



# Bangladesh Submarine Cable Company Limited

Rahman's Regnum Center (6<sup>th</sup>, 7<sup>th</sup> & 8<sup>th</sup> Floor)  
191/1, Tejgaon-Gulshan Link Road, Dhaka-1208.

Phone : 88 02 226603315, 02 226603316

Fax : 88 02 226603322, Website : www.bscc.com



## Price Sensitive Information

This is for information of all concerned that the Board of Directors of Bangladesh Submarine Cable Company Ltd.(BSCCL) in its 205<sup>th</sup> meeting held on 10<sup>th</sup> October, 2022 at 2:30 P.M at the conference room of BSCCL Head Office has approved the Audited Financial Statements for the year ended on 30<sup>th</sup> June, 2022 and took the following decisions:

<b>Date and Time of AGM</b>	:	<b>03<sup>rd</sup> December 2022, Saturday at 11:00 A.M.</b>
<b>Venue of AGM</b>	:	<b>Virtual Meeting through Digital Platform</b>
<b>Record Date</b>	:	<b>07<sup>th</sup> November, 2022</b>
<b>Proposed Dividend</b>	:	<b>46% Cash Dividend</b>

Particulars	[Amount in Taka]	
	2021-2022	2020-2021
Revenue	441,74,41,269	344,85,26,860
Net Profit after Tax	250,02,19,040	190,73,31,861
Earnings per share (EPS)-Basic	15.16	11.57
Earnings per share (EPS)- Diluted	13.91	10.61
Net Operating Cash Flow per share (NOCFPS)	16.76	14.18
	<b>As on 30 June 2022</b>	<b>As on 30 June 2021</b>
Net Asset Value	1066,25,71,054	865,66,70,966
Net Asset Value per share (NAVPS)	64.66	52.49

Moreover, BSCCL has recently received the 'Submarine Cable Systems and Services License' issued on 19 April, 2022. As the Date of commencement of Revenue Sharing is not clear yet, the Board of Directors of BSCCL has approved provisioning for Revenue Sharing at the rate of 3% of Revenue earned from the services provided under that license for the period 19 April to 30 June 2022. This is informed in continuation of the PSI published as on 21<sup>st</sup> October 2021.

### Explanatory notes for the significant variations in the Financial Statements for the year ended 30 June 2022:

#### Issue-1: Significant Increase in Revenue

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

#### Issue-2: Significant Increase in EPS

The increase in EPS is the result of increase in revenue and other income for the ordinary course of the business activities which has been disclosed in the notes 27 to 31 and 42 in the Revenue Part of the Statement of Profit or Loss and Other Comprehensive Income for the period under consideration. As such there is a positive impact of EPS enhancement. There was no significant Extraordinary Transactions during this year.

Diluted earnings per share has been calculated considering the potential 1,48,69,037 nos. of shares according to the recommendation of ICB Capital Management Ltd. being an issue manager and as approved by the Board of Director's in it's 195th BoD meeting held on 28th December 2021. It is to be mentioned that 1,27,04,174 nos. of shares to be issued against Tk.1,40,00,00,000 received as equity money during the year 2015-2016 divided by the market value of Tk. 110.20 at the last working day of the financial year 2015-2016 and 21,64,863 nos. of shares to be issued against Tk. 26,00,00,000 received as equity money during the year 2016-2017 divided by the market value of Tk.120.10 at the last working day of the financial year 2016.2017. Please note that the above issuance is subject to approval of concerned Ministry, Shareholders and Bangladesh Securities and Exchange Commission. Please further note that the above issue is pending to concerned Ministry for Approval of issue price and size.

#### Issue-3: Significant Increase in Operating Cash flows per share:

BSCCL management has emphasized on revenue collection and took some stern steps for the realisation which led to significant increment of cash received from clients as disclosed in the Statement of Cash Flows. Consequently, Net Operating Cash Flows per share of BSCCL has been increased compared to last year. There was no significant cash flows due to extraordinary transactions during the year.

#### Issue-4: Net Asset Value per Share

Net Asset value per share has been increased mainly due to ordinary course of business activities.

#### Issue-5: Equity Money

Please note that as BSCCL has not yet been able to convert the amount of Tk. 1,660,000,000 received from GoB as equity money into the Share Capital for valid reasons. As such, the company was not in the position to identify the potential number of shares issuable against the said equity money & consider the same to calculate the Net Assets Value (NAV) per share. But the company is actively working on it and hopeful to issue shares in favour of the Posts and Telecommunications Division of the Ministry of Posts, Telecommunications and Information Technology (MoPT & IT) against the equity money as soon as possible. The details will be explained in the Directors' Report presented in the Annual Report of BSCCL for the year 2021-2022. It is to be mentioned that during the year 2021-2022 Tk. 24.96 crore a portion of Equity has been received as equity from Government for implementing the project named Installation of 3rd Submarine Cable for expansion of International Telecommunications System of Bangladesh which will be dealt with after completion of the project i.e. June, 2025.

#### Issue-6: Regarding Audit Opinion

Please note that the Auditor of BSCCL has expressed Qualified Opinion on Audited Financial Statements for the year ended on 30th June 2022. The basis for Qualified Opinion is stated below-

" BSCCL received amounting to Taka 1,660,000,000 during the Financial Years 2015-2016 and 2016-2017 as Equity Money in six different phases from the Government of the People's Republic of Bangladesh for the purpose of implementing the Regional Submarine Telecommunications Project, Bangladesh (Installation and Establishment of Second Submarine Cable System (SMW5) with condition that the said amount will be converted into Equity Capital in favour of Ministry of Posts, Telecommunications and Information Technology through issuing shares after implementing the project and getting proper approval from the concerned authority of the Government of the People's Republic of Bangladesh and in compliance with the guidelines and policies issued by Ministry of Finance (Finance Division) for issuing equity capital.

Furthermore, BSCCL received amounting to Taka 249,600,000 during the Financial Year 2021-2022 in two different phases as Equity Money from the Government of the People's Republic of Bangladesh for implementing the installation of 3rd Submarine Cable (Work in progress) for expansion of International Telecommunications System of Bangladesh. Hence, total Equity Money stands at Taka 1,909,600,000 as on 30 June 2022.

On 11 February 2020 Financial Reporting Council (FRC) issued a notification (Notification No. 146/FRC/Admin/Notification/2020/01) regarding Accounting and Reporting on Share Money Deposit. As per the said notification any amount received from investor as Share Capital or call by whatever name that was considered as part of equity in the Financial Statements shall be converted to share capital within six months. Further, till to date of conversion of share money deposit to share capital, the amount of share money deposit shall be considered as potential share.

Although the official process with the Ministry of Posts, Telecommunications and Information Technology has been completed but BSCCL is awaiting for final approval from the Ministry of Finance to transfer the Equity Money to Share Capital. Hence, no Equity/Share Money has been



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converted into Share Capital by BSCCL as on 30 June 2022. However, they have calculated diluted EPS and disclosed in the financial statements considering the Equity Money received in the Financial Years 2015-2016 and 2016-2017 only".

It is for the information of all concern that the real scenario & reasoning for not considering the said equity money to Share capital and as potential shares to calculate the Net Assets Value (NAV) per share and Earning per Share (EPS) will be explained in the Directors' Report presented in the Annual Report of BSCCL for the year 2021-2022.

## Notes:

- **07<sup>th</sup> November, 2022** shall be considered as the '**Record Date**' for entitlement of the cash dividend and to attend the 14<sup>th</sup> Annual General Meeting. Valued Shareholders are requested to update their BO Account information regarding addresses, email Address, Bank Account information, Cell Number and 12 digits e-TIN (if required), Tax Exemption status (if applicable) through their respective Depository Participants (DP) before the Record Date. The '**Record Date**' information will be utilized for further communication, verification and calculation of dividend.
- Valued Shareholders are requested to submit their written option to receive dividend along with required supporting (if applicable) to the Company Secretariat of BSCCL & e-mail the same at **div@bscccl.com** on or before 17<sup>th</sup> November, 2022. In case of non-submission of such option within the stipulated time, the dividend will be paid as deemed appropriate by the company.
- Valued Shareholders including but not limited to mutual funds and different types of funds enjoying Tax Exemption for Dividend Income earned in Bangladesh are requested to submit the proof of such Tax Exemption along with required supporting (if applicable) to the Company Secretariat of BSCCL & e-mail the same at **div@bscccl.com** on or before 17<sup>th</sup> November, 2022. In case of non-submission of proof of Tax Exemption for Dividend Income earned in Bangladesh along with required supporting (including CDBL record about Tax Exemption Status) acceptable to BSCCL within the stipulated time, the dividend will be paid as deemed appropriate by the company.
- As per Bangladesh Securities and Exchange Commission notification no. SEC/CMRRCD/2009-193/169 dated 14<sup>th</sup> May 2015, We would request all Stock Brokerage Houses to provide us with a statement with the details (Shareholders' name, BO ID number, client-wise shareholding position, applicable Tax Rate) of their margin account holders (if any) who hold BSCCLs' shares, as on the 'Record Date' along with the name, phone number and e-mail address of the contact person in this connection, to the Company Secretariat of BSCCL & e-mail the same at **div@bscccl.com** on or before **17<sup>th</sup> November, 2022**. We would further request the Brokerage houses to provide us with their Bank name & Account number, Routing number, etc. within the stipulated time to enable us to disburse the cash dividend to their respective accounts. The e-mail should contain the required information in Excel file.

The detail of the Annual Financial Statements & the link for joining in the Virtual Platform is available in the website of the issuer of securities. The address of the website is [www.bscccl.com](http://www.bscccl.com)

**By order of the Board**

10<sup>th</sup> October, 2022

**Md. Abdus Salam Khan, FCS**  
Company Secretary (General Manager)  
BSCCL