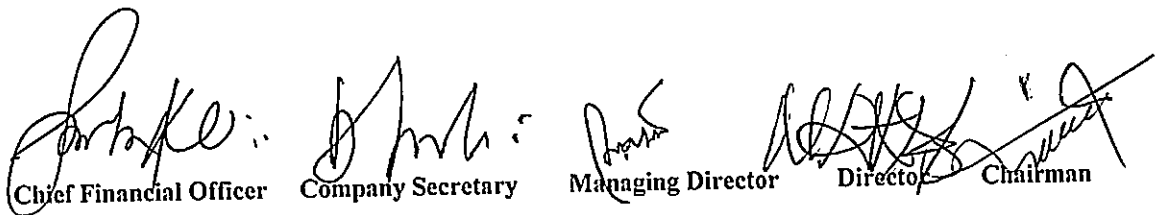


Bangladesh Submarine Cable Company Limited
Statement of Financial Position (Un-audited)
As at 31 December 2020

	Notes	Amount in Taka	
		31 Dec. 2020	30 June 2020
ASSETS			
Property, plant and equipment	4	6,262,601,804	6,484,407,737
		6,785,188,734	5,665,478,464
Current Assets			
Trade and other receivables	5	2,644,784,727	2,587,654,161
Advances and deposits	6	33,710,847	30,387,107
Advance income tax	7	764,167,438	603,695,577
Investment in shares	8	41,421,893	25,201,905
Cash and cash equivalents	9	3,301,103,830	2,418,539,714
		13,047,790,538	12,149,886,201
TOTAL ASSETS			
EQUITY AND LIABILITIES			
		7,470,106,491	6,750,015,017
Shareholders' Equity			
Share capital	10	1,649,055,100	1,649,055,100
Equity Money from GoB	11	1,660,000,000	1,660,000,000
Share premium	12	723,293,759	723,293,759
Tax holiday reserve	13	761,152,759	741,577,846
Revaluation reserve	14	336,165,684	336,165,684
Retained earnings	15	2,340,439,187	1,639,922,628
		3,206,787,669	3,223,942,791
Non Current Liabilities			
Deferred tax liabilities	16	541,987,123	532,115,288
Security deposits received from clients	17	363,945,595	294,942,951
Employees' pension, gratuity & provident fund	18	16,889,465	18,215,001
Long Term loan-net off current portion	19	2,283,965,487	2,378,669,551
		2,370,896,377	2,175,928,393
Current Liabilities			
Long Term loan-current portion	19	362,585,061	352,024,332
Sundry creditors	20	163,295,112	131,796,649
Provision for income tax	21	848,947,882	633,906,543
Provision for WPPF and WF	22	53,510,134	62,599,014
VAT payable	23	479,841,020	499,683,513
Liabilities for expenses	24	126,061,205	130,044,159
Amount to be distributed as dividend (Proposed)		-	329,811,020
Unclaimed Dividend Account		336,655,964	36,063,164
		5,577,684,047	5,399,871,184
Total Liabilities		13,047,790,538	12,149,886,201
TOTAL EQUITY AND LIABILITIES			
Net Asset Value per share	45	45.30	40.93




Chief Financial Officer Company Secretary Managing Director Director Chairman

Dated, Dhaka;
 27 January 2021

Bangladesh Submarine Cable Company Limited
Statement of Profit or Loss and Other Comprehensive Income (Un-Audited)
For the Half-Year ended 31 December 2020

Notes	Amount in Taka		Amount in Taka		
	July- Dec 2020	July- Dec 2019	Oct- Dec 2020	Oct- Dec 2019	
Revenue					
IPLC (International Private Leased Circuit) rent	25	1,202,124,293	854,504,649	602,817,406	444,663,278
Circuit activation charge	26	6,991,000	6,701,000	4,128,000	4,738,000
IP Transit service	27	313,142,638	212,034,639	164,172,164	113,816,027
Co-location charges	28	39,659,767	27,388,277	20,035,719	14,569,885
IP transit service-export	29	-	30,480,000	-	15,273,000
		<u>1,561,917,698</u>	<u>1,131,108,565</u>	<u>791,153,288</u>	<u>593,060,190</u>
Direct cost of operation					
Electricity and generator fuel	30	6,981,455	6,133,040	3,297,268	2,817,582
Landing station and cable route repair	31	658,232	584,468	310,700	439,498
Backhaul & data connectivity charge	32	48,157,145	58,951,647	23,446,442	30,916,007
IP transit cost	33	28,599,315	26,260,494	15,234,933	13,671,605
Lease rent	34	298,810	298,810	-	-
Depreciation of core machinery	35	212,933,294	208,807,793	106,488,275	105,598,649
		<u>297,628,251</u>	<u>301,036,252</u>	<u>148,777,617</u>	<u>153,443,341</u>
		<u>1,264,289,447</u>	<u>830,072,313</u>	<u>642,375,672</u>	<u>439,616,849</u>
Gross profit					
Operating expenses					
Operation and maintenance expenses	36	99,467,013	102,653,964	48,897,653	51,197,361
General and administrative expenses	37	108,909,916	101,945,320	55,223,926	49,075,902
Provision for bad & doubtful debts	38	68,595,900	82,159,363	3,759,404	53,499,714
Depreciation on property, plant and equipment	39	17,727,946	17,996,971	8,864,196	9,020,116
Exchange fluctuation loss/(gain)		(67,995)	(106,398)	(5,643)	(9,931)
		<u>294,632,781</u>	<u>304,649,220</u>	<u>116,739,536</u>	<u>162,783,163</u>
		<u>969,656,666</u>	<u>525,423,093</u>	<u>525,636,136</u>	<u>276,833,686</u>
Operating profit					
Non-operating income/(Expenses)					
Bank interest and other income	40	81,612,528	89,415,549	43,254,790	45,719,817
Financial charges		(75,234,303)	(80,448,308)	(37,059,229)	(39,698,258)
Loss on sale of Property, plant & equipment		-	(14,219,491)	-	-
(Loss)/Gain on investment in shares	41	16,219,988	(7,510,414)	8,416,626	(3,792,636)
		<u>22,598,213</u>	<u>(12,762,664)</u>	<u>14,612,187</u>	<u>2,228,923</u>
		<u>992,254,879</u>	<u>512,660,429</u>	<u>540,248,322</u>	<u>279,062,609</u>
Profit before WPPF & WF					
Provision for contribution to WPPF & WF		47,250,232	24,412,401	25,726,111	13,288,696
Profit before taxation					
		<u>945,004,646</u>	<u>488,248,028</u>	<u>514,522,211</u>	<u>265,773,913</u>
Current tax expenses	42	215,041,339	90,514,253	110,301,415	51,717,952
Deferred tax (income)/expenses	43	9,871,835	25,501,021	15,047,806	13,474,297
		<u>224,913,174</u>	<u>116,015,274</u>	<u>125,349,221</u>	<u>65,192,250</u>
Net profit after tax					
		<u>720,091,472</u>	<u>372,232,754</u>	<u>389,172,990</u>	<u>200,581,664</u>
Total comprehensive income					
		<u>720,091,472</u>	<u>372,232,754</u>	<u>389,172,990</u>	<u>200,581,664</u>
Earnings Per Share (EPS) - Basic	44	<u>4.37</u>	<u>2.26</u>	<u>2.36</u>	<u>1.22</u>
Diluted Earnings Per Share	44.1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>


Chief Financial Officer


Company Secretary


Managing Director


Director


Chairman

Dated, Dhaka:
27 January 2021

Bangladesh Submarine Cable Company Limited
Statement of Changes in Equity (Un-audited)
For the Half-Year ended 31 December 2020

(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 2020	1,649,055,100	1,660,000,000	723,293,759	741,577,846	336,165,684	1,639,922,628	6,750,015,018
Transactions with shareholders:							
Net profit after tax for the period	-	-	-	-	-	720,091,472	720,091,473
Tax holiday reserve	-	-	-	19,574,913	-	(19,574,913)	-
Balance as at 31 Dec. 2020	1,649,055,100	1,660,000,000	723,293,759	761,152,759	336,165,684	2,340,439,187	7,470,106,491
Balance as at 01 July 2019	1,649,055,100	1,660,000,000	723,293,759	714,543,555	336,165,684	1,304,618,748	6,387,676,847
Dividend	-	-	-	-	-	(263,848,816)	(263,848,816)
Net profit after tax for the period	-	-	-	-	-	372,232,754	372,232,754
Tax holiday reserve	-	-	-	10,273,071	-	(10,273,071)	-
Balance as at 31 December 2019	1,649,055,100	1,660,000,000	723,293,759	724,816,627	336,165,684	1,402,729,615	6,496,060,787


 Chief Financial Officer


 Company Secretary


 Managing Director

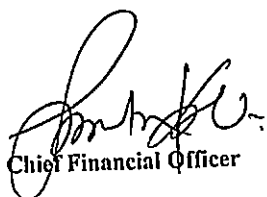

 Director


 Chairman

Dated, Dhaka;
 27 January 2021

Bangladesh Submarine Cable Company Limited
Statement of Cash Flows (Un-audited)
For the Half-Year ended 31 December 2020

	Notes	Amount in Taka	
		July-Dec-2020	July-Dec-2019
A. Cash flows from operating activities			
Cash received from clients		1,485,294,473	967,470,821
Cash paid to suppliers and others		(176,638,149)	(291,994,463)
Exchange fluctuation gain		67,995	106,398
Payroll and other payments to employees		(86,621,499)	(73,032,563)
Income tax paid		(160,471,861)	(67,998,530)
Interest received		81,281,557	78,011,330
Receipts from rest house rent and others		387,882	355,953
Payment for WPPF/Gratuity		(56,339,112)	(38,948,113)
Net cash flow from operating activities	46.1	1,086,961,286	573,970,833
B. Cash flows from investing activities			
Purchase of property, plant and equipment		(11,639,100)	(85,836,149)
Dividend received		-	97,677
Net cash flow from/ (used in) investing activities		(11,639,100)	(85,738,471)
C. Cash flows from financing activities			
Dividend paid		(29,218,219)	(517)
Financial charges		(79,396,516)	(171,122,581)
Loan repaid		(84,143,335)	(79,313,164)
Net cash flow from/(used in) financing activities		(192,758,070)	(250,436,262)
Net surplus/ deficit during the period (A+B+C)		882,564,116	237,796,100
Cash and cash equivalents at beginning of the period		2,418,539,714	2,023,140,004
Cash and cash equivalents at end of the period	9	3,301,103,830	2,260,936,104
Net Operating Cash Flows Per Share (NOCFPS)	46	6.59	3.48


Chief Financial Officer


Company Secretary


Managing Director


Director


Chairman

Dated, Dhaka;
27 January 2021

Bangladesh Submarine Cable Company Limited (BSCCL)
Notes to the Financial Statements
For the Half-Year ended 31 December 2020

1. Reporting entity

1.1 The Company

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

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

1.2 Nature of business

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

2. Basis of preparation of financial statements

2.1 Statement on compliance

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

2.2 Other regulatory compliances

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

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

2.3 Basis of measurement

The financial statements have been prepared on historical cost basis except for certain assets such as land and land development which are stated at revalued amount (fair market value) as explained in the accompanying notes (Note- 3.1).

2.4 Accrual basis of accounting

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

2.5 Presentation of financial statements

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

- (a) Statement of Financial Position as at 31 December 2020;
- (b) Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 December 2020;
- (c) Statement of Changes in Equity for the period ended 31 December 2020;
- (d) Statement of Cash Flows for the period ended 31 December 2020;
- (e) Notes, comprising summary of significant accounting policies and other explanatory information.

2.6 Functional and presentation currency

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

2.7 Use of estimates and judgments

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

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

2.8 Materiality, aggregation and offsetting

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

2.9 Going concern assumption

As per IAS-1 para 25, a company is required to make assessment at the end of each year to assess its capability to continue as a going concern. Management of the Company makes such assessment each year. As per management assessment there is no material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

There is no indication of declining of economic activity in terms of demand for services those BSCCL provides due to severity of COVID-19 which might have negative impact of future business and cash flows rather the industry is booming because online activities using Internet bandwidth is growing rapidly.

2.10 Reporting period

The reporting period of the company covers 6 (six) months from 01 July 2020 to 31 December 2020.

2.11 Comparative information

Comparative information has been disclosed in respect of 01 July 2020 to 31 December 2020 in accordance with IAS 01: **Presentation of Financial Statements** for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current periods of financial statements. Prior period figure has been rearranged wherever considered necessary to ensure comparability with the current period.

3. Significant accounting policies

3.1 Property, plant and equipment

Recognition and measurement

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

Items of property, plant and equipment are measured at cost less accumulated depreciation as per IAS 16: **Property, Plant and Equipment**.

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

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

Subsequent costs

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

Depreciation on Non-current assets

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

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	8.33%	Straight line
Floor development	8.33%	Straight line
Security barak & security wall	8.33%	Straight line

Name of Assets	Depreciation rate	Basis
Deep tube-well & pump house-SMW-4	8.33%	Straight line
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
Generator-500KVA(SMW#5)	10%	Straight line
Power system-SMW5	5%	Straight line
Boundary wall-SMW-4	8.33%	Straight line
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	12.50%	Straight line
Co-Location point-SMW-5	5%	Straight line
Office decoration	10%	Reducing balance
Power System-IIG	20%	Straight line
Water Treatment Plant & Others	20%	Straight line

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

Revaluation of property, plant and equipment

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

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

Details of revaluation of property, plant and equipment:

Particulars of the assets	Name of the Valuer	Qualification of the Valuer	Date of Revaluation	Carrying amount of Assets	Amount in Taka	
					Value of Assets after revaluation	Revaluation Surplus
Land and Land Development	A B SAHA & CO.	Chartered Accountants	June 30, 2011	17,03,91,471	35,23,00,000	18,19,08529
Total:				17,03,91,471	35,23,00,000	18,19,08529

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

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

Impairment

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

Disposal of property, plant and equipment

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

3.2 Intangible assets and research and development expenditure

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

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

3.3 Borrowing costs

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

3.4 Authorization date for issuing financial statements

The financial statements were authorized by the Board of Directors on 27 January 2021 for issue after completion of review.

3.5 Revenue from contract with customers

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

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

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

Revenues primarily comprise of:

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

3.5.1 Revenue from International Private Leased Circuit (IPLC) Rent

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

3.5.2 Revenue from circuit activation charge

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

3.5.3 Revenue from IP Transit Service Fees

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

3.5.4 Revenue from co-location charges

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

3.5.5 Revenue from IP transit service – export

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

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

3.5.6 Revenue from investment income

(a) Interest income

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

(b) Dividends

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

3.6 Leases

Financial Reporting Principles IFRS 16: Leases effective from annual periods beginning on or after January 1, 2019 has significantly changed how the company accounts for its lease contracts. Before the adoption of IFRS 16, all lease contracts were classified as operating leases. IFRS 16 requires all contracts that contain a lease to be recognized in the statement of financial position as a right-of-use asset and lease liability. Only certain short-term and low-value leases are exempt.

In compliance with the standard, the Company has elected to use the recognition exemptions in the standard due to their being short-term leases and leases of low value items. In such cases the lease payments are accounted for as expenses in the statement of profit or loss and other comprehensive income.

3.7 Financial instruments

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

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

Classification and measurement of financial assets and financial liabilities

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

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

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

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

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

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

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

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

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

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

Financial assets at FVTPL

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

Financial assets at amortized cost

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

Debt investments at FVOCI

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

Equity investments at FVOCI

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

Impairment of financial assets

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

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

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

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

Presentation of impairment

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

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

3.8 Cash and cash equivalents

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

3.9 Earnings Per Share(EPS)

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

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary equity holders of the entity by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share

For the purpose of calculating Diluted earnings per shares, an entity adjusts profit or loss attributable to each ordinary equity holders of the entity, and weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares. Diluted EPS is only calculated where the company has commitment to issue ordinary share in future at reporting date. There is a commitment to issue share to Ministry of Posts, Telecommunication and Information Technology against equity money received for an amount of Tk. 1,660,000,000. However, number of potential shares to be issued is under process of negotiation with Ministry of Posts, Telecommunications and Information Technology (MoPT&IT), the Government of the People Republic of Bangladesh.

3.10 Foreign currency transactions

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

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

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

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

3.11 Employee benefits

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

(a) Defined contribution plan (Provident fund)

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

(b) Defined Benefit Plan (Gratuity)

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

(c) Short-term employee benefits

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

3.12 Tax Holiday Reserve

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

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

3.13 Accruals, provisions and contingencies

(a) Accruals

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

(b) Provisions

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

(c) Contingencies

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

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

3.14 Statement of cashflows

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

3.15 Related party disclosures

As per Bangladesh Accounting Standards IAS 24: Related Party Disclosures, parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in Note 48.

3.16 Income tax

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

(a) Current tax

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. The tax rate used for the reporting period was 25% as a publicly traded company.

(b) Deferred tax

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

Taxable Temporary difference

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

Revaluations to fair value – Property, Plant and Equipment

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

Deductible temporary difference

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

3.17 Events after the Reporting period

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

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

Compliance with financial reporting standards as applicable in Bangladesh:

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

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

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

4 **Property, plant and equipment**

Cost/ revaluation (A)

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

Amount in Taka	
31 Dec 2020	30 June 2020
9,582,945,535	9,549,402,528
8,855,307	89,044,054
-	(55,501,047)
<u>9,591,800,842</u>	<u>9,582,945,535</u>

Accumulated Depreciation (B)

Opening balance
Add: Charged during the period
Less: Adjustment during the period

3,098,537,798	2,684,518,697
230,661,240	455,300,657
3,329,199,038	3,139,819,354
-	(41,281,556)
<u>3,329,199,038</u>	<u>3,098,537,798</u>
<u>6,262,601,804</u>	<u>6,484,407,737</u>

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 property plant & equipment and Office equipment.

5 **Trade and other receivables**

Trade receivables
Other receivables

(Note: 5.1)
(Note: 5.2)

2,595,493,865	2,538,306,389
49,290,862	49,347,772
<u>2,644,784,727</u>	<u>2,587,654,161</u>

5.1 **Trade receivables**

Opening Balance
Add: Addition during the period

Less: Collection during the period
Closing Balance

Less: Provision for bad and doubtful debts
Opening Balance
Add: Addition during the period

2,922,702,992	2,233,381,822
1,813,504,653	3,034,185,895
4,736,207,645	5,267,567,717
(1,687,721,277)	(2,344,864,725)
<u>3,048,486,368</u>	<u>2,922,702,992</u>
384,396,603	235,697,745
68,595,900	148,698,858
452,992,503	384,396,603
<u>2,595,493,865</u>	<u>2,538,306,389</u>

Trade receivables, net of provision

5.2 **Other receivables**

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

3,150	3,150
1,990	2,440
49,285,721	49,342,182
<u>49,290,862</u>	<u>49,347,772</u>

6 **Advances and Deposits**

Advances

Advance to:

Sony Chocolate Industries Ltd.
Employees against Expenses
Advance to Employee against Salary
Civil Works Consultant Limited
K.K. Enterprise
ICB Capital Management Ltd.
HS Engineering

(Note: 6.1)

9,872,000	12,872,000
289,497	436,630
1,234,870	1,617,270
57,500	57,500
1,649,774	-
287,500	-
4,916,000	-

Milky & Associates
 BUET
 BTCL
 IDEB
 Mustafa Tariq Hossain & Associates
 Others

Amount in Taka	
31 Dec 2020	30 June 2020
12,000	12,000
21,735	21,735
10,000,000	10,000,000
20,000	20,000
670,500	670,500
279,874	279,874
29,311,249	25,987,509

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
2871597.55	2,871,598
4,399,598	4,399,598
33,710,847	30,387,107

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

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

12,872,000	18,872,000
-	-
(3,000,000)	(6,000,000)
9,872,000	12,872,000

7 Advance Income Tax

Opening balance
 Add: Payment made during the period
 Less: Settlement/Adjustment

603,695,577	412,835,551
160,471,861	190,982,526
764,167,438	603,818,077
-	(122,500)
764,167,438	603,695,577

8 Investment in Shares

Sl.	Ordinary shares of	Quantity	Cost price (Tk)	Market value	Market value
1	AB Bank Limited	144,460	3,209,275	1,747,966	935,551
2	ACI Limited	4,719	764,725	1,160,874	876,018
3	BATASHOE	1,000	696,429	702,700	693,200
4	BEXIMCO Limited	216,863	10,731,965	12,361,191	2,819,219
5	IFIC Bank Limited	148,938	1,765,186	2,263,858	1,164,431
6	Islami Bank BD Limited	39,091	951,084	1,047,639	684,093
7	Jamuna Oil Limited	23,716	4,392,440	3,924,998	3,277,551
8	MPetroleum	24,816	4,962,456	4,913,568	3,915,965
9	NCC Bank Limited	186,732	1,698,208	2,464,862	2,233,466
10	Padma Oil Limited	18,150	4,835,160	3,722,565	3,016,530
11	Square Pharma	26,847	2,633,566	5,892,917	4,410,653
12	Titas Gas	39,570	2,744,885	1,218,756	1,175,229
			39,385,378	41,421,893	25,201,905

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

9 Cash and cash equivalents

Amount in Taka	
31 Dec 2020	30 June 2020

Cash in hand
Cash at bank

(Note: 9.1)
(Note: 9.2)

1,778,512	942,069
3,299,325,318	2,417,597,645
3,301,103,830	2,418,539,714

9.1 Cash in hand

Head Office-Dhaka
Landing Station-Kuakata
Landing Station-Cox's Bazar

1,496,823	600,776
220,331	15,871
61,358	325,422
1,778,512	942,069

9.2 Cash at bank

Savings and current deposits with:

Brac Bank Limited
IFIC Bank Limited
Mutual Trust Bank Limited
National Bank Limited
Sonal Bank Limited-Cox'sbazar
Sonal Bank Limited-Dhaka
The City Bank Limited
United Commercial Bank Limited

702,029	690,469
312,933	179,584
341,214,186	11,368,164
2,410,456	1,808,254
6,457,469	5,875,556
4,848,263	7,466,187
3,619,305	32,878,916
119,768,183	35,906,964
479,332,824	96,174,094

Fixed deposits (FDR) with:

Agrani Bank Limited
Bangladesh Development Bank Limited
Bank Asia Ltd.
BASIC Bank Limited
Brac Bank Limited
First Security Islami Bank Ltd.
IFIC Bank Limited
Jamuna Bank Limited
Janata Bank Limited
Mercantile Bank Limited.
Mutual Trust Bank Limited
One Bank Limited
Pubali Bank Limited
Social Islami Bank Ltd.
Sonal Bank limited
Southeast Bank Ltd.
Standard Bank Limited
The City Bank Limited
Trust Bank Ltd.
Union Bank Ltd.
United Commercial Bank Limited
Uttara Bank Limited

466,434,011	162,102,250
232,130,000	110,000,000
113,699,337	104,944,501
321,906,670	254,376,167
79,095,511	326,000,295
30,000,000	-
324,280,791	308,710,623
70,858,257	89,489,116
126,606,823	50,270,000
29,999,494	-
151,424,875	221,742,174
94,549,634	86,622,949
87,716,560	64,827,910
70,000,000	-
30,795,000	30,000,000
130,036,059	149,473,941
138,681,434	129,796,847
86,470,000	55,000,000
60,000,000	-
60,585,000	-
114,723,039	167,765,528
-	10,301,250
2,819,992,493	2,321,423,551
3,299,325,318	2,417,597,645

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

		Amount in Taka	
		31 Dec 2020	30 June 2020
10	Share capital		
	Authorized:		
	1,000,000,000 ordinary shares of Taka 10 each	<u>10,000,000,000</u>	<u>10,000,000,000</u>
	Issued, subscribed and paid up capital:		
	31,000,000 Ordinary Shares of Taka 10 each fully paid up in cash	310,000,000	310,000,000
	140 Ordinary share of Taka 10 each fully paid up in cash to GOB	1,400	1,400
	67,314,640 ordinary shares of Tk.10 each fully paid up other than cash to MoPT, GOB	673,146,400	673,146,400
	66,590,730 Ordinary shares of Tk. 10 each issued as Bonus Share	<u>665,907,300</u>	<u>665,907,300</u>
		<u>1,649,055,100</u>	<u>1,649,055,100</u>
11	Equity Money from GoB	<u>1,660,000,000</u>	<u>1,660,000,000</u>
	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 getting proper approval from Concerned Authority.		
	The Board of Directors of BSCCL has approved the appointment of ICB Capital Management Limited as Issue Manager and a Chartered Accountants Firm as a valuer of assets and liabilities as a process to issue shares in favour of Ministry of Posts, Telecommunications and Information Technology (MoPT & IT) against equity money received from the Government of the People's Republic of Bangladesh for an amount of Tk 1,660,000,000.		
12	Share premium	<u>723,293,759</u>	<u>723,293,759</u>
	In the year 2011-2012, total amount of Tk. 775,000,000 was received as share premium in respect of shares issued to shareholders. Net issue cost of Tk 51,706,241 was set off against share premium as per IAS 32: Financial Instruments: Presentation.		
13	Tax holiday reserve		
	Opening balance	741,577,846	714,543,556
	Add: Current period's reserve	19,574,913	27,034,290
		<u>761,152,759</u>	<u>741,577,846</u>
14	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 Judgment. 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.

	Amount in Taka	
	31 Dec 2020	30 June 2020
15 Retained Earnings		
Opening balance	1,639,922,628	1,304,618,748
Add: Profit for the period	720,091,472	955,998,006
	<u>2,360,014,100</u>	<u>2,260,616,754</u>
Less: Dividend paid during the period	-	263,848,816
Amount to be distributed as dividend (Proposed)	-	329,811,020
Transferred to Tax Holiday Reserve	19,574,913	27,034,290
	<u>19,574,913</u>	<u>620,694,126</u>
	<u>2,340,439,187</u>	<u>1,639,922,628</u>

16 Deferred tax liabilities

Deferred tax assets and liabilities have been recognized and measured in accordance with the provisions of IAS 12: Income Taxes. Related deferred tax expense/(income) have been disclosed in Note: 43. Deferred tax assets and liabilities are attributable to the following:

Deferred tax relating to statement of profit or loss (Note: 16.1)	531,590,246	521,718,411
Deferred tax relating to other comprehensive income (Note: 16.2)	10,396,877	10,396,877
	<u>541,987,123</u>	<u>532,115,288</u>

16.1 Deferred tax relating to Statement of Profit or Loss

	Carrying amount	Tax base	Taxable/ (deductible) temporary difference
	Taka	Taka	Taka
As at 31 Dec 2020			
Property, plant and equipment (excluding land)	5,793,427,766	3,197,184,816	2,596,242,950
Accounts receivable (Note: 5.1)	2,595,493,865	3,048,486,368	(452,992,503)
Provision for pension, gratuity fund and provident fund (Note: 18)	(16,889,465)	-	(16,889,465)
Net Taxable Temporary Difference			2,126,360,983
Applicable tax rate			25%
Deferred tax liability			<u>531,590,246</u>

Deferred tax relating to Statement of Profit or Loss

	Carrying Amount	Tax Base	Taxable/ (deductible) temporary difference
	Taka	Taka	Taka
As at 30 June 2020			
Property, plant and equipment (excluding land)	6,015,233,699	3,525,748,454	2,489,485,244
Accounts receivable (Note: 5.1)	2,538,306,389	2,922,702,992	(384,396,603)
Provision for pension, gratuity fund and provident fund (Note: 18)	(18,215,001)	-	(18,215,001)
Net Taxable Temporary Difference			2,086,873,640
Applicable tax rate			25%

Deferred tax liability

Amount in Taka	
31 Dec 2020	30 June 2020
	521,718,411

16.2 Deferred tax relating to other comprehensive income

	Carrying Amount	Tax Base	Taxable/ (deductible) temporary difference
	Taka	Taka	Taka
As at 31 Dec 2020			
Revaluation reserve of property, plant and	346,561,561	-	346,562,561
Applicable tax rate			3%
Deferred tax liability			<u>10,396,877</u>

Deferred tax relating to other comprehensive income

	Carrying Amount	Tax Base	Taxable/ (deductible) temporary difference
	Taka	Taka	Taka
As at 30 June 2020			
Revaluation reserve of property, plant and	346,562,561	-	346,562,561
Applicable tax rate			3%
Deferred tax liability			<u>10,396,877</u>

17 Security deposits received from clients

Opening Balance	294,942,951	220,378,430
Add: Addition during the period	71,875,195	89,059,592
	366,818,146	309,438,022
Less: Adjustment during the period	(2,872,551)	(14,495,071)
	<u>363,945,595</u>	<u>294,942,951</u>

18 Employees' pension, gratuity and provident fund

Employees' pension fund (Note: 18.1)	13,808,952	13,808,952
Employees' gratuity fund (Note: 18.2)	1,391,258	3,611,732
Employees' provident fund (Note: 18.3)	1,689,254	794,317
	<u>16,889,465</u>	<u>18,215,001</u>

18.1 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 against the liabilities on account of the employees worked for the Company as deputed from BTCL and therefore no additional provision has been made in the accompanying financial statements. The Company however, does not have any pension fund.

18.2 Employees' gratuity fund

Opening balance	3,611,732	4,901,587
Add: Provision made during the period	8,011,873	8,820,226
	11,623,605	13,721,813
Less: Paid/Transferred during the period	(10,232,347)	(10,110,081)

Amount in Taka	
31 Dec 2020	30 June 2020
1,391,258	3,611,732

18.3 Employees' provident fund

Opening balance
Add: Employees' Contribution
Employer's Contribution
Less: Transferred to RCPF during the period

794,317	2,139,943
2,558,425	4,694,286
2,558,425	4,697,102
(4,221,913)	(10,737,014)
1,689,254	794,317

19 Term Loan

Opening balance
Received during the period
Total IDB Loan
Less: Payment during the period

Current portion of Long Term Loan
Non-current portion of Long Term Loan

2,730,693,883	2,891,699,606
-	-
2,730,693,883	2,891,699,606
(84,143,336)	(161,005,723)
2,646,550,548	2,730,693,883
(362,585,061)	(352,024,332)
2,283,965,487	2,378,669,551

Term Loan Particulars:

Islamic Development Bank (IDB)

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

20 Sundry creditors

ACE Autos
Amader Somoy
Anika Enterprise
APOGEE IT
Arthosuchak
Arra Technologies Ltd.
Asia Pacific Communication Ltd.
Bangla Media Ltd.
Bangladesh Parjatan Corporation
Bangladesh Science House
Bank Bima Shilpa
BD Jobs.Com
Biz Bangla Media Ltd.
Capital Law Chamber
Caps Lock
CDBL
Chittagong Stock Exchange Ltd.
Cogent Communication Ltd
Color Max
Corporate Sangbad .Com
Cyber Link
DE-ICX(IIG)
Design Associates

20,804	119,988
32,601	186,299
69,310	69,310
-	137,063
-	3,500
364,801	-
17,167	17,167
-	96,255
-	40,958
100,000	100,000
-	40,000
-	4,095
52,020	-
146,280	146,280
41,022	-
-	4,417
-	600,000
754,549	454,088
8,497	-
8,050	4,025
52,380	52,380
361,771	-
78,599	78,599

	Amount in Taka	
	31 Dec 2020	30 June 2020
Dream Energy	-	99,426
ECCE,CUET	50,000	50,000
Equinix Singapore PTE Ltd.	1,785,786	1,436,985
Express Systems Ltd.	4,224,450	4,324,450
Fames & R	238,050	-
Fiber@Home Ltd	14,966,112	3,017,952
Galpo Ghar	-	40,000
Habib Intelligent Software Ltd.	322,875	322,875
Hatil Complex Ltd.	-	348,990
Hurricane Electric Internet Service	1,800,400	297,704
ICB Securities Trading Company Limited	1,610,932	1,610,932
Innovative Technology & Engineering	24,188	24,188
Intercontinental	258,887	-
International Computers Solution	66,800	-
Kazi Mynul Hassan	71,875	71,875
Khondoker Advertisement	-	60,000
KK Enterprise	544,874	544,874
Mahanagar Puja Udjapan Committee	50,000	-
Mashik Peshajibi Barta	25,000	-
M.M. Enterprise	32,059	32,059
M.M.International	-	817,317
M/S Islamia Traders	1,870	1,870
M/S MS Power Engineering	36,400	36,400
M/S Syeed Automobiles	103	6,750
M2M Communications	-	16,200
Milky & Associates	116,602	116,602
Murad Reza	143,750	143,750
New S.N. Motors	16,700	16,700
Next Tech Ltd.	22,400	22,400
NRB Telecom Ltd.-IIG	15,000	10,000
NTT communications Ltd.	5,901,934	4,013,867
Ocean Paradise	310,444	-
Pabna Automobiles	5,720	4,950
Padakkhep Bangladesh	-	50,000
Payable to BTCL	48,540,728	35,159,628
Payable to BTCL Staff College(Focus Point)	23,000	23,000
Payable to BTRC	18,018,663	14,729,510
Payable to Business Eye Bangladesh	4,025	-
PCCW Global (Singapore) Pte. Ltd.	4,010,734	-
Prochito IMC Ltd.	533,200	-
Peshajibi Samonnoy Parishad	25,000	25,000
Rangpur Bivag Samity Dhaka	-	50,000
Royal Office Equipment	-	25,800
S.F.Ahmed & Co.	-	345,000
S.T. Enterprise	-	41,918
Sadhan Das & Co.	2,200	-
SA Rashid & Associates	28,750	28,750
Shakil Motors	15,000	43,142
Share biz Pvt. Ltd.	-	42,946
Sikder Filling & Service Station	120,380	79,242
Sony Chocolate Industries Ltd.	311,811	341,242
Southern Automobiles Ltd.	91,441	28,819

	Amount in Taka	
	31 Dec 2020	30 June 2020
Spectrum Engineering Consortium Limited	589,492	2,209,492
S.T. Enterprise	41,918	-
Summit Communications Ltd.	3,628,266	6,405,870
Suraya Parveen & Associates	51,750	51,750
Tameem Rahman	77,050	-
Telecom Italia Sparkle Ltd.	17,354,709	20,672,748
Telephone Shilpa Sangstha Ltd.	612,593	612,593
Telnet Communication Ltd.	-	11,025
Temporary Loan from Ex-Project Director # SMW5	1,000	1,000
The Daily Amader Orthony	-	43,200
The Daily Bangladesh Pratidin	46,575	27,945
The Daily Janakantha	69,862	74,520
The Daily Jugantor	46,575	-
The Daily Observer	107,718	115,211
The Detective	-	30,000
The Dhaka Tribune	16,860	-
The Financial Express	28,282	99,468
The Monthly Oporajeo Bangladesh	20,000	-
The New Nation	27,583	-
The Weekly Orthokal	30,000	-
The Weekly Protimuhurto	-	30,000
The Weekly Kaler Digonto	40,000	-
Unclaimed IPO subscription	109,101	109,101
Unearned Revenue	4,171,300	4,508,800
Withholding tax payable	29,710,532	26,098,437
Zico Motors	37,950	37,950
	163,295,112	131,796,649

21 Provision for income tax

Opening balance		633,906,543	393,874,301
Add: Provision made during the period	Annexure - B	215,041,339	240,032,242
Less: Settlement for previous period		-	-
		848,947,882	633,906,543

For the income year 2010-2011 an amount of Tk. 25,240,639 has been demanded by DCT against of which appeal is processed to High Court Division. For the income year 2012-2013 after revised assessment of DCT the demand amount is Tk. 7,879,309 which has already been paid and receiving certificate is pending. We have filed an appeal for the Income year 2013-2014 to the High Court Division. As per revised order of DCT Tk. 4,079,846 has been deposited and receiving certificate is pending for the year 2014-2015. Assessment Order of income year 2015-2016 was received in which DCT demanded Tk.56,88,726. Return of the income year 2016-2017 was filed to DCT for assessment and DCT demanded Tk.94,36,501 for this year. Now assessment for the year 2015-2016 and 2016-2017 remains under process at DCT u/s 173. Assessment order for the income year 2017-2018 was received from DCT which creates tax refundable of tk. 2,32,45,907 and income year 2018-2019 remains in processing at DCT.

		Amount in Taka	
		31 Dec 2020	30 June 2020
22	Provision for WPPF and WF		
	Opening balance	62,599,014	38,948,113
	Add: Provision made during the period	47,250,232	62,599,014
		109,849,246	101,547,126
	Less: Settlement for previous period	(56,339,113)	(38,948,113)
		<u>53,510,134</u>	<u>62,599,014</u>
23	VAT Payable		
	VAT payable against Receivable	475,826,005	495,857,274
	VAT payable against Deduction at source	4,015,016	3,826,239
		<u>479,841,020</u>	<u>499,683,513</u>

This represents the amount of Tk. 47,58,26,005.00 VAT receivable from clients against revenue receivable arising from International Private Leased Circuit (IPLC) rentals, IP transit service, and Co-location charges. In addition to that this amount of Tk. 40,15,016.00 includes VAT deducted from other parties and suppliers.

24	Liabilities for expenses		
	Office rent	4,800,000	4,800,000
	Audit & other fees	138,000	138,000
	Provision for different expenses	356,581	224,205
	Telephone bill	59,426	45,368
	Electricity bill	674,944	642,119
		6,028,951	5,849,692
	Accrued Interest on IDB loan	120,032,254	124,194,467
		<u>126,061,205</u>	<u>130,044,159</u>

	Amount in Taka		Amount in Taka	
	July-Dec-2020	July-Dec-2019	Oct- Dec 2020	Oct- Dec 2019
25 IPLC (International Private Leased Circuit) Rent				
SMW-4	374,774,316	333,956,203	169,236,296	173,315,385
SMW-5	827,349,977	520,548,445	433,581,111	271,347,893
	<u>1,202,124,293</u>	<u>854,504,649</u>	<u>602,817,406</u>	<u>444,663,278</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.

26 Circuit activation charge				
Circuit Activation Charge-IPLC-SMW-4	1,430,000	2,800,000	800,000	2,320,000
Circuit Activation Charge-IPLC-SMW-5	4,390,000	2,700,000	2,765,000	100,000
Circuit Activation Charge-IIG	320,000	303,000	210,000	-
Circuit Activation Charge-ISP(IIG)	30,000	18,000	-	18,000
Circuit Activation Charge-ITC	-	120,000	-	-
Circuit Activation Charge-Co-location-IIG	-	-	-	300,000
Circuit Activation Charge-Co-location-SMW-4	200,000	560,000	150,000	400,000
Circuit Activation Charge-Co-location-SMW-5	621,000	200,000	203,000	1,600,000
	<u>6,991,000</u>	<u>6,701,000</u>	<u>4,128,000</u>	<u>4,738,000</u>

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

27 IP Transit Service	<u>313,142,638</u>	<u>212,034,639</u>	<u>164,172,164</u>	<u>113,816,027</u>
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This represents the service charges for providing internet bandwidth to IIGs and ISPs.

28 Co-Location Charges				
SMW-4	16,285,058	11,581,185	8,118,443	6,257,505
SMW-5	23,316,785	15,807,092	11,888,315	8,312,380
IP Transit -IIG	57,924	-	28,962	-
	<u>39,659,767</u>	<u>27,388,277</u>	<u>20,035,719</u>	<u>14,569,885</u>

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

29 IP Transit Service -Export	<u>-</u>	<u>30,480,000</u>	<u>-</u>	<u>15,273,000</u>
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This represents charges to Bharat Sanchar Nigam Limited (BSNL) for IP transit service. Export to BSNL has been discontinued from 8th February 2020.

Referring to the note number 25 to 29, Bangladesh Submarine Cable Company Limited (BSCCL)'s turnover is mainly comprised of IPLC Rent, IP Transit Service and Co-location Service. In addition to that, substantial effort of BSCCL's management, Govt. policy of digitalization of govt. service and introduction of 4G services contributed to increase in overall IPLC consumption in the country. Consequently, BSCCL's revenue also increased.

30 Electricity and generator fuel				
Electricity bill	6,042,255	5,397,140	2,826,868	2,531,182
Fuel for generator	939,200	735,900	470,400	286,400
	<u>6,981,455</u>	<u>6,133,040</u>	<u>3,297,268</u>	<u>2,817,582</u>

This cost is directly related to cost of operation.

	Amount in Taka		Amount in Taka	
	July-Dec-2020	July-Dec-2019	Oct- Dec 2020	Oct- Dec 2019
31 Landing station and cable route repair	658,232	584,468	310,700	439,498
This cost is directly related to cable route and landing station maintenance for Cox's Bazar, Kuakata.				
32 Backhaul & Data Connectivity Charge				
Backhaul Charge	44,353,181	54,773,669	21,765,450	28,916,218
Data Connectivity & Fiber Core Charge	212,310	432,177	106,155	315,912
Revenue Sharing Cost	3,289,153	3,458,301	1,567,336	1,683,877
License & Membership fees	287,500	287,500	-	-
Co-location cost	15,000	-	7,500	-
	48,157,145	58,951,647	23,446,442	30,916,007
This cost represents backhaul charges and for data connectivity & fiber core charge.				
33 IP Transit Cost	28,599,315	26,260,494	15,234,933	13,671,605
This cost represents the cost of purchasing IP bandwidth from Telecom Italia Sparkle, NTT Communications Ltd, Equinix Singapore Pte Ltd. and Cogent Communications Ltd.				
34 Lease Rent	298,810	298,810	-	-
This rent represents rent of leasing land of beach manhole for Kuakata landing station from Bangladesh Parjaton Corporation.				
35 Depreciation of core machinery	212,933,294	208,807,793	106,488,275	105,598,649
This represents the depreciation charged on core machinery which are directly related to IPLC and IP transit revenue.				
36 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	15,770,338	13,970,338	7,464,754	7,906,904
SEA-ME-WE-5	83,696,675	88,683,626	41,432,899	43,290,457
	99,467,013	102,653,964	48,897,653	51,197,361
37 General and administrative expenses				
Advertisement and publicity expenses	1,456,756	1,193,921	788,436	1,074,441
AGM expenses	620,288	525,294	620,288	525,294
Bank charges and commission	1,288,191	772,736	709,594	572,130
Board and other meetings fees	2,714,881	2,435,886	1,386,833	1,434,884
Books & Periodicals	12,086	36,281	9,840	16,959
Business Development Expenses	687,359	2,566,175	528,237	1,470,064
Consortium meeting expenses	-	2,709,519	-	1,872,325
Consultancy fees	888,750	238,050	634,025	119,025
CSR Expenses	3,766,328	2,039,500	3,036,725	-
Entertainment	910,258	986,739	561,072	615,855
Fees and Subscription	254,970	155,871	51,301	11,295
Festival bonus	-	4,222,231	-	-
Gratuity provision	8,011,873	5,438,007	1,391,258	229,513
Innovation Expenses	314,141	13,057	273,392	-
Insurance Premium	3,881	10,138	3,881	10,138
Internet Expenses	-	-	-	-
Legal Fees	604,612	1,460,781	190,970	602,651
Managing Director's remuneration	1,403,590	1,253,187	1,029,205	387,687
Medical Expenses	24,801	-	12,232	-
National Integrity and Strategy Training Exp.	478,595	627,217	397,695	333,967
Newspaper & Periodicals	7,130	-	4,666	-
Office Expenses	456,583	284,278	284,579	166,164
Office rent	9,804,900	9,804,900	4,902,450	4,902,450

	Amount in Taka		Amount in Taka	
	July-Dec-2020	July-Dec-2019	Oct- Dec 2020	Oct- Dec 2019
Postage and courier expenses	23,110	23,755	16,760	11,735
Printing and Office stationery	1,024,766	1,363,725	813,904	1,200,475
Reception & Dinner			-	-
Recruitment expenses	88,852	412,213	88,852	-
Rent, rates & taxes	360,328	381,580	10,328	377,100
Repair and maintenance	1,506,421	993,796	849,075	459,576
Salary and allowances	68,575,781	57,745,356	34,658,630	30,294,674
Telephone Bill	26,580	27,477	2,000	7,423
Training Expenses	386,413	1,245,620	241,063	918,322
Travelling & conveyance	1,072,452	808,152	693,291	437,870
Vehicles Maintenance	909,208	974,650	339,038	463,739
Vehicles running expenses	1,226,032	1,195,228	694,311	560,146
	<u>108,909,916</u>	<u>101,945,320</u>	<u>55,223,926</u>	<u>49,075,902</u>

38 Provision for bad & doubtful debts

Closing balance of provision for bad & doubtful debts	452,992,503	317,857,108	452,992,503	317,857,108
Less: Opening balance of provision for bad & doubtful debts	<u>384,396,603</u>	<u>235,697,745</u>	<u>449,233,099</u>	<u>264,357,394</u>
	<u>68,595,900</u>	<u>82,159,363</u>	<u>3,759,404</u>	<u>53,499,714</u>

Provision made for the period according to the company policy.

39 Depreciation on property, plant and equipment 17,727,946 17,996,971 8,864,196 9,020,116

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

40 Bank interest and other income

Rest house rent and others	387,882	315,503	210,499	218,310
Other Income	355,315	-	186,797	-
Interest on FDR & Others	80,869,331	88,962,369	42,857,494	45,501,507
Charge for backhaul shifting	-	40,000	-	-
Dividend income	-	97,677	-	-
	<u>81,612,528</u>	<u>89,415,549</u>	<u>43,254,790</u>	<u>45,719,817</u>

	Amount in Taka		Amount in Taka	
	July-Dec-2020	July-Dec-2019	Oct- Dec 2020	Oct- Dec 2019
41 Gain/(loss) on investment in shares				
Opening market value of investment	25,201,905	34,348,102	33,005,267	30,630,324
Add: Investment during the period	-	-	-	-
Total cost of investment(B)	25,201,905	34,348,102	33,005,267	30,630,324
Closing Market Value of Investment (A)	41,421,893	26837688.2	41,421,893	26,837,688
Gain/(Loss)(A-B)	<u>16,219,988</u>	<u>(7,510,414)</u>	<u>8,416,626</u>	<u>(3,792,636)</u>
42 Current tax expense	<u>215,041,339</u>	<u>90,514,253</u>	<u>110,301,415</u>	<u>51,717,952</u>
Detail calculation of current tax expenses has presented in Annexure - B.				
43 Deferred tax (income)/expense				
Closing balance of deferred tax liability	531,590,246	491,269,393	531,590,246	491,269,393
Opening balance of deferred tax liability	521,718,411	465,768,372	516,542,440	477,795,095
Deferred tax (income)/expense	<u>9,871,835</u>	<u>25,501,021</u>	<u>15,047,806</u>	<u>13,474,297</u>
44 Basic Earnings Per Share (EPS)				
Earnings attributable to the Ordinary Shareholders	720,091,472	372,232,754	389,172,990	200,581,664
Weighted average number of ordinary Shares outstanding during the period	164,905,510	164,905,510	164,905,510	164,905,510
Earnings Per Share (EPS)	<u>4.37</u>	<u>2.26</u>	<u>2.36</u>	<u>1.22</u>

The increase in EPS is the result of increase in revenue from the ordinary course of the business activities which has been disclosed in the notes 25 to 29 in the Revenue Part of the Statement of Profit or Loss and Other Comprehensive Income for the period under consideration. There was no Extraordinary Transactions during this period.

44.1 Diluted earnings per share is not calculated during the period as the number of potential shares could not be calculated because the value of the issuable shares has not yet been fixed. However, after considering the notification of Financial Reporting Council (FRC), in order to issue shares to the government against the investment of the government as equity in SMW-5 project the Board of Directors of BSCCL has approved the appointment of ICB Capital Management Limited as Issue Manager. According to the suggestion of the Issue Manager a Chartered Accountants Firm has been appointed as a valuer of assets & liabilities of BSCCL. Upon receiving the Valuation report, we will place the report to the BoD for their consideration, and according to the decision of the BoD, we will send the same to the Issue Manager to have an opinion regarding Fair Value of Share. After getting the opinion of Issue Manager regarding the Fair Value of Share, the same will be placed to the BoD for their approval. Having the approval of the BoD, BSCCL will communicate the offered Share Issue price to the Government for acceptance. Upon getting the Approval of Govt. the same will be placed to the EGM for Share Holder's approval and subsequently for the approval of BSEC. With the approval of BSEC, BSCCL will issue shares in favour of Ministry of Posts, Telecommunications and Information Technology (MoPT & IT) against equity money received from the Government of the People's Republic of Bangladesh of an amount of Tk 1,660,000,000.

45 Net Asset Value		
Total Assets	13,047,790,538	12,149,886,201
Less: Total Liabilities	<u>5,577,684,047</u>	<u>5,399,871,184</u>
	7,470,106,491	6,750,015,017
Number of Ordinary Shares of Tk. 10 each at Financial Position date	164,905,510	164,905,510
NAV-Per Share	<u>45.30</u>	<u>40.93</u>

	Amount in Taka		Amount in Taka	
	July-Dec-2020	July-Dec-2019	Oct- Dec 2020	Oct- Dec 2019
46 Net operating cash flows per share (NOCFPS)				
Net cash flows from operating activities (A)			1,086,961,286	573,970,833
Number of Ordinary Shares of Tk. 10 each at Financial Position date (B)			164,905,510	164,905,510
Net operating cash flows per share (NOCFPS) (C=A/B)			<u>6.59</u>	<u>3.48</u>

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

	Amount (Tk.)	Amount (Tk.)
	July-Dec-2020	July-Dec-2019
Net Profit Before Tax	945,004,646	488,248,028
Adjustment to reconcile profit to net cash provided by operating activities:		
Depreciation	230,661,240	226,804,764
Financial Charges	75,234,303	80,448,308
Loss/(gain) on Investment in Share	(16,219,988)	7,510,414
Loss on disposal of fixed assets	-	14,219,491
Provision for Bad debts	68,595,900	82,159,363
Exchange fluctuation gain	67,995	106,398
Other Income	(81,612,528)	(89,521,947)
(Increase)/Decrease in Advance Income tax	(160,471,860)	(67,998,530)
(Increase)/ Decrease in adv. & deposit	(3,323,740)	2,543,378
(Increase)/ Decrease in debtors	(125,783,376)	(162,722,212)
(Increase)/ Decrease in other receivable	81,669,439	78,367,282
Increase/(Decrease) in sundry creditors	34,214,261	(65,653,077)
Increase/(Decrease) in Security Deposit	69,002,644	40,580,040
Increase/(Decrease) in Employees Pension, Gratuity and PF	(1,325,537)	(4,559,701)
Increase/(Decrease) in Provision for WPPF and WF	(9,088,880)	(14,535,711)
Increase/(Decrease) in VAT Payable	(19,842,493)	(41,495,573)
Increase/(Decrease) in Liability for Expenses	179,259	(529,882)
Net cash flows from operating activities	<u>1,086,961,286</u>	<u>573,970,833</u>

47 Contingent liabilities and commitments

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

(i) BTCL claim office rent:

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

(ii) Income Tax:

For the income year 2010-2011 an amount of Tk. 25,240,639 has been demanded by DCT against of which appeal is processed to High Court Division. Assessment Order of income year 2015-2016 was received in which DCT demanded Tk.56,88,726 against which application was made to DCT for correction u/s 173. Return of the income year 2016-2017 was filed to DCT for assessment and DCT demanded Tk. 94,36,501 against which application was made to DCT for correction u/s 173. Now assessment for the year 2015-2016 and 2016-2017 remains under process at DCT & 2018-2019 remains under process at DCT.

48 Related party disclosures

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

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

(a) Name of the Directors along with all related Firms/Companies/Institutions/Parties as at 31 December 2020.

Sl. No.	Name of the Directors	Status with the company	Name of the related Ministries/ Companies/ Parties etc.	Remarks
1	Mr. Md.Afzal Hossain	Chairman	Secretary, Posts & Telecommunications Division, MoPT & IT	Nominated by GOB
2	Mr. Khandker Md.Abdul Hye,Phd.	Director	Joint Secretary-Posts & Telecommunications division, MoPT & IT	Nominated by GOB
3	MS.Kulsum Begum	Director	Joint Secretary, Finance Division, MoF	Nominated by GOB
4	Mr. Md.Abdul Momin	Director	Joint Secretary, MoST	Nominated by GOB
5	Col Rakibul Karim Chowdhury, afwc, psc	Director	Col Staff, AHQ, GS Br (SD Dte), Dhaka Cantonment, Dhaka	Nominated by GOB
6	Dr. Md. Mahbubul Alam Joarder	Director	Professor -Institute of Information Technology, University of Dhaka	Nominated by GOB
7	Mr. Hossain Khaled	Independent Director	Director-DCCI	Nominated by GOB
8	Mr. N.K.A Mobin, FCA, FCS	Independent Director	Council Member, ICAB	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 year ended 31 December 2020:

Sl No.	Name of the company (Related party)	Name of the Director	Relationship of the Director with the company	Type of transaction	Transactions during the period
1	Bangladesh Telecommunications Company Limited	Mr. Md.Afzal Hossain	Chairman	Bandwidth sale	247,648,296
2	Bangladesh Telecommunications Company Limited	Mr. Md.Afzal Hossain		Co-location Sale	-
3	Bangladesh Telecommunications Company Limited	Mr. Md.Afzal Hossain		Backhaul Purchase	28,194,303
4	Teletalk Bangladesh Ltd.	Mr. Md.Afzal Hossain		Co-location Sale	63,752
5	Teletalk Bangladesh Ltd.	Mr. Md.Afzal Hossain		Bandwidth sale	9,071,875

49 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.

50 Comparatives

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


Chief Financial Officer


Company Secretary


Managing Director


Director


Chairman

Dated, Dhaka;
27 January 2021

Annexure-A

Bangladesh Submarine Cable Company Limited
Schedule of Property, Plant & Equipment
As at 31 December 2020

(Amount in Taka)

Name of assets	Cost				Rate	Accumulated depreciation				WDV as at 31 Dec. 2020
	As at 01 July 2020	Additions during the period	Adjustment during the period	As at 31 Dec 2020		As at 01 July 2020	Charged during the period	Adjustment during the period	As at 31 Dec 2020	
a. Freehold assets										
Land and land development	122,612,477			122,612,477	-	-	-	-	-	122,612,477
Core equipment-IPLC-SMW-4	2,603,865,991			2,603,865,991	10.00%	1,916,484,275	57,281,810	-	1,973,766,085	630,099,906
Core equipment-IPLC-SMW-5	5,617,236,063	8,386,320		5,625,622,383	5.00%	835,707,091	140,879,862	-	976,586,953	4,649,035,430
Core equipment-IIG	232,783,594			232,783,594	14.29%	144,153,859	14,771,622	-	158,925,481	73,858,112
Building	63,415,462			63,415,462	8.33%	25,847,335	1,878,406	-	27,725,742	35,689,720
Building-SMW-5	291,283,034			291,283,034	5.00%	43,692,455	7,282,076	-	50,974,531	240,308,503
Floor development	2,654,065			2,654,065	8.33%	2,014,173	31,995	-	2,046,167	607,898
Security barak & security wall	7,827,297			7,827,297	8.33%	3,304,541	226,138	-	3,530,679	4,296,618
Deep tube-well & pump house	2,343,837			2,343,837	8.33%	1,792,622	27,561	-	1,820,183	523,654
Deep tube-well & pump house-SMW-5	1,334,855			1,334,855	5.00%	200,228	33,371	-	233,600	1,101,255
Generator-500 KVA(SMW#5)	18,414,231			18,414,231	10.00%	5,524,269	920,712	-	6,444,981	11,969,250
500 KV sub-station	3,284,000			3,284,000	10.00%	2,896,834	32,264	-	2,929,098	354,902
500 KV sub-station-SMW-5	13,146,779			13,146,779	5.00%	1,972,018	328,669	-	2,300,687	10,846,092
Power system	35,631,806			35,631,806	10.00%	27,966,599	638,767	-	28,605,366	7,026,440
Power system-SMW-5	20,847,215			20,847,215	5.00%	3,127,082	521,180	-	3,648,263	17,198,952
Power system-IIG	387,555			387,555	20.00%	155,022	38,756	-	193,778	193,778
Boundary wall	11,673,668			11,673,668	8.33%	4,186,873	374,340	-	4,561,213	7,112,455
Boundary wall-SMW-5	38,218,321			38,218,321	5.00%	5,732,748	955,458	-	6,688,206	31,530,115
Ducting from beach manhole	18,960,526			18,960,526	10.00%	11,956,450	583,673	-	12,540,123	6,420,403
Ducting from beach manhole-SMW-5	21,813,789			21,813,789	5.00%	3,272,068	545,345	-	3,817,413	17,996,376
Vehicles	55,191,012			55,191,012	20.00%	39,460,558	1,573,045	-	41,033,604	14,157,408
Office equipment and furniture	43,222,606	468,987		43,691,593	10.00%	15,608,616	1,392,281	-	17,000,897	26,690,695
Co-Location point	916,051			916,051	12.50%	427,954	40,675	-	468,629	447,422
Co-Location point-SMW-5	1,397,121			1,397,121	5.00%	188,950	34,928	-	223,878	1,173,243
Office decoration	7,702,120			7,702,120	10.00%	2,776,977	246,257	-	3,023,234	4,678,886
Water Treatment Plant & Others	220,500			220,500	20.00%	88,200	22,050	-	110,250	110,250
Sub-total	9,236,383,973	8,855,307	-	9,245,239,280	-	3,098,537,799	230,661,240	-	3,329,199,038	5,916,040,243
b. Revalued assets										
Land and land development	346,561,561	-	-	346,561,561	-	-	-	-	-	346,561,561
Sub-total	346,561,561	-	-	346,561,561	-	-	-	-	-	346,561,561
Total balance as at 31 Dec. 2020 (a+b)	9,582,945,534	8,855,307	-	9,591,800,842	-	3,098,537,799	230,661,240	-	3,329,199,038	6,262,601,804
Total balance as at 30 June 2020 (a+b)	9,549,402,528	89,044,054	55,501,047	9,582,945,535	-	2,684,518,697	455,300,657	41,281,556	3,098,537,798	6,484,407,737

Bangladesh Submarine Cable Company Limited
Calculation of Current Tax Provision
For the period ended 31 December 2020

Particulars	Amount in Taka					
	Total Amount	Exemption rate	Exempted Amount	Chargeable Income	Tax Rate	Tax Liability
Profit Before Taxation	945,004,646					
Add: Provision for bad debt	68,595,900					
Provision for WPPF & WF	-					
Provision for gratuity	-					
Excess perquisite	-					
CSR expense	3,766,328					
Accounting depreciation	230,661,240					
	<u>1,248,028,114</u>					
Less: Tax depreciation	<u>337,418,944</u>					
Total taxable income	910,609,169					
Less: Non -operating Income	<u>97,832,516</u>					
Profit on which tax holiday is applicable	812,776,653					
Profit as per Ratio of Sales	649,652,379	0%	-	649,652,379	25%	162,413,095
Profit-IIG as per Ratio of Sales	163,124,274	30%	48,937,282	114,186,992	25%	28,546,748
Tax on Other Income				97,832,516	25%	24,458,129
Tax on Dividend Income				-	20%	-
Total			48,937,282	861,671,887		215,417,972
		<u>CSR</u>	<u>PM R Fund</u>	<u>Total</u>		<u>Rebate</u>
Investment tax credit		3,766,328	-	3,766,328	10%	376,633
Net tax liability						<u><u>215,041,339</u></u>