

Price Sensitive Information

This is for information of all concerned that the Board of Directors of Bangladesh Submarine Cable Company Ltd.(BSCCL) in its 192nd meeting held on 21st October, 2021 at 4:00 P.M at the conference room of BSCCL Head Office has approved the Audited Financial Statements for the year ended on 30th June, 2021 and took the following decisions:

| | | |
|-----------------------------|---|---|
| Date and Time of AGM | : | 07 December 2021, Tuesday at 11:00 A.M. |
| Venue of AGM | : | Virtual Meeting through Digital Platform |
| Record Date | : | 11 November, 2021 |
| Proposed Dividend | : | 37% Cash Dividend |

| Particulars | [Amount in Taka] | |
|--|---------------------------|------------------------------|
| | 2020-2021 | 2019-2020 <u>Restated</u> |
| Revenue | 344,85,26,861 | 246,37,69,111 |
| Net Profit after Tax | 190,73,31,861 | 90,53,69,825 |
| Earnings per share (EPS) | 11.57 | 5.49 |
| Net Operating Cash Flow per share (NOCFPS) | 15.18 | 6.87 |
| | As on 30 June 2021 | As on 30 June 2020 |
| Net Asset Value | 865,66,70,966 | 732,92,545,700 |
| Net Asset Value per share (NAVPS) | 52.49 | 44.45 |

Moreover, considering the opportunity offered by BTRC, the Board of Directors of BSCCL has approved applying for 'Submarine Cable Systems and Services License' for the company. The Board of Directors has also approved the deposit of Taka 11.50 crore (including VAT) as License Acquisition Fee for the 'Submarine Cable Systems and Services License' to BTRC. It is mentionable that after being granted the above-mentioned License, BSCCL will have to pay the following fees and charges to BTRC as per their licensing guidelines;

- Annual License Fee of Tk. 3 crore payable by BSCCL in advance from the first anniversary of the date of issuance of the License.
- No Revenue (0%) shall be shared for the first year of operation. However, BSCCL has to pay 3% (three percent) of the annual audited gross revenue generated under the License, which is to be paid on a quarterly basis within the first 10 (ten) days at the end of each quarter.

Explanatory notes for the significant variations in the Financial Statements for the year ended 30 June 2021:

Issue-1: Significant Increase in Revenue

Bangladesh Submarine Cable Company Limited (BSCCL)'s turnover is mainly comprised of lease rent of IPLC, IP Transit Service and Co-location Service. BSCCL has implemented Regional Submarine Telecommunications Project, Bangladesh (SMW-5) and continued providing commercial service through the system during the year under consideration. In addition to that, substantial effort of BSCCL's management, Govt. policy of digitalization of govt. services and introduction of 4G services contributed to increase in overall IPLC and IP Transit Bandwidth consumption in the country. Because of COVID-19, situation more and more activities are now conducted through on line using Internet Bandwidth, which also contributed to increase the demand of the services provided by BSCCL. Consequently, BSCCL's sales and services and hence the revenue also increased.

Issue-2: Significant Increase in EPS

EPS has been increased due to increase in Revenue and there was no significant additional expenditure against the increased revenue. During this year, BSCCL management has decided to reverse a sum of provision for bad and doubtful debts made in previous year or years due to realization of long pending outstanding from BTCL and BSNL, India. As such there is a positive impact of EPS enhancement. There was no significant Extraordinary Transactions during this year.

Issue-3: Significant Increase in Operating Cash flows:

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. Moreover, there is a positive impact on Cash flows due to realization of long pending outstanding from BTCL and BSNL, India and from other parties also during the year. Consequently, Net Operating Cash Flow per Share of BSCCL has been increased compared to that of previous year. Please note that there was no significant cash flow due to Extraordinary Transactions during the year.

Issue-4: Net Asset Value per Share

Net Asset value per share has been increased significantly mainly due to revaluation of Fixed Assets of the Company based on Audited Financial Statements as on 30 June, 2020 according to the valuation report which in continuation with the previously published PSI dated 16 August 2021 and other appreciation of assets during the year 2020-2021.

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 and Earning per Share (EPS). 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 2020-2021.

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 2021. The basis for Qualified Opinion is stated below-

"In the year 2015-2016 & 2016-2017, Bangladesh Submarine Cable Company Limited (BSCCL) received amount to Taka 1,660,000,000 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)) as Equity Money with condition that the said amount will be converted into Equity Capital in favour of the Ministry of Posts, Telecommunications and Information Technology (MoPT&IT) through issuing Share 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 Finance Division for issuing equity capital.

On 11 February 2021 Financial Reporting Council (FRC) has 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 into 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.

As on 30 June 2021 BSCCL did not convert the amount of Tk. 1,660,000,000 as equity money to Share capital and was not considered as potential share to calculate the Net Assets Value (NAV) per share and Earning per Share (EPS). For that reason, as on reporting date both Net Assets Value (NAV) per share and Earning per Share (EPS) of the company is overstated.

As the potential share is not identified by the management of BSCCL, the value of overstatement of Net Assets Value (NAV) per share and Earning per Share (EPS) could not be quantified.”

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 2020-2021.

Notes:

- **11th November, 2021** shall be considered as the '**Record Date**' for entitlement of the cash dividend and to attend the 13th 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 30th November, 2021. 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 30th November, 2021. 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 14th 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 **30th November, 2021**. 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

By order of the Board

21st October, 2021



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