

**Bangladesh Submarine Cable Company Limited
(BSCCL)**

Auditor's Report and Financial Statements
for the year ended 30 June 2019

 **S. F. AHMED & CO.**
Chartered Accountantssince 1958
Member Firm of HLB International

Address:

House # 51 (2nd Floor), Road # 09
Block-F, Banani,
Dhaka-1213, Bangladesh.

Contacts:

Phones : (880-2) 9870957 & 9894026
Fax : (880-2) 55042314
E-mails : sfali@connectbd.com
sfaco@dhaka.net

Table of Contents

Particulars		Page No.
1.	Auditor's Report on the Financial Statements	i-vi
2.	Statement of Financial Position	1
3.	Statement of Profit or Loss and Other Comprehensive Income	2
4.	Statement of Changes in Equity	3
5.	Statement of Cash Flows	4
6.	Notes to the Financial Statements	5
7.	Annexure-A: Schedule of Property, Plant & Equipment	37
8.	Annexure-B: Schedule of Trade Receivable	38
9.	Annexure-C: Schedule of Security Deposit received from Clients	40
10.	Annexure-D: Statement of Profit or Loss and Other Comprehensive Income for IIG Unit	42
11.	Annexure-E: Calculation of Current Tax Provision	43



Independent Auditor's Report
to
The Shareholders of Bangladesh Submarine Cable Company Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bangladesh Submarine Cable Company Limited (BSCCL), which comprise the statement of financial position as at 30 June 2019 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Bangladesh Submarine Cable Company Limited (BSCCL) Company as at 30 June 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in notes 1 to 56.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matters	How our audit addressed the key audit matters
<p>Revenue Recognition</p> <p>We considered revenue recognition as a key audit matter because:</p> <ul style="list-style-type: none"> • Revenue is the most financially significant item in the statement profit and loss and other comprehensive income. • The company has reported a revenue of Taka 1,955,665,973 for the year ended 30 June 2019. • The Company's revenue is primarily generated from the provision International Private Leased Circuit (IPLC) Service, Co-Location Service, IP Transit Service – Local and IP Transit 	<p>Our procedures included obtaining an understanding of management's revenue recognition process. We tested a sample of transactions to verify whether the revenue was accounted for in accordance with the revenue accounting policy as disclosed in Note 3.4 and 25-29 of the financial statements. In addition, we assessed whether the disclosed revenue accounting policy was in accordance with relevant accounting standards.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> • Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.



Key Audit Matters	How our audit addressed the key audit matters
<p>Service – Export. There is an inherent risk over the accuracy and timing of revenue recognition given the complexity of billing systems and processing various data which are impacted by the prices models and rates including different rate based on service consume, and discounts arrangements. As a result, the application of accounting standards is complex and involves, to a certain extent, a number of key judgments and estimates made by management.</p> <p>Following the first-time application of the new revenue recognition standard (IFRS 15, Revenue from Contracts with Customers), the company adopted its accounting policies.</p> <p>Under IFRS 15 revenue is recognized when a performance obligation is satisfied by transferring control over a promised good or service. In addition, the application of the new standard on revenue recognition, IFRS 15 for the current financial year immaterially impact on the financial statements.</p> <p>Details of the accounting policies for revenue recognition are set out in Note 3.4 to the financial statements and the various revenue streams for the company have been disclosed in Note 25-29 to the financial statements.</p>	<ul style="list-style-type: none"> • Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. <p>Selected a sample of continuing and new contracts and performed the following procedures:</p> <ul style="list-style-type: none"> • Read, analysed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that identified and recorded by the Company. • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. • Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. • Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. • Testing the key controls over the calculation of the amounts billed to customers and the capturing and recording of the revenue transactions. • Testing the key controls over the authorisation of the rate changes and the input of such rates to the billing systems. • Testing the accuracy of customer bill calculations and the respective revenue transactions recorded. • Testing the appropriateness of the accounting treatment on a sample basis. In addition, we verified the accuracy of IFRS 15 related disclosures. • examining material journal entries and other adjustments posted to revenue. • performed enquiries with management to understand their risk assessments and inspected meeting minutes to identify relevant changes in their assessments and estimates. <p>We specifically put emphasis on those transactions occurring close before or after the financial position date to obtain sufficient evidence over the accuracy of cut-off.</p> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.</p> <p>Based on our work, we noted no significant issues regarding the accuracy of revenue reported for the year.</p>



Key Audit Matters	How our audit addressed the key audit matters
Property Plant and Equipment	
<p>The company incurred a significant level of capital expenditure in connection with the expansion of its network coverage and improvements to network quality. The carrying value of Property Plant and Equipment aggregating to Tk. 6,864,883,830 represents a significant amount in the company's statement of financial position as at 30 June 2019 and carries the risk of :</p> <ul style="list-style-type: none"> • There are a number of areas where management judgement impacts the carrying value of PP&E, and the related depreciation profiles. • determining which costs meet the criteria for capitalisation; • determining the date on which the assets is recognised to property, plant and equipment and depreciation commences; • the estimation of economic useful lives and residual values assigned to property, plant and equipment. • useful lives of assets shortening and technological obsolescence. <p>The management reviews the estimated depreciable lives and the residual value of property, plant and equipment annually. After conducting a review on the depreciable lives of the property, plant and equipment of the company during this year, the management resolved to change the accounting estimates of the depreciable lives of certain equipment.</p> <p>We identified the carrying value of property, plant and equipment as a key audit matter because of the high level of management judgement involved and because of its significance to the financial statements.</p> <p>See note no 3.1 and 4 to the financial statements</p>	<p>Our audit procedures to assess the carrying value of PP&E included the following:</p> <p>Our audit procedures included controls testing and substantive procedures covering, in particular:</p> <ul style="list-style-type: none"> • assessing the design, implementation and operating effectiveness of key internal controls over the completeness, existence and accuracy of property, plant and equipment, including the key internal controls over the estimation of useful economic lives and residual values; • assessing, on a sample basis, costs capitalised during the year by comparing the costs capitalised with the relevant underlying documentation, which included purchase agreements and invoices, and assessing whether the costs capitalised met the relevant criteria for capitalization. • Testing the key controls over the management's judgment in relation to the accounting estimates of the depreciable lives and residual values of property, plant and equipment. • Reconcile on a sample basis the additional capitalized costs for the year to the underlying invoices and supporting documents.
Measurement of deferred tax Liability	
<p>Company reported net deferred tax liability totaling Tk. 476,165,249 as at 30 June 2019.</p> <p>Significant judgment is required in relation to deferred tax liability as their liability is dependent on forecasts of future profitability over a number of years.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of Deferred Tax Assets and Liabilities and the assumptions used in estimating the future taxable expense of the company.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable expense.</p>



Key Audit Matters	How our audit addressed the key audit matters
<p>See note no. 3.14(b) and 16 to the financial statements</p>	<p>We evaluated the reasonableness of key assumptions, timing of reversal of temporary differences and expiration of tax loss carry forwards, recognition and measurement of Deferred Tax Liability.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition and measurement of deferred tax assets.</p> <p>We assessed the adequacy of the company's disclosures setting out the basis of deferred tax liability balances and the level of estimation involved. We also assisted in evaluating the tax implications, the reasonableness of estimates and calculations determined by management.</p> <p>Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p>
Legal and regulatory matters	
<p>The Company has aggregating claims of Tk. 80,274,700 in respect of previous years. The Company has several tax claims from the previous assessment years. Other than this there are no legal proceedings, claims and government investigations and inquiries pending that expose it to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict. These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Company's best estimate for existing legal matters that have a probable and estimable impact on the Company's financial position.</p> <p>See note no. 21 and 51 to the financial statements</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We discussed material legal cases with the company's legal department for all significant litigation and regulatory matters and inspected internal notes and reports. We also received formal confirmations from external counsel. We have analysed of responses in legal letters independently obtained from the external legal counsels of the Company;</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Company's provisions and contingent liabilities disclosures.</p> <ul style="list-style-type: none"> • Analysis of the minutes of meetings of the Board of Directors and the Board Audit Committee; • Analysis of assessment of contingent liabilities and changes in provisions for claims and litigations which are updated on a quarterly basis; • Assess disclosures in the financial statements which are potentially of material contingent nature and their measurement.

Other Information

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

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



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

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

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

Management is responsible for the preparation and fair presentation of financial statements in accordance with IFRSs as explained in note 02 and 03, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the Management to ensure effective internal audit, internal control and risk management functions of the Company.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other Legal and Regulatory Requirements

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

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



Dated, Dhaka;
10 October 2019

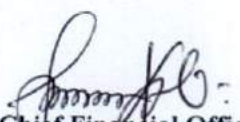
S. F. Ahmed & Co.

S. F. Ahmed & Co.
Chartered Accountants

Bangladesh Submarine Cable Company Limited
Statement of Financial Position
As at 30 June 2019

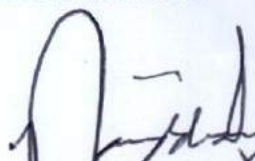
ASSETS	Notes	Amount in Taka	
		30 June 2019	30 June 2018
Property, plant and equipment	4	6,864,883,830	7,267,361,968
Current Assets		4,547,382,812	3,166,318,255
Trade and other receivables	5	2,040,255,701	1,659,997,058
Advances and deposits	6	36,803,454	41,139,817
Advance income tax	7	412,835,551	298,066,627
Investment in shares	8	34,348,102	35,974,737
Cash and cash equivalents	9	2,023,140,004	1,131,140,015
TOTAL ASSETS		11,412,266,642	10,433,680,222
EQUITY AND LIABILITIES			
Shareholders' Equity		6,387,676,846	5,884,371,531
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	714,543,555	706,977,180
Revaluation reserve	14	336,165,684	336,165,684
Retained earnings	15	1,304,618,748	808,879,808
Non Current Liabilities		3,277,277,071	3,271,668,073
Deferred tax liabilities	16	476,165,249	353,212,788
Security deposits received from clients	17	220,378,430	164,005,987
Employees' pension, gratuity & provident fund	18	20,850,482	23,755,415
Long Term loan-net off current portion	19	2,559,882,911	2,730,693,883
Current Liabilities		1,747,312,724	1,277,640,618
Long Term loan-current portion	19	331,816,695	238,008,795
Sundry creditors	20	213,923,194	110,593,468
Provision for income tax	21	393,874,301	323,622,563
Provision for WPPF and WF	22	38,948,113	14,693,423
VAT payable	23	543,778,932	445,342,281
Liabilities for expenses	24	224,971,489	145,380,087
Total Liabilities		5,024,589,795	4,549,308,690
TOTAL EQUITY AND LIABILITIES		11,412,266,642	10,433,680,222
Net Asset Value per share	45	38.74	35.68

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


Chief Financial Officer


Company Secretary


Managing Director


Director


Chairman



Signed in terms of our report of even date annexed

S. F. Ahmed & Co.

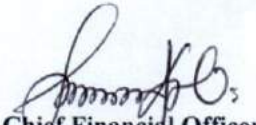
Dated, Dhaka;
10 October 2019

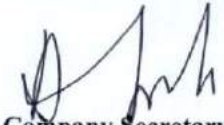
S. F. Ahmed & Co.
Chartered Accountants

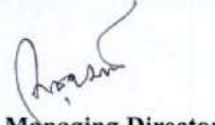
Bangladesh Submarine Cable Company Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2019

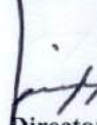
	Notes	Amount in Taka	
		30 June 2019	30 June 2018
Revenue			
IPLC (International Private Leased Circuit) rent	25	1,436,907,724	910,553,231
Circuit activation charge	26	21,532,000	16,863,000
IP Transit service	27	397,696,503	363,271,935
Co-location charges	28	40,778,108	41,674,534
IP transit service-export	29	58,751,638	72,673,520
		1,955,665,973	1,405,036,220
Direct cost of operation			
Electricity and generator fuel	30	11,834,593	12,752,461
Landing station and cable route repair	31	1,046,890	781,701
Backhaul & data connectivity charge	32	142,367,016	142,206,012
IP transit cost	33	45,467,343	43,827,781
Lease rent	34	703,441	339,768
Depreciation of core machinery	35	419,335,228	412,861,408
		620,754,512	612,769,131
Gross profit		1,334,911,461	792,267,089
Operating expenses			
Operation and maintenance expenses	36	198,327,665	182,922,183
General and administrative expenses	37	175,222,860	153,695,972
Provision for bad & doubtful debts	38	76,258,619	27,223,317
Depreciation on property, plant and equipment	39	35,709,433	33,021,951
Exchange fluctuation loss		30,547	-
		485,549,124	396,863,423
Operating profit		849,362,337	395,403,666
Non-operating income/(Expenses)			
Bank interest and other income	40	138,479,662	56,999,319
Financial charges		(168,304,981)	(139,665,823)
(Loss)/Gain on investment in shares	41	(1,626,635)	(4,175,269)
		(31,451,954)	(86,841,772)
Profit before WPPF & WF		817,910,383	308,561,894
Provision for contribution to WPPF & WF		38,948,113	14,693,424
Profit before taxation		778,962,269	293,868,470
Less: Current tax expenses	42	70,251,738	24,495,969
Deferred tax (income)/expenses	43	122,952,461	196,112,029
		193,204,199	220,607,998
Net profit after tax		585,758,071	73,260,472
Total comprehensive income		585,758,071	73,260,472
Earnings Per Share (EPS) - Basic	44	3.55	0.44

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


Chief Financial Officer


Company Secretary


Managing Director


Director


Chairman

Signed in terms of our report of even date annexed



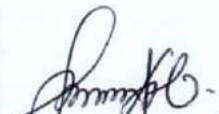
Dated, Dhaka;
 10 October 2019

S. F. Ahmed & Co.
S. F. Ahmed & Co.
 Chartered Accountants

Bangladesh Submarine Cable Company Limited
Statement of Changes in Equity
For the year ended 30 June 2019

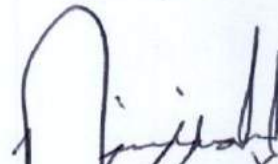
(Amount in Taka)

Particulars	Share capital	Equity money from GoB	Share premium	Tax holiday reserve	Revaluation reserve	Retained earnings	Total equity
Balance as at 01 July 2018	1,649,055,100	1,660,000,000	723,293,759	706,977,181	336,165,684	808,879,808	5,884,371,532
Transactions with shareholders:							
Dividend	-	-	-	-	-	(82,452,755)	(82,452,755)
Net profit after tax for the year	-	-	-	-	-	585,758,071	585,758,070
Tax holiday reserve	-	-	-	7,566,376	-	(7,566,376)	-
Balance as at 30 June 2019	1,649,055,100	1,660,000,000	723,293,759	714,543,556	336,165,684	1,304,618,748	6,387,676,846
Balance as at 01 July 2017	1,649,055,100	1,660,000,000	723,293,759	662,947,522	336,165,684	977,535,608	6,008,997,673
Transactions with shareholders:							
Received during the year	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	(197,886,612)	(197,886,612)
Net profit after tax for the year	-	-	-	-	-	73,260,471	73,260,471
Tax holiday reserve	-	-	-	44,029,659	-	(44,029,659)	-
Balance as at 30 June 2018	1,649,055,100	1,660,000,000	723,293,759	706,977,181	336,165,684	808,879,808	5,884,371,532


 Chief Financial Officer


 Company Secretary


 Managing Director



 Director


 Chairman

Signed in terms of our report of even date annexed



Dated, Dhaka;
 10 October 2019


 S. F. Ahmed & Co.
 Chartered Accountants

Bangladesh Submarine Cable Company Limited
Statement of Cash Flows
For the year ended 30 June 2019

	Notes	Amount in Taka	
		30 June 2019	30 June 2018
A. Cash flows from operating activities			
Cash received from clients		1,654,941,238	1,268,729,546
Cash paid to suppliers and others		(346,615,737)	(440,566,399)
Exchange fluctuation loss		(30,547)	-
Payment for WPPF		(14,693,423)	(25,395,013)
Payroll and other payments to employees		(109,980,606)	(98,974,603)
Income tax paid		(114,768,924)	(51,148,015)
Interest received		120,185,254	17,463,719
Receipts from rest house rent and others		14,650,766	908,385
Net cash flow from operating activities		1,203,688,020	671,017,619
B. Cash flows from investing activities			
Purchase of property, plant and equipment		(67,182,931)	(118,343,087)
Proceeds received from disposal of PPE		2,099,019	-
Dividend received		1,505,659	1,417,162
Net cash flow from/ (used in) investing activities		(63,578,253)	(116,925,925)
C. Cash flows from financing activities			
Dividend paid		(82,045,626)	(197,013,953)
Loan received		-	102,368,810
Financial charges		(89,061,080)	-
Loan repaid		(77,003,072)	-
Net cash flow from/(used in) financing activities		(248,109,778)	(94,645,143)
Net surplus/ deficit during the year (A+B+C)		891,999,989	459,446,552
Cash and cash equivalents at beginning of the year		1,131,140,015	671,693,463
Cash and cash equivalents at end of the year	9	2,023,140,004	1,131,140,015
Net Operating Cash Flows Per Share (NOCFPS)	46	7.30	4.07

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

 Chief Financial Officer
  Company Secretary
  Managing Director
  Director
  Chairman



Signed in terms of our report of even date annexed

Dated, Dhaka;
10 October 2019

S. F. Ahmed & Co.
S. F. Ahmed & Co.
 Chartered Accountants

Bangladesh Submarine Cable Company Limited (BSCCL)
Notes to the Financial Statements
For the year ended 30 June 2019

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 year 2010-2011, the Company converted denomination of its shares from Taka 100 to Taka 10 and accordingly, present authorized capital is Taka 10,000,000,000 divided into 1,000,000,000 ordinary shares of Taka 10 each. The Company obtained the Certificate of Commencement of Business from the Registrar of Joint Stock Companies and Firms on 24 June 2008. The Company is substantially owned by the Government of the Peoples' Republic of Bangladesh and represented by various Ministries of the Government.

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

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 1991
- The Value Added Tax Rules 1991
- 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).

2.3 Authorization for issue

The financial statements were authorized for issue by the Board of Directors in its meeting held on 10 October 2019 for publication.



2.4 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).

2.5 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.

2.6 Presentation of financial statements

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

- (a) Statement of Financial Position as at 30 June 2019;
- (b) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2019;
- (c) Statement of Changes in Equity for the year ended 30 June 2019;
- (d) Statement of Cash Flows for the year ended 30 June 2019;
- (e) Notes, comprising summary of significant accounting policies and other explanatory information.

2.7 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.

2.8 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**.

2.9 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.

2.10 Going concern assumption

The financial statements are prepared on the basis of going concern assumption as per **IAS 01: Presentation of Financial Statements**. 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.



2.11 Reporting period

The reporting period of the company covers 12 (twelve) months from 01 July 2018 to 30 June 2019.

2.12 Comparative information

Comparative information has been disclosed in respect of 01 July 2017 to 30 June 2018 in accordance with **IAS 01: Presentation of Financial Statements** for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current periods of financial statements. Prior year figure has been rearranged wherever considered necessary to ensure comparability with the current period.

3. Significant accounting policies

3.1 Property, plant and equipment

Recognition and measurement

An item shall be recognized as property, plant and equipments if, and only 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 year for the full year in which those assets are put into ready for use and on which depreciation is charged on Straight line basis. 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



Name of Assets	Depreciation rate	Basis
Security barak & security wall	8.33%	Straight line
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
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 years”.

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

Details of revaluation of property, plant and equipment:

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

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

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



Impairment

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

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 Revenue from contract with customers

The Company recognises 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
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Considering the five steps model, the Company recognises 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 recognised for contracts, contract liabilities or advance billings are recognised in the statement of Financial Position as Unearned Revenue. Contract liabilities or advance billings are recognised 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



3.4.1 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.

3.4.2 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.

3.4.3 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.

3.4.4 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.

3.4.5 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.

3.4.6 Revenue from investment income

(a) Interest income

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

(b) Dividends

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

3.5 Financial instruments

IFRS 9 sets out requirements for recognising 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: amortised 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 amortised 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 amortised 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 recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised 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 amortised 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 recognised in profit or loss. Other net gains and losses are recognised 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 recognised 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 recognised 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 amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

The financial assets at amortised 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 amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognised 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.

3.6 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.

3.7 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 year.

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. No such commitment is hold by company at reporting date.

3.8 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.

3.9 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 recognised/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.

3.10 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 years effective from 01 July 2013 to 30 June 2023 under section 46(c) of ITO 1984 in the following manner:

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

3.11 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 recognised 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 recognised 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 year 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 recognised 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.

3.12 Statement of cash flows

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

3.13 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 52.

3.14 Income tax

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised 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 recognised 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 recognised 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 recognised 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 recognised 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).

3.15 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
17	Leases	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	Not applicable
17	Insurance Contracts	Not applicable



		Amount in Taka	
		30 June 2019	30 June 2018
4	Property, plant and equipment		
	Cost/ revaluation (A)		
	Opening balance	9,499,133,939	3,507,733,270
	Add: Purchased/Recognised during the year	53,510,993	6,017,496,084
	Less: Adjustment during the year	(3,242,404)	(26,095,415)
		9,549,402,528	9,499,133,939
	Accumulated Depreciation (B)		
	Opening balance	2,231,771,972	1,785,933,264
	Add: Charged during the year	455,044,662	445,883,359
		2,686,816,633	2,231,816,623
	Less: Adjustment during the year	(2,297,936)	(44,651)
		2,684,518,697	2,231,771,972
	Written Down Value (A-B)	6,864,883,830	7,267,361,968

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

5	Trade and other receivables		
	Trade receivables	(Note: 5.1) 1,997,684,077	1,618,408,865
	Other receivables	(Note: 5.2) 42,571,624	41,588,193
		2,040,255,701	1,659,997,058

5.1 Trade receivables

Opening Balance	1,777,847,992	1,502,697,984
Add: Addition during the year	2,356,317,211	1,723,167,053
	4,134,165,204	3,225,865,037
Less: Collection during the year	(1,900,783,382)	(1,448,017,045)
Closing Balance	2,233,381,822	1,777,847,992
Less: Provision for bad and doubtful debts		
Opening Balance	159,439,126	132,215,809
Add: Addition during the year	76,258,619	27,223,317
	235,697,745	159,439,126
Trade receivables, net of provision	1,997,684,077	1,618,408,865

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

Aging of Trade receivables

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

Past due 0-90 days	531,269,995	403,200,557
Past due 91-180 days	380,486,985	189,981,770
Past due 181 -365 days	312,447,877	194,886,173
Past due more than 365 days	1,009,176,966	989,779,492
	2,233,381,822	1,777,847,992

To Collect the outstanding amount from disconnected parties legal action like money suit and Other case has been filed against 4 (Four) parties for Tk. 47,044,718. Arbitration procedure has been initiated against 4 (Four) parties for Tk. 17,79,32309. Other disconnected parties who are not paying money will bring under legal action soon. BSCCL has been applied for inclusion as a party of Debtor in the liquidation process against Apple Global Ltd against amount of Tk.40,47,909. Reconciliation with BTCL regarding Outstanding amount is in final stage.



Amount in Taka	
30 June 2019	30 June 2018

5.2 Other receivables

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

3,150	3,150
3,790	4,240
42,564,684	41,580,803
42,571,624	41,588,193

6 Advances and Deposits

Advances

Advance to:

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

(Note: 6.1)

18,872,000	23,750,000
349,727	313,606
2,140,520	-
57,500	57,500
12,000	12,000
21,735	39,004
10,000,000	10,000,000
-	322,715
670,500	605,000
279,874	1,640,394
32,403,856	36,740,219

Deposits

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

5,000	5,000
23,000	23,000
500,000	500,000
600,000	600,000
100,000	100,000
50,000	50,000
250,000	250,000
2,871,598	2,871,598
4,399,598	4,399,598
36,803,454	41,139,817

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

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

23,750,000	2,796,364
1,122,000	30,000,000
(6,000,000)	(9,046,364)
18,872,000	23,750,000

6.2 Aging of Advances and Deposits

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

For 0-90 days
For 91-180 days
For 181 -365 days
For more than 365 days

2,655,082	1,604,500
760,520	436,520
65,500	23,957,910
33,322,353	15,140,887
36,803,454	41,139,817

7 Advance Income Tax

Opening balance
Add: Payment made during the year

Less: Settlement/Adjustment

298,066,627	246,918,612
115,005,606	52,377,560
413,072,233	299,296,172
(236,682)	(1,229,545)
412,835,551	298,066,627



Amount in Taka	
30 June 2019	30 June 2018

8 Investment in Shares

SL	Ordinary shares of	Quantity	Cost price (Taka)	Market value	Market value
1	AB Bank Limited	137,581	3,209,275	1,375,810	1,706,004
2	ACI Limited	3,731	764,725	1,024,906	1,253,819
3	BATASHOE	1,000	696,429	1,026,900	1,137,200
4	BEXIMCO Limited	216,863	10,731,965	4,857,731	5,411,269
5	IFIC Bank Limited	135,399	1,246,776	1,408,150	1,563,243
6	Islami Bank BD Limited	39,091	951,084	922,548	930,366
7	Jamuna Oil Limited	23,716	4,392,440	4,121,841	4,413,548
8	MPetroleum	24,816	4,962,456	4,916,050	4,700,150
9	NCC Bank Limited	183,071	1,698,208	2,617,915	2,563,004
10	Padma Oil Limited	18,150	4,835,160	4,185,390	4,167,240
11	Square Pharma	23,897	2,633,566	6,315,977	6,546,095
12	Titas Gas	39,570	2,744,885	1,574,886	1,582,800
			38,866,968	34,348,102	35,974,737

Investment in shares is recognised and measured according to IFRS 9 as stated in note 3.5.

9 Cash and cash equivalents

Cash in hand	(Note: 9.1)	604,146	469,377
Cash at bank	(Note: 9.2)	2,022,535,858	1,130,670,638
		2,023,140,004	1,131,140,015

9.1 Cash in hand

Head Office-Dhaka	560,188	430,537
Landing Station-Kuakata	1,576	37,581
Landing Station-Cox's Bazar	42,382	1,260
		604,146
		469,377

9.2 Cash at bank

Savings and current deposits with:

Sonali Bank Limited-Dhaka	11,748,931	7,969,859
Sonali Bank Limited-Cox'sbazar	1,308,773	1,963,568
National Bank Limited	701,819	1,303,914
Mutual Trust Bank Limited	11,075,580	10,471,778
Farmers Bank Limited	-	245,815
Brac Bank Limited	685,244	703,435
IFIC Bank Limited	178,296	181,151
United Commercial Bank Limited	109,371,266	40,181,720
		135,069,910
		63,021,239

Fixed deposits (FDR) with:

Brac Bank Limited	420,865,679	176,710,437
Bank Asia Ltd.	72,056,000	30,000,000
BASIC Bank Limited	285,386,450	181,210,793
Mutual Trust Bank Limited	157,315,687	61,830,665
IFIC Bank Limited	258,891,187	242,335,149
Prime Bank Limited	21,359,511	-
Premier Bank Limited	-	62,946,101
One Bank Limited	73,379,241	110,405,000
Southeast Bank Ltd.	200,655,763	81,164,061
Standard Bank Limited	105,112,747	20,000,000
Jamuna Bank Limited	94,841,907	30,656,193
Pubali Bank Limited	42,436,012	20,391,000
United Commercial Bank Limited	155,165,764	50,000,000
		1,887,465,948
		1,067,649,399
		2,022,535,858
		1,130,670,638

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



Amount in Taka	
30 June 2019	30 June 2018

10 Share capital

Authorized:

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

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

Issued, subscribed and paid up capital:

31,000,000 Ordinary Shares of Taka 10 each fully paid up in cash

310,000,000 310,000,000

140 Ordinary share of Taka 10 each fully paid up in cash to GOB

1,400 1,400

67,314,640 ordinary shares of Tk.10 each fully paid up other than cash to MoPT, GOB

673,146,400 673,146,400

66,590,730 Ordinary shares of Tk. 10 each issued as Bonus Share

665,907,300 665,907,300

1,649,055,100 **1,649,055,100**

10.1 Percentage of shareholding

Shareholding position as at 30 June 2019

Name of shareholders	Percentage of shareholding	No. of shares	Value in Taka
Posts & Telecommunications division, MoPT & IT	73.84%	121,768,814	1,217,688,140
Sponsor/Director	0.00%	189	1,890
Institute	10.90%	17,970,348	179,703,480
Public	12.22%	20,159,130	201,591,300
Foreign Investor	3.04%	5,007,029	50,070,290
	100%	164,905,510	1,649,055,100

Shareholding position as at 30 June 2018

Name of shareholders	Percentage of shareholding	No. of shares	Value in Taka
Posts & Telecommunications division, MoPT & IT	73.84%	121,768,814	1,217,688,140
Sponsor/Director	0.00%	189	1,890
Institute	14.06%	23,198,535	231,985,350
Public	10.09%	16,643,365	166,433,650
Foreign Investor	1.99%	3,294,607	32,946,070
	100%	164,905,510	1,649,055,100

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

Slabs wise number of shares	No. of share holders		No. of shares	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Less than 500	11,875	13,068	1,412,327	1,609,519
500-5,000	3,827	4,305	6,094,338	6,593,385
5,001-10,000	373	350	2,745,645	2,501,322
10,001-20,000	200	160	2,811,130	2,236,718
20,001-30,000	71	48	1,856,982	1,174,638
30,001-40,000	29	29	1,017,205	961,835
40,001-50,000	25	21	1,130,214	943,485
50,001-100,000	51	33	3,697,312	2,398,634
100,001-1,000,000	48	41	12,740,830	11,130,335
1,000,001-1,000,000,000	5	5	131,399,527	135,355,639
	16,504	18,060	164,905,510	164,905,510

Market Price:

Shares of the Company are listed in the Dhaka and Chittagong Stock Exchanges and quoted at Tk. 132.00 per share as (2018: Tk.102.90) and Tk 133.30 per share (2018: Tk. 100.20) in the Dhaka and Chittagong Stock Exchanges respectively on 30 June 2019.



Amount in Taka	
30 June 2019	30 June 2018
1,660,000,000	1,660,000,000

11 Equity Money from GoB

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.

12 Share premium

723,293,759	723,293,759
-------------	-------------

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	706,977,180	662,947,522
Add: Current year's reserve	7,566,376	44,029,659
	714,543,556	706,977,180

14 Revaluation reserve

Opening balance	336,165,684	336,165,684
Less: Adjustment with deferred tax liability	-	-
	336,165,684	336,165,684

This amount represents the revalued amount of Land at Cox's Bazar. This revaluation has been done by a Professional Valuer named A B SAHA & CO., Chartered Accountants in the financial year 2010-11. Valuation work has been carried out on the basis of Guidelines issued by the Ministry of Finance in valuing Assets of State Owned Companies as well as professional Judgement. In making Valuation of Assets both Depreciated Replacement Costs and Revaluation Method as suggested in the aforementioned guidelines were followed. In addition requirements of IAS and IFRS was considered. Valuation was made on the basis of 100% inventory, Present condition of assets, Current Market price, inflationary trend of the country, Estimated life time of assets etc.

15 Retained Earnings

Opening balance	808,879,808	977,535,608
Add: Profit for the year	585,758,071	73,260,471
	1,394,637,879	1,050,796,079
Less: Dividend paid during the year	82,452,755	197,886,612
Transferred to Tax Holiday Reserve	7,566,376	44,029,659
	90,019,131	241,916,271
	1,304,618,748	808,879,808

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)	465,768,372	342,815,910
Deferred tax relating to other comprehensive income	(Note: 16.2)	10,396,877	10,396,877
		476,165,249	353,212,788



Amount in Taka	
30 June 2019	30 June 2018

16.1 Deferred tax relating to Statement of Profit or Loss

	Carrying amount	Tax base	Taxable/ (deductible) temporary difference
	Taka	Taka	Taka
As at 30 June 2019			
Property, plant and equipment (excluding land)	6,395,709,792	4,276,088,082	2,119,621,711
Accounts receivable (Note: 5.1)	1,997,684,077	2,233,381,822	(235,697,745)
Provision for pension, gratuity fund and provident fund (Note: 18)	(20,850,482)	-	(20,850,482)
Net Taxable Temporary Difference			1,863,073,484
Applicable tax rate			25%
Deferred tax liability			465,768,372

Deferred tax relating to Statement of Profit or Loss

	Carrying Amount	Tax Base	Taxable/ (deductible) temporary difference
	Taka	Taka	Taka
As at 30 June 2018			
Property, plant and equipment (excluding land)	6,798,187,930	5,243,729,745	1,554,458,185
Accounts receivable (Note: 5.1)	1,618,408,865	1,777,847,992	(159,439,127)
Provision for pension, gratuity fund and provident fund	(23,755,415)	-	(23,755,415)
Net Taxable Temporary Difference			1,371,263,642
Applicable tax rate			25%
Deferred tax liability			342,815,910

16.2 Deferred tax relating to other comprehensive income

	Carrying Amount	Tax Base	Taxable/ (deductible) temporary difference
	Taka	Taka	Taka
As at 30 June 2019			
Revaluation reserve of property, plant and equipment	346,561,561	-	346,562,561
Applicable tax rate			3%
Deferred tax liability			10,396,877

Deferred tax relating to other comprehensive income

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



Amount in Taka	
30 June 2019	30 June 2018

17 Security deposits received from clients

Opening Balance	164,005,987	128,503,172
Add: Addition during the year	84,652,148	54,641,075
	248,658,135	183,144,248
Less: Adjustment during the year	28,279,705	19,138,261
	220,378,430	164,005,987

A detailed schedule of Security deposit received from clients is given in **Annexure-C**

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)	4,901,587	8,019,892
Employees' provident fund	(Note: 18.3)	2,139,943	1,926,571
		20,850,482	23,755,415

18.1 Employees' pension fund

	13,808,952	13,808,952
--	-------------------	-------------------

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

18.2 Employees' gratuity fund

Opening balance	8,019,892	5,919,380
Add: Provision made during the year	10,744,235	8,019,892
	18,764,127	13,939,272
Less: Paid/Transferred during the year	(13,862,540)	(5,919,380)
	4,901,587	8,019,892

18.3 Employees' provident fund

Opening balance	1,926,571	3,967,673
Add: Employees' Contribution	4,081,974	3,872,244
Employer's Contribution	4,081,974	3,872,244
Less: Transferred to RCPF during the year	(7,950,576)	(9,785,590)
	2,139,943	1,926,571

19 Term Loan

Opening balance	2,968,702,678	2,866,333,868
Received during the year	-	102,368,810
Total IDB Loan	2,968,702,678	2,968,702,678
Less: Payment during the year	(77,003,072)	-
	2,891,699,606	2,968,702,678
Current portion of Long Term Loan	(331,816,695)	(238,008,795)
Non-current portion of Long Term Loan	2,559,882,911	2,730,693,883

Term Loan Particulars:

Islamic Development Bank (IDB)

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



20 Sundry creditors

Amount in Taka		
30 June 2019	30 June 2018	
Share Money Deposit	109,101	109,101
Telecom Italia Sparkle Ltd.	19,245,591	11,800,215
Equinix Singapore PTE Ltd.	1,322,185	502,500
Cogent Communication Ltd	471,630	1,139,838
NTT communications Ltd.	5,463,914	7,325,223
Withholding tax payable	22,920,030	23,290,107
Fiber@Home Ltd	10,654,560	22,898,110
Milky & Associates	116,602	116,602
Fames & R	174,225	90,000
KK Enterprise	6,795,394	13,590,789
Partex Furniture	120,909	-
Unclaimed dividend	4,874,395	4,467,266
Habib Intelligent Software Ltd.	322,875	-
Spectrum Engineering Consortium Limited	184,492	9,945,058
Summit Communications Ltd.	11,314,629	1,678,629
Express Systems Ltd.	4,374,450	-
ICB Securities Trading Company Limited	1,610,932	1,610,932
Payable to BTCL	105,735,016	4,214,875
Payable to BTCL Staff College(Focus Point)	23,000	23,000
New S.N. Motors	16,700	-
Payable to BTRC	7,680,789	3,947,379
Asia Pacific Communication Ltd.	17,167	-
Sony Chocolate Industries Ltd.	361,103	330,615
Huawei Technologies (BD). Limited	93,649	2,016,724
Sikder Filling & Service Station	126,305	139,794
Capital Law Chamber	146,280	146,280
ECCE,CUET	50,000	50,000
1st Clean Pest Specialist	-	4,000
ICAB Puja Udjapan Parishad	20,000	20,000
Kamal Trading Agency	-	3,738
Expo Media & Publications Ltd.	7,000	-
M.J.Abedin & Co.	-	287,500
M.M.International	509,998	509,998
Civil Works Consultant Limited	-	44,100
OTOBI Ltd.	-	18,981
Next Tech Ltd.	5,600	16,800
Dynamic Travels	718,940	-
Modern Erection Ltd.	220,500	-
Peshajibi Samonnoy Parishad	25,000	25,000
SA Rashid & Associates	28,750	28,750
S.F.Ahmed & Co.	299,000	-
Southern Automobiles Ltd.	29,751	34,508
The Financial Express	181	181
Legacy Legal Corporate	74,750	-
Temporary Loan from Project Director # SMW5	1,000	1,000
M/S Gazi Store	-	68,850
Royal Office Equipment	16,000.00	-
Zico Motors	37,950	-
Cyber Link	63,145	-
17th BCS Forum	50,000	-
Jatir Alo	40,000	-
Zetta Power	37,950	-
Anika Enterprise	69,310	-
Bangladesh Association of Publicly Listed Companies	-	30,000
Telnet Communication Ltd.	3,675	7,700



Bangladesh Parjatan Corporation
The Daily Janakantha
The Daily Bangladesh Pratidin
BD ren
Unearned Revenue
Manik Traders
S.T. Enterprise
The Daily Observer

Amount in Taka	
30 June 2019	30 June 2018
40,958	-
-	37,260
37,260	-
3,800,000	-
3,329,988	-
38,812	-
91,753	-
-	22,066
213,923,194	110,593,468

20.1 Aging of sundry creditors

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

Past due 0-90 days	45,236,370	33,611,532
Past due 91-180 days	18,749,357	18,519,704
Past due 181 -365 days	109,021,118	29,164,894
Past due more than 365 days	40,916,348	29,297,338
	213,923,194	110,593,468

21 Provision for income tax

Opening balance		323,622,563	299,126,594
Add: Provision made during the year	Annexure - E	70,251,738	24,495,969
Less: Settlement for previous year		-	-
		393,874,301	323,622,563

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. 8,203,930 and further appeal was made to the Tribunal and the Tribunal confirm one portion and set aside the other portion. Appeal was made to the Commissioner (Appeal) for set aside portion. Return of the income year 2016-2017 was filed to DCT for assessment and DCT demanded Tk. 46,830,131 for this year against which appeal was made to the Commissioner (Appeal) and the order from Appeal (commissioner) has been issued for both the income year. Now assessment for the year 2015-2016 and 2016-2017 remains under process at Tribunal. Return of the income year 2017-2018 remains under process at DCT.

22 Provision for WPPF and WF

Opening balance	14,693,423	19,475,633
Add: Provision made during the year	38,948,113	14,693,423
	53,641,536	34,169,056
Less: Settlement for previous year	(14,693,423)	(19,475,633)
	38,948,113	14,693,423

23 VAT Payable

VAT payable against Receivable	523,727,987	391,459,410
VAT payable against Deduction at source	20,050,945	53,882,871
	543,778,932	445,342,281

This represents the amount of Tk. 52,37,27,987 VAT receivable from clients against revenue receivable arising from International Private Leased Circuit (IPLC) rentals, IP transit service, and Co-location charges. In addition to that this amount of Tk. 20,050,945 includes VAT deducted from other parties and suppliers.

24 Liabilities for expenses

Office rent	4,800,000	4,800,000
Audit & other fees	69,000	115,000
Provision for different expenses	927,887	331,460
Telephone bill	19,350	41,602
Electricity bill	236,164	416,838
Donation	9,364	9,364
	6,061,765	5,714,264
Accrued Interest on IDB loan	218,909,724	139,665,823
	224,971,489	145,380,087



	Amount in Taka	
	2018-2019	2017-2018
25 IPLC (International Private Leased Circuit) Rent		
SMW-4	702,856,798	682,682,205
SMW-5	734,050,926	227,871,026
	1,436,907,724	910,553,231

26 Circuit activation charge

Circuit Activation Charge-IPLC-SMW-4	1,650,000	3,060,000
Circuit Activation Charge-IPLC-SMW-5	17,655,000	12,475,000
Circuit Activation Charge-IP Transit	550,000	220,000
Circuit Activation Charge-ISP	418,000	253,000
Circuit Activation Charge-ITC	100,000	-
Circuit Activation Charge-Co-location-IIG	9,000	-
Circuit Activation Charge-Co-location-SMW-4	60,000	615,000
Circuit Activation Charge-Co-location-SMW-5	1,090,000	240,000
	21,532,000	16,863,000

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

27 IP Transit Service	397,696,503	363,271,935
------------------------------	--------------------	--------------------

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

28 Co-Location Charges

SMW-4	22,849,893	38,174,130
SMW-5	17,928,215	3,500,404
	40,778,108	41,674,534

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

29 IP Transit Service -Export	58,751,638	72,673,520
--------------------------------------	-------------------	-------------------

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

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. BSCCL has implemented Regional Submarine Telecommunications Project, Bangladesh (SMW-5) Project and started providing service commercially through the system during the year under consideration. In addition to that, substantial effort of BSCCL's management, Govt. policy of digitalization of govt. service and introduction of 4G services contributed to increase in overall IPLC consumption in the country. Consequently, BSCCL's revenue also increased.

30 Electricity and generator fuel

Electricity bill	9,895,355	10,702,245
Fuel for generator	1,939,238	2,050,216
	11,834,593	12,752,461

This cost is directly related to cost of operation.



	Amount in Taka	
	2018-2019	2017-2018
31 Landing station and cable route repair	1,046,890	781,701

This cost is directly related to repair and maintenance for Cox's Bazar landing station and cable route.

32 Backhaul & Data Connectivity Charge

Backhaul Charge

Data Connectivity & Fiber Core Charge

Revenue Sharing Cost

Co-location cost

135,425,158	135,773,322
512,303	827,141
6,429,555	5,189,249
-	416,300
142,367,016	142,206,012

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

33 IP Transit Cost

45,467,343

43,827,781

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

34 Lease Rent

703,441

339,768

This rent represents rent of leasing land of beach manhole for Kuakata landing station from Bangladesh Parjaton Corporation.

35 Depreciation of core machinery

419,335,228

412,861,408

This represents the depreciation charged on core machinery which are directly related to IPLC and IP transit revenue.

During the year 2018-2019, considering the estimated useful life of the Assets, Management has changed depreciation method on Building-SMW4, Floor Development-SMW-4, Deep Tubewell and Pump House-SMW-4, Boundary Wall-SMW4, Ducting From Beachman Hole and Colocation Point-SMW-4 from Reducing Balance Method to Straight Line method to reflect fair presentation of the financial results and financial position. Due to change of Depreciation method from Reducing Balance Method to Straight Line method an excess amount of Tk. 2,570,487 has been charged as depreciation comparing to the amount to be charged under Reducing Balance Method during the year. For further details **Annexure-A** is referred.

36 Operation and maintenance expenses

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

SEA-ME-WE-4

10,834,064

-

SEA-ME-WE-5

187,493,601

182,922,183

198,327,665

182,922,183



Amount in Taka	
2018-2019	2017-2018

37 General and administrative expenses

Salary and allowances
Managing Director's remuneration
Festival bonus
Office rent
Repair and maintenance
Internet Expenses
Business Development Expenses
Fees and Subscription
Gratuity provision
Vehicles Maintenance
Board and other meetings fees
Consultancy fees
Audit Fees
Consortium meeting expenses
Advertisement and publicity expenses
Vehicles running expenses
Travelling & conveyance
Insurance Premium
Printing and Office stationery
Postage and courier expenses
Entertainment
AGM expenses
Bank charges and commission
Telephone Bill
Legal Fees
Rent, rates & taxes
Training Expenses
Books & Periodicals
Inauguration-SMW-5 expenses
Innovation Expenses
Reception & Dinner
Recruitment expenses
National Integrity and Strategy Training Expenses

96,814,905	87,241,924
3,515,394	3,184,601
7,164,833	6,506,976
14,240,450	14,168,998
2,790,119	3,128,182
287,204	-
3,888,600	2,904,642
1,624,458	1,671,107
10,744,235	8,019,892
2,346,180	1,777,422
3,458,049	2,939,376
649,725	642,150
428,950	567,500
1,455,792	1,218,664
2,267,158	2,151,430
2,577,418	2,808,860
1,760,663	1,385,560
1,720	1,618
2,375,252	2,556,514
48,801	59,684
1,694,147	1,829,916
1,734,729	2,217,935
1,250,183	870,492
77,440	167,766
5,851,311	570,160
435,930	438,349
2,041,847	-
84,730	51,213
-	3,181,857
561,171	-
1,104,370	522,632
544,628	37,375
1,402,469	873,178
175,222,860	153,695,972

38 Provision for bad & doubtful debts

Closing balance of provision for bad & doubtful debts
Less: Opening balance of provision for bad & doubtful debts
76,258,619

235,697,745	159,439,126
159,439,126	132,215,809
76,258,619	27,223,317

Provision made for the year according to the company policy.

39 Depreciation on property, plant and equipment

35,709,433	33,021,951
-------------------	-------------------

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



		Amount in Taka	
		2018-2019	2017-2018
40 Bank interest and other income			
Rest house rent and others		12,478,723	952,136
Interest on FDR & Others		121,169,135	54,959,358
Gain on Sale of Fixed Assets		1,154,551	-
Landing Station Cross Connection Charge		2,171,593	-
Dividend income		1,505,660	1,087,826
		138,479,662	56,999,319
41 Gain/(loss) on investment in shares			
Opening market value of investment		35,974,737	40,150,006
Add: Investment during the year		-	-
Total cost of investment(B)		35,974,737	40,150,006
Closing Market Value of Investment (A)		34,348,102	35,974,737
Gain/(Loss)(A-B)		(1,626,635)	(4,175,269)
42 Current tax expense	Annexure E	70,251,738	24,495,969
Detail calculation of current tax expenses has presented in Annexure - E .			
43 Deferred tax (income)/expense			
Closing balance of deferred tax liability		465,768,372	342,815,911
Opening balance of deferred tax liability		342,815,911	146,703,882
Deferred tax (income)/expense		122,952,461	196,112,029
44 Basic Earnings Per Share (EPS)			
Earnings attributable to the Ordinary Shareholders		585,758,071	73,260,472
Weighted average number of ordinary Shares outstanding during the year		164,905,510	164,905,510
Earnings Per Share (EPS)		3.55	0.44
The increase in EPS is the result of increase in revenue from the ordinary course of the business activities which has been disclosed in the notes 25 to 29 in the Revenue Part of the Statement of Profit or Loss and Other Comprehensive Income for the year under consideration. There was no Extraordinary Transactions during this year.			
44.1	No diluted earnings per share is required to be calculated for the period as there has no dilutive potential ordinary shares.		
45 Net Asset Value			
Total Assets		11,412,266,642	10,433,680,222
Less: Total Liabilities		5,024,589,795	4,549,308,690
		6,387,676,847	5,884,371,531
Number of Ordinary Shares of Tk. 10 each at Financial Position date		164,905,510	164,905,510
NAV-Per Share		38.74	35.68



Amount in Taka	
2018-2019	2017-2018

46 Net operating cash flows per share (NOCFPS)

Net cash flows from operating activities (A)	1,203,688,020	671,017,619
Number of Ordinary Shares of Tk. 10 each at Financial Position	164,905,510	164,905,510
Net operating cash flows per share (NOCFPS)	7.30	4.07

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

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

	Amount(Tk.)	Amount(Tk.)
	2018-2019	2017-2018
Net Profit Before Tax	778,962,269	293,868,470
Adjustment to reconcile profit to net cash provided by operating activities:		
Depreciation	455,044,662	445,883,359
Financial Charges	168,304,981	139,665,824
Loss on Investment in Share	1,626,635	4,175,269
Provision for Bad debts	76,258,619	27,223,318
Other Income	(138,479,662)	(56,999,319)
(Increase)/Decrease in Advance Income tax	(114,768,924)	(51,148,015)
(Increase)/ Decrease in other receivable	134,836,020	18,372,103
(Increase)/ Decrease in debtors	(455,533,830)	(275,150,007)
(Increase)/ Decrease in adv. & deposit	4,336,363	(21,699,040)
Increase/(Decrease) in sundry creditors	116,594,535	13,385,065
Increase/(Decrease) in Security Deposit	56,372,443	35,502,815
Increase/(Decrease) in Employees Pension, Gratuity and PF	(2,904,934)	59,410
Increase/(Decrease) in Provision for WPPF and WF	24,254,690	(4,782,210)
Increase/(Decrease) in VAT Payable	98,436,651	103,340,519
Increase/(Decrease) in Liability for Expenses	347,501	(679,939)
Net cash flows from operating activities	1,203,688,020	671,017,619

47 Financial risk management

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

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



Amount in Taka	
2018-2019	2017-2018

47.1 Credit risk

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

As per terms and conditions of agreement with the clients, sale of Bandwidth is on prepaid basis. But for some unavoidable reasons a portion of sale remains outstanding and to make it acceptable management has made a credit recovery committee and the exposure to credit risk is monitored on an ongoing basis. As at 30 June 2019, substantial part of the receivables are those from BTCL and Mango Teleservices Limited and other clients and are subject to significant credit risk. Risk exposures from other financial assets, i.e. cash at bank and other external receivables are nominal.

(a) Exposure to credit risk

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

Trade receivables, net	(Note: 5.1)	1,997,684,077	1,618,408,866
Other receivables	(Note: 5.2)	42,571,624	41,588,193
Financial assets - investment in shares	(Note: 8)	34,348,102	35,974,737
Cash and cash equivalents	(Note: 9)	2,023,140,004	1,131,140,015
		4,097,743,807	2,827,111,811

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

Domestic	2,169,480,674	1,723,666,232
Foreign (Export to India)	63,901,148	54,181,760
	2,233,381,822	1,777,847,992

b) Ageing of trade receivables

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

Past due 0-90 days	531,269,995	403,200,557
Past due 91-180 days	380,486,985	189,981,770
Past due 181-365 days	312,447,877	194,886,173
Past due more than 365 days	1,009,176,966	989,779,492
	2,233,381,822	1,777,847,992

c) Impairment losses

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



47.2 Liquidity risk

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

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

As at 30 June 2019

	Contractual cash flows (Taka)	1 year or less Taka	More than 1 year Taka
Security deposits received from clients	220,378,430	22,037,842.99	198,340,587
Employees' pension, gratuity and Provident fund	20,850,482	20,850,482	-
Sundry creditors	213,923,194	213,923,194	-
VAT payable	543,778,932	543,778,932	-
Provision for WPPF and WF	38,948,113	38,948,113	-
Liabilities for expenses	224,971,489	224,971,489	-
	1,262,850,640	1,064,510,053	198,340,587

As at 30 June 2018

	Contractual cash flows (Taka)	1 year or less Taka	More than 1 year Taka
Security deposits received from clients	164,005,987	32,801,197	131,204,789
Employees' pension and gratuity fund	23,755,415	4,751,083	19,004,332
Sundry creditors	110,593,468	110,593,468	-
Income tax payable (provision less AIT)	25,555,937	25,555,937	-
VAT payable	445,342,281	445,342,281	-
Provision for WPPF and WF	14,693,423	14,693,423	-
Liabilities for expenses	145,380,087	145,380,087	-
	929,326,598	779,117,477	150,209,122

47.3 Market risk

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

a) Currency risk

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

i) Exposure to currency risk

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

	Amount in Taka	
	30 June 2019	30 June 2018
Foreign currency denominated liabilities		
Payable against IP transit cost	(26,503,320)	(20,767,776)
Share money deposit payable	(109,101)	(109,101)
Net exposure	(26,612,421)	(20,876,876)

The following rate has been applied:

	Taka	Taka
US Dollar (\$)	83.95	83.75



ii) Foreign exchange rate sensitivity analysis for foreign currency expenditures

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

	Profit or loss		Equity	
	Increase	Decrease	Increase	Decrease
2018-2019				
US Dollar (10% movement)	2,661,242	(2,661,242)	-	-
2017-2018				
US Dollar (10% movement)	2,087,688	(2,087,688)	-	-

b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. The company is not significantly exposed to fluctuation in interest rates as it has neither floating interest rate bearing financial liabilities nor entered into any type of derivative instrument in order to hedge interest rate risk as at 30 June 2019.

Profile

As at 30 June 2019, the interest rate profile of the company's interest bearing financial instruments was:

Fixed rate instruments

Financial assets (short term investments-FDR)	<u>1,887,465,946</u>	<u>1,067,649,399</u>
Financial liabilities	<u>2,891,699,606</u>	<u>2,968,702,678</u>

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

	As at 30 June 2019		As at 30 June 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
	Taka	Taka	Taka	Taka
Financial assets				
Assets carried at fair value through profit or loss				
Investment in shares	34,348,102	34,348,102	35,974,737	35,974,737
Held to maturity assets				
Short term investment-FDR	1,887,465,948	1,887,465,948	1,067,649,399	1,067,649,399
Loans and receivables				
Trade receivables, net	1,997,684,077	1,997,684,077	1,618,408,865	1,618,408,865
Other receivables	42,571,624	42,571,624	41,588,193	41,588,193
Financial assets for trading purpose	-	-	-	-
	<u>3,962,069,752</u>	<u>3,962,069,752</u>	<u>2,763,621,195</u>	<u>2,763,621,195</u>



Financial Liabilities:

Liabilities carried at fair value through profit or loss

Liabilities carried at amortised costs

Security deposits received from clients	(220,378,430)	(220,378,430)	(164,005,987)	(164,005,987)
Sundry creditors	(213,923,194)	(213,923,194)	(110,593,468)	(110,593,468)
VAT payable	(543,778,932)	(543,778,932)	(445,342,281)	(445,342,281)
Provision for WPPF and WF	(38,948,113)	(38,948,113)	(14,693,423)	(14,693,423)
Liabilities for expenses	(224,971,489)	(224,971,489)	(145,380,087)	(145,380,087)
	(1,242,000,158)	(1,242,000,158)	(880,015,246)	(880,015,246)

Gbps

Gbps

48. Bandwidth capacity

Present Capacity	1,800	700
Utilization (Monthly Average)	616	349
Percentage of utilization	34.23%	49.91%

49. Capital management

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

50. Remittance of foreign currency to consortium and others

	30 June 2019 USD	30 June 2018 USD
Investment in SMW-5	-	215,964
Property, Plant and Equipment	83,000	-
Operation and maintenance expenses	1,879,907	2,185,450
IP Transit & Membership cost	423,147	555,142
	2,386,054	2,956,556

51. 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. 8,203,930 and further appeal was made to the Tribunal and the Tribunal confirm one portion and set aside the other portion. Appeal was made to the Commissioner (Appeal) for set aside portion. Return of the income year 2016-2017 was filed to DCT for assessment and DCT demanded Tk. 46,830,131 for this year against which appeal was made to the Commissioner (Appeal) and the order from Appeal (commissioner) has been issued for both the income year. Now assessment for the year 2015-2016 and 2016-2017 remains under process at Tribunal. Return of the income year 2017-2018 remains under process at DCT.



52 Related party disclosures

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

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

(a) Name of the Directors along with all related Firms/Companies/Institutions/Parties as at 30 June 2019.

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

(b) Transactions with the following companies where the Directors of the company are related for the year ended 30 June 2019:

Sl No.	Name of the company (Related party)	Name of the Director	Relationship of the Director with the company	Type of transaction	Transactions during the year	Year end balance
1	Bangladesh Telecommunications Company Limited	Mr. Ashoke Kumar Biswas	Chairman	Bandwidth sale	435,181,574	1,124,426,529
2	Bangladesh Telecommunications Company Limited	Mr. Ashoke Kumar Biswas		Co-location Sale	-	21,463,462
3	Bangladesh Telecommunications Company Limited	Mr. Ashoke Kumar Biswas		Backhaul Purchase	128,478,647	31,833,823
4	Bangladesh Telecommunications Company Limited	Mr. Ashoke Kumar Biswas		Co-location Purchase	468,000	468,000
5	Teletalk Bangladesh Ltd.	Mr. Ashoke Kumar Biswas		Bandwidth sale	12,875,243	8,259,416



(c) Transactions with the following companies where the Directors of the company are related for the year ended 30 June 2018:

Sl. No.	Name of the company (Related party)	Name of the Director	Relationship of the Director with the company	Type of transaction	Transactions during the year	Yearend balance
1	Bangladesh Telecommunications Company Limited	Mr. Shyam Sunder Sikder	Chairman	Bandwidth sale	349,136,945	973,933,160
2	Bangladesh Telecommunications Company Limited	Mr. Shyam Sunder Sikder		Co-location Sale	21,463,462	21,463,462
3	Bangladesh Telecommunications Company Limited	Mr. Shyam Sunder Sikder		Backhaul Purchase	197,495,056	-
4	Teletalk Bangladesh Limited	Mr. Shyam Sunder Sikder		Bandwidth sale	11,358,476	4,096,063

Amount in Taka	
2018-2019	2017-2018

(d) Key management personnels compensation

(i) MD's Remuneration

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

3,515,394	3,184,601
-	53,806
453,360	480,835
3,968,754	3,719,242

(ii) Other Management personnel remuneration and benefit

Salary
Bonus

96,814,905	87,241,924
6,792,833	6,133,224
103,607,737	93,375,148
525,905	652,021

(e) Director's Board Meeting Attendance Fees

(f) Other Disclosures

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

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

53 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.

54 Comparatives

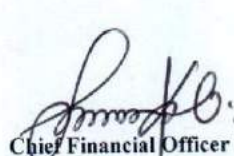
Comparative information in the following major areas has been rearranged to conform to current year's presentation.

55 Number of employees

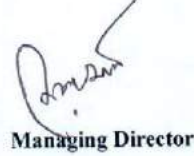
As at 30 June 2019 the number of regular employees receiving remuneration of Tk.36,000 or above per annum was 113 (2018: 97).

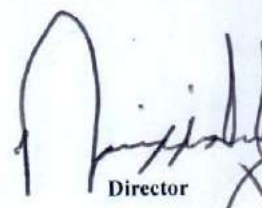
56 Events after the reporting period

The Board of Directors of BSCCL, at its 173rd meeting held on 10 October 2019 proposed 16% Cash Dividend on the paid-up capital for the year 2018-2019. This dividend is subject to final approval by the shareholders at the forthcoming Annual General Meeting (AGM) of the company.


Chief Financial Officer


Company Secretary


Managing Director


Director


Chairman

Date: 10 October 2019



Bangladesh Submarine Cable Company Limited
Schedule of Property, Plant & Equipment
As at 30 June 2019

Name of assets	Cost					Accumulated depreciation				WDV as at 30 June 2019
	As at 01 July 2018	Additions during the year	Adjustment during the year	As at 30 June 2019	Rate	As at 01 July 2018	Charged during the year	Adjustment during the year	As at 30 June 2019	
a. Freehold assets										
Land and land development	122,612,477		1,742,404	122,612,477	-	1,735,500,122	115,483,364	-	1,850,082,472	122,612,477
Core equipment-IPLC-SMW-4	2,661,109,442	9,105,637		2,659,367,038	10%	276,980,718	277,459,963	901,015	554,440,681	809,284,566
Core equipment-IPLC-SMW-5	5,539,614,370	31,061,880		5,548,720,007	5%	88,218,713	26,391,901	-	114,610,614	4,994,279,326
Core equipment-IIG	189,116,338	1,255,111		220,178,218	14.29%	18,333,710	3,756,813	-	22,090,523	105,567,604
Building	62,160,351			63,415,462	8.33%	14,564,152	14,564,152	-	29,128,303	41,324,939
Building-SMW-5	291,283,034			291,283,034	5%	1,886,194	63,989	-	1,950,184	262,154,731
Floor development	2,654,065			2,654,065	8.33%	2,399,990	452,276	-	1,737,500	703,881
Security barak & security wall	7,827,297			7,827,297	8.33%	1,682,379	55,122	-	2,852,266	4,975,031
Deep tube-well & pump house	2,343,837			2,343,837	8.33%	66,743	66,743	-	1,33,486	606,337
Deep tube-well & pump house-SMW-5	1,334,855			1,334,855	5%	1,369,466	1,369,466	-	2,738,932	1,201,370
Generator-500 KVA(SMW#5)	13,694,661			13,694,661	10%	2,767,778	64,528	-	2,832,306	10,955,729
500 KV sub-station	3,284,000			3,284,000	10%	866,223	893,317	-	1,759,541	451,694
500 KV sub-station-SMW-5	17,866,349			17,866,349	5%	25,411,530	1,277,535	-	26,689,065	16,106,808
Power system	35,631,806			35,631,806	10%	1,042,361	1,042,361	-	2,084,722	8,942,741
Power system-SMW-5	20,847,215			20,847,215	5%	387,555	77,511	-	77,511	18,762,494
Power system-IIG		387,555		387,555	20%	2,689,514	748,680	-	3,438,193	310,044
Boundary wall	11,249,905	423,763		11,673,668	8.33%	1,910,916	1,910,916	-	3,821,832	8,235,475
Boundary wall-SMW-5	38,218,321			38,218,321	5%	9,621,759	1,167,346	-	10,789,105	34,396,489
Ducting from beach manhole	18,960,526			18,960,526	10%	32,707,559	4,217,306	1,396,921	35,527,945	8,171,421
Ducting from beach manhole-SMW-5	21,813,789			21,813,789	5%	10,266,319	2,418,789	-	12,685,108	19,632,410
Vehicles	52,391,512	4,299,500	1,500,000	55,191,012	20%	265,255	81,350	-	346,604	19,663,067
Office equipment and furniture	31,621,534	6,277,169		37,898,703	10%	49,237	69,856	-	119,093	25,213,595
Co-Location point	916,051			916,051	12.5%	5,103,400	276,591	-	44,100	569,447
Co-Location point-SMW-5	1,397,121	479,878		1,397,121	5%	2,080,643	44,100	-	2,357,234	1,278,028
Office decoration	4,623,522	220,500		5,103,400	10%	220,500	44,100	-	44,100	2,746,166
Water Treatment Plant & Others					20%					176,400
Sub-total	9,152,572,378	53,510,993	3,242,404	9,202,840,967		2,231,771,972	455,044,662	2,297,936	2,684,518,697	6,518,322,269
b. Revalued assets										
Land and land development	346,561,561			346,561,561	-					346,561,561
Sub-total	346,561,561			346,561,561						346,561,561
Total balance as at 30 June 2019 (a+b)	9,499,133,939	53,510,993	3,242,404	9,549,402,528		2,231,771,972	455,044,662	2,297,936	2,684,518,697	6,864,883,830
Total balance as at 30 June 2018(a+b)	3,507,733,270	6,017,496,084	26,095,415	9,499,133,939		1,785,933,264	445,883,359	(44,651)	2,231,771,972	7,267,361,968

Bangladesh Submarine Cable Company Limited
Schedule of Trade Receivable
As at 30 June 2019

(Amount in Tk.)

Sl. #	Name of Customer	Opening Balance	Addition during the year	Collection during the year	Closing Balance
1	I Asia Alliance Communication Ltd	5,544,709		500,000	5,044,709
2	I Asia Alliance Gateway Ltd	4,257,981			4,257,981
3	Aamra Technologies Ltd	48,179,514	82,588,881	82,316,550	48,451,846
4	Aamra Technologies Ltd(SMW#5)	42,197,444	314,369,897	209,076,437	147,490,905
5	ADN Telecom Ltd-IIG(ISP)	1,928,365	11,866,992	7,917,113	5,878,243
6	AKCEYCOM Ltd-IIG(ISP)	20,375	64,919	33,871	51,423
7	Always On Network BD Ltd-IIG(ISP)	696,683	2,628,080	2,384,044	940,719
8	Apple Global Tel Communications Ltd	4,047,909			4,047,909
9	Bangla Phone Ltd-IIG(ISP)	3,961,795	2,133,260	1,535,531	4,559,524
10	Bangla Tel Ltd	1,469,778	7,973,623	7,847,477	1,595,924
11	Bangla Trac Communications Ltd.	1,696,253	4,119,326	4,577,029	1,238,550
12	Bangladesh Internet Exchange LtdIIG	572,392	189,750		762,142
13	Banglphone Ltd-Co-Location Charge	882,356		3,891	878,465
14	BD Hub Ltd-IIG	15,505,124	43,263,057	36,715,096	22,053,085
15	BD Link Communication Ltd	1,472,262	3,026,495	3,290,667	1,208,090
16	BDREN/UGC-ISP	5,401,979	17,680,000	21,600,387	1,481,592
17	BESTEC Telecom Ltd	3,056,856		700,000	2,356,856
18	BG International Gateway Ltd	14,933,943			14,933,943
19	BG Tel Ltd.	355,634	6,924,813	6,819,846	460,601
20	Bharti Airtel Limited(Airtel)	761,701			761,701
21	Brac Net Ltd-IIG(ISP)		2,918,941	2,452,529	466,412
22	BSNL	54,181,760	64,349,938	54,630,550	63,901,148
23	BTCL	961,921,827	271,096,461	243,470,478	989,547,810
24	BTCL-Co-Location(IPLC-SMW#4)	10,033,750			10,033,750
25	BTCL-Power&Rack(IPLC-SMW#4)	11,429,712			11,429,712
26	BTCL-SMW#5	12,011,333	133,242,898	30,567,000	114,687,231
27	BTRC for DC&DR	2,346,000	2,663,500		5,009,500
28	BTS Communication(BD) Ltd-ISP(IIG)	132,823	826,888	720,007	239,703
29	CEL Telecom Ltd	1			1
30	Chittagong Online Lte-IIG(ISP)	1,146	4,181,328	3,629,280	553,194
31	Cybergate Ltd	9,195,929	55,867,832	51,832,563	13,231,198
32	Cybergate Ltd-IIG	202,647	479,896	682,541	2
33	Cybergate Ltd-SMW#5	5,966,490	114,129,504	89,739,703	30,356,291
34	Cybergate Online Ltd(Power&Rack)IIG	-	25,489	25,489	-
35	DBL Telecom Ltd	3	-	-	3
36	Delta Infocom Ltd	3,618,358	-	500,000	3,118,358
37	Digicon Telecommunication Ltd	1,213,199	1,801,754	3,014,953	(0)
38	Earth Telecommunication Ltd-IIG	69,760,194	55,660,001	74,638,834	50,781,361
39	Earth Telecommunication Ltd-SMW#5	4,138,790	76,943,140	62,715,692	18,366,238
40	Earth Telecommunications Pvt.Ltd	5,524,258	28,624,313	24,319,255	9,829,316
41	Equitel Communication Ltd-IIG	13,675	955,680	793,538	175,817
42	Exabyte Ltd-IIG	256,771		30,000	226,771
43	Fiber @ Home Global Ltd(SMW#5)		10,405,644	5,863,553	4,542,091
44	Fiber@Home Global Ltd	26,253,408	99,264,538	85,120,000	40,397,946
45	Fiber@Home Global Ltd(ITC)	1,923,689	9,779,087	6,538,298	5,164,478
46	Fiber@Home Golbal Ltd-IIG		76,454,832	52,689,006	23,765,826
47	Fiber@Home Ltd -Power&Rack(SMW#5)	890,916	1,018,400	1,415,316	494,000
48	Fiber@Home Ltd(ITC)	849,939	8,188,601	9,038,540	0
49	Fiber@Home Ltd(Power&Rack)-SMW#4	280,788	576,280	577,529	279,539
50	Fiber@Home Ltd-Colocation (SMW#5)		2,805,136	1,834,800	970,336



Sl. #	Name of Customer	Opening Balance	Addition during the year	Collection during the year	Closing Balance
51	Fiber@Home Ltd-Co-Location Charge	19,255,218	12,709,916	22,964,472	9,000,663
52	First Communication Ltd	3,258,547			3,258,547
53	Global Fair Communication Ltd-IIG	2,015,404		1,945,303	70,101
54	Global Fair Communication Ltd	266,873		266,873	(0)
55	Global Voice Telecom Ltd	38,042		220,354	(182,312)
56	HRC Technologies Ltd	7,523,322	6,389,825	7,249,687	6,663,460
57	Infocom Ltd-IIG(ISP)		551,549	430,898	120,651
58	InterCloud Ltd	759,967		727,471	32,496
59	I-Tel Ltd-IIG	65,550			65,550
60	Kay Telecommunication Ltd	9,465,845			9,465,845
61	KS Network Ltd-IIG(ISP)	4,014,350	13,053,086	12,216,821	4,850,615
62	Level 3 Carrier Ltd	26,020,040	49,950,664	47,031,877	28,938,827
63	Level 3 Carrier Ltd-IIG		2,593,250	2,593,250	-
64	Level-3 Carrier Ltd(SMW#5)	18,579,262	147,830,695	105,021,670	61,388,287
65	Managewell Communication Ltd(SMW#5)		22,937,297	16,029,591	6,907,706
66	Managewell Communications Ltd	4,882,951	9,149,407	7,241,553	6,790,805
67	Mango Tele Services Ltd.	177,714,553	2,497,332	25,282,989	154,928,896
68	Maxnet Online	12,653,417			12,653,417
69	Maxnet Online-IIG	11,804,355	12,403,097	10,580,467	13,626,984
70	Mir Telecom Ltd.	1,054,739	5,531,058	4,148,340	2,437,457
71	NMS Technologies Ltd-IIG(ISP)		599,502	465,700	133,802
72	Novocom Ltd	7,573,698	36,708,000	34,070,284	10,211,414
73	Novocom Ltd(ITC)	3,928,077	17,764,824	18,537,635	3,155,266
74	Novocom Ltd-IIG	2,004,176	1,254,750	2,666,662	592,264
75	Novotel	2,579,980	365,932	779,373	2,166,539
76	Orange Communication Ltd-IIG(ISP)	39,210			39,210
77	Peerex Network-IIG		43,016,282	26,567,137	16,449,145
78	Pioneer Services Ltd-IIG(ISP)		274,258	221,758	52,500
79	Planet Satellite-IIG(ISP)	454,572	1,576,028	766,703	1,263,898
80	Platinum Communications Ltd	1			1
81	Premium Connectivity Ltd-IIG(ISP)		233,125	221,875	11,250
82	Radiant Communication Ltd	5,762,242		1,050,000	4,712,242
83	Ranks Telecom Ltd	899,796		357,320	542,476
84	Ratul Telecom Ltd	13,275,840			13,275,840
85	REGO Communication Ltd	1,542,142		253,134	1,289,008
86	Roots Communications Ltd	2,044,993	7,640,880	7,667,876	2,017,997
87	Sky Tel Communication Ltd	541,575		541,578	(3)
88	Skytel Communications Ltd-IIG	6,644,643	27,305,231	23,147,932	10,801,942
89	SM Communication Ltd	1,344,610			1,344,610
90	SSD-Tech Ltd-IIG(ISP)		2,027,887	1,989,383	38,504
91	Summit Communciation -Power&Rack(5)	242,703	1,139,000	965,203	416,500
92	Summit Communication Ltd(ITC)	2,615,490	6,718,669	5,768,545	3,565,614
93	Summit Communication Ltd-Coloc-SMW5	843,569	19,521,442	13,812,549	6,552,462
94	Summit Communication Ltd-IIG	27,113,959	130,950,187	112,286,861	45,777,285
95	Summit Communication Ltd-IPLC(SMW#5)	10,066,334	121,911,943	86,820,541	45,157,736
96	Summit Communication Ltd-Power&Rack	258,966	1,618,575	1,242,860	634,682
97	Summit Communication-ADCN Terminati	272,967	511,350	675,991	108,326
98	Summit Communications Ltd	19,158,940	107,329,159	86,095,752	40,392,346
99	Summit Communications Ltd-Co-Loctio	1,777,515	10,736,796	8,493,031	4,021,279
100	Systems Sloutions&Development(ISP)		496,800	496,800	-
101	Teletalk Bangladesh Ltd-IIG(ISP)	4,096,063	11,880,000	8,711,890	7,264,173
102	Teletalk BD Ltd-Co-Location(SMW#5)		50,243		50,243
103	Telex Ltd	18,880,607			18,880,608
104	Vision Tel Ltd	5,422,425			5,422,425
	Grand Total	1,777,847,992	2,356,317,211	1,900,783,383	2,233,381,822



Bangladesh Submarine Cable Company Limited
Schedule of Security Deposit received from Clients
As at 30 June 2019

(Amount in Tk.)

Sl. #	Name of Customer	Opening Balance	Addition during the year	Adjustment during the year	Closing Balance
1	Aamra Technologies Ltd	10,580,000			10,580,000
2	Aamra Technologies Ltd(SMW#5)	11,605,207	20,422,026		32,027,233
3	ADN Telecom Ltd-IIG(ISP)	1,891,290			1,891,290
4	AKCEYCOM Ltd-IIG(ISP)	39,388			39,388
5	Always On Network BD LTD-IIG(ISP)	326,244			326,244
6	Apple Network Ltd	1,012,390			1,012,390
7	Bangla Phone Ltd(IIG)	147,591			147,591
8	Bangla Tel Ltd	688,608			688,608
9	Bangla Trac	1,012,977			1,012,977
10	Bangladesh Internet ExchangeLtdIIG	62,100			62,100
11	BanglaPhone Ltd-IIG(ISP)	550,160			550,160
12	BD Hub Ltd-IIG	2,546,100	2,493,761	490,590	4,549,271
13	BD Link Communication Ltd	2,299,712			2,299,712
14	BDREN/UGC-ISP	850,000			850,000
15	BG Tel Ltd	2,328,497			2,328,497
16	Brac Net Ltd-IIG(ISP)		349,110		349,110
17	BTCL	8,912,611			8,912,611
18	BTRC(DC&DR)		195,500		195,500
19	BTS Communication(BD)Ltd-ISP	74,520			74,520
20	Chittagong Online Ltd-IIG(ISP)	66,096	351,430		417,526
21	Cybergate Ltd	5,635,000			5,635,000
22	Cybergate Ltd-IIG	126,615		37,433	89,183
23	Cybergate Ltd-SMW#5	3,777,980	7,662,084		11,440,064
24	Cybergate Online Ltd(Power&Rack)IIG		11,019		11,019
25	Digicon Telecommunication Ltd	2,164,780		2,164,779	1
26	Earth Telecommunication Ltd-IIG	18,986,488	3,050,595	21,075,073	962,010
27	Earth Telecommunication Ltd-SMW#5	3,438,500	3,261,975		6,700,475
28	Earth Telecommunications Pvt.Ltd	3,191,250			3,191,250
29	Equitel Communication Ltd-IIG	248,737	62,429		311,166
30	Fiber @ Home Global Ltd(SMW#5)		2,902,324		2,902,324
31	Fiber@Home Golbal Ltd-IIG		7,548,255		7,548,255
32	Fiber@Home Ltd	8,050,000			8,050,000
33	Fiber@Home Ltd-(ITC)	508,559	460,000		968,559
34	Fiber@Home Ltd-Co-Location	3,949,107			3,949,107
35	Fiber@Home Ltd-Colocation (SMW#5)		716,250		716,250
36	Global Fair Communication Ltd-IIG	786,600		786,600	-
37	Global Voice Ltd	688,608			688,608
38	HRC Technologies Ltd	2,094,780		1,566,230	528,549
39	Infocom Ltd-IIG(ISP)		86,573		86,573
40	KS Network Ltd-IIG(ISP)	1,128,127			1,128,127
41	Level 3 Carrier Ltd	5,750,000		2,159,000	3,591,000
42	Level-3 Carrier Ltd(SMW#5)	2,556,450	16,422,321		18,978,771
43	Managewell Communication Ltd(SMW#5)		2,185,823		2,185,823
44	Managewell Communications Lt	1,218,801			1,218,801
45	Maxnet Online-IIG	7,866,000			7,866,000
46	Mir Telecom	5,412,537			5,412,537
47	NMS Technologies Ltd-IIG(ISP)		56,350		56,350



Sl. #	Name of Customer	Opening Balance	Addition during the year	Adjustment during the year	Closing Balance
48	Novocom Ltd	5,294,702			5,294,702
49	Novocom Ltd(ITC)	1,541,736			1,541,736
50	Peerex Networks-IIG		5,115,285		5,115,285
51	Pioneer Services Ltd-IIG(ISP)		28,750		28,750
52	Planet Satellite-IIG(ISP)	165,347			165,347
53	Premium Connectivity Ltd-IIG(ISP)		28,750		28,750
54	Roots Communication Ltd	896,153			896,153
55	Skytel Communications Ltd-IIG	2,262,613	581,349		2,843,962
56	SSD-Tech Ltd-IIG(ISP)		198,156		198,156
57	Summit Communication Ltd(ITC)	836,101			836,101
58	Summit Communication Ltd-Coloc-SW#5	569,250	1,104,000		1,673,250
59	Summit Communication Ltd-IIG	11,494,917	2,069,834		13,564,752
60	Summit Communication LtdSMW5	6,230,395	5,349,990		11,580,385
61	Summit Communications Ltd	10,402,057	1,886,000		12,288,057
62	Summit Communications Ltd-Colocati	1,144,250	52,210		1,196,460
63	Teletalk BD Ltd-IIG(ISP)	345,000			345,000
64	Venus Telecom Ltd	251,057			251,057
Grand Total		164,005,987	84,652,148	28,279,705	220,378,430



Bangladesh Submarine Cable Company Limited
Statement of Profit or Loss and Other Comprehensive Income for IIG Unit
For the year ended 30 June 2019

	Notes	Amount in Taka	
		30 June 2019	30 June 2018
Revenue			
Circuit Activation Charges	26	977,000	473,000
IP Transit Service	27	397,696,503	363,271,935
Co-Location Charges	28	3,582	-
IP Transit Service-Export	29	58,751,638	72,673,520
		457,428,723	436,418,455
Direct cost of operation			
Electricity and generator fuel		2,330,892	1,992,177
Backhaul & Data connectivity Charges	32	142,367,016	142,206,012
IP Transit Cost	33	45,467,343	43,827,781
Exchange Loss		30,547	-
Depreciation of core machinery (Schedule-A)		26,391,901	20,179,525
		216,587,700	208,205,495
		240,841,024	228,212,960
Gross profit			
Operating expenses			
General and administrative expenses		31,823,977	31,744,417
Depreciation on property, plant and equipment		1,158,963	1,244,671
Provision for Bad & Doubtful Debts		12,040,769	3,164,829
		45,023,709	36,153,918
		195,817,314	192,059,042
Operating profit			
Non-operating income			
Bank interest and other income		421,250	570,714
		196,238,564	192,629,756
Profit before WPPF & WF		196,238,564	192,629,756
Provision for contribution to WPPF & WF		9,344,694	9,172,846
		186,893,870	183,456,911
Profit before taxation		186,893,870	183,456,911
Less: Current tax expenses		23,361,734	18,345,691
		163,532,137	165,111,220
Net profit after tax		163,532,137	165,111,220
Total comprehensive income			
		163,532,137	165,111,220



Annexure-E

Bangladesh Submarine Cable Company Limited

Calculation of Current Tax Provision

For the year ended 30 June 2019

Particulars	Amount in Taka					
	Total Amount	Exemption rate	Exempted Amount	Chargeable Income	Tax Rate	Tax Liability
Profit Before Taxation	778,962,269					
Add: Provision for bad debt	76,258,619					
Provision for WPPF & WF	-					
Provision for gratuity	-					
Excess perquisite	10,642,640					
CSR expense	-					
Accounting depreciation	455,044,662					
Less: Tax depreciation	1,320,908,190					
Total taxable income	1,020,684,168					
Less: Non-operating Income	300,224,022					
Profit on which tax holiday is applicable	138,479,662					
	161,744,361					
Profit as per Ratio of Sales	123,912,483	0%	-	123,912,483	25%	30,978,121
Profit-IIG as per Ratio of Sales	37,831,878	50%	18,915,939	18,915,939	25%	4,728,985
Op. Profit of IPLC for the year	37,831,878			37,831,878	25%	
Tax on Other Income				136,974,002	25%	34,243,500
Tax on Dividend Income				1,505,660	20%	301,132
Total			18,915,939	319,139,961		70,251,738

CSR	-	PM R Fund	-	Total	-	Rebate	-
							10%

Investment tax credit

Net tax liability



70,251,738

