


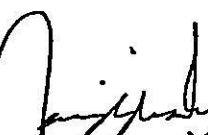



Bangladesh Submarine Cable Company Limited
Statement of Financial Position (Un-Audited)
As at 31 March 2019

ASSETS	Notes	Amount in Taka	
		31 March 2019	30 June 2018
Non-current assets		6,973,056,511	7,267,361,968
Property, plant and equipment	4	6,973,056,511	7,267,361,968
Investment in SMW-5	5	-	-
Current Assets		4,163,898,199	3,166,318,255
Trade and other receivables	6	2,024,001,551	1,659,997,059
Advances and deposits	7	36,917,331	41,139,817
Advance income tax	8	386,517,867	298,066,627
Investment in shares	9	35,332,576	35,974,737
Cash and cash equivalents	10	1,681,128,875	1,131,140,015
Non-current Assets held for sale		103,079	-
TOTAL ASSETS		11,137,057,789	10,433,680,222
EQUITY AND LIABILITIES			
Shareholders' Equity		6,209,863,006	5,884,371,531
Share capital	11	1,649,055,100	1,649,055,100
Equity Money from GoB	12	1,660,000,000	1,660,000,000
Share premium	13	723,293,759	723,293,759
Tax holiday reserve	14	732,011,205	706,977,180
Revaluation reserve	15	336,165,684	336,165,684
Retained earnings	16	1,109,337,256	808,879,808
Non Current Liabilities		3,334,766,614	3,271,668,073
Deferred tax liabilities	17	442,050,673	353,212,788
Security deposits received from clients	18	226,395,325	164,005,987
Employees' pension, gratuity & provident fund	19	19,770,069	23,755,415
Long Term loan-net off current portion	20	2,646,550,547	2,730,693,883
Current Liabilities		1,592,428,168	1,277,640,618
Long Term loan-current portion	20	245,149,059	238,008,795
Sundry creditors	21	249,390,655	110,593,468
Provision for income tax	22	346,350,946	323,622,564
Provision for WPPF and WF	23	25,975,525	14,693,423
VAT payable	24	541,756,856	445,342,281
Liabilities for expenses	25	183,805,126	145,380,087
Total Liabilities		4,927,194,782	4,549,308,691
TOTAL EQUITY AND LIABILITIES		11,137,057,789	10,433,680,222
Net Asset Value per share	46	37.66	35.68

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

Chief Financial Officer Company Secretary Managing Director Director Chairman

Dhaka
 25 April 2019

Bangladesh Submarine Cable Company Limited
Statement of Profit or Loss and Other Comprehensive Income (Un-audited)
For the period ended 31 March 2019

	Notes	Amount in Taka		Amount in Taka	
		July-March-2019	July-March-2018	Jan-March-2019	Jan-March-2018
Revenue					
IPLC (International Private Leased Circuit) rent	26	1,038,550,460	649,073,860	377,828,875	242,828,057
Circuit activation charge	27	16,319,000	8,810,000	4,860,000	3,120,000
IP Transit Service	28	293,501,989	274,199,484	101,847,024	90,422,240
Co-Location Charges	29	29,147,248	34,558,057	10,642,209	7,891,349
IP Transit Service-Export	30	43,721,638	55,029,020	15,665,938	6,225,020
		<u>1,421,240,335</u>	<u>1,021,670,421</u>	<u>510,844,046</u>	<u>350,486,666</u>
Direct cost of operation					
Electricity and generator fuel	31	8,456,102	9,213,051	2,150,529	3,175,405
Landing station and cable route repair	32	1,234,579	617,748	732,311	446,860
Backhaul & Data connectivity Charge	33	114,541,473	113,571,299	25,079,088	34,885,737
IP Transit Cost	34	35,855,213	33,629,834	12,079,750	11,182,615
Lease Rent	35	662,483	339,768	-	-
Depreciation of core machinery	36	314,451,803	310,607,075	107,924,560	103,666,253
		<u>475,201,653</u>	<u>467,978,775</u>	<u>147,966,238</u>	<u>153,356,870</u>
Gross profit		<u>946,038,682</u>	<u>553,691,646</u>	<u>362,877,808</u>	<u>197,129,796</u>
Operating expenses					
Operation and maintenance expenses	37	147,978,734	130,675,841	70,443,714	40,134,756
General and administrative expenses	38	125,320,828	112,443,381	43,387,333	35,488,893
Provision for bad & doubtful debts	39	72,440,888	23,551,827	7,073,263	7,142,870
Depreciation on property, plant and equipment	40	24,197,139	19,434,801	7,995,714	6,336,502
		<u>369,937,589</u>	<u>286,105,851</u>	<u>128,900,023</u>	<u>89,103,021</u>
Operating profit		<u>576,101,093</u>	<u>267,585,795</u>	<u>233,977,785</u>	<u>108,026,774</u>
Non-operating income/(Expenses)					
Bank interest and other income	41	97,826,776	36,717,659	34,483,643	14,355,833
Financial charges		(127,799,689)	(104,000,000)	(42,436,681)	(47,000,000)
(Loss)/Gain on investment in shares	42	(642,161)	(3,942,043)	391,419	(3,747,399)
		<u>(30,615,074)</u>	<u>(71,224,384)</u>	<u>(7,561,619)</u>	<u>(36,391,566)</u>
Profit before WPPF & WF		<u>545,486,018</u>	<u>196,361,411</u>	<u>226,416,165</u>	<u>71,635,208</u>
Provision for contribution to WPPF & WF		25,975,525	9,350,544	10,781,722	3,411,200
Profit before taxation		<u>519,510,493</u>	<u>187,010,867</u>	<u>215,634,442</u>	<u>68,224,008</u>
Less: Current tax expenses	43	22,728,382	17,299,407	9,529,421	6,609,083
Deferred tax (income)/expenses	44	88,837,885	146,628,922	34,129,116	48,260,174
		<u>111,566,267</u>	<u>163,928,329</u>	<u>43,658,537</u>	<u>54,869,257</u>
Net profit after tax		<u>407,944,227</u>	<u>23,082,538</u>	<u>171,975,906</u>	<u>13,354,751</u>
Total comprehensive income		<u>407,944,227</u>	<u>23,082,538</u>	<u>171,975,906</u>	<u>13,354,751</u>
Earnings Per Share (EPS) - Basic	45	<u>2.47</u>	<u>0.14</u>	<u>1.04</u>	<u>0.08</u>

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

 Chief Financial Officer	 Company Secretary	 Managing Director	 Director	 Chairman
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Dhaka
25 April 2019


Bangladesh Submarine Cable Company Limited

Statement of Changes in Equity (Un-audited)

For the period ended 31 March 2019

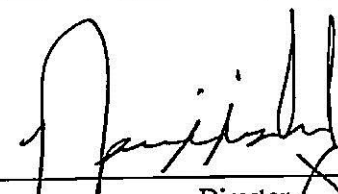
(Amount in Taka)

Particulars	Share capital	Equity Money from GoB	Share premium	Tax holiday reserve	Revaluation reserve	Retained earnings	Total Equity
Balance as at 01 July 2018	1,649,055,100	1,660,000,000	723,293,759	706,977,180	336,165,684	808,879,808	5,884,371,532
Transactions with shareholders:							
Dividend Paid	-	-	-	-	-	(82,452,755)	(82,452,755)
Net profit after tax for the period	-	-	-	-	-	407,944,228	407,944,228
Tax holiday reserve	-	-	-	25,034,025	-	(25,034,025)	-
Balance as at 31 March 2019	1,649,055,100	1,660,000,000	723,293,759	732,011,205	336,165,684	1,109,337,256	6,209,863,006
Balance as at 01 July 2017	1,649,055,100	1,660,000,000	723,293,759	662,947,522	336,165,684	977,535,608	6,008,997,673
Effect on change in tax rate							-
Transactions with shareholders:							-
Received during the period						(197,886,612)	(197,886,612)
Dividend Paid						23,082,539	23,082,539
Net profit after tax for the period				31,029,194		(31,029,194)	-
Tax holiday reserve							-
Balance as at 31 March 2018	1,649,055,100	1,660,000,000	723,293,759	693,976,716	336,165,684	771,702,341	5,834,193,599


Chief Financial Officer


Company Secretary


Managing Director


Director


Chairman

Dhaka
25 April 2019

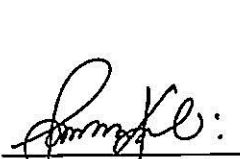
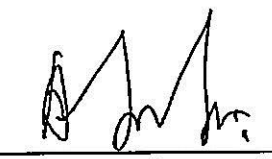
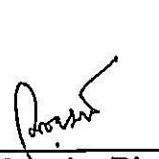


Bangladesh Submarine Cable Company Limited

Statement of Cash Flows (Un-audited)

For the period ended 31 March 2019

	Notes	Amount in Taka	
		July-March-2019	July-March-2018
A. Cash flows from operating activities			
Cash received from clients		1,135,103,538	694,134,880
Cash paid to suppliers and others		(225,968,103)	(272,828,846)
Payment for WPPF/Gratuity		(14,693,423)	(25,395,013)
Payroll and other payments to employees		(82,177,606)	(71,973,278)
Income tax paid		(88,451,239)	(37,455,393)
Interest received		87,566,505	32,075,659
Receipts from rest house rent and others		16,566,297	736,090
Net cash flow from operating activities		827,945,970	319,294,099
B. Cash flows from investing activities			
Acquisition of property, plant and equipment		(31,334,657)	(39,344,577)
Dividend received		1,466,569	1,367,571
Net cash flow from/ (used in) investing activities		(29,868,088)	(37,977,006)
C. Cash flows from financing activities			
Dividend paid		(82,024,870)	(197,061,665)
Loan paid		(166,064,152)	102,368,811
Net cash flow from/(used in) financing activities		(248,089,022)	(94,692,854)
Net surplus/ deficit during the period (A+B+C)		549,988,860	186,624,240
Cash and cash equivalents at beginning of the period		1,131,140,015	671,693,463
Cash and cash equivalents at end of the period	10	1,681,128,875	858,317,703
Net Operating Cash Flows Per Share (NOCFPS)	47	5.02	1.94

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

				
Chief Financial Officer	Company Secretary	Managing Director	Director	Chairman

Dhaka

25 April 2019

Bangladesh Submarine Cable Company Limited

Notes to the financial statements For the Half-year ended 31 March 2019

1. Corporate information

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

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

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

2. Basis of preparation of financial statements

2.1 Statement of compliance

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

The financial statements have been authorised for issue by the Board of Directors of the Company on 25 April 2019.

2.2 Basis of measurement

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

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

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

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

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

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

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

Note: 39 Provision for bad & doubtful debts

Note: 43 Current tax expense

Note: 44 Deferred tax (income)/expense

3. Significant accounting policies

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

3.1 Property, plant and equipment

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

3.2 Depreciation on property, plant and equipment

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

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

3.3 Foreign currency transactions

The financial statements are presented in Taka /Tk./BDT, which is the company's functional currency. Transactions in foreign currencies are recorded in the books at the exchange rate prevailing on the date of the transaction. Assets and liabilities outstanding at 31 March 2019 denominated in foreign currencies have been shown in Taka at the rate in terms of foreign currencies ruling on the financial position date. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the Statement of Profit or Loss and Other Comprehensive Income as per BAS 21: The Effects of Changes in Foreign Exchange Rates.

3.4 Financial instruments

3.4.1 Financial assets

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

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

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

(a) Accounts receivable

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

(b) Short term investments

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

(c) Other receivables

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

(d) Cash and cash equivalents

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

3.4 Employee Benefit

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

3.5 Tax holiday reserve

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

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

3.6 Income tax expenses

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

3.6.1 Current tax

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

3.6.2 Deferred tax

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

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

3.7 Revenue recognition

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

Revenues primarily comprise of:

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

3.7.1 IPLC rent

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

3.7.2 Circuit activation charge

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

3.7.3 IP Transit service

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

3.7.4 Co-location Charges

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

3.7.5 IP Transit service-Export

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

3.8 Dividend income

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

3.9 Trade receivables

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

3.10 Cash and cash equivalents

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

3.11 Accounts payable

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

3.12 Contingencies

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

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

3.13 Earning per share (EPS)

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

3.14 Investment in shares

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

3.15 Events after the reporting period

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

3.16 Compliance with Financial Reporting Standards as applicable in Bangladesh

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

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

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

Amount in Taka	
31 March 2019	30 June 2018

4. Property, plant and equipment

Cost/revaluation (A)

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

9,499,133,939	3,507,733,270
45,266,296	6,017,496,084
3,042,468	(26,095,415)
9,541,357,767	9,499,133,939

Accumulated Depreciation (B)

Opening balance
Add: Charged during the Period

Less: Adjustment during the Period

2,231,771,972	1,785,933,264
338,648,942	445,883,359
2,570,420,914	2,231,816,623
2,119,658	(44,651)
2,568,301,256	2,231,771,972
6,973,056,511	7,267,361,968

Written Down Value (A-B)

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

5 Investment in SMW-5

Opening Balance	-	5,528,460,826
Add: Addition during the Period		
Payment made to Central Billing Party	-	17,643,427
Expenses Relating to Project	-	18,999,962
	-	36,643,389
	-	5,565,104,215
Recognised as fixed asset during the Period	-	(5,565,104,215)
	-	-

6 Trade and other receivables

Trade receivables	(Note:6.1)	1,990,908,690	1,618,408,866
Other receivables	(Note:6.2)	33,092,861	41,588,193
		2,024,001,551	1,659,997,059

6.1 Trade receivables

Opening Balance	1,777,847,992	1,502,697,984
Add: Addition during the Period	1,746,125,848	1,723,167,053
	3,523,973,840	3,225,865,037
Less: Collection during the Period	1,301,185,136	1,448,017,045
Closing Balance	2,222,788,704	1,777,847,992
Less: Provision for bad and doubtful debts		
Opening Balance	159,439,126	132,215,809
Add: Addition during the Period	72,440,888	27,223,317
	231,880,014	159,439,126
Trade receivables, net of provision	1,990,908,690	1,618,408,866

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

Amount in Taka	
31 March 2019	30 June 2018

6.2 Other receivables

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

3,150	3,150
3,790	4,240
33,085,921	41,580,803
<u>33,092,861</u>	<u>41,588,193</u>

7 Advances and deposits

Advances

Advance to:

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

(Note: 7.1)

19,250,000	23,750,000
270,606	313,606
1,805,520	
57,500	57,500
12,000	12,000
21,735	39,004
10,000,000	10,000,000
-	322,715
670,500	605,000
429,872	1,640,394
<u>32,517,733</u>	<u>36,740,219</u>

Deposits

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

5,000	5,000
23,000	23,000
500,000	500,000
600,000	600,000
100,000	100,000
50,000	50,000
250,000	250,000
2,871,598	2,871,598
4,399,598	4,399,598
<u>36,917,331</u>	<u>41,139,817</u>

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

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

23,750,000	2,796,364
-	30,000,000
4,500,000	9,046,364
<u>19,250,000</u>	<u>23,750,000</u>

8. Advance Income Tax

Opening balance
Add: Payment made during the Period

Less: Settlement/ Adjustment

298,066,627	246,918,612
88,451,240	52,377,560
386,517,867	299,296,172
-	1,229,545
<u>386,517,867</u>	<u>298,066,627</u>

Amount in Taka	
31 March 2019	30 June 2018

9. Investment in Shares

SL	Ordinary shares of	Quantity	Cost price (Taka)	Market value	Market value
1	AB Bank Limited	137,581	3,209,275	1,568,423	1,706,004
2	ACI Limited	3,605	764,725	1,139,074	1,253,819
3	BATASHOE	1,000	696,429	1,150,300	1,137,200
4	BEXIMCO Limited	206,537	10,731,965	4,879,418	5,411,269
5	IFIC Bank Limited	109,902	1,246,776	1,353,990	1,563,243
6	Islami Bank BD Limited	39,091	951,084	1,016,366	930,366
7	Jamuna Oil Limited	23,716	4,392,440	4,430,149	4,413,548
8	MPetroleum	24,816	4,962,456	4,933,421	4,700,150
9	NCC Bank Limited	174,354	1,698,208	2,737,358	2,563,004
10	Padma Oil Limited	18,150	4,835,160	4,234,395	4,167,240
11	Square Pharma	22,334	2,633,566	6,378,109	6,546,095
12	Titas Gas	39,570	2,744,885	1,511,574	1,582,800
			38,866,968	35,332,576	35,974,737

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

10. Cash and cash equivalents

Cash in hand	(Note:10.1)	2,475,880	469,377
Cash at bank	(Note:10.2)	1,678,652,995	1,130,670,638
		1,681,128,875	1,131,140,015

10.1 Cash in hand

Head Office-Dhaka	2,043,992	430,537
Landing Station-Kuakata	249,781	37,581
Landing Station-Cox's Bazar	182,107	1,260
	2,475,880	469,377

10.2 Cash at bank

Savings and current deposits with:

Sonali Bank Limited-Dhaka	7,668,464	7,969,859
Sonali Bank Limited-Cox'sbazar	1,827,785	1,963,568
National Bank Limited	2,516,109	1,303,914
Mutual Trust Bank Limited	10,969,568	10,471,778
Farmers Bank Limited	-	245,815
Brac Bank Limited	676,067	703,435
IFIC Bank Limited	178,298	181,151
United Commercial Bank Limited	31,813,383	40,181,720
	55,649,674	63,021,239

Fixed deposits (FDR) with:

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

Amount in Taka	
31 March 2019	30 June 2018
374,636,629	176,710,437
61,761,001	30,000,000
252,711,450	181,210,793
147,528,523	61,830,665
183,737,765	242,335,149
21,359,511	-
-	62,946,101
83,984,054	110,405,000
176,732,402	81,164,061
82,421,852	20,000,000
92,906,550	30,656,193
41,764,070	20,391,000
103,459,514	50,000,000
<u>1,623,003,321</u>	<u>1,067,649,399</u>
<u>1,678,652,995</u>	<u>1,130,670,638</u>

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

11. Share capital**Authorized:**

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

Issued, subscribed and paid up capital:

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

12 Equity Money from GoB

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

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

13 Share premium

723,293,759 723,293,759

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

14 Tax holiday reserve

Opening balance	706,977,180	662,947,522
Add: Current period's reserve	25,034,024	44,029,659
	<u>732,011,204</u>	<u>706,977,180</u>

Amount in Taka	
31 March 2019	30 June 2018

15 Revaluation reserve

Opening balance	336,165,684	336,165,684
Less: Adjustment with deferred tax liability	-	-
	<u>336,165,684</u>	<u>336,165,684</u>

This amount represents the revalued amount of Land at Cox's Bazar. This revaluation has been done by a Professional Valuer named A B SAHA & CO., Chartered Accountants in the financial year 2010-11. Valuation work has been carried out on the basis of Guidelines issued by the Ministry of Finance in valuing Assets of State Owned Companies as well as professional 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	808,879,808	977,535,608
Add: Profit for the Period	407,944,227	73,260,471
	<u>1,216,824,035</u>	<u>1,050,796,079</u>
Less: Dividend paid during the Period	82,452,755	197,886,612
Transferred to Tax Holiday Reserve	25,034,024	44,029,659
	<u>107,486,779</u>	<u>241,916,271</u>
	<u>1,109,337,256</u>	<u>808,879,808</u>

17 Deferred tax liabilities

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

Deferred tax relating to profit or loss account components	(Note: 17.1)	431,653,796	342,815,911
Deferred tax relating to components of other comprehensive income	(Note: 17.2)	10,396,877	10,396,877
		<u>442,050,673</u>	<u>353,212,788</u>

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

	Carrying amount	Tax base	Taxable/(deductible) temporary difference
	Taka	Taka	Taka
As at 31 March 2019			
Property, plant and equipment (excluding land)	6,503,882,473	4,525,617,210	1,978,265,263
Accounts receivable	1,990,908,690	2,222,788,704	(231,880,014)
Provision for pension, gratuity fund and provident fund	(19,770,069)	-	(19,770,069)
Net Taxable Temporary Difference			1,726,615,180
Applicable tax rate			25%
Deferred tax liability			<u>431,653,796</u>

Amount in Taka	
31 March 2019	30 June 2018

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

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

17.2 Deferred tax relating to components of other comprehensive income

	Carrying Amount	Tax Base	Taxable/(deductible) temporary difference
As at 31 March 2019			
Revaluation reserve of property, plant and equipment	346,562,561	-	346,562,561
Applicable tax rate			3%
Deferred tax liability			10,396,877

Deferred tax relating to components of other comprehensive income

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

18. Security deposits received from clients

Opening Balance	164,005,987	128,503,172
Add: Addition during the Period	63,589,255	54,641,075
	227,595,242	183,144,248
Less: Adjustment during the Period	1,199,917	19,138,261
	226,395,325	164,005,987

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)	3,867,419	8,019,892
Employees' provident fund	(Note: 19.3)	2,093,699	1,926,571
		19,770,069	23,755,415

Amount in Taka	
31 March 2019	30 June 2018

19.1 Employees' pension fund

13,808,952 13,808,952

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

19.2 Employees' gratuity fund

Opening balance	8,019,892	5,919,380
Add: Provision made during the Period	9,710,067	8,019,892
	17,729,959	13,939,272
Less: Paid/Transferred during the Period	(13,862,540)	(5,919,380)
	3,867,419	8,019,892

19.3 Employees' provident fund

Opening balance	1,926,571	3,967,673
Add: Employees' Contribution	3,012,003	3,872,244
Employer's Contribution	3,012,002	3,872,244
Less: Transferred to RCPF during the Period	(5,856,878)	(9,785,590)
	2,093,699	1,926,571

20 Term Loan

Opening balance	2,968,702,678	2,866,333,868
Received during the Period	-	102,368,810
Total IDB Loan	2,968,702,678	2,968,702,678
Less: Payment	(77,003,072)	-
	2,891,699,606	2,968,702,678
Current portion of Long Term Loan	(245,149,059)	(238,008,795)
Payable after one year	2,646,550,547	2,730,693,883

Term Loan Particulars:

Islamic Development Bank (IDB)

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

Amount in Taka	
31 March 2019	30 June 2018

21. Sundry creditors

Share Money Deposit	109,101	109,101
Telecom Italia Sparkle Ltd.	15,173,076	11,800,215
Equinix Singapore PTE Ltd.	926,412	502,500
Cogent Communication Ltd	1,192,885	1,139,838
NTT communications Ltd.	1,977,051	7,325,223
Withholding tax payable	39,780,213	23,290,107
Fiber@Home	38,834,395	22,898,110
Milky & Associates	116,602	116,602
Farnes & R	103,500	90,000
KK Enterprise	13,590,789	13,590,789
Partex Furniture	120,909	-
Unpaid dividend	4,895,152	4,467,266
Habib Intelligent Software Ltd.	196,400	-
Spectrum Engineering Consortium Limited	939,477	9,945,058
Summit Communications Ltd.	9,015,129	1,678,629
Express Systems Ltd.	22,792,850	-
ICB Securities Trading Company Limited	1,610,932	1,610,932
Payable to BTCL	78,068,818	4,214,875
Payable to BTCL Staff College(Focus Point)	23,000	23,000
New S.N. Motors	16,700	-
Payable to BTRC	6,066,314	3,947,379
Sony Chocolate Industries Ltd.	300,735	330,615
Huawei Technologies (BD). Limited	187,297	2,016,724
Sikder Filling & Service Station	137,543	139,794
Capital Law Chamber	146,280	146,280
ECCE,CUET	50,000	50,000
1st Clean Pest Specialist	-	4,000
ICAB Puja Udjapan Parishad	20,000	20,000
Kamal Trading Agency	-	3,738
Hatil Complex Ltd.	19,500	-
Hexagon Communication Ltd.	96,474	-
M.J.Abedin & Co.	-	287,500
Innoglobe Travels & Tours Ltd.	84,464	-
M.M.International	509,998	509,998
Civil Works Consultant Limited	-	44,100
OTOBI Ltd.	-	18,981
Next Tech Ltd.	28,000	16,800
Dynamic Travels	59,860	-
Best Communications	281,715	-
Peshajibi Samonnoy Parishad	25,000	25,000
SA Rashid & Associates	28,750	28,750
Southern Automobiles Ltd.	50,252	34,508
The Financial Express	181	181
Legacy Legal Corporate	1,154,816	-
Temporary Loan from Project Director # SMW5	1,000	1,000
M/S Gazi Store	-	68,850
ACE Autos	4,975	-
Cyber Link	12,010	-
CDBL	212,000	-
Bangladesh Association of Publicly Listed Companies	50,000	30,000
Telnet Communication Ltd.	-	7,700

The Daily Janakantha
M/S Syed Automobiles
BD ren
The Daily Observer

Amount in Taka	
31 March 2019	30 June 2018
-	37,260
97,619	-
10,260,000	-
22,480	22,066
<u>249,390,655</u>	<u>110,593,468</u>

22. Provision for income tax

Opening balance

Add: Provision made during the Period

IPLC

IIG Unit

Less: Settlement for previous period:

323,622,564	299,126,594
7,082,117	6,150,278
15,646,266	18,345,691
22,728,382	24,495,969
346,350,946	323,622,564
-	-
<u>346,350,946</u>	<u>323,622,564</u>

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

23. Provision for WPPF and WF

Opening balance

Add: Provision made during the Period

Less: Settlement for previous Period

14,693,423	19,475,633
25,975,525	14,693,423
40,668,948	34,169,056
14,693,423	19,475,633
<u>25,975,525</u>	<u>14,693,423</u>

24. VAT Payable

VAT payable against Receivable

VAT payable against Deduction at source

526,918,922	391,459,410
14,837,934	53,882,871
<u>541,756,856</u>	<u>445,342,281</u>

This represents the amount of Tk.52,69,18,922.00 VAT receivable from clients against revenue receivable from clients arising from International Private Leased Circuit (IPLC) rentals, IP transit service, and Co-location charges. In addition to that this amount of Tk. 1,48,37,934.00 includes VAT deducted from other parties and suppliers.

25. Liabilities for expenses

Office rent

Audit & other fees

Provision for different expenses

Telephone bill

Electricity bill

Donation

Accrued Interest on IDB loan

4,800,000	4,800,000
23,000	115,000
1,804	331,460
17,582	41,602
548,944	416,838
9,364	9,364
178,404,432	139,665,823
<u>183,805,126</u>	<u>145,380,087</u>

	Amount in Taka		Amount in Taka	
	July-March-2019	July-March-2018	Jan-March-2019	Jan-March-2018
26. IPLC (International Private Leased Circuit) Rent				
SMW-4	532,647,317	510,572,464	180,354,847	171,485,171
SMW-5	505,903,142	138,501,396	197,474,028	71,342,885
	<u>1,038,550,460</u>	<u>649,073,860</u>	<u>377,828,875</u>	<u>242,828,056</u>

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

27 Circuit activation charge				
Circuit Activation Charge-IPLC-SMW-4	1,650,000	2,820,000	350,000	1,880,000
Circuit Activation Charge-IPLC-SMW-5	12,760,000	5,055,000	3,600,000	960,000
Circuit Activation Charge-IP Transit	530,000	220,000	650,000	180,000
Circuit Activation Charge-ISP	370,000	240,000		100,000
Circuit Activation Charge-ITC	100,000	-	100,000	-
Circuit Activation Charge-Co-location-IIG	9,000			
Circuit Activation Charge-Co-location-SMW-4	60,000			
Circuit Activation Charge-Co-location-SMW-5	840,000	475,000	160,000	-
	<u>16,319,000</u>	<u>8,810,000</u>	<u>4,860,000</u>	<u>3,120,000</u>

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

28 IP Transit Service	<u>293,501,989</u>	<u>274,199,484</u>	<u>101,847,024</u>	<u>90,422,240</u>
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This represents the service charges for providing internet bandwidth to IIGs and ISPs.

29 Co-Location Charges				
SMW-4	17,232,156	32,439,041	5,659,674	5,952,334
SMW-5	11,915,092	2,119,015	4,982,535	1,939,015
	<u>29,147,248</u>	<u>34,558,057</u>	<u>10,642,209</u>	<u>7,891,349</u>

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

30 IP Transit Service -Export

Amount in Taka		Amount in Taka	
July-March-2019	July-March-2018	Jan-March-2019	Jan-March-2018
43,721,638	55,029,020	15,665,938	6,225,020

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

Referring to the note number 26 to 30, Bangladesh Submarine Cable Company Limited (BSCCL)'s turnover is mainly comprised of IPLC Rent , IP Transit Service and Co -location Service . BSCCL has implemented Regional Submarine Telecommunications Project, Bangladesh (SMW-5) Project and started providing service commercially through the system during the period under consideration. In addition to that, substantial effort of BSCCL's management , Govt. policy of digitalization of govt . service and introduction of 4G services contributed to increase in overall IPLC consumption in the country . Consequently, BSCCL's revenue also increased.

31 Electricity and generator fuel

Electricity bill	7,143,164	7,851,288	1,551,729	2,774,920
Fuel for generator	1,312,938	1,361,763	598,800	400,485
	8,456,102	9,213,051	2,150,529	3,175,405

This cost is directly related to cost of operation.

32 Landing station and cable route repair

	1,234,579	617,748	732,311	446,860
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This cost is directly related to repair and maintenance for Cox's Bazar landing station and cable route.

33 Backhaul & Data Connectivity Charge

Backhaul Charge	109,320,245	109,074,344	23,288,522	33,404,265
Data Connectivity & Fiber Core Charge	406,148	423,376	177,068	155,020
Revenue Sharing Cost	4,815,080	3,657,279	1,613,498	1,326,452
Co-location cost	-	416,300	-	-
	114,541,473	113,571,299	25,079,088	34,885,737

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

	Amount in Taka		Amount in Taka	
	July-March-2019	July-March-2018	Jan-March-2019	Jan-March-2018
34 IP Transit Cost	35,855,213	33,629,834	12,079,751	11,182,615

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

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

36 Depreciation of core machinery	314,451,803	310,607,075	107,924,560	103,666,253
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This represents the depreciation charged on core machinery which are directly related to IPLC and IP transit revenue.

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

37 Operation and maintenance expenses

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

break-up of the expenses is as under:

SEA-ME-WE-4	2,423,358	-	2,423,358	-
SEA-ME-WE-5	145,555,376	130,675,841	68,020,356	40,134,756
	147,978,734	130,675,841	70,443,714	40,134,756

Amount in Taka		Amount in Taka	
July-March-2019	July-March-2018	Jan-March-2019	Jan-March-2018

38 General and administrative expenses

Salary and allowances
Managing Director's remuneration
Festival bonus
Office rent
Repair and maintenance
Internet Expenses
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
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
Training Expenses
Books & Periodicals
Inauguration-SMW-5 expenses
Reception & Dinner
Recruitment expenses
National Integrity and Strategy Training

70,731,063	64,528,554	24,166,158	20,930,411
2,649,894	2,082,573	865,500	807,000
3,090,820	3,310,355	-	-
10,505,250	10,298,248	3,501,750	3,501,750
2,052,827	1,723,088	492,364	569,198
287,204	-	181,754	-
1,395,070	1,733,423	474,632	71,655
1,587,454	1,630,687	907,583	965,249
9,710,066	4,467,917	3,867,418	1,647,641
1,837,969	1,377,052	687,850	470,287
2,739,513	2,190,442	875,785	471,617
310,500	545,250	103,500	156,350
-	142,000	-	50,000
709,368	1,516,921	709,368	(540,603)
1,815,089	1,607,337	696,883	459,300
1,973,763	2,156,562	621,935	694,516
1,416,942	1,010,057	582,746	408,005
2,100,486	2,394,181	707,882	1,927,012
35,051	45,542	8,652	13,565
1,161,798	1,362,543	393,898	312,212
653,954	2,291,435	144,066	1,132,465
977,987	763,962	448,237	366,546
55,081	142,795	26,719	46,053
4,061,133	570,160	1,913,485	222,720
351,605	394,272	351,605	39,792
1,077,192	-	295,200	-
46,764	-	13,644	-
-	42,505	-	14,455
473,574	3,181,857	-	25,553
537,300	504,614	-	504,614
976,112	429,050	348,719	221,530
125,320,828	112,443,381	43,387,333	35,488,893

Amount in Taka		Amount in Taka	
July-March-2019	July-March-2018	Jan-March-2019	Jan-March-2018

39 Provision for bad & doubtful debts

Closing balance of provision for bad & doubtful debts	231,880,014	155,767,636	231,880,014	155,767,636
Less: Opening balance of provision for bad & doubtful debts	159,439,126	132,215,809	224,806,751	148,624,766
	<u>72,440,888</u>	<u>23,551,827</u>	<u>7,073,263</u>	<u>7,142,870</u>

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

40 Depreciation on property, plant and equipment 24,197,139 19,434,801 7,995,714 6,336,502

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

41 Bank interest and other income

Rest house rent and others	1,542,310	736,090	962,589	172,448
Re-imbursement from Consortium	11,385,376	-	722,737	-
Interest on FDR & Others	81,260,929	34,943,334	31,331,749	13,251,366
Landing Station Cross Connection Charge	2,171,593	1,038,235	-	932,019
Dividend income	1,466,569	-	1,466,569	-
	<u>97,826,776</u>	<u>36,717,659</u>	<u>34,483,643</u>	<u>14,355,833</u>

42 Gain/(loss) on investment in shares

Opening market value of investment	35,974,737	40,150,006	34,941,158	39,955,363
Add: Investment during the period	-	-	-	-
Total cost of investment(B)	<u>35,974,737</u>	<u>40,150,006</u>	<u>34,941,158</u>	<u>39,955,363</u>
Closing Market Value of Investment (A)	35,332,576	36,207,964	35,332,576	36,207,964
Gain/ (Loss)(A-B)	<u>(642,161)</u>	<u>(3,942,042)</u>	<u>391,418</u>	<u>(3,747,399)</u>

43 Current tax expense 22,728,382 17,299,407 9,529,421 6,609,083

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

	Amount in Taka		Amount in Taka	
	July-March-2019	July-March-2018	Jan-March-2019	Jan-March-2018
44 Deferred tax (income)/expense				
Closing balance of deferred tax liability	431,653,796	293,332,804	431,653,796	293,332,804
Opening balance of deferred tax liability	342,815,911	146,703,882	397,524,680	245,072,630
Deferred tax (income)/expense	<u>88,837,885</u>	<u>146,628,922</u>	<u>34,129,116</u>	<u>48,260,174</u>

45 Basic Earnings Per Share (EPS)

Earnings attributable to the Ordinary Shareholders	407,944,227	23,082,539	171,975,906	13,354,751
Weighted average number of ordinary Shares outstanding during the year	<u>164,905,510</u>	<u>164,905,510</u>	<u>164,905,510</u>	<u>164,905,510</u>
Earnings Per Share (EPS)	<u>2.47</u>	<u>0.14</u>	<u>1.04</u>	<u>0.08</u>

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

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

46 Net Asset Value	Amount in Taka	
	31 March 2019	30 June 2018
Total Assets	11,137,057,789	10,433,680,222
(-)Total Liabilities	<u>4,927,194,782</u>	<u>4,549,308,691</u>
	<u>6,209,863,007</u>	<u>5,884,371,531</u>
Number of Ordinary Shares of Tk. 10 each at Financial Position date	164,905,510	164,905,510
NAV-Per Share	<u>37.66</u>	<u>35.68</u>

Amount in Taka		Amount in Taka	
July-March-2019	July-March-2018	Jan-March-2019	Jan-March-2018

Amount in Taka	
July-March-2019	July-March-2018

47 Net operating cash flows per share (NOCFPS)

Net cash flows from operating activities (A)	827,945,970	319,294,099
Number of Ordinary Shares of Tk. 10 each at Financial Position date	164,905,510	164,905,510
Net operating cash flows per share (NOCFPS)	<u>5.02</u>	<u>1.94</u>

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

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

	Amount(Tk.)
	July-March-2019
Net Porfit Before Tax	519,510,494
Adjustment to reconcile profit to net cash provided by opeating activities:	
Depreciation	338,648,943
Financial Charges	127,799,689
Loss on Investment in Share	642,161
Provision for Bad debts	72,440,888
Other Income	(97,826,776)
(Increase)/Decrease in Advance Income tax	(88,451,240)
(Increase)/ Dcrease in other receivable	104,132,802
(Increase)/ Dcrease in debtors	(444,940,712)
(Increase)/ Dcrease in adv. & deposit	4,222,486
Increase/(Dcrease) in sundry creditors	125,980,131
Increase/(Decrease) in Security Deposit	62,389,339
Increase/(Decrease) in Employees Pension,Gratuity and PF	(3,985,346)
Increase/(Decrease) in Provision for WPPF and WF	11,282,103
Increase/(Decrease) in VAT Payable	96,414,575
Increase/(Decrease) in Liability for Expenses	(313,570)
Net cash flows from operating activites	<u>827,945,970</u>

48 Contingent liabilities and commitments

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

49 Related party disclosures

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

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

- (a) Name of the Directors along with all related Firms/Companies/Institutions/Parties as at 31 March 2019.

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

- (b) Transactions with the following companies where the Directors of the company are related for the period ended 31 March 2019:

Sl No.	Name of the company (Related party)	Name of the Director	Relationship of the Director with the company	Type of transaction	Transactions during the period	Period end balance
1	Bangladesh Telecommunications Company Limited	Mr. Ashoke Kumar Biswas	Chairman	Bandwidth sale	309,180,984	1,009,076,666
2	Bangladesh Telecommunications Company Limited	Mr. Ashoke Kumar Biswas	Chairman	Co-location Sale	-	21,463,462

3	Bangladesh Telecommunications Company Limited	Mr. Ashoke Kumar Biswas	Chairman	Backhaul Purchase	109,903,546	13,258,721
4	Bangladesh Telecommunications Company Limited	Mr. Shyam Sunder Sikder	Director	Co-location Purchase	316,800	316,800
5	Teletalk Bangladesh Ltd.	Mr. Ashoke Kumar Biswas	Chairman	Bandwidth sale	9,045,000	6,013,153

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

SI No.	Name of the company (Related party)	Name of the Director	Relationship of the Director with the	Type of transaction	Transactions during the period	Period end balance
1	Bangladesh Telecommunications Company Limited	Mr. Shyam Sunder Sikder	Director	Bandwidth sale	206,274,405	1,008,530,666
2	Bangladesh Telecommunications Company Limited	Mr. Shyam Sunder Sikder	Director	Co-location Sale	-	21,463,462
3	Bangladesh Telecommunications Company Limited	Mr. Shyam Sunder Sikder	Director	Backhaul Purchase	70,687,311	70,687,311
5	Teletalk Bangladesh Limited	Mr. Shyam Sunder Sikder	Director	Bandwidth sale	6,210,000	7,930,093

(d) Key management personnels compensation

(i) MD's Remuneration

Short term employee benefits (salary and other allowances)

July- March-2019	July- March-2018
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2,649,894	2,082,573
2,649,894	2,082,573

(ii) Other Management personnel remuneration and benefit

Salary

Bonus

70,731,063	64,528,554
3,090,820	3,310,355
73,821,883	88,862,904

(e) Director's Board Meeting Attendance Fees

425,012	543,561
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(f) Other Disclosures

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

- Expense reimbursed to the managing agent - Nil
- Commission or other remuneration payable separately to a managing agent or his associate - Nil
- Commission received or receivable by the managing agent or his associate as selling or buying agent of other

- concerns in respect of contracts entered into such concerns with the company - Nil
- 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.

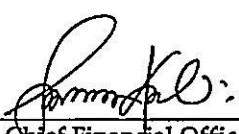

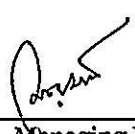
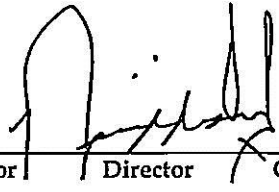
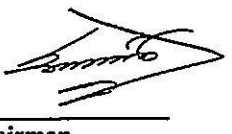
- i) Pensions
- ii) Gratuities
- iii) Payment from Provident Fund
- iv) Compensation for loss of office
- v) Consideration in connection with retirement from office

50 Segment information

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

51 Comparatives

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

				
Chief Financial Officer	Company Secretary	Managing Director	Director	Chairman

Dhaka
25 April 2019

Bangladesh Submarine Cable Company Limited

Schedule of Property, Plant & Equipment

As at 31 March 2019

Annexure-A
(Amount in Taka)

Name of assets	Cost				Accumulated depreciation					As at 31 March 2019
	As at 01 July 2018	Additions during the period	Adjustment during the period	As at 31 March 2019	Rate	As at 01 July 2018	Charged during the period	Adjustment during the period	As at 31 March 2019	
a. Freehold assets										
Land and land development	122,612,477			122,612,477	-	-	-	-	-	122,612,477
Core equipment-IPLC-SMW-4	2,661,109,442		1,542,468	2,659,566,974	10%	1,735,500,122	86,631,267	722,737	1,821,408,652	838,158,322
Core equipment-IPLC-SMW-5	5,539,614,370	9,105,637		5,548,720,007	5%	276,980,718	208,094,972	-	485,075,690	5,063,644,316
Core equipment-IIG	189,116,338	30,606,135		219,722,473	14.29%	88,218,713	19,725,564	-	107,944,277	111,778,196
Building	62,160,351			62,160,351	4%	18,333,710	1,314,799	-	19,648,509	42,511,842
Building-SMW-5	291,283,034			291,283,034	5%	14,564,152	10,923,114	-	25,487,265	265,795,769
Floor development	2,654,065			2,654,065	10%	1,886,194	57,590	-	1,943,785	710,280
Security barak & security wall	7,827,297			7,827,297	4%	2,399,990	162,819	-	2,562,809	5,264,488
Deep tube-well & pump house	2,343,837			2,343,837	10%	1,682,379	49,609	-	1,731,988	611,849
Deep tube-well & pump house-SMW-5	1,334,855			1,334,855	5%	66,743	50,057	-	116,800	1,218,055
Generator-500 KVA(SMW#5)	13,694,661			13,694,661	10%	1,369,466	1,027,100	-	2,396,566	11,298,095
500 KV sub-station	3,284,000			3,284,000	10%	2,767,778	48,396	-	2,816,174	467,826
500 KV sub-station-SMW-5	17,866,349			17,866,349	5%	866,223	669,988	-	1,536,211	16,330,138
Power system	35,631,806			35,631,806	10%	25,411,530	958,151	-	26,369,681	9,262,125
Power system-SMW-5	20,847,215			20,847,215	5%	1,042,361	781,771	-	1,824,131	19,023,084
Boundary wall	11,249,905			11,249,905	4%	2,689,514	256,812	-	2,946,326	8,303,579
Boundary wall-SMW-5	38,218,321			38,218,321	5%	1,910,916	1,433,187	-	3,344,103	34,874,218
Ducting from beach manhole	18,960,526			18,960,526	10%	9,621,759	875,509	-	10,497,268	8,463,258
Ducting from beach manhole-SMW-5	21,813,789			21,813,789	5%	1,090,689	818,017	-	1,908,707	19,905,082
Vehicles	52,391,512		1,500,000	50,891,512	20%	32,707,559	2,727,593	1,396,921	34,038,231	16,853,281
Office equipment and furniture	31,621,534	5,074,646		36,696,180	10%	10,266,319	1,742,033	-	12,008,353	24,687,827
Co-Location point	916,051			916,051	10%	265,255	48,810	-	314,065	601,986
Co-Location point-SMW-5	1,397,121			1,397,121	5%	49,237	52,392	-	101,629	1,295,492
Office decoration	4,623,522	479,878		5,103,400	10%	2,080,643	199,392	-	2,280,035	2,823,365
Sub-total	9,152,572,378	45,266,296	3,042,468	9,194,796,206		2,231,771,972	338,648,942	2,119,658	2,568,301,256	6,626,494,950
b. Revalued assets										
Land and land development	346,561,561	-	-	346,561,561	-	-	-	-	-	346,561,561
Sub-total	346,561,561	-	-	346,561,561		-	-	-	-	346,561,561
Total balance as at 31 March 2019 (a+b)	9,499,133,939	45,266,296	3,042,468	9,541,357,767		2,231,771,972	338,648,942	2,119,658	2,568,301,256	6,973,056,511
Total balance as at 30 June 2018(a+b)	3,507,733,270	6,017,496,084	26,095,415	9,499,133,939		1,785,933,264	445,883,359	(44,651)	2,231,771,972	7,267,361,968