



# Bangladesh Submarine Cable Company Limited

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

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ডাক ও টেলিযোগাযোগ বিভাগ  
POSTS & TELECOMMUNICATIONS DIVISION

## Price Sensitive Information

This is for information of all concerned that the Board of Directors of Bangladesh Submarine Cable Company Ltd.(BSCCL) in its 214<sup>th</sup> meeting held on 28 August, 2023 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 June, 2023 and took the following decisions:

<b>Date and Time of AGM</b>	:	<b>12 October 2023, Thursday at 11:00 A.M.</b>
<b>Venue of AGM</b>	:	<b>Virtual Meeting through Digital Platform</b>
<b>Record Date</b>	:	<b>20 September 2023, Wednesday</b>
<b>Proposed Dividend</b>	:	<b>51% Cash Dividend (Taka 5.1 per share)</b>

Particulars	[Amount in Taka]	
	2022-2023	2021-2022 <u>Restated</u>
Revenue	515,49,11,960	441,48,30,603
Net Profit after Tax	279,02,96,078	247,39,78,465
Earnings per share (EPS)-Basic	16.92	15.00
Earnings per share (EPS)- Diluted	15.19	13.67
Net Operating Cash Flow per share (NOCFPS)	14.68	16.76
	<b>As on 30 June 2023</b>	<b>As on 30 June 2022</b>
Net Asset Value	1402,55,13,555	1062,85,36,634
Net Asset Value per share (NAVPS)	85.05	64.45

### Explanatory notes for the significant variations and regarding audit opinion in the Financial Statements for the year ended 30 June 2023:

#### 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 mainly increase in revenue and other income through the ordinary course of the business activities which has been disclosed in the notes 33 to 37 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 taking into account the potential 1,88,07,515 nos. of shares following the recommendation of ICB Capital Management Ltd. being an issue manager and approval of the Board of Director's in its 195th BoD meeting held on 28 December 2021 considering the market value of last working day of each year of receiving Equity money. Please note that the above issuance is subject to approval of concerned Ministry, Shareholders and Bangladesh Securities and Exchange Commission. Details calculation of potential number of shares have been disclosed in the note no 53.1 in the Financial Statements.

#### Issue-3: Net Asset Value per Share

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

#### Issue-4: 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 2022-2023. It is to be mentioned that during the year 2021-2022 Tk. 24.96 crore has been received along with Tk. 61.27 crore during the year 2022-2023 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-5: Regarding Audit Opinion

Please note that the Auditor of BSCCL has expressed Qualified Opinion on Audited Financial Statements for the year ended on 30 June 2023. 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 favor 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 862,360,790 during the Financial Year 2021-2022 and 2022-2023 as Equity Money in four different phases 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 2,522,360,790 as on 30 June 2023.

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 converted into Share Capital by BSCCL as of 30 June 2023."

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 2022-2023.



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## Issue-5: Regarding Emphasis of Matters

Without modifying auditor's opinion, the Auditor has emphasized the following issues:

(a) Reference to **Note # 25 "Employees' pension, gratuity, LE & provident fund"** of its financial statements, the Company has carried forward the amount of Taka 13,808,952 of "Employees' Pension Fund" for a long period of time without adjustments which should be remeasured by the company and take initiative to adjust. Although the Company does not have any pension fund.

(b) Reference to **Note # 62** to its financial statements, the company has disclosed the "**Contingent Liabilities and commitment**" where they are involved a number of legal proceedings, including inquiries from, or discussions with, governmental authorities that are incidental to its operations. However, the Company has a dispute with the revenue authorities for an amount of Tk. 25,240,639 demanded by DCT for AY 2011-12 against of which appeal is processed to High Court Division.

It is for the information of all concern that the real scenario & reasoning will be explained in the Directors' Report presented in the Annual Report of BSCCL for the year 2022-2023.

## Notes:

- **20 September 2023** shall be considered as the '**Record Date**' for entitlement of the cash dividend and to attend the 15<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@bscc.com](mailto:div@bscc.com) on or before **27 September 2023**. 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@bscc.com](mailto:div@bscc.com) on or before **27 September 2023**. 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@bscc.com](mailto:div@bscc.com) on or before **27 September 2023**. 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.bscc.com](http://www.bscc.com)

**By order of the Board**

28 August, 2023

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