


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

ASSETS	Notes	Amount in Taka	
		31 March-2021	30 June 2020
<b>Non-Current Assets</b>			
Property, plant and equipment	4	6,158,810,141	6,484,407,737
Investment in SMW-6		4,048,085	-
<b>Current Assets</b>			
Trade and other receivables	5	2,295,451,311	2,587,654,161
Advances and deposits	6	48,185,293	30,387,107
Advance income tax	7	1,003,264,175	603,695,577
Investment in shares	8	26,314,184	25,201,905
Cash and cash equivalents	9	3,117,836,647	2,418,539,714
<b>TOTAL ASSETS</b>		<b>12,653,909,835</b>	<b>12,149,886,201</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity</b>			
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	774,010,637	741,577,846
Revaluation reserve	14	336,165,684	336,165,684
Retained earnings	15	2,855,005,629	1,639,922,628
<b>Non Current Liabilities</b>			
Deferred tax liabilities	16	575,542,429	532,115,288
Security deposits received from clients	17	368,544,877	294,942,951
Employees' pension, gratuity & provident fund	18	20,931,111	18,215,001
Long Term loan-net off current portion	19	2,235,192,893	2,378,669,551
<b>Current Liabilities</b>			
Long Term loan-current portion	19	235,422,354	352,024,332
Sundry creditors	20	119,331,584	131,796,649
Provision for income tax	21	978,089,869	633,906,543
Provision for WPPF and WF	22	88,016,215	62,599,014
VAT	23	(60,642,093)	499,683,513
Liabilities for expenses	24	86,043,658	130,044,159
Amount to be distributed as dividend (Proposed)		-	329,811,020
Unclaimed Dividend Account		9,906,125	36,063,164
<b>Total Liabilities</b>		<b>4,656,379,024</b>	<b>5,399,871,184</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,653,909,835</b>	<b>12,149,886,201</b>
Net Asset Value per share	45	48.50	40.93

  
Chief Financial Officer

  
Company Secretary

  
Managing Director

  
Director

  
Chairman

Dated, Dhaka;  
24 May 2021

**Bangladesh Submarine Cable Company Limited**  
**Statement of Profit or Loss and Other Comprehensive Income (Un-Audited)**  
**For the period ended 31 March 2021**

	Notes	Amount in Taka		Amount in Taka	
		July- March 2021	July- March 2020	Jan-March-2021	Jan-March-2020
<b>Revenue</b>					
IPLC (International Private Leased Circuit) rent	25	1,870,313,127	1,380,322,796	668,188,834	525,818,147
Circuit activation charge	26	9,341,000	11,598,000	2,350,000	4,857,000
IP Transit service	27	499,380,258	342,455,119	186,825,620	130,420,480
Co-location charges	28	62,086,344	43,810,886	21,838,577	16,422,610
IP transit service-export	29	-	36,848,250	-	6,368,250
		<b>2,441,120,729</b>	<b>1,815,035,051</b>	<b>879,203,030</b>	<b>683,886,486</b>
<b>Direct cost of operation</b>					
Electricity and generator fuel	30	10,213,001	9,043,102	3,231,546	2,910,062
Landing station and cable route repair	31	1,225,613	810,473	567,381	226,005
Backhaul & data connectivity charge	32	68,655,775	88,416,810	20,498,631	28,625,662
IP transit cost	33	46,134,584	38,456,396	17,535,268	13,035,403
Lease rent	34	298,810	298,810	-	-
Depreciation of core machinery	35	319,892,339	313,302,392	106,959,045	104,494,600
		<b>446,420,122</b>	<b>450,327,983</b>	<b>148,791,871</b>	<b>149,291,732</b>
<b>Gross profit</b>		<b>1,994,700,607</b>	<b>1,364,707,068</b>	<b>730,411,160</b>	<b>534,594,754</b>
<b>Operating expenses</b>					
Operation and maintenance expenses	36	140,835,580	150,295,598	41,368,567	47,641,634
General and administrative expenses	37	158,223,690	146,571,045	49,313,853	44,625,724
Provision for bad & doubtful debts	38	(15,131,198)	133,085,809	(83,727,098)	50,926,446
Depreciation on property, plant and equipment	39	26,609,314	27,013,722	8,881,368	9,016,751
Exchange fluctuation loss/(gain)		(78,435)	(106,323)	(10,440)	75
		<b>310,458,951</b>	<b>456,859,851</b>	<b>15,826,251</b>	<b>152,210,631</b>
<b>Operating profit</b>		<b>1,684,241,656</b>	<b>907,847,216</b>	<b>714,584,909</b>	<b>382,384,123</b>
<b>Non-operating income/(Expenses)</b>					
Bank interest and other income	40	131,067,769	133,633,030	49,455,241	44,257,481
Financial charges		(112,063,667)	(119,929,897)	(36,829,364)	(39,481,589)
Gain on sale of Property, plant & equipment		163,343	(14,219,491)	163,343	-
(Loss)/Gain on investment in shares	41	13,473,470	(8,970,376)	(2,746,518)	(1,459,962)
		<b>32,640,915</b>	<b>(9,486,734)</b>	<b>10,042,702</b>	<b>3,315,930</b>
<b>Profit before WPPF &amp; WF</b>		<b>1,716,882,572</b>	<b>898,360,482</b>	<b>724,627,611</b>	<b>385,700,053</b>
Provision for contribution to WPPF & WF		81,756,313	42,779,071	34,506,077	18,366,669
<b>Profit before taxation</b>		<b>1,635,126,258</b>	<b>855,581,411</b>	<b>690,121,534</b>	<b>367,333,383</b>
Current tax expenses	42	344,183,326	163,945,888	129,141,987	73,431,635
Deferred tax (income)/expenses	43	43,427,140	35,306,011	33,555,305	9,804,989
		<b>387,610,466</b>	<b>199,251,899</b>	<b>162,697,292</b>	<b>83,236,624</b>
<b>Net profit after tax</b>		<b>1,247,515,793</b>	<b>656,329,512</b>	<b>527,424,242</b>	<b>284,096,759</b>
<b>Total comprehensive income</b>		<b>1,247,515,793</b>	<b>656,329,512</b>	<b>527,424,242</b>	<b>284,096,759</b>
<b>Earnings Per Share (EPS) - Basic</b>	44	<b>7.57</b>	<b>3.98</b>	<b>3.20</b>	<b>1.72</b>
<b>Diluted Earnings Per Share</b>	44.1	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

  
**Chief Financial Officer**

  
**Company Secretary**

  
**Managing Director**

  
**Director**

  
**Chairman**

Dated, Dhaka;  
24 May 2021

**Bangladesh Submarine Cable Company Limited**  
**Statement of Changes in Equity (Un-audited)**  
**For the period ended 31 March 2021**

(Amount in Taka)

Particulars	Share capital	Equity money from GoB	Share premium	Tax holiday reserve	Revaluation reserve	Retained earnings	Total equity
Balance as at 01 July 2020	1,649,055,100	1,660,000,000	723,293,759	741,577,846	336,165,684	1,639,922,628	6,750,015,017
<b>Transactions with shareholders:</b>							
Net profit after tax for the period	-	-	-	-	-	1,247,515,793	1,247,515,793
Tax holiday reserve	-	-	-	32,432,791	-	(32,432,791)	-
<b>Balance as at 31 March 2021</b>	<b>1,649,055,100</b>	<b>1,660,000,000</b>	<b>723,293,759</b>	<b>774,010,637</b>	<b>336,165,684</b>	<b>2,855,005,629</b>	<b>7,997,530,810</b>
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	-	-	-	-	-	656,329,512	656,329,513
Tax holiday reserve	-	-	-	19,109,461	-	(19,109,461)	-
<b>Balance as at 31 March 2020</b>	<b>1,649,055,100</b>	<b>1,660,000,000</b>	<b>723,293,759</b>	<b>733,653,017</b>	<b>336,165,684</b>	<b>1,677,989,984</b>	<b>6,780,157,545</b>

  
Chief Financial Officer

  
Company Secretary

  
Managing Director

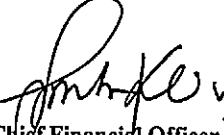
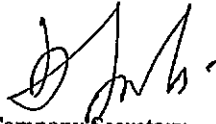



  
Director

  
Chairman

Dated, Dhaka;  
24 May 2021

**Bangladesh Submarine Cable Company Limited**  
**Statement of Cash Flows (Un-audited)**  
For the period ended 31 March 2021

	Notes	Amount in Taka	
		July-March-2021	July-March-2020
<b>A. Cash flows from operating activities</b>			
Cash received from clients		2,278,454,143	1,466,299,397
Cash paid to suppliers and others		(354,345,410)	(387,024,781)
Exchange fluctuation gain		78,435	106,323
Payroll and other payments to employees		(97,447,386)	(106,778,827)
Payment for WPPF/Gratuity		(56,339,112)	(38,948,113)
Income tax paid		(399,568,141)	(97,107,517)
Interest received		125,734,895	120,521,517
Receipts from rest house rent and others		626,958	838,158
<b>Net cash flow from operating activities</b>	46.1	<b>1,497,194,383</b>	<b>957,906,157</b>
<b>B. Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(22,660,276)	(88,019,920)
Investment in SMW-6		(4,048,086)	-
Proceeds from disposal of Fixed assets		707,000	167,500
Dividend received		343,610	1,375,995
<b>Net cash flow from/ (used in) investing activities</b>		<b>(25,657,752)</b>	<b>(86,476,424)</b>
<b>C. Cash flows from financing activities</b>			
Dividend paid		(355,968,059)	(234,691,690)
Financial charges		(156,193,003)	(253,043,398)
Loan repaid		(260,078,636)	(161,005,724)
<b>Net cash flow from/(used in) financing activities</b>		<b>(772,239,698)</b>	<b>(648,740,812)</b>
Net surplus/ deficit during the period (A+B+C)		699,296,934	222,688,921
Cash and cash equivalents at beginning of the period		2,418,539,714	2,023,140,004
<b>Cash and cash equivalents at end of the period</b>	9	<b>3,117,836,647</b>	<b>2,245,828,925</b>
<b>Net Operating Cash Flows Per Share (NOCFPS)</b>	46	<b>9.08</b>	<b>5.81</b>

 Chief Financial Officer
 Company Secretary
 Managing Director
 Director
 Chairman

Dated, Dhaka;  
24 May 2021

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

**1. Reporting entity**

**1.1 The Company**

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

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

**1.2 Nature of business**

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

**2. Basis of preparation of financial statements**

**2.1 Statement on compliance**

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

**2.2 Other regulatory compliances**

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

- The Income Tax Ordinance, 1984
- The Income Tax Rules, 1984
- The Value Added Tax 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 March 2021;
- (b) Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 March 2021;
- (c) Statement of Changes in Equity for the period ended 31 March 2021;
- (d) Statement of Cash Flows for the period ended 31 March 2021;
- (e) Notes, comprising summary of significant accounting policies and other explanatory information.

#### **2.6 Functional and presentation currency**

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

#### **2.7 Use of estimates and judgments**

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

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

#### **2.8 Materiality, aggregation and offsetting**

Each material item as considered by management significant has been displayed separately in the financial statements. No amount has been set off unless the Company has legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards. The values of assets or liabilities as shown in the statement of financial position are not off-set by way of deduction from another liability or asset unless there exist a legal right therefore. No such incident existed during the 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 9 (nine) months from 01 July 2020 to 31 March 2021.

## 2.11 Comparative information

Comparative information has been disclosed in respect of 01 July 2020 to 31 March 2021 in accordance with IAS 01: Presentation of Financial Statements for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current periods of financial statements. Prior 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:

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

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 24 May 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 Economics	Not applicable
31	Interest in Joint Ventures	Not applicable
32	Financial Instruments: Presentation	Complied
33	Earnings per Share	Complied
34	Interim Financial Reporting	Complied
36	Impairment of Assets	Complied
37	Provisions, Contingent Liabilities and Contingent Assets	Complied
38	Intangible Assets	Not applicable

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



		Amount in Taka	
		31 March 2021	30 June 2020
<b>4</b>	<b>Property, plant and equipment</b>		
	<b>Cost/ revaluation (A)</b>		
	Opening balance	9,582,945,535	9,549,402,528
	Add: Purchased/Recognised during the period	21,447,713	89,044,054
	Less: Adjustment during the period	(6,329,000)	(55,501,047)
		<u>9,598,064,248</u>	<u>9,582,945,535</u>
	<b>Accumulated Depreciation (B)</b>		
	Opening balance	3,098,537,798	2,684,518,697
	Add: Charged during the period	346,501,652	455,300,657
		3,445,039,450	3,139,819,354
	Less: Adjustment during the period	(5,785,343)	(41,281,556)
		<u>3,439,254,107</u>	<u>3,098,537,798</u>
	<b>Written Down Value (A-B)</b>	<u>6,158,810,141</u>	<u>6,484,407,737</u>

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.

<b>5</b>	<b>Trade and other receivables</b>		
	Trade receivables	(Note: 5.1) 2,229,380,493	2,538,306,389
	Other receivables	(Note: 5.2) 66,070,819	49,347,772
		<u>2,295,451,311</u>	<u>2,587,654,161</u>

<b>5.1</b>	<b>Trade receivables</b>		
	Opening Balance	2,922,702,992	2,233,381,822
	Add: Addition during the period	2,843,535,542	3,034,185,895
		5,766,238,534	5,267,567,717
	Less: Collection during the period	(3,167,592,636)	(2,344,864,725)
	Closing Balance	<u>2,598,645,898</u>	<u>2,922,702,992</u>
	Less: Provision for bad and doubtful debts		
	Opening Balance	384,396,603	235,697,745
	Add: Addition during the period	(15,131,198)	148,698,858
		<u>369,265,405</u>	<u>384,396,603</u>
	Trade receivables, net of provision	<u>2,229,380,493</u>	<u>2,538,306,389</u>

An amount of Tk.36,89,65,429 and an amount of Tk. 7,09,56,771 have been realised from BTCL and BSNL, India respectively during this period. The total amount had been lying as outstanding since long. BSCCL management has decided to release a sum of provision for bad and doubtful debts made earlier period or years due to realisation of long pending outstanding.

<b>5.2</b>	<b>Other receivables</b>		
	Dividend	252,317	3,150
	ICB Securities Trading Co. Ltd.	17,409,094	2,440
	FDR Interest & Others	48,409,408	49,342,182
		<u>66,070,819</u>	<u>49,347,772</u>

Amount in Taka	
31 March 2021	30 June 2020

## 6 Advances and Deposits

### Advances

#### Advance to:

Sony Chocolate Industries Ltd.	(Note: 6.1)
Employees against Expenses	
Advance to Employee against Salary	
Civil Works Consultant Limited	
Deputy Commissioner Customs CTG	
K.K. Enterprise	
ICB Capital Management Ltd.	
HS Engineering	
Milky & Associates	
BUET	
BTCL	
IDEB	
Mustafa Tariq Hossain & Associates	
Others	

8,372,000	12,872,000
103,905	436,630
1,280,853	1,617,270
57,500	57,500
8,147,619	-
3,299,548	-
287,500	-
11,211,500	-
12,000	12,000
21,735	21,735
10,000,000	10,000,000
20,000	20,000
670,500	670,500
300,036	279,874
<b>43,784,695</b>	<b>25,987,509</b>

### 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

6,000	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
<b>4,400,598</b>	<b>4,399,598</b>
<b>48,185,293</b>	<b>30,387,107</b>

### 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
-	-
(4,500,000)	(6,000,000)
<b>8,372,000</b>	<b>12,872,000</b>

### 7 Advance Income Tax

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

603,695,577	412,835,551
399,568,598	190,982,526
1,003,264,175	603,818,077
-	(122,500)
<b>1,003,264,175</b>	<b>603,695,577</b>

Amount in Taka	
31 March 2021	30 June 2020

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	1,430,154	935,551
2	ACI Limited	4,719	764,725	1,133,504	876,018
3	BATASHOE	1,000	696,429	693,200	693,200
4	Bexinco	-	-	-	2,819,219
5	IFIC Bank Limited	148,938	1,765,186	1,697,893	1,164,431
6	Islami Bank BD Limited	39,091	951,084	1,098,457	684,093
7	Jamuna Oil Limited	23,716	4,392,440	3,616,690	3,277,551
8	MPetroleum	24,816	4,962,456	4,139,309	3,915,965
9	NCC Bank Limited	186,732	1,698,208	2,502,209	2,233,466
10	Padma Oil Limited	18,150	4,835,160	3,470,280	3,016,530
11	Square Pharma	26,847	2,633,566	5,278,120	4,410,653
12	Titas Gas	39,570	2,744,885	1,254,369	1,175,229
			<b>28,653,413</b>	<b>26,314,184</b>	<b>25,201,905</b>

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

9 Cash and cash equivalents

Cash in hand	(Note: 9.1)	4,317,121	942,069
Cash at bank	(Note: 9.2)	3,113,519,526	2,417,597,645
		<b>3,117,836,647</b>	<b>2,418,539,714</b>

9.1 Cash in hand

Head Office-Dhaka	3,268,825	600,776
Landing Station-Kuakata	543,379	15,871
Landing Station-Cox's Bazar	504,917	325,422
		<b>4,317,121</b>

9.2 Cash at bank

Savings and current deposits with:

Brac Bank Limited	672,030	690,469
IFIC Bank Limited	312,932	179,584
Mutual Trust Bank Limited	14,458,364	11,368,164
National Bank Limited	700,209	1,808,254
Sonali Bank Limited-Cox'sbazar	4,513,082	5,875,556
Sonali Bank Limited-Dhaka	56,683,256	7,466,187
The City Bank Limited	35,072,904	32,878,916
United Commercial Bank Limited	94,008,030	35,906,964
		<b>206,420,807</b>

Fixed deposits (FDR) with:

Agrani Bank Limited	712,666,786	162,102,250
Bangladesh Development Bank Limited	236,915,000	110,000,000
Bank Asia Ltd.	48,807,501	104,944,501
BASIC Bank Limited	327,944,567	254,376,167
Brac Bank Limited	42,487,118	326,000,295
First Security Islami Bank Ltd.	30,516,250	-
IFIC Bank Limited	223,347,568	308,710,623
Jamuna Bank Limited	71,769,844	89,489,116
Janata Bank Limited	207,550,000	50,270,000
Meghna Bank Ltd.	20,000,000	-
Mercantile Bank Limited.	50,000,000	-

	Amount in Taka	
	31 March 2021	30 June 2020
Mutual Trust Bank Limited	-	221,742,174
One Bank Limited	75,173,555	86,622,949
Pubali Bank Limited	118,787,546	64,827,910
Social Islami Bank Ltd.	71,890,000	-
Sonali Bank limited	71,210,732	30,000,000
Southeast Bank Ltd.	131,588,249	149,473,941
Standard Bank Limited	89,414,003	129,796,847
The City Bank Limited	86,470,000	55,000,000
Trust Bank Ltd.	40,000,000	-
Union Bank Ltd.	250,560,000	-
United Commercial Bank Limited	-	167,765,528
Uttara Bank Limited	-	10,301,250
	<u>2,907,098,719</u>	<u>2,321,423,551</u>
	<u>3,113,519,526</u>	<u>2,417,597,645</u>

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

#### 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>
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##### Issued, subscribed and paid up capital:

31,000,000 Ordinary Shares of Taka 10 each fully paid up in cash	310,000,000	310,000,000
140 Ordinary share of Taka 10 each fully paid up in cash to GOB	1,400	1,400
67,314,640 ordinary shares of Tk.10 each fully paid up other than cash to MoPT, GOB	673,146,400	673,146,400
66,590,730 Ordinary shares of Tk. 10 each issued as Bonus Share	665,907,300	665,907,300
	<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>
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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>
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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	32,432,791	27,034,290
	<u>774,010,637</u>	<u>741,577,846</u>

Amount in Taka	
31 March 2021	30 June 2020

#### 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.

#### 15 Retained Earnings

Opening balance	1,639,922,628	1,304,618,748
Add: Profit for the period	1,247,515,793	955,998,006
	<u>2,887,438,420</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	32,432,791	27,034,290
	<u>32,432,791</u>	<u>620,694,126</u>
	<u>2,855,005,629</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)	565,145,551	521,718,411
Deferred tax relating to other comprehensive income (Note: 16.2)	10,396,877	10,396,877
	<u>575,542,429</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
<b>As at 31 March 2021</b>			
Property, plant and equipment (excluding land)	5,689,636,103	3,038,857,384	2,650,778,719
Accounts receivable (Note: 5.1)	2,229,380,493	2,598,645,898	(369,265,405)
Provision for pension, gratuity fund and provident fund (Note: 18)	(20,931,111)	-	(20,931,111)
Net Taxable Temporary Difference			2,260,582,203
Applicable tax rate			25%
Deferred tax liability			<u>565,145,551</u>

Amount in Taka	
31 March 2021	30 June 2020

**Deferred tax relating to Statement of Profit or Loss**

	Carrying Amount	Tax Base	Taxable/ (deductible) temporary difference
	Taka	Taka	Taka
<b>As at 30 June 2020</b>			
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%
<b>Deferred tax liability</b>			<b>521,718,411</b>

**16.2 Deferred tax relating to other comprehensive income**

	Carrying Amount	Tax Base	Taxable/ (deductible) temporary difference
	Taka	Taka	Taka
<b>As at 31 March 2021</b>			
Revaluation reserve of property, plant and	346,561,561	-	346,562,561
Applicable tax rate			3%
<b>Deferred tax liability</b>			<b>10,396,877</b>

**Deferred tax relating to other comprehensive income**

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

**17 Security deposits received from clients**

Opening Balance	294,942,951	220,378,430
Add: Addition during the period	89,744,195	89,059,592
	384,687,145	309,438,022
Less: Adjustment during the period	(16,142,269)	(14,495,071)
	<b>368,544,877</b>	<b>294,942,951</b>

Amount in Taka	
31 March 2021	30 June 2020

**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)	4,577,993	3,611,732
Employees' provident fund	(Note: 18.3)	2,544,167	794,317
		<u>20,931,111</u>	<u>18,215,001</u>

**18.1 Employees' pension fund**

<u>13,808,952</u>	<u>13,808,952</u>
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This represents amount payable to BTCL employees worked on deputation and the amount incorporated in the vendor agreement. The above noted amount is adequate 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		11,198,608	8,820,226
		14,810,340	13,721,813
Less: Paid/Transferred during the period		(10,232,347)	(10,110,081)
		<u>4,577,993</u>	<u>3,611,732</u>

**18.3 Employees' provident fund**

Opening balance		794,317	2,139,943
Add: Employees' Contribution		3,833,948	4,694,286
Employer's Contribution		3,833,948	4,697,102
Less: Transferred to RCPF during the period		(5,918,046)	(10,737,014)
		<u>2,544,167</u>	<u>794,317</u>

**19 Term Loan**

Opening balance		2,730,693,883	2,891,699,606
Received during the period		-	-
Total IDB Loan		2,730,693,883	2,891,699,606
Less: Payment during the period		(260,078,637)	(161,005,723)
		2,470,615,246	2,730,693,883
Current portion of Long Term Loan		(235,422,354)	(352,024,332)
Non-current portion of Long Term Loan		<u>2,235,192,893</u>	<u>2,378,669,551</u>

**Term Loan Particulars:**

**Islamic Development Bank (IDB)**

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

Amount in Taka	
31 March 2021	30 June 2020

20 Sundry creditors

ACE Autos	85,121	119,988
Amader Somoy	32,601	186,299
Anika Enterprise	-	69,310
APOGEE IT	-	137,063
Arthosuchak	3,500	3,500
Arra Technologies Ltd.	36,480	-
Asia Pacific Communication Ltd.	-	17,167
Bangla Media Ltd.	-	96,255
Bangladesh Parjatan Corporation	-	40,958
Bangladesh Science House	100,000	100,000
Bank Bima Shilpa	-	40,000
BD Jobs.Com	-	4,095
Best Communication	422,500.00	-
BTCL sarbojonin Puja Udjapon Parishad	50,000	-
Capital Law Chamber	146,280	146,280
Caps Lock	13,500	-
CDBL	-	4,417
Chittagong Stock Exchange Ltd.	-	600,000
Cogent Communication Ltd	169,343	454,088
Corporate Sangbad .Com	3,500	4,025
Cyber Link	5,725	52,380
DE-ICX(IIG)	322,159	-
Design Associates	126,498	78,599
Dream Energy	-	99,426
ECCE,CUET	50,000	50,000
Equinix Singapore PTE Ltd.	3,308,829	1,436,985
Express Systems Ltd.	4,224,450	4,324,450
Fames & R	119,025	-
Fiber@Home Ltd	3,841,418	3,017,952
FS Technology	75,250	-
Galpo Ghar	-	40,000
Habib Intelligent Software Ltd.	322,875	322,875
Hatil Complex Ltd.	-	348,990
Heritage Resort Ltd.	499,000.00	-
Hurricane Electric Internet Service	2,711,599	297,704
ICB Securities Trading Company Limited	1,610,932	1,610,932
Innovative Technology & Engineering	119,188	24,188
International Computers Solution	33,300	-
Jatir Alo	35,000	-
Kazi Mynul Hassan	138,575	71,875
Khondoker Advertisement	-	60,000
KK Enterprise	840,184	544,874
M.M. Enterprise	-	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	16,256	6,750
M2M Communications	4,500	16,200
Milky & Associates	116,602	116,602



	Amount in Taka	
	31 March 2021	30 June 2020
Murad Reza	143,750	143,750
New S.N. Motors	-	16,700
Next Tech Ltd.	22,400	22,400
NRB Telecom Ltd.-IIG	25,000	10,000
NTT communications Ltd.	3,291,213	4,013,867
Pabna Automobiles	-	4,950
Padakkhep Bangladesh	-	50,000
Payable to BTCL	55,239,347	35,159,628
Payable to BTCL Staff College(Focus Point)	23,000	23,000
Payable to BTRC	6,951,457	14,729,510
PCCW Global (Singapore) Pte. Ltd.	4,556,898	-
Peshajibi Samonnoy Parishad	-	25,000
Rangpur Bivag Samity Dhaka	-	50,000
Rising Solution	344,065	-
Royal Office Equipment	-	25,800
S.F.Ahmed & Co.	-	345,000
S.T. Enterprise	41,918	41,918
Sadhan Das & Co.	2,200	-
SA Rashid & Associates	28,750	28,750
Shakil Motors	-	43,142
Share biz Pvt. Ltd.	-	42,946
Sikder Filling & Service Station	147,978	79,242
Somoy Bichitra	30,000	-
Sony Chocolate Industries Ltd.	371,538	341,242
Southern Automobiles Ltd.	40,084	28,819
Spectrum Engineering Consortium Limited	589,492	2,209,492
Summit Communications Ltd.	5,276,017	6,405,870
Suraya Parveen & Associates	-	51,750
Telecom Italia Sparkle Ltd.	17,696,359	20,672,748
Telephone Shilpa Sangstha Ltd.	612,593	612,593
Telnet Communication Ltd.	3,675	11,025
Temporary Loan from Ex-Project Director # SMWS	1,000	1,000
The Daily Amader Orthonity	-	43,200
The Daily Bangladesh Pratidin	74,520	27,945
The Daily Bangladesh Shomachar	25,000	-
The Daily Bishwa Ortho Sangbad	25,000	-
The Daily Janakantha	-	74,520
The Daily Niropakkha Sangbad	25,000	-
The Daily Observer	-	115,211
The Detective	-	30,000
The Financial Express	182	99,468
The New Nation	27,583	-
The Weekly Navajagaran	30,000	-
The Weekly Protimuhurto	-	30,000
Unclaimed IPO subscription	109,101	109,101
Unearned Revenue	-	4,508,800
Withholding tax payable	3,916,052	26,098,437
Zico Motors	37,950	37,950
	<b>119,331,584</b>	<b>131,796,649</b>

Amount in Taka	
31 March 2021	30 June 2020

<b>21 Provision for income tax</b>		
Opening balance	633,906,543	393,874,301
Add: Provision made during the period	Annexure - B 344,183,326	240,032,242
Less: Settlement for previous period	-	-
	<u>978,089,869</u>	<u>633,906,543</u>

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. Return for the income year 2019-20 has been submitted to DCT.

<b>22 Provision for WPPF and WF</b>		
Opening balance	62,599,014	38,948,113
Add: Provision made during the period	81,756,313	62,599,014
	144,355,327	101,547,126
Less: Settlement for previous period	(56,339,113)	(38,948,113)
	<u>88,016,215</u>	<u>62,599,014</u>

<b>23 VAT</b>		
VAT payable against Receivable	(62,235,463)	495,857,274
VAT payable against Deduction at source	1,593,371	3,826,239
	<u>(60,642,093)</u>	<u>499,683,513</u>

The amount of Tk.(6,22,35,463.00) represents advance VAT payment to NBR which is adjustable against VAT receivable from clients related to revenue receivable arising from International Private Leased Circuit (IPLC) rentals, IP transit service, and Co-location charges. In addition to that the amount of Tk. 15,93,371.00 includes VAT deducted from other parties and suppliers.

<b>24 Liabilities for expenses</b>		
Office rent	4,800,000	4,800,000
Audit & other fees	92,000	138,000
Provision for different expenses	80,361	224,205
Telephone bill	59,426	45,368
Electricity bill	946,740	642,119
	5,978,527	5,849,692
Accrued Interest on IDB loan	80,065,131	124,194,467
	<u>86,043,658</u>	<u>130,044,159</u>

	Amount in Taka		Amount in Taka	
	July- March 2021	July- March 2020	Jan-March-2021	Jan-March-2020
<b>25 IPLC (International Private Leased Circuit) Rent</b>				
SMW-4	616,114,676	532,247,818	241,340,359	198,291,615
SMW-5	1,254,198,451	848,074,977	426,848,475	327,526,532
	<u>1,870,313,127</u>	<u>1,380,322,796</u>	<u>668,188,834</u>	<u>525,818,147</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	2,750,000	4,640,000	1,320,000	1,820,000
Circuit Activation Charge-IPLC-SMW-5	4,810,000	5,100,000	520,000	2,470,000
Circuit Activation Charge-IIG	420,000	300,000	100,000	-
Circuit Activation Charge-ISP(IIG)	30,000	32,000	-	17,000
Circuit Activation Charge-ITC	-	100,000	-	-
Circuit Activation Charge-Co-location-IIG	10,000	6,000	10,000	-
Circuit Activation Charge-Co-location-SMW-4	500,000	810,000	300,000	250,000
Circuit Activation Charge-Co-location-SMW-5	821,000	610,000	100,000	300,000
	<u>9,341,000</u>	<u>11,598,000</u>	<u>2,350,000</u>	<u>4,857,000</u>

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

<b>27 IP Transit Service</b>	<u>499,380,258</u>	<u>342,455,119</u>	<u>186,825,620</u>	<u>130,420,480</u>
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This represents the service charges for providing internet bandwidth to IIGs and ISPs.

**28 Co-Location Charges**

SMW-4	24,811,729	18,759,643	8,526,671	7,187,915
SMW-5	36,377,729	25,032,133	13,060,944	9,225,041
IP Transit -IIG	896,886	19,110	250,962	9,654
	<u>62,086,344</u>	<u>43,810,886</u>	<u>21,838,577</u>	<u>16,422,610</u>

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

<b>29 IP Transit Service -Export</b>	<u>-</u>	<u>36,848,250</u>	<u>-</u>	<u>6,368,250</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 8<sup>th</sup> 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	8,843,841	7,768,362	2,801,586	2,371,222
Fuel for generator	1,369,160	1,274,740	429,960	538,840
	<u>10,213,001</u>	<u>9,043,102</u>	<u>3,231,546</u>	<u>2,910,062</u>

This cost is directly related to cost of operation.

	Amount in Taka		Amount in Taka	
	July- March 2021	July- March 2020	Jan-March-2021	Jan-March-2020
<b>31 Landing station and cable route repair</b>	<b>1,225,613</b>	<b>810,473</b>	<b>567,381</b>	<b>226,005</b>
This cost is directly related to cable route and landing station maintenance for Cox's Bazar, Kuakata.				
<b>32 Backhaul &amp; Data Connectivity Charge</b>				
Backhaul Charge	62,464,945	82,302,350	18,140,114	26,689,178
Data Connectivity & Fiber Core Charge	318,465	622,837	106,155	116,266
Revenue Sharing Cost	5,440,364	5,204,124	2,151,211	1,745,824
License & Membership fees	372,351	287,500	84,851	74,395
Co-location cost	59,650	-	16,300	-
	<b>68,655,775</b>	<b>88,416,810</b>	<b>20,498,631</b>	<b>28,625,662</b>
This cost represents backhaul charges and for data connectivity & fiber core charge.				
<b>33 IP Transit Cost</b>	<b>46,134,584</b>	<b>38,456,396</b>	<b>17,535,268</b>	<b>13,035,403</b>
This cost represents the cost of purchasing IP bandwidth from Telecom Italia Sparkle, NTT Communications Ltd, Equinix Singapore Pte Ltd. and Cogent Communications Ltd.				
<b>34 Lease Rent</b>	<b>298,810</b>	<b>298,810</b>	<b>-</b>	<b>-</b>
This rent represents rent of leasing land of beach manhole for Kuakata landing station from Bangladesh Parjaton Corporation.				
<b>35 Depreciation of core machinery</b>	<b>319,892,339</b>	<b>313,302,392</b>	<b>106,959,045</b>	<b>104,494,600</b>
This represents the depreciation charged on core machinery which are directly related to IPLC and IP transit revenue.				
<b>36 Operation and maintenance expenses</b>				
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	22,154,219	17,958,760	6,383,881	3,988,422
SEA-ME-WE-5	118,681,361	132,336,838	34,984,685	43,653,212
	<b>140,835,580</b>	<b>150,295,598</b>	<b>41,368,567</b>	<b>47,641,634</b>
<b>37 General and administrative expenses</b>				
Advertisement and publicity expenses	1,950,754	1,523,071	493,998	329,150
AGM expenses	729,288	651,665	109,000	126,371
Audit fee	-	44,850	-	44,850
Bank charges and commission	2,600,609	1,373,801	1,312,498	601,065
Board and other meetings fees	4,019,841	3,503,865	1,304,960	1,067,979
Books & Periodicals	13,136	45,736	1,050	9,455
Business Development Expenses	1,538,678	4,000,646	851,318	1,434,471
Consortium meeting expenses	-	3,780,634	-	1,071,115
Consultancy fees	891,750	238,050	3,000	-
CSR Expenses	3,766,328	2,039,500	-	-
Entertainment	1,657,143	1,330,495	746,885	343,756
Fees and Subscription	1,549,106	848,433	1,294,136	692,562
Festival bonus	9,375,200	9,237,163	-	-
Gratuity provision	11,198,608	6,569,400	3,186,735	1,131,393
Innovation Expenses	350,662	259,712	36,521	246,655
Insurance Premium	3,881	10,138	-	-
Legal Fees	765,312	2,482,634	160,700	1,021,853
Managing Director's remuneration	2,269,090	1,612,906	865,500	359,719
Medical Expenses	26,506	-	1,705	-
National Integrity and Strategy Training Exp.	619,672	854,241	141,077	227,024
Newspaper & Periodicals	11,813	-	4,683	-
Office Expenses	719,594	446,036	263,011	161,758
Office rent	14,707,350	14,707,350	4,902,450	4,902,450

	Amount in Taka		Amount in Taka	
	July- March 2021	July- March 2020	Jan-March-2021	Jan-March-2020
Postage and courier expenses	33,378	29,357	10,268	5,602
Printing and Office stationery	1,297,644	2,060,737	272,878	697,012
Reception & Dinner	499,000	959,802	499,000	959,802
Recruitment expenses	88,852	420,213	-	8,000
Rent, rates & taxes	360,328	381,580	-	-
Repair and maintenance	2,258,376	1,531,447	751,955	537,651
Salary and allowances	89,174,095	78,528,276	29,973,514	25,797,852
Telephone Bill	216,051	28,977	189,471	1,500
Training Expenses	557,302	2,364,631	170,889	1,119,011
Travelling & conveyance	1,521,531	1,441,619	449,079	633,467
Vehicles Maintenance	1,579,478	1,575,877	670,270	601,227
Vehicles running expenses	1,873,335	1,688,203	647,303	492,975
	<u>158,223,690</u>	<u>146,571,045</u>	<u>49,313,853</u>	<u>44,625,724</u>

**38 Provision for bad & doubtful debts**

Closing balance of provision for bad & doubtful debts	369,265,405	368,783,554	369,265,405	368,783,554
Less: Opening balance of provision for bad & doubtful debts	<u>384,396,603</u>	<u>235,697,745</u>	<u>452,992,503</u>	<u>317,857,108</u>
	<u>(15,131,198)</u>	<u>133,085,809</u>	<u>(83,727,098)</u>	<u>50,926,446</u>

BSCCL makes provision for bad and doubtful debts according to the company policy and following advice of the Audit Committee. An amount of Tk.36,89,65,429 and an amount of Tk. 7,09,56,771 have been reared from BTCL and BSNL, India respectively during this period. The total amount had been lying as outstanding since long. BSCCL management has decided to release a sum of provision for bad and doubtful debts made earlier period or years due to realisation of long pending outstanding.

<b>39 Depreciation on property, plant and equipment</b>	<u>26,609,314</u>	<u>27,013,722</u>	<u>8,881,368</u>	<u>9,016,751</u>
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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	626,958	492,309	239,076	176,806
Other Income	421,454	512,899	66,139	217,047
Gain on sale of share	5,045,913	-	5,045,913	-
Interest on FDR & Others	124,380,667	131,251,826	43,511,336	42,585,310
Dividend income	592,777	1,375,995	592,777	1,278,318
	<u>131,067,769</u>	<u>133,633,030</u>	<u>49,455,241</u>	<u>44,257,481</u>

	Amount in Taka		Amount in Taka	
	July- March 2021	July- March 2020	Jnn-March-2021	Jan-March-2020
<b>41 Gain/(loss) on investment in shares</b>				
Opening market value of investment	25,201,905	34,348,102	41,421,893	26,837,688
Add: Investment during the period	-	-	-	-
Less: Market value of sales of share on 31.12.2020	(12,361,191)		(12,361,191)	
Total cost of investment(B)	12,840,714	34,348,102	29,060,702	26,837,688
Closing Market Value of Investment (A)	26,314,184	25,377,726	26,314,184	25,377,726
Gain/(Loss)(A-B)	13,473,470	(8,970,376)	(2,746,518)	(1,459,962)
<b>42 Current tax expense</b>	<b>344,183,326</b>	<b>163,945,888</b>	<b>129,141,987</b>	<b>73,431,635</b>
Detail calculation of current tax expenses has presented in Annexure - B.				
<b>43 Deferred tax (income)/expense</b>				
Closing balance of deferred tax liability	565,145,551	501,074,383	565,145,551	501,074,383
Opening balance of deferred tax liability	521,718,411	465,768,372	531,590,246	491,269,393
Deferred tax (income)/expense	43,427,140	35,306,011	33,555,305	9,804,989
<b>44 Basic Earnings Per Share (EPS)</b>				
Earnings attributable to the Ordinary Shareholders	1,247,515,793	656,329,512	527,424,242	284,096,759
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)	7.57	3.98	3.20	1.72

The increase in EPS is the result of increase in revenue for the ordinary course of the business activities which has been disclosed in the notes 25 to 29 in the Revenue Part of the Statement of Profit or Loss and Other Comprehensive Income for the period under consideration. During this period, BSCCL management has decided to release a sum of provision for bad and doubtful debts made earlier period or years due to realisation of long pending outstanding of Tk.36,89,65,459 from BTCL and Tk.7,09,56,771 from BSNL, India. As such there is a positive impact on EPS enhancement. 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.

	Amount in Taka	
	31-Mar-21	31-Mar-20
<b>45 Net Asset Value</b>		
Total Assets	12,653,909,835	12,149,886,201
Less: Total Liabilities	4,656,379,024	5,399,871,184
	7,997,530,810	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	48.50	40.93

	Amount in Taka		Amount in Taka	
	July- March 2021	July- March 2020	Jan-March-2021	Jan-March-2020
<b>46 Net operating cash flows per share (NOCFPS)</b>				
Net cash flows from operating activities (A)	1,497,194,383	957,906,157		
Number of Ordinary Shares of Tk. 10 each at Financial Position date (B)	164,905,510	164,905,510		
<b>Net operating cash flows per share (NOCFPS) (C=A/B)</b>	<b>9.08</b>	<b>5.81</b>		

BSCCL management has emphasized on revenue collection and took some stern steps for the realisation which led to significant increment of cash received from clients as disclosed in the Statement of Cash Flows. More over, due to realisation of long pending outstanding of Tk.36,89,65,459 from BTCL and Tk.7,09,56,771 from BSNL, India, there is a positive impact on Cash flows. Consequently, Net Operating Cash Flows per share of BSCCL has been increased compared to that of previous period of last year. There was no significant cash flows due to extraordinary transactions during the period.

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

	Amount (Tk.)	Amount (Tk.)
	July-March-2021	July-March-2020
Net Profit Before Tax	1,635,126,258	855,581,411
Adjustment to reconcile profit to net cash provided by operating activities:		
Depreciation	346,501,653	340,316,115
Financial Charges	112,063,667	119,929,897
Loss/(gain) on Investment in Share	(13,473,470)	8,970,376
Loss /Gain on disposal of fixed assets	(163,343)	14,051,991
Provision for Bad debts	(15,131,198)	133,085,809
Exchange fluctuation gain	(78,435)	-
Other Income	(131,067,769)	(133,633,030)
(Increase)/Decrease in Advance Income tax	(399,568,142)	(97,107,517)
(Increase)/ Decrease in adv. & deposit	(17,798,186)	4,557,215
(Increase)/ Decrease in debtors	324,057,094	(385,937,165)
(Increase)/ Decrease in other receivable	126,361,853	121,527,175
Increase/(Decrease) in sundry creditors	(11,174,065)	(60,806,032)
Increase/(Decrease) in Security Deposit	73,601,927	66,443,434
Increase/(Decrease) in Employees Pension, Gratuity and PF	2,716,109	(3,228,650)
Increase/(Decrease) in Provision for WPPF and WF	25,417,201	3,830,958
Increase/(Decrease) in VAT Payable	(560,325,606)	(29,241,922)
Increase/(Decrease) in Liability for Expenses	128,835	(433,907)
<b>Net cash flows from operating activities</b>	<b>1,497,194,383</b>	<b>957,906,157</b>

#### 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.

#### 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 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 2021.

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. Mahbul 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. 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 period ended 31 March 2021:


Sl No.	Name of the company (Related party)	Name of the Director	Relationship of the Director with the company	Type of transaction	Transactions during the period
1	Bangladesh Telecommunications Company Limited	Mr. Md.Afzal Hossain	Chairman	Bandwidth sale	376,880,664
2	Bangladesh Telecommunications Company Limited	Mr. Md.Afzal Hossain		Backhaul Purchase	42,092,116
3	Bangladesh Telecommunications Company Limited	Mr. Md.Afzal Hossain		Port charge	34,650
4	Teletalk Bangladesh Ltd.	Mr. Md.Afzal Hossain		Co-location Service	63,751
5	Teletalk Bangladesh Ltd.	Mr. Md.Afzal Hossain		Bandwidth sale	18,834,914

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

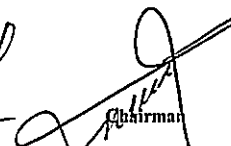
Comparative information in the following major areas has been rearranged to conform to current year's presentation.

  
Chief Financial Officer

  
Company Secretary

  
Managing Director

  
Director

  
Chairman

Dated, Dhaka;  
24 May 2021

## Annexure-A

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

(Amount in Taka)

Name of assets	Cost				Rate	Accumulated depreciation				WDV as at 31 March 2021
	As at 01 July 2020	Additions during the period	Adjustment during the period	As at 31 March 2021		As at 01 July 2020	Charged during the period	Adjustment during the period	As at 31 March 2021	
<b>a. Freehold assets</b>				122,612,477	-	-	-	-	-	122,612,477
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	85,922,714	-	2,002,406,990	601,459,001
Core equipment-IPLC-SMW-5	5,617,236,063	19,009,011		5,636,245,074	5.00%	835,707,091	211,788,440	-	1,047,495,532	4,588,749,542
Core equipment-IIG	232,783,594	95,000		232,878,594	14.29%	144,153,859	22,181,184	-	166,335,042	66,543,551
Building	63,415,462			63,415,462	8.33%	25,847,335	2,817,610	-	28,664,945	34,750,517
Building-SMW-5	291,283,034			291,283,034	5.00%	43,692,455	10,923,114	-	54,615,569	236,667,465
Floor development	2,654,065			2,654,065	8.33%	2,014,173	47,992	-	2,062,165	591,900
Security barak & security wall	7,827,297			7,827,297	8.33%	3,304,541	339,207	-	3,643,748	4,183,549
Deep tube-well & pump house	2,343,837			2,343,837	8.33%	1,792,622	41,341	-	1,833,963	509,874
Deep tube-well & pump house-SMW-5	1,334,855			1,334,855	5.00%	200,228	50,057	-	250,285	1,084,570
Generator-500 KVA(SMW#5)	18,414,231			18,414,231	10.00%	5,524,269	1,381,067	-	6,905,337	11,508,895
500 KV sub-station	3,284,000			3,284,000	10.00%	2,896,834	48,396	-	2,945,230	338,770
500 KV sub-station-SMW-5	13,146,779			13,146,779	5.00%	1,972,018	493,004	-	2,465,022	10,681,757
Power system	35,631,806			35,631,806	10.00%	27,966,599	958,151	-	28,924,750	6,707,056
Power system-SMW-5	20,847,215			20,847,215	5.00%	3,127,082	781,771	-	3,908,853	16,938,362
Power system-IIG	387,555			387,555	20.00%	155,022	58,133	-	213,155	174,400
Boundary wall	11,673,668			11,673,668	8.33%	4,186,873	561,510	-	4,748,382	6,925,286
Boundary wall-SMW-5	38,218,321			38,218,321	5.00%	5,732,748	1,433,187	-	7,165,935	31,052,386
Ducting from beach manhole	18,960,526			18,960,526	10.00%	11,956,450	875,509	-	12,831,960	6,128,566
Ducting from beach manhole-SMW-5	21,813,789			21,813,789	5.00%	3,272,068	818,017	-	4,090,085	17,723,704
Vehicles	55,191,012		6,329,000	48,862,012	20.00%	39,460,558	2,359,568	5,785,343	36,034,783	12,827,229
Office equipment and furniture	43,222,606	1,818,278		45,040,884	10.00%	15,608,616	2,105,296	-	17,713,912	27,326,971
Co-Location point	916,051			916,051	12.50%	427,954	61,012	-	488,966	427,085
Co-Location point-SMW-5	1,397,121			1,397,121	5.00%	188,950	52,392	-	241,342	1,155,779
Office decoration	7,702,120	525,424		8,227,544	10.00%	2,776,977	369,905	-	3,146,882	5,080,662
Water Treatment Plant & Others	220,500			220,500	20.00%	88,200	33,075	-	121,275	99,225
<b>Sub-total</b>	<b>9,236,383,973</b>	<b>21,447,713</b>	<b>6,329,000</b>	<b>9,251,502,686</b>	<b>-</b>	<b>3,098,537,799</b>	<b>346,501,652</b>	<b>5,785,343</b>	<b>3,439,254,108</b>	<b>5,812,248,580</b>
<b>b. Revalued assets</b>										
Land and land development	346,561,561	-	-	346,561,561	-	-	-	-	-	346,561,561
<b>Sub-total</b>	<b>346,561,561</b>	<b>-</b>	<b>-</b>	<b>346,561,561</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>346,561,561</b>
<b>Total balance as at 31 March 2021 (a+b)</b>	<b>9,582,945,534</b>	<b>21,447,713</b>	<b>6,329,000</b>	<b>9,598,064,248</b>	<b>-</b>	<b>3,098,537,799</b>	<b>346,501,652</b>	<b>5,785,343</b>	<b>3,439,254,107</b>	<b>6,158,810,141</b>
<b>Total balance as at 30 June 2020 (a+b)</b>	<b>9,549,402,528</b>	<b>89,044,054</b>	<b>55,501,047</b>	<b>9,582,945,535</b>	<b>-</b>	<b>2,684,518,697</b>	<b>455,300,657</b>	<b>41,281,556</b>	<b>3,098,537,798</b>	<b>6,484,407,737</b>

**Bangladesh Submarine Cable Company Limited**  
**Calculation of Current Tax Provision**  
**For the period ended 31 March 2021**

Particulars	Total Amount	Exemption rate	Exempted Amount	Chargeable Income	Amount in Taka	
					Tax Rate	Tax Liability
Profit Before Taxation	1,635,126,258					
Add: Provision for bad debt	(15,131,198)					
CSR expense	3,766,328					
Accounting depreciation	346,501,652					
	<u>1,970,263,041</u>					
Less: Tax depreciation	507,795,125					
Total taxable income	<u>1,462,467,916</u>					
Less: Non-operating Income	144,704,582					
Profit on which tax holiday is applicable	<u>1,317,763,333</u>					
Profit as per Ratio of Sales	1,047,490,074	0%	-	1,047,490,074	25%	261,872,518
Profit-IIG as per Ratio of Sales	270,273,260	30%	81,081,978	189,191,282	25%	47,297,820
Tax on Other Income				139,065,892	25%	34,766,473
Gain on sale of share				5,045,913	10%	504,591
Tax on Dividend Income				592,777	20%	118,555
<b>Total</b>			<b>81,081,978</b>	<b>1,381,385,938</b>		<b>344,559,959</b>
		<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>344,183,326</u></u>