG	387,555	-	387,555	-	-	387,555	33.33%	232,533	77,511	-	310,044	77,511
Boundary wall	9,946,329	-	9,946,329	-	-	9,946,329	3.85%	4,408,390	221,518	-	4,629,908	5,316,421
Boundary wall-SMW-5	38,218,321	-	38,218,322	2,536,990	-	40,755,312	2.70%	6,610,736	1,018,932	-	7,629,668	33,125,644
Ducting from beach manhole	18,769,788	-	18,769,788	-	-	18,769,788	9.09%	12,575,783	619,400	-	13,195,184	5,574,604
Ducting from beach manhole-SMW-5	21,813,789	-	21,813,789	-	-	21,813,789	6.25%	4,430,926	1,158,858	-	5,589,783	16,224,006
Vehicles	48,862,012	-	48,862,012	5,371,100	-	54,233,112	10.00%	36,619,252	3,481,147	-	40,100,399	14,132,713
Office equipment and furniture	34,467,517	-	34,467,517	3,065,188	-	37,532,705	5-10%	20,549,952	5,058,972	-	25,608,925	11,923,781
Co-Location point	1,768,031	-	1,768,031	-	-	1,768,031	25.00%	762,973	335,019	-	1,097,992	670,039
Co-Location point-SMW-5	1,380,694	-	1,380,694	-	-	1,380,694	5.88%	259,024	70,104	-	329,128	1,051,566
Office decoration	7,993,459	-	7,993,459	47,679	-	8,041,138	10.00%	3,542,068	674,819	-	4,216,888	3,824,250
Water Treatment Plant & Others	186,120	-	186,120	-	-	186,120	20.00%	125,424	15,174	-	140,598	45,522
Surveillance System	471,925	-	471,925	-	-	471,925	20.00%	94,385	94,385	-	188,770	283,155
Sub-total	9,273,087,593	-	9,273,087,593	99,383,539	(5,478,264)	9,366,992,867		3,551,284,258	464,731,078	3,765,565	4,012,249,772	5,354,743,097
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	72,159,464	-	72,159,464	-	-	72,159,463	4.00%	2,886,379	2,886,379	-	5,772,757	66,386,706
Security barak & security wall	84,809	-	84,809	-	-	84,809	4.00%	3,392	3,392	-	6,785	78,025
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	210,309	-	420,618	2,103,091
500 KV sub-station	1,181,221	-	1,181,221	-	-	1,181,221	11.11%	131,247	131,247	-	262,494	918,727
500 KV sub-station-SMW-5	1,041,697	-	1,041,697	-	-	1,041,697	3.13%	32,553	32,553	-	65,106	976,591
Power system	15,612,099	-	15,612,099	-	-	15,612,099	16.67%	2,602,015	2,602,015	-	5,204,031	10,408,068
Power system-SMW-5	27,112,088	-	27,112,088	-	-	27,112,088	5.88%	1,594,191	1,195,643	-	2,789,834	24,322,254
Power system-IIG	9,301	-	9,301	-	-	9,301	33.33%	3,100	3,100	-	6,201	3,100
Boundary wall-SMW-5	1,012,168	-	1,012,168	-	-	1,012,168	2.70%	27,356	27,356	-	54,712	957,457
Vehicle	3,691,409	-	3,691,409	-	-	3,691,409	10.00%	369,141	369,141	-	738,282	2,953,128
Sub Total (i)	755,949,516	-	755,949,516	-	-	755,949,515		7,859,683	7,461,135	-	15,320,819	740,628,697
(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 30 June 2022	10,375,599,671	-	10,375,599,671	99,383,539	(5,478,264)	10,469,504,943	-	3,559,143,940	472,192,213	3,765,565	4,027,570,590	6,441,934,856
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

Schedule of Trade Receivable

As at 30 June 2022

Sl. No.	Name of Customer	(Amount in Taka)			
		Opening Balance	Addition during the year	Collection during the year	Closing Balance
1	1 Asia Alliance Communication Ltd	4,544,709	-	-	4,544,709
2	1 Asia Alliance Gateway Ltd	4,257,981	-	-	4,257,981
3	Aamra Technologies Ltd	137,006,024	194,265,581	173,190,228	158,081,376
4	Aamra Technologies Ltd(SMW#5)	266,322,422	412,113,692	379,608,272	298,827,842
5	ADN International Gateway Ltd-SMW#4	10,721,261	11,702,346	10,747,525	11,676,082
6	ADN International Gateway Ltd-SMW#5	11,765,691	14,357,472	13,340,683	12,782,480
7	ADN Telecom Ltd-IIG(ISP)	3,619,302	14,619,150	11,742,276	6,496,176
8	AKCEYCOM Ltd-IIG(ISP)	51,423	-	-	51,423
9	Always On Network BD Ltd-IIG(ISP)	1,731,838	3,054,172	3,163,363	1,622,647
10	Apple Communication Ltd-IIG	10,951,390	56,750,896	59,889,513	7,812,773
11	Apple Communication Ltd-SMW#5	-	30,923,802	23,780,682	7,143,120
12	Apple Global Tel Communications Ltd	4,047,909	-	-	4,047,909
13	Bangla Phone Ltd-IIG(ISP)	4,009,364	-	-	4,009,364
14	Bangla Tel Ltd	1,557,890	3,069,705	4,242,662	384,933
15	Bangla Trac Communications Ltd.	225,573	-	-	225,573
16	Bangladesh Internet Exchange LtdIIG	762,142	-	-	762,142
17	Banglphone Ltd-Co-Location Charge#4	730,875	-	-	730,875
18	BD Hub Ltd-IIG	27,641,243	149,640,200	118,860,007	58,421,435
19	BD Hub Ltd-Co-Location(Power&Rack)IIG	-	98,473	40,320	58,153
20	BD Link Communication Ltd-Coloc-IIG	14,395	98,175	19,040	93,530
21	BD Link Communication Ltd	1,362,475	3,087,382	2,436,887	2,012,971
22	BD Link Communication Ltd D/N BTCL5	-	46,518	42,974	3,544
23	BD Link Communication Ltd-SMW#5	-	2,494,933	1,531,987	962,945
24	BDREN/UGC-ISP	578,399	-	578,400	(1)
25	BESTEC Telecom Ltd	2,256,856	-	-	2,256,856
26	BG International Gateway Ltd	13,246,462	-	-	13,246,462
27	Bharti Airtel Limited(Airtel)	761,701	-	-	761,701
28	Brac Net Ltd-IIG(ISP)	1,285,722	488,885	758,728	1,015,879
29	BSNL	23,890,718	45,367,400	45,318,624	23,939,494
30	BTCL	258,537,703	177,249,563	43,905,443	391,881,823
31	BTCL IGW-SMW#5	1,599,499	6,268,850	1,599,500	6,268,849
32	BTCL-Co-Location(IPLC-SMW#4)	10,033,750	-	-	10,033,750
33	BTCL-IGW	4,502,400	17,185,604	4,462,400	17,225,604
34	BTCL-Power&Rack(IPLC-SMW#4)	11,429,712	-	-	11,429,712
35	BTCL-SMW#5	85,059,529	422,464,584	85,061,480	422,462,633
36	BTRC for DC&DR	4,860,619	1,131,900	-	5,992,519
37	BTS Communication(BD) Ltd-ISP(IIG)	497,700	594,454	522,621	569,533
38	BG Tel Ltd.	2,231,498	-	-	2,231,498
39	Chittagong Online Ltd-IIG(ISP)	324,001	8,650,850	8,360,776	614,074
40	Cox Link IT-IIG(ISP)	191,072	1,212,587	430,255	973,404
41	Cybergate Ltd	7,010,465	-	7,010,465	0
42	Cybergate Ltd-SMW#5	15,158,430	7,629,379	22,787,809	0



Sl. No.	Name of Customer	(Amount in Taka)			
		Opening Balance	Addition during the year	Collection during the year	Closing Balance
43	Cybergate Ltd-Power&Rak-IIG	-	21,000	21,000	-
44	Delta Infocom Ltd	(40,602)	-	-	(40,602)
45	Dhaka Link Communication-IIG	-	59,325	59,325	-
46	Earth Telecommunication Ltd-IIG	1,035,790	8,476,757	8,490,078	1,022,469
47	Earth Telecommunication Ltd-SMW#5	73,982,655	109,671,823	96,998,326	86,656,151
48	Earth Telecommunications Pvt.Ltd	64,691,085	101,053,854	87,561,754	78,183,185
49	Equitel Communication Ltd-IIG	267,713	797,893	571,369	494,237
50	Exabyte Ltd-IIG	226,771	-	-	226,771
51	Fiber @ Home Global Ltd(SMW#5)	27,963,206	87,319,479	73,106,049	42,176,636
52	Fiber@Home Global Ltd	51,352,966	86,526,342	70,847,472	67,031,836
53	Fiber@Home Golbal Ltd-IIG	49,532,252	215,038,389	150,567,662	114,002,979
54	Fiber@Home Global Ltd(ITC)	4,961,968	-	-	4,961,968
55	Fiber@Home Ltd - Power&Rack(SMW#5)	626,841	2,028,288	1,330,192	1,324,938
56	Fiber@Home Ltd(Power&Rack)-SMW#4	358,160	2,521,458	1,409,016	1,470,602
57	Fiber@Home Ltd-Colocation (SMW#5)	9,962,330	27,342,090	21,011,745	16,292,675
58	Fiber@Home Ltd-Co-Location Charge#4	7,055,769	17,285,765	16,113,807	8,227,726
59	First Communication Ltd	3,258,547	-	-	3,258,547
60	Global Fair Communication Ltd-IIG	70,101	-	-	70,101
61	HRC Technologies Ltd	7,921,969	3,908,872	3,446,630	8,384,211
62	Infocom Ltd-IIG(ISP)	90,777	195,727	22,942	263,562
63	InterCloud Ltd	32,496	-	-	32,496
64	I-Tel Ltd	-	4,481,400	4,481,400	-
65	I-Tel Ltd-IIG	65,550	78,270,607	41,208,934	37,127,223
66	Kay Telecommunication Ltd	9,465,845	-	-	9,465,845
67	Kloud Technologies Ltd-IIG(ISP)	236,515	567,630	189,210	614,935
68	Kloud Technologies Ltd-ISP-Colocati	40,548	121,640	40,548	121,641
69	KS Network Ltd-IIG(ISP)	5,025,850	4,924,400	9,950,250	0
70	Level 3 Carrier Ltd	40,681,368	111,401,183	108,413,718	43,668,834
71	Level3 Carrier Ltd(Power&Rack)-SMW5	72,251	177,660	205,495	44,416
72	Level-3 Carrier Ltd(SMW#5)	225,137,969	579,621,526	613,720,759	191,038,735
73	Mango Tele Services Ltd.	154,928,896	-	-	154,928,896
74	Maxnet Online	12,653,417	-	-	12,653,417
75	Maxnet Online-IIG	6,470,770	-	-	6,470,770
76	Mir Telecom Ltd.	3,400,623	-	-	3,400,623
77	NMS Technologies Ltd-IIG(ISP)	439,229	-	160,640	278,589
78	Novocom Ltd	1,604,712	-	-	1,604,712
79	Novocom Ltd(ITC)	4,938,250	11,131,313	11,306,100	4,763,463
80	Novocom Ltd-IIG	2,604,787	9,755,745	8,346,051	4,014,482
81	Novocom Ltd(SMW#5)	-	3,193,983	2,408,390	785,593
82	Novotel	1,173,838	-	-	1,173,838
83	Optimax Communication Ltd-IIG	915,949	117,939,304	60,578,828	58,276,425
84	Orange Communication Ltd-IIG(ISP)	39,210	-	-	39,210
85	Orange	-	15,259,253	15,259,253	-
86	Peerex Network-IIG	180,677,340	215,523,681	205,512,516	190,688,505
87	Peerex Networks Ltd(SMW#5)	9,676,800	32,659,200	25,942,882	16,393,118
88	PGCB-Power&Rack-SMW#4	-	1,950,065	1,514,843	435,221
89	PGCB-Colocation-SMW#5	39,900	1,937,871	1,518,246	459,525
90	Pioneer Services Ltd-IIG(ISP)	189,842	294,525	240,975	243,392
91	Planet Satellite-IIG(ISP)	869,231	-	-	869,231
92	Premium Connectivity Ltd-IIG(ISP)	274,040	629,316	329,150	574,206



Sl. No.	Name of Customer	(Amount in Taka)			
		Opening Balance	Addition during the year	Collection during the year	Closing Balance
93	Radiant Communication Ltd	4,212,242	-	1,812,243	2,399,999
94	Ranks Telecom Ltd	542,476	-	-	542,476
95	Ratul Telecom Ltd	13,275,840	-	-	13,275,840
96	REGO Communication Ltd	989,008	-	-	989,008
97	Roots Communications Ltd	5,313,021	5,042,872	3,722,120	6,633,773
98	Skytel Communications Ltd-IIG	17,025,009	24,771,062	27,438,677	14,357,394
99	SM Communication Ltd	1,344,610	-	-	1,344,610
100	SS Online Ltd-IIG(ISP)	24,990	296,772	296,772	24,990
101	SSD-Tech Ltd-IIG(ISP)	206	-	-	206
102	Summit Communication - Power&Rack(5)	609,599	1,986,037	1,788,483	807,153
103	Summit Communication Ltd(ITC)	3,075,666	6,174,000	5,762,400	3,487,266
104	Summit Communication Ltd-Coloc-SMW5	8,906,723	42,052,559	39,996,765	10,962,517
105	Summit Communication Ltd-IIG	41,422,266	127,453,158	121,272,968	47,602,456
106	Summit Communication Ltd-IPLC(SMW#5)	112,672,449	541,772,933	516,997,955	137,447,427
107	Summit Communication Ltd-Power&Rack #4	553,322	1,622,502	1,514,333	661,491
108	Summit Communication-ADCN Terminati	(16,860)	-	-	(16,860)
109	Summit Communications Ltd	61,792,587	251,629,415	284,566,499	28,855,503
110	Summit Communications Ltd-Co-Loctio#4	4,031,253	22,221,366	20,324,641	5,927,978
111	Soudia Telecom	-	307,080,000	307,080,000	-
112	Synesis IT Ltd-Co-Location-DC&DR	-	1,491,813	-	1,491,813
113	Teletalk Banglades Ltd-IPLC(SMW#4)	340,598	374,220	287,496	427,322
114	Teletalk Bangladesh Ltd-IIG(ISP)	27,805,996	44,541,000	45,240,110	27,106,886
115	Teletalk BD Ltd-Co-Location(SMW#5)	93,062	132,085	212,028	13,119
116	Telex Ltd	18,880,608	-	-	18,880,608
117	Vision Tel Ltd	5,422,425	-	-	5,422,425
118	Velocity Networks Ltd-IIG	-	15,091,704	11,718,054	3,373,650
119	Virgo Communication Ltd-SMW#5	-	12,900,944	6,037,500	6,863,444
120	Virgo Communication Ltd-IIG	-	3,787,748	2,535,360	1,252,388
121	Windstream Communnication Ltd(SMW#5)	-	201,155,515	146,332,720	54,822,795
122	Windstream Communnication Ltd	-	19,401,000	13,025,250	6,375,750
123	Windstream Communnication Ltd-IIG	841,995	93,215,367	87,475,105	6,582,258
Grand Total		2,228,912,756	5,160,847,986	4,311,755,953	3,078,004,789



Bangladesh Submarine Cable Company Limited
Schedule of Security Deposit received from Clients
As at 30 June 2022

Sl. No.	Name of Customer	Amount in Taka			
		Opening Balance	Addition during the year	Adjustment during the year	Closing Balance
1	Aamra Technologies Ltd	21,916,064	4,366,804.96	-	26,282,869
2	Aamra Technologies Ltd(SMW#5)	37,362,243	-	-	37,362,243
3	ADN International Gateway Ltd-SMW#4	2,317,626	-	-	2,317,626
4	ADN International Gateway Ltd-SMW#5	1,653,750	-	-	1,653,750
5	ADN Telecom Ltd-IIG(ISP)	2,171,896	-	-	2,171,896
6	AKCEYCOM Ltd-IIG(ISP)	39,388	-	-	39,388
7	Always On Network BD LTD-IIG(ISP)	377,045	-	-	377,045
8	Apple Communication Ltd-IIG	6,426,000	1,211,415.63	7,637,415.00	0.63
9	Apple Communication Ltd-SMW-5	-	5,233,200.00	-	5,233,200
10	Apple Network Ltd	1,012,390	-	-	1,012,390
11	Bangla Phone Ltd(IIG)	-	-	-	-
12	Bangla Tel Ltd	688,608	-	-	688,608
13	Bangladesh Internet ExchangeLtd. IIG	62,100	-	-	62,100
14	BD Hub Ltd-IIG	10,397,882	6,036,187.50	-	16,434,069
15	BD Hub Ltd-Power&Rack-IIG	-	18,585.00	-	18,585
16	BD Link Communication Ltd Coloc-IIG	8,925	-	-	8,925
17	BD Link Communication Ltd	2,299,712	126,000.00	-	2,425,712
18	BD Link Communication Ltd-SMW#5	200,760	162,750.00	-	363,510
19	BDREN/UGC-ISP	850,000	-	850,000.00	-
20	BG Tel Ltd	2,328,497	-	-	2,328,497
21	Brac Net Ltd-IIG(ISP)	349,110	-	349,110.00	-
22	BTS Communication(BD)Ltd-ISP	74,520	-	-	74,520
23	BSNL	-	3,930,700.00	-	3,930,700
24	Chittagong Online Ltd-IIG(ISP)	482,435	290,077.20	-	772,512
25	Cox Link IT-IIG(ISP)	81,259	38,278.80	-	119,538
26	Cybergate Ltd	2,760,000	-	2,760,000.00	-
27	Cybergate Ltd-SMW#5	3,192,000	629,475.00	3,821,475.00	-
28	Cybergate Online Ltd(Power & Rack)IIG	25,489	8,925.00	25,488.60	8,925
29	Dhaka Link Communication-IIG	-	22,312.50	-	22,313
30	Earth Telecommunication Ltd-IIG	219,727	2,612,925.00	2,779,055.00	53,597
31	Earth Telecommunication Ltd-SMW#5	8,127,000	2,383,500.00	-	10,510,500
32	Earth Telecommunications Pvt.Ltd	9,140,276	1,722,000.00	1,722,000.00	9,140,276
33	Equitel Communication Ltd-IIG	362,916	-	-	362,916
34	Fiber @ Home Global Ltd(SMW#5)	8,267,764	-	-	8,267,764
35	Fiber@Home Global Ltd(SMW#4)	1,785,724	1,666,636.36	-	3,452,361
36	Fiber@Home Golbal Ltd-IIG	17,510,745	6,557,355.00	-	24,068,100
37	Fiber@Home Ltd	8,050,000	-	-	8,050,000
38	Fiber@Home Ltd-(ITC)	968,559	-	-	968,559
39	Fiber@Home Ltd-Co-Location	4,850,607	157,500.00	-	5,008,107
40	Fiber@Home Ltd-Colocation (SMW#5)	1,564,500	1,260,000.00	-	2,824,500
41	Fiber@Home Ltd-Power&Rack-(SMW#4)	15,525	187,269.60	-	202,795
42	Fiber@Home Ltd-Power&Rack-(SMW#5)	-	146,706.00	-	146,706
43	HRC Technologies Ltd	528,549	-	-	528,549
44	I-Tel Ltd.-IIG	-	11,175,570.00	-	11,175,570
45	I-Tel Ltd.(SMW-4)	-	1,915,200.00	-	1,915,200
46	Infocom Ltd-IIG(ISP)	86,573	-	-	86,573
47	Kloud Technologies Ltd-IIG(ISP)	51,750	-	-	51,750

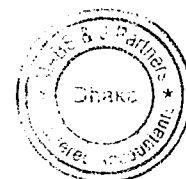


Sl. No.	Name of Customer	Amount in Taka			Closing Balance
		Opening Balance	Addition during the year	Adjustment during the year	
48	Kloud Technologies Ltd--ISP-Coloca	11,102	-	-	11,102
49	KS Network Ltd-IIG(ISP)	1,128,127	-	1,128,127.00	-
50	Level 3 Carrier Ltd	11,453,473	-	-	11,453,473
51	Level3 Carrer Ltd(Power&Rack)-IIG	9,929	-	-	9,929
52	Level3 Carrier Ltd(Power&Rack)-SMW5	14,805	-	-	14,805
53	Level-3 Carrier Ltd(SMW#5)	36,832,714	34,276,116.63	-	71,108,831
54	Mir Telecom	5,412,537	-	-	5,412,537
55	NMS Technologies Ltd-IIG(ISP)	56,350	-	-	56,350
56	Novocom Ltd (SMW-5)	-	477,750.00	-	477,750
57	Novocom Ltd(ITC)	1,541,736	-	-	1,541,736
58	Novocom Ltd-IIG	890,100	-	-	890,100
59	Optimax Communication Ltd-IIG	1,615,950	14,175,000.00	1,176,525.00	14,614,425
60	Peerex Networks Ltd-(Power & Rack)-4	15,353	-	-	15,353
61	Peerex Networks Ltd-(Power&Rack)-5	15,353	-	-	15,353
62	Peerex Networks Ltd(SMW#5)	3,225,600	-	504,000.00	2,721,600
63	Peerex Networks-IIG	25,863,766	-	10,734,130.00	15,129,636
64	Pioneer Services Ltd-IIG(ISP)	28,750	-	-	28,750
65	Planet Satellite-IIG(ISP)	165,347	-	-	165,347
66	Premium Connectivity Ltd-IIG(ISP)	55,000	-	-	55,000
67	Roots Communication Ltd	896,153	-	-	896,153
68	Skytel Communications Ltd-IIG	3,103,478	-	-	3,103,478
69	SS Online Ltd-IIG(ISP)	26,738	-	-	26,738
70	Summit Communication Ltd (ITC)	1,296,101	-	-	1,296,101
71	Summit Communication Ltd-Coloc-SW#5	3,069,750	525,000.00	-	3,594,750
72	Summit Communication Ltd-IIG	14,276,314	-	-	14,276,314
73	Summit Communication Ltd-Power&Rack-5	66,700	24,003.00	-	90,703
74	Summit Communication Ltd SMW5	52,423,338	6,323,097.64	12,382,372.86	46,364,063
75	Summit Communications Ltd	29,341,545	-	7,225,002.75	22,116,542
76	Summit Communications Ltd-Colocation:	2,221,710	262,500.00	-	2,484,210
77	Teletalk BD Ltd-IIG(ISP)	345,000	-	-	345,000
78	Venus Telecom Ltd	251,057	-	-	251,057
79	Virgo Communication Ltd. (SMW-5)	-	2,693,250.00	-	2,693,250
80	Virgo Communication Ltd.IIG	-	413,962.50	-	413,963
81	Velocity Networks Ltd. IIG	-	3,657,150.00	-	3,657,150
82	Windstream Communnication Ltd	-	3,189,375.00	-	3,189,375
83	Windstream Communnication Ltd-SMW-5	-	21,744,450.00	-	21,744,450
84	Windstream Communnication Ltd-IIG	2,806,650	7,663,950.00	-	10,470,600
Grand Total		357,068,437	147,284,978	53,094,701	451,258,714



Bangladesh Submarine Cable Company Limited
Statement of Profit or Loss for IIG Unit
For the year ended 30 June 2022

Particulars	Notes	Amount in Taka	
		2021-2022	2020-2021
		Taka	Taka
Revenue			
Circuit Activation Charge	28	1,017,700	1,009,000
IP Transit Charges	29	1,083,971,935	702,829,030
IP Transit -Export	29	41,436,700	-
Co-Location	30	273,232	1,356,986
		1,126,699,567	705,195,016
Direct cost of operation			
Electricity and generator fuel		3,455,241	2,694,444
Backhaul & Data connectivity Charge	34	103,897,712	83,673,754
IP Transit Cost	35	84,660,465	66,632,955
Exchange Loss/ (Gain)		124,968	(85,268)
Impairment Loss		-	-
Depreciation of core machinery (Schedule-A)		36,186,109	35,189,461
		228,324,495	188,105,346
Gross profit		898,375,072	517,089,670
Operating expenses			
General and administrative expenses		37,957,963	38,132,149
Depreciation on property, plant and equipment		688,405	806,873
Provision for Bad & Doubtful Debts		43,913,255	(47,099,106)
		82,559,624	(8,160,084)
Operating profit		815,815,448	525,249,754
Non-operating income			
Bank interest and other income		1,017,709	932,970
Profit before WPPF & WF		816,833,157	526,182,724
Provision for contribution to WPPF & WF		38,896,817	25,056,320
Profit before taxation		777,936,340	501,126,404
Less: Current tax expense		132,607,402	62,327,158
Net profit after tax		645,328,938	438,799,246
Total comprehensive income		645,328,938	438,799,246



Bangladesh Submarine Cable Company Limited
Calculation of Current Tax Provision
As at 30 June 2022

Amount in Taka

Particulars	Total Amount	Exemption rate	Exempted Amount	Chargeable Income	Tax Rate	Tax Liability
Profit Before Taxation	3,201,079,387					
Add: Provision for bad debt	34,615,778					
CSR expense	8,877,715					
Accounting depreciation	472,192,213					
	<u>3,716,765,093</u>					
Less: Tax depreciation	569,765,390					
Total taxable income	3,146,999,703					
Less: Non-operating Income	264,068,872					
Taxable profit including Tax holiday	2,882,930,832					
Profit from IIG Exempted due to Tax Holiday	735,435,655					
Taxable profit from IPLC unit	<u>2,147,495,176</u>					
Taxable profit from IPLC unit	2,147,495,176	0%	-	2,147,495,176	22.50%	483,186,415
Profit-IIG as per Ratio of Sales	735,435,655	20%	147,087,131	588,348,524	22.50%	132,378,418
Tax on Other Income				262,678,121	22.50%	59,102,577
Tax on Dividend Income				1,390,751	20.00%	278,150
Total	2,882,930,832		147,087,131	2,999,912,572		674,945,560
Investment tax credit		<u>CSR</u>	<u>PM R Fund</u>	<u>Total</u>		<u>Rebate</u>
		8,877,715	-	8,877,715	10%	887,772
Net tax liability						<u>674,057,788</u>



Bangladesh Submarine Cable Company Limited
Statement of Tax Status
For the year ended 30 June 2022

Sl. No.	Income year	Assessment year	Tax provision as per Financial statements	Tax determined by Tax Authority	Tax paid (Tax deduction at source & cash paid and adjustment)	Tax Department's Demand/ (Refund)	Assessment Status
1	2008-2009	2009-2010	-	-	5,000	-	Minimum tax paid. Assessment completed.
2	2009-2010	2010-2011	2,029,024	1,727,527	1,782,215	-	Assessment completed.
3	2010-2011	2011-2012	39,000,000	71,398,127	44,018,384	25,240,639	Reference application filed with High Court by BSCCL.
4	2011-2012	2012-2013	112,000,000	95,222,745	95,222,745	-	Assessment completed.
5	2012-2013	2013-2014	215,497,909	188,372,823	188,372,825	-	Assessment completed.
6	2013-2014	2014-2015	118,394,089	123,944,463	128,038,324	(2,016,320)	Reference application filed with High Court by BSCCL.
7	2014-2015	2015-2016	29,172,487	34,821,481	34,821,481	-	Assessment completed.
8	2015-2016	2016-2017	30,033,089	35,232,717	30,902,290	4,330,427	Assessment completed.
9	2016-2017	2017-2018	79,419,651	67,155,740	62,223,548	4,932,192	Assessment completed.
10	2017-2018	2018-2019	24,495,969	19,387,162	42,580,876	(23,245,907)	Assessment completed.
11	2018-2019	2019-2020	70,251,738	81,321,243	110,650,940	(33,447,681)	Assessment completed.
12	2019-2020	2020-2021	240,032,242	-	240,032,242	-	Assessment completed.
13	2020-2021	2021-2022	459,812,378	459,812,378	501,675,456	(41,863,078)	Assessment completed.
14	2021-2022	2022-2023	690,326,921	-	-	-	Return submission date not yet due.



Bangladesh Submarine Cable Company Limited
Calculation of Average Effective Tax Rate
For the year ended 30 June 2022

Components of tax expense	2021-2022	2020-2021
	Amount in Taka	Amount in Taka
Current tax expense (Note-44)	690,326,921	465,461,372
Deferred tax expense (Note-45)	10,533,426	27,034,955
Total income tax expense	700,860,348	492,496,326

Explanation of the relationship between tax expense & profit before tax

(i) A numerical reconciliation between tax expense & the profit before tax

Profit before tax	3,201,079,387	2,399,828,187
Current tax expense		
Tax expense on business income(applicable tax rate-22.5%)	615,564,833	407,521,740
Tax expense on other income (applicable tax rate-22.5%)	59,102,577	52,009,518
Tax expense on dividend income(applicable tax rate-20%)	278,150	312,661
Gain on sale of share (applicable tax rate-10%)	-	504,591
Investment tax credit (applicable tax rate-10%)	(887,772)	(536,133)
Against assessed tax for the year-2014-15	16,269,133	5,648,994
Total Current tax expense	690,326,921	465,461,372
Deferred tax expense		
Closing balance of deferred tax liability		
Opening balance of deferred tax liability (Note-45)	559,286,791	548,753,365
Total deferred tax expense(B)	548,753,365	521,718,411
	10,533,426	27,034,955
Total income tax expense(A+B)	700,860,348	492,496,326

(ii) A numerical reconciliation between the average effective tax rate & applicable tax rate

Tax effect on business income	19.23%	16.98%
Tax effect on other income	1.85%	2.17%
Tax effect on deferred tax expense	0.33%	1.13%
Tax effect on Dividend Income	0.01%	0.01%
Tax effect on Investment tax credit	-0.03%	-0.02%
Tax Effect against assessed tax for the year-2014-15	0.51%	0.24%
Average effective tax rate	21.39%	20.27%

