

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF
BANGLADESH SUBMARINE CABLE COMPANY LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **Bangladesh Submarine Cable Company Limited** which comprise the Statement of Financial Position as at 30 June 2017 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 comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rule 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of these financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

Receivable from BTCL Tk. 836,782,202 appears to be doubtful of recovery but there against provision was made only for Tk. 75,310,398.


Qualified Opinion

In our opinion, except for the effects of the matter described in the basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects the financial position of the company as at 30 June 2017 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rule 1987 and other applicable laws and regulations.

Subject to the above, we report that;

- i) 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;
- ii) 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 those books;
- iii) the company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income dealt with by this report are in agreement with the books of accounts and;
- iv) the expenditures incurred and payment made were for the purpose of the company's business for the year.



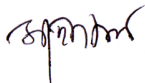


Dated, Dhaka
19 August 2017


M. J. ABEDIN & CO
Chartered Accountants

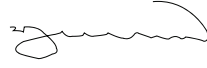
Bangladesh Submarine Cable Company Limited
Statement of Financial Position
As at 30 June 2017

ASSETS	Notes	Amount in Taka	
		30 June 2017	30 June 2016
Non-current assets		7,250,260,832	6,651,320,205
Property, plant and equipment	4	1,721,800,006	1,832,208,327
Investment in SMW-5	5	5,528,460,826	4,819,111,878
Current Assets		2,712,755,209	2,353,829,144
Trade and other receivables	6	1,374,904,966	1,109,484,745
Advances and deposits	7	379,088,162	248,598,014
Advance income tax	8	246,918,612	187,077,343
Investment in shares	9	40,150,006	29,474,880
Cash and cash equivalents	10	671,693,463	779,194,162
TOTAL ASSETS		9,963,016,041	9,005,149,349
EQUITY AND LIABILITIES			
Shareholders' Equity		6,008,997,673	5,599,138,280
Share capital	11	1,649,055,100	1,649,055,100
Equity Money from GoB	12	1,660,000,000	1,400,000,000
Share premium	13	723,293,759	723,293,759
Tax holiday reserve	14	662,947,522	600,100,158
Revaluation reserve	15	336,165,684	339,631,310
Retained earnings	16	977,535,608	887,057,954
Non Current Liabilities		3,175,633,804	2,817,163,189
Deferred tax liabilities	17	157,100,759	161,772,631
Security deposits received from clients	18	128,503,172	104,731,766
Employees' pension, gratuity & provident fund	19	23,696,005	30,136,221
Long Term Loan	20	2,866,333,868	2,520,522,570
Current Liabilities		778,384,564	588,847,880
Sundry creditors	21	111,386,373	76,368,052
Provision for income tax	22	299,126,594	227,586,252
Provision for WPPF and WF	23	19,475,633	12,070,369
VAT payable	24	342,001,761	267,251,285
Liabilities for expenses	25	6,394,203	5,571,922
Total Liabilities		3,954,018,368	3,406,011,069
TOTAL EQUITY AND LIABILITIES		9,963,016,041	9,005,149,349
Net Asset Value per share	46	36.44	33.95

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

				
Chief Financial Officer	Company Secretary	Managing Director	Director	Chairman

As per our report of same date.


M. J. ABEDIN & CO
Chartered Accountants

Dhaka,
19 August 2017

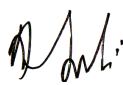
Bangladesh Submarine Cable Company Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2017

	Notes	Amount in Taka	
		30 June 2017	30 June 2016
Revenue			
IPLC (International Private Lease Circuit) rent	26	511,368,404	293,073,296
IPLC-Export	27	2,400,900	-
Circuit activation charge	28	9,273,000	6,184,800
IP Transit Service	29	404,547,160	274,139,049
Co-Location Charges	30	13,840,704	7,939,726
IP Transit Service-Export	31	95,295,084	37,307,586
		1,036,725,252	618,644,457
Direct cost of operation			
Electricity and generator fuel	32	7,901,654	7,856,185
Landing station and cable route repair	33	508,232	1,032,484
Backhaul & Data connectivity Charge	34	124,237,699	90,303,843
IP Transit Cost	35	85,543,385	65,784,738
Depreciation of core machinery	36	135,857,296	145,559,521
		354,048,266	310,536,772
		682,676,986	308,107,685
Gross profit			
Operating expenses			
Operation and maintenance expenses	37	121,236,865	20,128,035
General and administrative expenses	38	150,494,546	124,636,722
Provision for bad & doubtful debts	39	35,763,980	9,357,733
Depreciation on property, plant and equipment	40	10,540,123	10,480,380
		318,035,514	164,602,871
		364,641,472	143,504,815
Operating profit			
Non-operating income			
Bank interest and other income	41	36,245,942	47,221,940
(Loss)/Gain on investment in shares	42	8,100,900	(3,098,445)
		44,346,842	44,123,495
Profit before WPPF & WF		408,988,314	187,628,309
Provision for contribution to WPPF & WF		19,475,633	8,934,681
Profit before taxation		389,512,681	178,693,628
Less: Current tax expense	43	79,419,651	30,033,089
Deferred tax (income)/expense	44	(8,137,498)	(16,868,229)
		71,282,153	13,164,860
Net profit after tax		318,230,528	165,528,768
Total comprehensive income		318,230,528	165,528,768
Earnings Per Share (EPS) - Basic	45	1.93	1.00

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



Chief Financial Officer



Company Secretary



Managing Director



Director



Chairman

As per our report of same date.



M. J. ABEDIN & CO
Chartered Accountants

Dhaka,
19 August 2017

Bangladesh Submarine Cable Company Limited
Statement of Changes in Equity
For the year ended 30 June 2017

Particulars	Share capital	Equity Money from GoB	Share premium	Tax holiday reserve	Revaluation reserve	Retained earnings	Total Equity
Balance as at 01 July 2016	1,649,055,100	1,400,000,000	723,293,759	600,100,158	339,631,310	887,057,954	5,599,138,280
Effect on Change in Tax rate	-	-	-	-	(3,465,626)	-	(3,465,626)
Transactions with shareholders:							
Received during the year	-	-	-	-	-	-	-
Dividend Paid	-	260,000,000	-	-	-	-	260,000,000
Net profit after tax for the year	-	-	-	-	-	(164,905,510)	(164,905,510)
Tax holiday reserve	-	-	-	62,847,364	-	318,230,528	318,230,528
Balance as at 30 June 2017	1,649,055,100	1,660,000,000	723,293,759	662,947,522	336,165,684	977,535,608	6,008,997,673
Balance as at 01 July 2015	1,499,141,000	-	723,293,759	565,408,278	339,631,310	906,135,166	4,033,609,513
Received from GoB	-	1,400,000,000	-	-	-	-	1,400,000,000
Transactions with shareholders:							
Dividend Paid	149,914,100	-	-	-	-	(149,914,100)	-
Net profit after tax for the year	-	-	-	-	-	165,528,768	165,528,768
Tax holiday reserve	-	-	-	34,691,880	-	(34,691,880)	-
Balance as at 30 June 2016	1,649,055,100	1,400,000,000	723,293,759	600,100,158	339,631,310	887,057,954	5,599,138,280

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



Chief Financial Officer



Company Secretary



Managing Director



Director



Chairman

As per our report of same date.

Dhaka,
19 August 2017



M. J. ABEDIN & CO
Chartered Accountants

Bangladesh Submarine Cable Company Limited
Statement of Cash Flows
For the year ended 30 June 2017

	Notes	Amount in Taka	
		30 June 2017	30 June 2016
A. Cash flows from operating activities			
Cash received from clients		838,197,015	725,447,252
Cash paid to suppliers and others		(487,192,053)	(358,694,626)
Payment for WPPF/Gratuity		(26,513,926)	(6,254,582)
Payroll and other payments to employees		(90,336,521)	(75,286,202)
Income tax paid		(67,720,578)	(28,607,459)
Interest received		30,590,320	2,808,950
Receipts from rest house rent and others		381,184	30,927,708
Net cash flow from operating activities		197,405,441	290,341,041
B. Cash flows from investing activities			
Acquisition of property, plant and equipment		(35,989,099)	(23,968,111)
Investment in SMW-5		(709,348,948)	(2,669,573,007)
Refund from Upgradation 3		-	36,233,777
Investment in Share		(2,574,226)	-
Dividend received		1,140,358	1,009,280
Net cash flow from/ (used in) investing activities		(746,771,915)	(2,656,298,062)
C. Cash flows from financing activities			
Dividend paid		(163,945,523)	(28,305)
Equity Money from GoB		260,000,000	1,400,000,000
Loan Received from Bank		345,811,298	3,101,199,047
Loan Payment to Bank		-	(1,407,393,751)
Net cash flow from/(used in) financing activities		441,865,775	3,093,776,990
Net surplus/ deficit during the period (A+B+C)		(107,500,698)	727,819,970
Cash and cash equivalents at beginning of the Year		779,194,162	51,374,192
Cash and cash equivalents at end of the Year		671,693,463	779,194,162
Net Operating Cash Flows Per Share (NOCFPS)	47	1.20	1.76

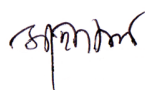
The annexed notes form an integral part of these financial statements.



Chief Financial Officer



Company Secretary



Managing Director



Director



Chairman

As per our report of same date.



M. J. ABEDIN & CO
Chartered Accountants

Dhaka,
19 August 2017

Bangladesh Submarine Cable Company Limited

Notes to the financial statements

For the year ended 30 June 2017

1 Corporate Information

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

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

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

2 Basis of preparation of financial statements

2.1 Statement of compliance

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

The financial statements have been authorised for issue by the Board of Directors of the Company on 19 August 2017.

2.2 Basis of Measurement

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

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

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

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

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

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

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

Note: 39 Provision for bad & doubtful debts

Note: 43 Current tax expense

Note: 44 Deferred tax (income)/expense

3 Significant accounting policies

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

3.1 Property, plant and equipment

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

3.2 Depreciation on property, plant and equipment

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

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

3.3 Foreign currency transactions

The financial statements are presented in Taka/Tk./BDT, which is the company's functional currency. Transactions in foreign currencies are recorded in the books at the exchange rate prevailing on the date of the transaction. Assets and liabilities outstanding at 30 June 2017 denominated in foreign currencies have been shown in Taka at the rate in terms of foreign currencies ruling on the financial position date. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the Statement of Profit or Loss and Other Comprehensive Income as per BAS 21: The Effects of Changes in Foreign Exchange Rates.

3.4 Employee Benefit

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

3.5 Tax holiday reserve

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

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

3.6 Income tax expense

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

3.6.1 Current tax

Provision for income tax is made as per Finance Act 2017. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. The Company has been granted 70% tax exemption for IIG operation income (IP Transit service). Required provision for income tax has been made in the accompanying financial statements based on proportionate income.

3.6.2 Deferred tax

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

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

3.7 Revenue recognition

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

Revenues primarily comprise of:

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

3.7.1 IPLC rent

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

3.7.2 Circuit activation charge

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

3.7.3 IP Transit service

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

3.7.4 Co-location Charges

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

3.7.5 IP Transit service-Export

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

3.8 Dividend income

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

3.9 Trade receivables

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

3.10 Cash and cash equivalents

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

3.11 Accounts payable

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

3.12 Contingencies

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

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

3.13 Earnings per share (EPS)

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

3.14 Investment in shares

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

3.15 Events after the reporting period

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

3.16 Compliance with Financial Reporting Standards as applicable in Bangladesh

Sl. No.	BAS No.	BAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied
2	2	Inventories	Not applicable
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	11	Construction Contracts	Not applicable
7	12	Income Taxes	Complied
8	16	Property, Plant & Equipment	Complied
9	17	Leases	Complied
10	18	Revenue	Complied
11	19	Employee Benefits	Complied
12	20	Accounting for Government Grants and Disclosure of Government Assistance	Not applicable
13	21	The Effects of Changes in Foreign Exchange Rates	Complied
14	23	Borrowing Costs	Complied
15	24	Related Party Disclosures	Complied
16	26	Accounting and Reporting by Retirement Benefit	Not applicable
17	27	Consolidated and Separate Financial Statements	Not applicable
18	28	Investments in Associates	Not applicable
19	31	Interest in Joint Ventures	Not applicable
20	32	Financial Instruments: Presentation	Complied
21	33	Earnings per Share	Complied
22	34	Interim Financial Reporting	Complied
23	36	Impairment of Assets	Complied
24	37	Provisions, Contingent Liabilities and Contingent	Complied
25	38	Intangible Assets	Not complied*
26	39	Financial Instruments: Recognition and Measurement	Complied
27	40	Investment Property	Not applicable
28	41	Agriculture	Not applicable

Sl. No.	BFRS No.	BFRS Title	Compliance Status
1	1	First-time adoption of International Financial	Not applicable
2	2	Share-based Payment	Not applicable
3	3	Business Combinations	Not applicable
4	4	Insurance Contracts	Not applicable
5	5	Non-current Assets Held for Sale and Discontinued	Not applicable
6	6	Exploration for and Evaluation of Mineral	Not applicable
7	7	Financial Instruments: Disclosures	Complied
8	8	Operating Segments	Not applicable
9	9	Financial Instruments	Not yet adopted in BD
10	10	Consolidated Financial Statements	Not applicable
11	11	Joint Arrangements	Not applicable
12	12	Disclosure of Interests in other Entities	Not applicable
13	13	Fair Value Measurement	Not applicable

4. Property, plant and equipment

Cost/ revaluation (A)

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

Amount in Taka	
30 June 2017	30 June 2016
3,471,744,172	3,498,789,009
35,989,098	9,188,940
-	36,233,777
<u>3,507,733,270</u>	<u>3,471,744,172</u>

Accumulated Depreciation (B)

Opening balance
Add: Charged during the year

Less: Adjustment during the year

1,639,535,845	1,503,420,284
146,397,419	156,039,902
1,785,933,264	1,659,460,186
-	19,924,341
<u>1,785,933,264</u>	<u>1,639,535,845</u>
<u>1,721,800,006</u>	<u>1,832,208,327</u>

Written Down Value (A-B)

A schedule of property, plant & equipment is given in **Annexure-A**

5 Investment in SMW-5

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

4,819,111,878	2,149,538,871
701,041,829	2,570,594,543
8,307,119	3,301,988
-	95,676,476
<u>709,348,948</u>	<u>2,669,573,007</u>
<u>5,528,460,826</u>	<u>4,819,111,878</u>

Payment made to Central Billing Party, Telekom Malaysia Berhad as 50% of Core Contract Price for CIF, Payment for BM0, BM1, BM2, BM 3a, BM3b, BM 3c , BM4,BM5,BM6, BM7,BM8, BM9, BM10, BM11,BM12,BM16 CV-20 and Light Up ans CVs of BM1,13,14,15,etc cost for Branch, RRN-9,12a,15,17,17a,18,21 for Core part. Expenses like Traveling & Conveyance, Printing & Stationery,Vehicle Running expenses,Vehicle Maintenance, Custom Duty etc. and other expenses relating to SMW-5 have been capitalised in Investment in SMW-5.

6 Trade and other receivables

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

1,370,482,175	1,109,196,035
4,422,791	288,710
<u>1,374,904,966</u>	<u>1,109,484,745</u>

6.1 Trade receivables

Opening Balance
Add: Addition during the year

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

Trade receivables, net of provision

1,205,647,864	1,244,201,368
1,272,558,266	814,389,375
2,478,206,130	2,058,590,743
975,508,146	852,942,879
<u>1,502,697,984</u>	<u>1,205,647,864</u>
96,451,829	87,094,096
35,763,980	9,357,733
132,215,809	96,451,829
<u>1,370,482,175</u>	<u>1,109,196,035</u>

A detailed Schedule of trade receivable is given in **Annexure-B**

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

Aging of Trade receivables

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

	Amount in Taka	
	30 June 2017	30 June 2016
Past due 0-90 days	304,362,364	56,697,134
Past due 91-180 days	166,769,233	75,113,845
Past due 181 -365 days	150,965,394	251,723,932
Past due more than 365 days	880,600,993	822,112,953
	1,502,697,984	1,205,647,864

To Collect the outstanding amount from disconnected parties legal action like money suit and Other case has been filed against 7(Seven) parties for taka 24,19,24,267 Arbitration procedure has been initiated against 3 (three) parties for taka 2,64,88,696. Other disconnected parties who are not paying money will bring under legal action soon. Reconciliation with BTCL regarding Outstanding amount is going on and it has been discussed in the BoD meeting.

6.2 Other receivables

Dividend	332,486	275,821
ICB Securities Trading Co. Ltd.	5,140	12,889
FDR Interest	4,085,164	-
	4,422,791	288,710

7 Advances and deposits**Advances****Advance to:**

Sony Chocolate Industries Ltd.	(Note: 7.1)	2,796,364	4,713,018
Employees for foreign travelling		-	555,705
Employees against Expenses		1,294,011	815,157
Civil Works Consultant Limited		2,468,383	1,972,900
Modern Engineers Planners and Consultants Ltd.		365,000	100,000
M/S Reliance Traders		17,100,016	13,673,524
Milky & Associates		12,000	12,000
BUET		194,235	194,235
BTCL		10,000,000	-
M/S Palli Store		7,686,807	2,589,663
Bangladesh Porjoton Corporation		322,715	322,715
Spectrum Engineering & Consortium Ltd.		66,882,028	35,268,627
M/S K.K Enterprise		265,202,651	184,194,470
Kamal Trading Agency		50,000	50,000
Hasan Enterprise		6,800	-
Southern Automobiles Ltd.		250,000	250,000
Others		571,152	-
		375,202,162	244,712,014

Deposits

Security deposit - Duncan Products Limited	5,000	5,000
BTCL - for phone line	20,000	20,000
CDBL - as security deposit	500,000	500,000
Security deposit - BTRC for International Internet Gateway (IIG)	600,000	600,000
Patuakhali Palli Bidyut Samity	2,761,000	2,761,000
	3,886,000	3,886,000
	379,088,162	248,598,014

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

Opening balance

Less: Adjustment during the period

Amount in Taka	
30 June 2017	30 June 2016
4,713,018	6,790,782
1,916,654	2,077,764
2,796,364	4,713,018

7.2 Aging of Advances and Deposits

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

For 0-90 days

For 91-180 days

For 181 -365 days

For more than 365 days

96,063,984	81,715,142
162,478	15,596,659
35,244,393	22,949,900
247,617,307	128,336,313
379,088,162	248,598,014

8. Advance Income Tax

Opening balance

Add: Payment made during the year

Less: Settlement/Adjustment

187,077,343	158,779,960
59,841,269	28,607,459
246,918,612	187,387,419
-	310,075
246,918,612	187,077,343

9. Investment in Shares

SL #	Ordinary shares of	Quantity	Cost price (Taka)	Market value	Market value
1	AB Bank Limited	122,295	3,209,765	2,627,797	1,362,948
2	ACI Limited	3,278	764,725	1,697,676	1,356,198
3	BATASHOE	1,000	696,429	1,134,300	1,205,400
4	BEXIMCO Limited	196,702	10,731,965	6,707,538	3,688,848
5	IFIC Bank Limited	58,061	1,246,570	1,923,286	824,272
6	Islami Bank BD Limited	39,091	951,084	1,270,458	1,141,457
7	Jamuna Oil Limited	23,716	4,392,440	4,923,442	4,311,569
8	MPetroleum	24,816	4,962,456	4,913,568	4,275,797
9	NCC Bank Limited	174,354	1,698,208	2,318,908	1,516,880
10	Padma Oil Limited	18,150	4,835,160	4,615,545	3,372,270
11	Square Pharma	20,776	2,633,566	6,027,118	5,018,541
12	Titas Gas	39,570	2,744,885	1,990,371	1,400,700
			38,867,252	40,150,006	29,474,880

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

10. Cash and cash equivalents

Cash in hand

(Note:10.1)

Cash at bank

(Note:10.2)

93,903	160,773
671,599,560	779,033,389
671,693,463	779,194,162

10.1 Cash in hand

Head Office-Dhaka

Landing Station-Kuakata

Landing Station-Cox's Bazar

31,983	87,468
61,557	70,463
363	2,842
93,903	160,773

10.2 Cash at bank

Savings and current deposits with:

Sonali Bank Limited
National Bank Limited
Mutual Trust Bank Limited
Farmers Bank Limited
Brac Bank Limited
IFIC Bank Limited
United Commercial Bank Limited

Fixed deposits (FDR) with:

United Commercial Bank Limited
Brac Bank Limited
Bank Asia Limited
Bangladesh Krishi Bank Limited
BASIC Bank Limited
Mutual Trust Bank Limited
NRB Bank Limited
NRB Commercial Bank Limited
Premier Bank Limited
Standard Bank Limited
Sonali Bank Limited

Amount in Taka	
30 June 2017	30 June 2016
6,351,464	10,746,583
1,281,596	464,156
5,541,188	2,900,212
287,115	289,826
686,187	669,342
6,516,582	6,405,254
65,184	718,197,728
20,729,316	739,673,101
-	36,600,000
25,000,000	-
-	2,760,288
20,000,000	-
148,081,075	-
30,000,000	-
182,250,000	-
32,159,078	-
94,663,762	-
83,716,329	-
35,000,000	-
650,870,244	39,360,288
671,599,560	779,033,389

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

11. Share capital**Authorized:**

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

10,000,000,000	10,000,000,000
-----------------------	-----------------------

Issued, subscribed and paid up capital:

31,000,000 Ordinary Shares of Taka 10 each fully paid up in cash
140 Ordinary share of Taka 10 each fully paid up in cash to GOB
67,314,640 ordinary shares of Tk.10 each fully paid up other than cash to MoPT, GOB
133,905,510(2015:51,599,320) Ordinary shares of Tk. 10 each issued as Bonus Share

310,000,000	310,000,000
1,400	1,400
673,146,400	673,146,400
665,907,300	665,907,300
1,649,055,100	1,649,055,100

11.1 Percentage of Shareholding

Shareholding position as at 30 June 2017

Amount in Taka	
30 June 2017	30 June 2016

Name of shareholders	Percentage of shareholding	No. of shares	Value in Taka
Posts & Telecommunications division, MoPT	73.84%	121,768,814	1,217,688,140
Sponsor/Director	0.00%	189	1,890
Institute	12.65%	20,861,093	208,610,930
Public	11.79%	19,449,471	194,494,710
Foreign Investor	1.71%	2,825,943	28,259,430
	100%	164,905,510	1,649,055,100

Percentage of Shareholding

Shareholding position as at 30 June 2016

Name of shareholders	Percentage of shareholding	No. of shares	Value in Taka
Posts & Telecommunications division, MoPT	73.84%	121,768,814	1,217,688,140
Sponsor/Director	0.00%	189	1,890
Institute	11.26%	18,572,473	185,724,730
Public	14.17%	23,364,960	233,649,600
Foreign Investor	0.73%	1,199,074	11,990,740
	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 2017	30 June 2016	30 June 2017	30 June 2016
Less than 500	15,575	19,968	1,921,923	2,878,968
500-5,000	5,276	6,635	8,018,941	11,389,517
5,001-10,000	448	461	3,251,914	3,554,232
10,001-20,000	179	228	2,482,474	2,629,913
20,001-30,000	64	84	1,553,242	1,597,655
30,001-40,000	30	34	1,024,431	1,058,545
40,001-50,000	20	23	911,434	368,651
50,001-100,000	38	34	2,551,864	2,163,894
100,001-1,000,000	43	33	11,340,674	6,058,058
1,000,001-1,000,000,000	5	5	131,848,613	118,214,667
	21,678	27,505	164,905,510	149,914,100

Market Price:

Shares of the Company are listed in the Dhaka and Chittagong Stock Exchanges and quoted at Tk. 120.10 per share (2016 : Tk.110.20) and Tk 120.10 per share (2016 : Tk. 109.20) in the Dhaka and Chittagong Stock Exchanges respectively on June 30, 2017.

12 Equity Money from GoB

1,660,000,000 **1,400,000,000**

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

Amount in Taka	
30 June 2017	30 June 2016

13 Share premium**723,293,759****723,293,759**

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

14 Tax holiday reserve

Opening balance

600,100,158

565,408,278

Add: Current Year's reserve

62,847,364

34,691,880

662,947,522**600,100,158****15 Revaluation reserve**

Opening balance

339,631,310

339,631,310

Less: Adjustment with deferred tax liability

3,465,626

-

336,165,684**339,631,310**

This amount represents the revalued amount of Land at Cox's Bazar. This revaluation has been done by a Professional Valuer named A B SAHA & CO., Chartered Accountants in the financial year 2010-2011. Valuation work has been carried out on the basis of Guidelines issued by the Ministry of Finance in valuing Assets of State Owned Companies as well as professional Judgement. In making Valuation of Assets both Depreciated Replacement Costs and Revaluation Method as suggested in the aforementioned guidelines were followed. In addition requirements of IAS and IFRS was considered. Valuation was made on the basis of 100% inventory, Present condition of assets, Current Market price, inflationary trend of the country, Estimated life time of assets etc.

16 Retained Earnings

Opening balance

887,057,954

906,135,166

Add: Profit for the year

318,230,528

165,528,768

1,205,288,482

1,071,663,934

Less: Dividend paid during the year

164,905,510

149,914,100

Transferred to Tax Holiday Reserve

62,847,364

34,691,880

227,752,874

184,605,980

977,535,608**887,057,954****17 Deferred tax liabilities**

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

Deferred tax relating to profit or loss account

(Note: 17.1)

146,703,882

154,841,380

Deferred tax relating to components of other comprehensive income

(Note: 17.2)

10,396,877

6,931,251

157,100,759**161,772,631**

Amount in Taka	
30 June 2017	30 June 2016

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

	Carrying amount	Tax base	Taxable/(deductible) temporary Difference
	Taka	Taka	Taka
As at 30 June 2017			
Property, plant and equipment (excluding land)	1,288,143,778	545,416,437	742,727,341
Accounts receivable	1,370,482,175	1,502,697,984	(132,215,809)
Provision for pension, gratuity fund and provident fund	(23,696,005)	-	(23,696,005)
Net Taxable Temporary Difference			586,815,527
Applicable tax rate			25%
Deferred tax liability			146,703,882
	Carrying amount	Tax base	Taxable/(deductible) temporary Difference
	Taka	Taka	Taka
As at 30 June 2016			
Property, plant and equipment (excluding land)	1,400,909,699	653,904,347	747,005,352
Accounts receivable	1,109,196,035	1,205,647,864	(96,451,829)
Difference for vehicle	(1,051,781)	-	(1,051,781)
Provision for pension, gratuity fund and provident fund	(30,136,221)	-	(30,136,221)
Net Taxable Temporary Difference			619,365,521
Applicable tax rate			25%
Deferred tax liability			154,841,380

17.2 Deferred tax relating to components of other comprehensive income

	Carrying Amount	Tax Base	Taxable/(deductible) temporary Difference
As at 30 June 2017			
Revaluation reserve of property, plant and	346,562,561	-	346,562,561
Applicable tax rate			3%
Deferred tax liability			10,396,877

As the applicable Tax rate on collection of Tax on Transfer of property has been changed to 3%, Deferred Tax liabilities is increased by Tk.34,65,626 which has been net off with Revaluation reserve of Land.

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

18. Security deposits received from clients

Opening Balance	104,731,766	90,511,706
Add: Addition during the year	39,107,021	43,485,070
	143,838,787	133,996,776
Less: Adjustment during the year	15,335,614	29,265,010
	128,503,172	104,731,766

A detailed schedule of Security deposit received from clients is given in

Annexure-C

Amount in Taka	
30 June 2017	30 June 2016

19. Employees' pension, gratuity and provident fund

Employees' pension fund	(Note: 19.1)	13,808,952	13,808,952
Employees' gratuity fund	(Note: 19.2)	5,919,380	14,443,556
Employees' provident fund	(Note: 19.3)	3,967,673	1,883,713
		23,696,005	30,136,221

19.1 Employees' pension fund

13,808,952	13,808,952
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This represents amount payable to BTCL employees worked on deputation and the amount incorporated in the vendor agreement. The above noted amount is adequate to take care of the liabilities on account of the employees worked for the Company as deputed from BTCL and therefore no additional provision has been made in the accompanying financial statements. The Company however, does not have any pension fund.

19.2 Employees' gratuity fund

Opening balance	14,443,556	9,848,120
Add: Provision made during the year	5,919,380	5,692,536
	20,362,936	15,540,656
Less: Paid/Transferred during the year	14,443,556	1,097,100
	5,919,380	14,443,556

19.3 Employees' provident fund

Opening balance	1,883,713	8,238,527
Add: Employees' Contribution	3,952,266	2,922,044
Employer's Contribution	3,952,266	2,922,044
Less: Transferred to RPF during the year	(5,820,572)	(12,198,902)
	3,967,673	1,883,713

20 Term Loan

Opening balance	2,520,522,570	-
Received during the year	345,811,298	2,520,522,570
	2,866,333,868	2,520,522,570

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 USD44 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.

21. Sundry creditors

Share Money Deposit
Withholding tax payable
Legacy Legal Corporate
Milky & Associates
Telecom Italia Sparkle
KK Enterprise
Tradevision Ltd.
NTT communications
Unclaimed dividend
Spectrum Engineering Consortium Limited
ICB Securities Trading Company Limited
Payable to BTCL
Payable to BTRC
Sony Chocolate Industries Ltd.
MARM Automobiles
M/S Evan Enterprise
Zibran & Associates
BD REN
Huawei Technologies (BD). Limited
Reliance Traders
RANGS Limited
Capital Law Chamber
Others

Amount in Taka	
30 June 2017	30 June 2016
119,622	119,622
16,743,705	5,455,986
170,676	-
116,602	116,602
33,206,667	26,849,778
24,142,338	-
-	1,040,000
11,464,121	11,763,084
3,594,606	2,634,619
10,597,684	1,179,065
1,610,932	1,610,932
-	21,649,986
674,341	384,485
1,573,641	275,400
-	171,586
605,570	605,570
-	115,000
143,640	-
2,016,724	2,016,724
299,433	-
2,929,000	-
292,515	-
1,084,556	379,613
111,386,373	76,368,052

21.1 Aging of sundry creditors

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

Past due 0-90 days
Past due 91-180 days
Past due 181 -365 days
Past due more than 365 days

61,075,582	-
12,239,804	21,315,343
28,134,801	47,584,163
9,936,186	7,468,546
111,386,373	76,368,052

22. Provision for income tax

Opening balance
Add: Provision made during the year
IPLC
IIG Unit (Annexure-D)

227,586,252	197,553,163
62,536,786	24,612,483
16,882,865	5,420,606
79,419,651	30,033,089
307,005,903	227,586,252
7,879,309	-
-	-
7,879,309	-
299,126,594	227,586,252

Less: Settlement for previous year:
for 2012-2013 Income Year

Amount in Taka	
30 June 2017	30 June 2016

For the income year 2010-2011 an amount of tk. 2,52,40,639 has been demanded by DCT against of which appeal is processed to High Court Division. For the income year 2012-2013 after revised assessment of DCT the demand amount is Tk. 78,79,309 which was already been paid. We have filed an appeal for the Income year 2013-2014 to Tribunal and Tribunal Order has been received and further appeal to be made to the High Court Division. Assessment order of the income year 2014-2015 has been received on which DCT demanded tk. 53,10,877 and appeal against the demand has been placed to Commissioner (Appeal). The assessment of income year 2015-2016 is going on.

23. Provision for WPPF and WF

Opening balance	12,070,369	9,390,270
Add: Provision made during the year	19,475,634	8,934,681
	31,546,003	18,324,951
Less: Settlement for previous year	12,070,370	6,254,582
	19,475,633	12,070,369

24. VAT Payable

VAT payable against Receivable	302,987,404	247,057,587
VAT payable against Deduction at source	39,014,357	20,193,698
	342,001,761	267,251,285

This represents the amount of Tk. 302,987,404 VAT receivable from clients against revenue receivable from clients arising from International Private Leased Circuit (IPLC) rentals, IP transit service, and Co-location charges. In addition to that this amount of Tk. 39,014,357 includes VAT deducted from other parties and suppliers.

25. Liabilities for expenses

Office rent	4,923,000	4,923,000
Audit & other fees	273,750	212,750
Telephone bill	10,949	26,808
Electricity bill	753,784	400,000
Donation	9,364	9,364
Others	423,356	-
	6,394,203	5,571,922

Amount in Taka	
2016-2017	2015-2016
511,368,404	293,073,296

26. IPLC (International Private Leased Circuit) Rent

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

27. IPLC (International Private Leased Circuit) -Export

2,400,900	-
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This amount represents the billed amount for IPLC (International Private Leased Circuit)-Export to India and recognized as income on delivery of the bills to clients.

28. Circuit activation charge

Circuit Activation Charge-IPLC	7,030,000	5,108,500
Circuit Activation Charge-IP Transit	740,000	793,000
Circuit Activation Charge-ISP	288,000	111,000
Circuit Activation Charge-ITC	440,000	172,300
Circuit Activation Charge-Co-location	775,000	-
	9,273,000	6,184,800

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

		Amount in Taka	
		2016-2017	2015-2016
29 IP Transit Service		404,547,160	274,139,049
This represents the service charges for providing internet bandwidth to IIGs and ISPs.			
30 Co-Location Charges		13,840,704	7,939,726
This represents charges to customers for using BSCCL's resources at Cox's Bazar and Dhaka.			
31 IP Transit Service -Export		95,295,084	37,307,586
This represents charges to Bharat Sanchar Nigam Limited(BSNL) for IP transit service.			
32 Electricity and generator fuel			
Electricity bill		7,333,954	7,140,793
Fuel for generator		567,700	715,392
		7,901,654	7,856,185
This cost is directly related to cost of operation.			
33 Landing station and cable route repair		508,232	1,032,484
This cost is directly related to repair and maintenance for Cox's Bazar landing station and cable route.			
34 Backhaul & Data Connectivity Charge			
Backhaul Charge		121,468,173	88,028,085
Data Connectivity & Fiber Core Charge		342,263	720,360
Revenue Sharing Cost		2,354,660	1,488,922
Membership & IP resource allocation fee		72,603	66,476
		124,237,699	90,303,843
This cost represents backhaul charges and for data connectivity & fiber core charge.			
35 IP Transit Cost		85,543,385	65,784,738
This cost represents the cost of purchasing IP bandwidth from Telecom Italia Sparkle.			
36 Depreciation of core machinery		135,857,296	145,559,521
This represents the depreciation charged on core machinery which are directly related to IPLC and IP transit revenue.			
During the year 2016-2017, considering the estimated useful life of the Assets, Management has changed depreciation method on Core Equipments of IPLC and IIG unit from Reducing Balance Method to Straight Line method to reflect fair presentation of the financial results and financial position. Due to change of Depreciation method from Reducing Balance Method to Straight Line method an excess amount of 46,81,055 has been charged as depreciation comparing to the amount to be charged under Reducing Balance Method during the year. For further details Annexure-A is referred.			
37 Operation and maintenance expenses			
This represents amount payable to SEA-ME-WE 4 & 5 during the period for expenses of cable operation and maintenance purpose. The break-up of the expenses is as under:			
SEA-ME-WE-4		46,230,274	20,128,035
SEA-ME-WE-5		75,006,591	-
		121,236,865	20,128,035

38 General and administrative expenses

Salary and allowances
Managing Director's remuneration
Festival bonus
Office rent
Repair and maintenance
Business Development Expenses
Fees and Subscription
Gratuity provision
Vehicles Maintenance
Board and other meetings fees
Consultancy fees
Audit fees
Consortium meeting expenses
Advertisement and publicity expenses
Insurance premium
Vehicles running expenses
Travelling & conveyance
Printing and Office stationery
Postage and courier expenses
Entertainment
AGM expenses
Bank charges and commission
Telephone Bill
Legal Fees
Rent, rates & taxes
CSR expenses
Reception & Dinner
Recruitment Expenses
Books & Periodicals

Amount in Taka	
2016-2017	2015-2016
82,927,773	59,606,890
3,557,577	2,745,600
5,935,131	5,481,798
10,388,741	9,476,364
1,981,026	2,297,633
7,561,474	2,747,408
1,732,958	2,797,539
5,919,380	5,692,536
1,753,636	2,363,690
3,055,575	4,271,664
893,656	750,356
273,750	224,250
5,250,027	7,402,361
1,880,840	2,509,193
129,327	267,420
2,903,735	2,624,408
1,568,152	1,320,067
3,013,065	3,886,011
37,353	164,195
1,359,975	1,136,583
1,949,823	1,871,398
661,483	302,127
144,458	171,888
1,881,041	1,157,732
250,000	296,171
2,890,000	1,789,174
452,604	245,881
100,000	998,057
41,985	38,329
150,494,546	124,636,722
132,215,809	96,451,829
96,451,829	87,094,096
35,763,980	9,357,733

39 Provision for bad & doubtful debts

Closing balance of provision for bad & doubtful debts
Less: Opening balance of provision for bad & doubtful debts

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

40 Depreciation on property, plant and equipment

10,540,123 **10,480,380**

This represents the depreciation charged on other than core machinery. During the year 2016-2017, considering the estimated useful life of the Assets, Management has changed depreciation method on Power System, Ducting from Beach Manhole, 500 KV Sub Station and Power System to Straight Line method to reflect fair presentation of the financial results and financial position. Due to change of Depreciation method from Reducing Balance Method to Straight Line method an excess amount of 5,51,409 has been charged as depreciation comparing to the amount to be charged under Reducing Balance Method during the year. For further details **Annexure-A** is referred.

41 Bank interest and other income

Rest house rent and others
Interest on FDR & Others
Landing Station Cross Connection Charges
Exchange gain
Dividend income
Reimbursement from Consortium

Amount in Taka	
2016-2017	2015-2016
373,434	995,793
34,675,484	2,808,950
-	22,325,601
-	16,904
1,197,024	1,150,351
-	19,924,341
36,245,942	47,221,940

42 Gain/(loss) on investment in shares

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

(Note: 9)

29,474,880	32,573,325
2,574,226	-
32,049,106	32,573,325
40,150,006	29,474,880
8,100,900	(3,098,445)

43 Current tax expense

79,419,651	30,033,089
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44 Deferred tax (income)/expense

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

(Note: 17.1)

146,703,882	154,841,380
154,841,380	171,709,609
(8,137,498)	(16,868,229)

45 Basic Earnings Per Share (EPS)

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

318,230,528	165,528,768
164,905,510	164,905,510
1.93	1.00

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

46 Net Asset Value

Total Assets
(-)Total Liabilities

9,963,016,041	9,005,149,349
3,954,018,368	3,406,011,069

6,008,997,673	5,599,138,280
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Number of Ordinary Shares of Tk. 10 each at Financial Position date
NAV-Per Share

164,905,510	164,905,510
36.44	33.95

47 Net operating cash flows per share (NOCFPS)

Amount in Taka		
	2016-2017	2015-2016
Net cash flows from operating activities (A)	197,405,441	290,341,041
Number of Ordinary Shares of Tk. 10 each at Financial Position date	164,905,510	164,905,510
Net operating cash flows per share (NOCFPS)	1.20	1.76

48 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

48.1 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 2017, substantial part of the receivables are those from BTCL and Mango Teleservices Limited and other clients and are subject to significant credit risk. Risk exposures from other financial assets, i.e. cash at bank and other external receivables are also nominal.

(a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure.

			Amount in Taka	
			30.06.2017	30.06.2016
			Taka	Taka
Trade receivables, net	(Note: 6.1)		1,370,482,175	1,109,196,035
Other receivables	(Note: 6.2)		4,422,791	288,710
Financial assets (HFT) - investment in shares	(Note: 9)		40,150,006	29,474,880
Cash and cash equivalents	(Note: 10)		671,693,463	779,194,162
			2,086,748,435	1,918,153,787

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

	Domestic	Foreign (Export to India)
	1,458,232,194	1,168,628,987
	40,043,000	37,307,586
	1,498,275,194	1,205,936,573

b) Aging of trade receivables

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

Past due 0-90 days	304,362,364	56,697,134
Past due 91-180 days	166,769,233	75,113,845
Past due 181 -365 days	150,965,394	251,723,932
Past due more than 365 days	880,600,993	822,112,952
	1,502,697,984	1,205,647,864

c) Impairment losses

Impairment losses on the above receivables were recognised as per the company policy and recommendation made by Audit Committee. Quantitative disclosure for such impairment losses has been given in Note 6.1 of these financial statements.

48.2 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 2017

	Contractual cash flows (Taka)	1 year or less Taka	More than 1 year Taka
Security deposits received from clients	128,503,172	25,700,634	102,802,538
Employees' pension, gratuity and Provident fund	23,696,005	4,739,201	18,956,804
Sundry creditors	111,386,373	111,386,373	-
Income tax payable (provision less AIT)	52,207,982	52,207,982	-
VAT payable	342,001,761	342,001,761	-
Provision for WPPF and WF	19,475,633	19,475,633	-
Liabilities for expenses	6,394,203	6,394,203	-
	683,665,130	561,905,788	121,759,342

As at 30 June 2016

	Contractual cash flows (Taka)	1 year or less Taka	More than 1 year Taka
Security deposits received from clients	104,731,766	20,946,353	83,785,413
Employees' pension and gratuity fund	30,136,221	6,027,244	24,108,977
Sundry creditors	76,368,052	76,368,052	-
Income tax payable (provision less AIT)	40,508,909	40,508,909	-
VAT payable	267,251,285	267,251,285	-
Provision for WPPF and WF	12,070,369	12,070,369	-
Liabilities for expenses	5,571,922	5,571,922	-
	536,638,524	428,744,134	107,894,390

48.3 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 and its reimbursement to and from consortium members and interest expense and repayments relating to borrowings incurred in foreign currencies. 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

	30.06.2017 Taka	30.06.2016 Taka
Share money deposit payable		
Net exposure	(119,622)	(119,622)
	<u>(119,622)</u>	<u>(119,622)</u>
	<u>Taka</u>	<u>Taka</u>

The following rate has been applied:

US Dollar (\$)	-	-
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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.

2016-2017	Profit or loss		Equity	
	Increase	Decrease	Increase	Decrease
US Dollar (10% movement)	11,962	(11,962)		
2015-2016				
US Dollar (10% movement)	11,962	(11,962)	11,962	(11,962)

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 2017.

Profile

As at 30 June 2017, the interest rate profile of the company's interest bearing financial instruments was:

Fixed rate instruments

Financial assets (short term investments-FDR)	<u>650,870,244</u>	<u>39,360,288</u>
Financial liabilities	<u>2,866,333,868</u>	<u>2,520,522,570</u>

Fair value of financial assets and liabilities of the company together with carrying amount shown in the statement of financial position are as follows:

As at 30 June 2017		As at 30 June 2016	
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	40,150,006	40,150,006	29,474,880	29,474,880
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Held to maturity assets

Short term investment-FDR	650,870,244	650,870,244	39,360,288	39,360,288
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Loans and receivables

Trade receivables, net	1,370,482,175	1,370,482,175	1,109,196,035	1,109,196,035
Other receivables	4,422,791	4,422,791	288,710	288,710

Available for sale financial assets	-	-	-	-
	2,065,925,216	2,065,925,216	1,178,319,913	1,178,319,913

Liabilities carried at fair value through profit or loss

Liabilities carried at amortised costs

Security deposits received from clients	(128,503,172)	(128,503,172)	(104,731,766)	(104,731,766)
Sundry creditors	(111,386,373)	(111,386,373)	(76,368,052)	(76,368,052)
VAT payable	(342,001,761)	(342,001,761)	(267,251,285)	(267,251,285)
Provision for WPPF and WF	(19,475,633)	(19,475,633)	(12,070,369)	(12,070,369)
Liabilities for expenses	(6,394,203)	(6,394,203)	(5,571,922)	(5,571,922)
	(607,761,143)	(607,761,143)	(465,993,394)	(465,993,394)

49. Bandwidth Capacity

Present Capacity	
Utilization	
Percentage of utilization	

2016-2017 Gbps	2015-2016 Gbps
300	200
243.46	132.16
81.15%	66.08%

50. 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.

51. Remittance of foreign currency to consortium

Investment in SMW-5

Operation and maintenance expenses

IP Transit & Membership cost

30.06.2017 (USD)	30.06.2016 (USD)
8,788,113	31,762,317
1,434,989	221,006
478,527	343,396
10,701,629	32,326,718

52. Contingent liabilities and commitments

Office rent

(Note: 52.1)

6,738,320**6,738,320**

52.1 There is a dispute between BSCCL and BTCL regarding office rent for office space used by BSCCL up to 30 June 2012. BTCL claimed Tk.11,538,320 excluding VAT but BSCCL kept provision for Tk. 4,800,000. So there is a dispute for Tk. 6,738,320.

52.2 It is required to disclose that there would be a charge relating to Licence fee of Tk. 3 (Three) Crore and tk 50 (fifty) lac for Renewal fee along with 1% Revenue sharing subject to getting Licence from BTRC.

53. Related party disclosures

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

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

53.1 Name of the Directors along with all related Firms/Companies/Institutions/Parties as at 30 June 2017

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

53.2 Related party transactions

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

SI No.	Name of the company (Related party)	Name of the Director	Relationship of the Director with the company	Type of transaction	Net Sales/Buy (in Taka)	
					2016-2017	2015-2016
1	Bangladesh Telecommunications Company Limited	Mr. Shyam Sunder Sikder	Chairman	Bandwidth sale	342,681,435	252,629,352
2	Bangladesh Telecommunications Company Limited	Mr. Shyam Sunder Sikder	Chairman	Backhaul Purchase	108,849,275	80,834,299

b) Key management personnel compensation

Short term employee benefits (salary and other allowances)
Provident Fund
WPPF

2016-2017	2015-2016
3,557,577	2,745,600
205,612	160,800
53,257	-
3,816,446	2,906,400

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

Directors are also executive of the company. Their executive compensation for the year is given below:

Managing Director's remuneration and benefit	(Note: 54.1)	3,557,577	2,745,600
Management and other personnel remuneration and benefit	(Note: 54.2)	88,862,904	65,088,688
		92,420,481	67,834,288

54.1 Managing Director's remuneration

Salary and others benefit

3,557,577	2,745,600
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54.2 Management and other personnel remuneration and benefit

Salary
Bonus

82,927,773	59,606,890
5,935,131	5,481,798
88,862,904	65,088,688

Period of payment to Directors is from July 2016 to June 2017.

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

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

55 Other disclosures

55.1 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.

55.2 Comparatives

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

55.3 Number of employees

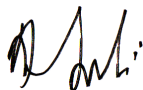
As at 30 June 2017 the number of regular employees receiving remuneration of Tk.36,000 or above annum was 98 (2016: 94).

55.4 Events after the reporting period

The Board of Directors of BSCCL, at its 152nd meeting held on 19 August 2017 proposed 12% Cash Dividend on the paid-up capital for the year 2016-2017. This dividend is subject to final approval by the shareholders at the forthcoming Annual General Meeting (AGM) of the company.



Chief Financial Officer



Company Secretary



Managing Director



Director



Chairman

Dhaka
19 August 2017

(Annexure-A)

Bangladesh Submarine Cable Company Limited
Schedule of Property, Plant & Equipment
As at 30 June 2017

Name of assets		Cost				Accumulated depreciation				WDV as at 30 June 2017
		As at 01 July 2016	Additions during the Year	Adjustment during the Year	As at 30 June 2017	Rate	As at 01 July 2016	Charged during the year	Adjustment during the Year	
a. Freehold assets										
Land and land development	84,737,067	-	-	-	84,737,067	-	-	-	-	84,737,067
Core equipment-IPLC	2,661,109,442	-	-	-	2,661,109,442	10%	1,504,097,793	115,701,165	-	1,619,798,958
Core equipment-IIG Building	172,583,745	16,349,913	-	-	188,933,658	14%	47,883,057	20,156,131	-	68,039,188
	62,765,921	-	-	-	62,765,921	4%	14,628,619	1,925,492	-	16,554,111
Floor development	2,654,065	-	-	-	2,654,065	10%	1,706,077	94,799	-	1,800,875
Security barak & security wall	7,827,297	-	-	-	7,827,297	4%	1,938,292	235,560	-	2,173,853
Deep tube-well & pump house	2,343,837	-	-	-	2,343,837	10%	1,527,222	81,661	-	1,608,884
500 KV sub-station	3,284,000	-	-	-	3,284,000	10%	2,638,723	64,528	-	2,703,251
Power system	35,631,806	-	-	-	35,631,806	10%	22,856,461	1,277,534	-	24,133,996
Boundary wall	8,255,575	2,994,330	-	-	11,249,905	4%	2,044,348	288,483	-	2,332,831
Ducting from beach manhole	18,960,526	-	-	-	18,960,526	10%	7,287,067	1,167,346	-	8,454,413
Vehicles	41,661,512	10,447,000	-	-	52,108,512	20%	24,046,811	3,800,232	-	27,847,043
Office equipment and furniture	18,606,047	5,618,217	-	-	24,224,264	10%	7,210,538	1,268,746	-	8,479,284
Co-Location point	528,605	387,446	-	-	916,051	10%	135,985	56,959	-	192,944
Office decoration	4,233,166	192,192	-	-	4,425,358	10%	1,534,851	278,782	-	1,813,634
Sub-total	3,125,182,611	35,989,098	-	-	3,161,171,709		1,639,535,845	146,397,419	-	1,785,933,264
b. Revalued assets										
Land and land development	346,561,561	-	-	-	346,561,561	-	-	-	-	346,561,561
Sub-total	346,561,561	-	-	-	346,561,561		-	-	-	346,561,561
Total balance as at 30 June 2017										
(a+b)	3,471,744,172	35,989,098	-	-	3,507,733,270		1,639,535,845	146,397,419	-	1,785,933,264
Total balance as at 30 June 2016										
(a+b)	3,498,789,009	9,188,940	36,233,777	3,471,744,172		1,503,420,284	156,039,902	19,924,341	1,639,535,845	1,832,208,327

Bangladesh Submarine Cable Company Ltd.

Schedule of Trade Receivable

As at 30 June 2017

(Amount in Tk.)

SL #	Name of Customer	Opening Balance	Addition during the year	Collection during the year	Closing Balance
1	1 Asia Alliance Communication Ltd	9,544,709	-	-	9,544,709
2	1 Asia Alliance Gateway Ltd	4,257,981	-	-	4,257,981
3	Aamra Technologies Ltd	13,969,476	104,336,161	64,530,361	53,775,276
4	ADN Telecom Ltd-ISP	2,351,446	10,186,654	11,038,054	1,500,045
5	Always On Network BD Ltd-ISP	-	3,043,333	2,133,986	909,347
6	Apple Global Tel Communications Ltd	3,583,087	464,823	-	4,047,909
7	Bangla Phone Ltd-ISP	343,924	6,601,920	2,848,516	4,097,328
8	Bangla Tel Ltd	4,063,853	9,753,184	8,961,286	4,855,751
9	Bangla Trac Communications Ltd.	927,853	5,492,435	5,241,438	1,178,850
10	Bangladesh Internet Exchange Ltd-IIG	62,100	745,200	745,200	62,100
11	Banglaphone Ltd-Co-Location Charge	617,661	1,035,000	86,250	1,566,411
12	BD Hub Ltd-IIG	3,211,086	25,787,800	16,741,533	12,257,354
13	BD Link Communication Ltd	5,293,124	12,530,708	15,240,869	2,582,963
14	BDREN/UGC-ISP	169,385	388,800	-	558,185
15	BESTEC Telecom Ltd	4,256,856	-	300,000	3,956,856
16	BG International Gateway Ltd	12,687,131	2,246,813	-	14,933,943
17	BG Tel Ltd.	1,672,301	9,502,785	9,172,248	2,002,838
18	Bharti Airtel Limited(Airtel)	761,701	-	-	761,701
19	BSNL	37,307,586	94,713,000	91,977,586	40,043,000
20	BTCL	662,153,111	242,148,435	67,519,343	836,782,202
21	BTCL-IGW	5,503,366	-	5,503,366	-
22	BTCL-IIG	16,033,513	100,533,000	83,123,669	33,442,844
23	BTRC for DC&DR	-	1,437,871	1,437,871	-
24	BTS Communication(BD) Ltd-ISP	-	863,880	777,510	86,370
25	CEL Telecom Ltd	1	-	-	1
26	Chittagong Online Lte-ISP	12,420	12,420	24,840	-
27	Cybergate Ltd	8,688,122	40,020,000	42,523,149	6,184,973
28	Cybergate Ltd-IIG	54,000	812,810	702,820	163,991
29	DBL Telecom Ltd	203,065	-	203,062	3
30	Delta Infocom Ltd	4,818,358	-	800,000	4,018,358
31	Digicon Telecommunication Ltd	58,625	10,113,056	9,761,304	410,377
32	Earth Telecommunication Ltd-IIG	-	52,645,883	26,961,564	25,684,319
33	Earth Telecommunications Pvt.Ltd	3,079,216	-	2,106,000	973,216
34	Equitel Communication Ltd-IIG	9,175	1,700,405	1,617,605	91,975
35	Exabyte Ltd-IIG	51,750	621,000	561,150	111,600
36	Fiber@Home Global Ltd	-	16,100,000	2,817,900	13,282,100
37	Fiber@Home Ltd	4,577,343	52,697,884	54,180,781	3,094,447
38	Fiber@Home Ltd-ITC	-	4,698,624	2,155,829	2,542,795
39	First Communication Ltd	1,723,998	2,134,548	600,000	3,258,547
40	Global Fair Communication Ltd-IIG	1,371,720	4,680,270	4,737,000	1,314,990
41	Global Fair Communincation Ltd	672,754	-	405,881	266,873
42	Global Voice Telecom Ltd	2,146,934	9,502,785	9,172,248	2,477,472
43	Greenland Technologies Ltd	300,000	-	200,000	100,000

Bangladesh Submarine Cable Company Ltd.
Schedule of Trade Receivable
As at 30 June 2017

Annexure-B

(Amount in Tk.)

SL #	Name of Customer	Opening Balance	the year	Collection during the year	Closing Balance
44	HRC Technologies Ltd	6,255,081	9,502,785	7,643,550	8,114,317
45	Inter Cloud Ltd	944,967	4,617,610	4,802,609	759,967
46	I-Tel Ltd-IIG	65,550	-	-	65,550
47	Kay Telecommunication Ltd	10,478,235	-	-	10,478,235
48	KS Network Ltd-ISP	-	3,550,673	2,497,754	1,052,919
49	Level 3 Carrier Ltd	4	26,880,075	13,620,428	13,259,652
50	Level 3 Carrier Ltd-IIG	30,867,670	84,945,467	87,111,576	28,701,560
51	Managewell Communincations Ltd	619,371	10,914,799	5,984,674	5,549,496
52	Mango Tele Services Ltd.	218,484,955	18,838,839	45,796,362	191,527,432
53	Maxnet Online	12,653,417	-	-	12,653,417
54	Maxnet Online-IIG	17,837,436	23,908,471	24,181,463	17,564,445
55	Mir Telecom Ltd.	121,984	5,492,435	4,776,025	838,394
56	Novocom Ltd	1,103,414	7,521,000	7,521,000	1,103,414
57	Novocom Ltd-ITC	-	11,160,152	9,082,160	2,077,992
58	Novocom Ltd-IIG	1,370,661	14,423,875	13,433,875	2,360,661
59	Novotel	3,137,755	2,686,371	3,244,146	2,579,980
60	Organge Communication Ltd-ISP	39,210	18,630	-	57,840
61	Platinum Communications Ltd	272,517	-	-	272,517
62	Radiant Communication Ltd	7,062,242	-	-	7,062,242
63	Ranks Telecom Ltd	1,072,402	5,492,435	5,492,435	1,072,402
64	Ratul Telecom Ltd	12,032,480	1,266,360	-	13,298,840
65	REGO Communication Ltd	5,339,152	-	2,025,072	3,314,080
66	Roots Communications Ltd	2,688,459	10,753,840	8,961,537	4,480,762
67	Sky Tel Communication Ltd	1,624,730	-	541,577	1,083,153
68	Skytel Communications Ltd-IIG	4,174,236	23,415,767	22,266,565	5,323,438
69	SM Communication Ltd	-	1,344,610	-	1,344,610
70	Summit Communication Ltd-ITC	1,257,915	9,712,021	8,116,051	2,853,885
71	Summit Communication Ltd-IIG	21,290,300	119,143,260	111,556,656	28,876,904
72	Summit Communication Ltd-Power & Rack	-	228,083	-	228,083
73	Summit Communication-ADCN Termination	442,370	988,600	943,216	487,754
74	Summit Communications Ltd	1,027,168	34,448,806	26,089,129	9,386,845
75	Summit Communications Ltd-Co-Location	-	2,108,952	1,756,250	352,702
76	Teletalk Bangladesh Ltd-ISP	-	1,381,855	660,000	721,855
77	Telecom Italia Singapore Pte	-	2,549,295	2,549,295	-
78	Telex Ltd	18,880,608	-	-	18,880,608
79	Venus Telecom Ltd	2,542,414	7,140,165	7,476,475	2,206,104
80	Virgo Communication Ltd-IIG	-	571,550	468,050	103,500
81	Vision Tel Ltd	5,422,425	-	-	5,422,425
Total		1,205,647,864	1,272,558,266	975,508,146	1,502,697,984

Annexure-C

Bangladesh Submarine Cable Company Ltd.
Schedule of Security Deposit received from Clients
As at 30 June 2017

(Amount in Tk.)

SL #	Name of Customer	Opening Balance	Addition during the year	Adjustment during the year	Closing Balance
1	Aamra Technologies Ltd	7,475,000	3,105,000	-	10,580,000
2	ADN Telecom Ltd-(ISP)	1,561,056	330,234	-	1,891,290
3	Always On Network BD LTD-ISP		296,746	-	296,746
4	Apple Network Ltd	1,012,390	-	-	1,012,390
5	Bangla Phone Ltd-IIG	147,591	-	-	147,591
6	Bangla Tel Ltd	4,353,276	-	-	4,353,276
7	Bangla Trac	1,012,977	-	-	1,012,977
8	Bangladesh Internet ExchangeLtd-IIG	62,100	-	-	62,100
9	BanglaPhone Ltd-ISP	550,160	-	-	550,160
10	BD Hub Ltd-IIG	2,282,969	1,759,500	1,496,369	2,546,100
11	BD Link Communication Ltd	2,299,712	-	-	2,299,712
12	BG Tel Ltd	2,328,497	-	-	2,328,497
13	BTCL	8,912,611	-	-	8,912,611
14	BTS Communication(BD)Ltd-ISP	49,680	24,840	-	74,520
15	Chittagong Online Ltd-ISP	12,420	-	12,420	-
16	Cybergate Ltd	3,450,000	-	-	3,450,000
17	Cybergate Ltd-IIG	51,750	74,865	-	126,615
18	Digicon Telecommunication Ltd	2,164,780	-	-	2,164,780
19	Earth Telecommunication Ltd-IIG		7,036,045	-	7,036,045
20	Equitel Communication Ltd-IIG	242,949		-	242,949
21	Fiber@Home Ltd	4,327,680	3,722,320	-	8,050,000
22	Fiber@Home Ltd-ITC		508,559	-	508,559
23	Fiber@Home Ltd CoLocation	3,059,000	754,400	-	3,813,400
24	Global Fair Communication Ltd-IIG	786,600	-	-	786,600
25	Global Voice Ltd	2,328,497	-	-	2,328,497
26	HRC Technologies Ltd	2,094,780	-	-	2,094,780
27	InterCloud Ltd	983,549	-	983,549	-
28	Kay Telecommunication Ltd	1,012,390	-	-	1,012,390
29	KS Network Ltd-ISP	-	1,128,127	-	1,128,127
30	Level 3 Carrier Ltd	-	5,750,000	-	5,750,000
31	Level 3 Carrier Ltd-IIG	10,129,737	1,700,563	11,830,300	-
32	Managewell Communications Ltd.	1,218,801	-	-	1,218,801
33	Mango Teleservices Ltd.	8,812,879	-	-	8,812,879
34	Maxnet Online-IIG	7,866,000	-	-	7,866,000
35	Mir Telecom	5,412,537	-	-	5,412,537
36	Novocom Ltd	2,120,702	3,174,000	-	5,294,702
37	Novocom Ltd-ITC	-	1,541,736	-	1,541,736
38	Novocom Ltd-IIG	2,412,111	-	-	2,412,111
39	Novotel	1,012,977	-	1,012,977	-
40	Orange Communication Ltd-ISP	18,630	-	-	18,630
41	Exabyte Ltd-IIG	51,750	-	-	51,750
42	Ranks Telecom Ltd	1,012,390	-	-	1,012,390
43	Roots Communication Ltd	896,154	-	-	896,154
44	Skytel Communications Ltd-IIG	1,727,084	479,274	-	2,206,358
45	Summit Communication Ltd-ITC	836,101	-	-	836,101
46	Summit Communication Ltd-IIG	7,325,213	1,487,813	-	8,813,026
47	Summit Communications Ltd	721,273	5,405,000	-	6,126,273
48	Summit Communications Ltd Co-location	-	431,250	-	431,250
49	Teletalk BD Ltd-ISP	-	345,000	-	345,000
50	Venus Telecom Ltd	595,014	-	-	595,014
51	Virgo Communication Ltd-IIG	-	51,750	-	51,750
Total		104,731,766	39,107,021	15,335,614	128,503,172

Annexure-D

Bangladesh Submarine Cable Company Limited

Statement of Profit or Loss for IIG Unit

For the Year ended 30 June 2017

	Notes	2016-2017 Taka	2015-2016 Taka
Revenue			
Circuit Activation Charge	28	1,028,000	904,000
IP Transit Service	29	404,547,160	274,139,049
IP Transit Service-Export	31	95,295,084	37,307,586
		500,870,244	312,350,635
Direct cost of operation			
Electricity and generator fuel		1,909,592	2,047,485
Backhaul & Data connectivity Charge	34	124,237,699	90,303,843
IP Transit Cost	35	85,543,385	65,784,738
Depreciation of core machinery (Schedule-A)		20,156,131	17,002,672
		231,846,807	175,138,738
Gross profit		269,023,437	137,211,897
Operating expenses			
General and administrative expenses		27,073,360	21,184,228
Depreciation on property, plant and equipment		963,516	852,123
Provision for Bad & Doubtful Debts		5,276,445	2,869,061
		33,313,321	24,905,412
Operating profit		235,710,117	112,306,485
Non-operating income			
Bank interest and other income		649,996	1,526,246
Profit before WPPF & WF		236,360,112	113,832,732
Provision for contribution to WPPF & WF		11,255,243	5,420,606
Profit before taxation		225,104,869	108,412,125
Less: Current tax expense		16,882,865	5,420,606
Net profit after tax		208,222,004	102,991,519
Total comprehensive income		208,222,004	102,991,519


Bangladesh Submarine Cable Company Limited

Rahmans' Regnum Center (7th & 8th Floor)
191, Tejgaon-Gulshan Link Road, Dhaka-1208, Bangladesh

I/We
of being a shareholder
of **Bangladesh Submarine Cable Company Limited** do hereby appoint
Mr./Ms.
of
(or failing his/her)
Mr./Ms.
of as my/our Proxy

to attend and vote on my/our behalf at the at the 9th Annual General Meeting of the Company to be held on 21 October 2017, Saturday at 11:00 AM at SMW-5 Submarine Cable Landing Station Alipur, Kuakata, Patuakhali or at any adjournment thereof or any ballot to be taken in consequence thereof.

Signed this day of October 2017

.....
Signature of the Proxy

.....
Signature of the Shareholder(s)

BO ID No.

No of Shares being held

Revenue
Stamp of
Tk. 20/=

Notes:

- I). This Form of Proxy, duly completed must be deposited at least 72 hours before the meeting of the Company's Registered Office. Proxy is invalid if not signed and stamped as indicated above.
- II). Signature of the Shareholder should agree with the specimen signature registered with the Company.

Note



Bangladesh Submarine Cable Company Limited (BSCCL)

Rahman's Regnum Center (7th & 8th Floor) 191, Tejgaon-Gulshan Link Road, Dhaka 1208, Bangladesh
Tel: 88 02 8879192, 88 02 8879194, Fax : 88 02 8879193, Web: www.bscccl.com