

**Independent Performance Evaluation (IPE) Report**  
**on**  
**Bangladesh Submarine Cable PLC (BSCPLC)**  
**For 2022-23**

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## **Executive Summary**

The Finance Division of the Ministry of Finance is implementing the "Strengthening Public Financial Management Program to Enable Service Delivery (SPFMS)." One of the key components of this program is the "Strengthening of State-owned Enterprises' Governance" scheme, which aims to strengthen the governance of State-owned Enterprises (SOEs) and Autonomous Bodies (ABs). To achieve this, the Finance Division has developed and approved an Independent Performance Evaluation Guideline (IPEG) for SOEs and ABs to evaluate their performance independently. Based on selection parameters of IPEG, Monitoring Cell, Finance Division has selected 10 (ten) more SOEs and ABs in addition to previously selected 10 (ten) SOEs/ABs in total 20 (twenty) SOEs/ABs to conduct Independent Performance Evaluation for the fiscal year 2022-23.

Bangladesh Submarine Cables PLC (BSCPLC) is among the 20 selected State-Owned Enterprises (SOEs) and Autonomous Bodies (ABs) for Independent Performance Evaluation (IPE) for FY 2022-23. Based on the evaluation results, BSCPLC achieved a weighted average score of 3.30 out of 4.00, earning a grade of 'Very Good' for the fiscal year.

### **1. Introduction**

Bangladesh Submarine Cables PLC (BSCPLC) was incorporated as a Public Limited Company on June 24, 2008, under the Companies Act of 1994. It has authorized capital of BDT 10 billion, divided into 100 million ordinary shares valued at BDT 100 each. In the fiscal year 2010-11, the company reduced the denomination of its shares from BDT 100 to BDT 10. It received its certificate of commencement of business from the Registrar of Joint Stock Companies and Firms on 24 June 2008.

As of June 30, 2023, the shareholding structure of BSCPLC is as follows:

- Government of Bangladesh (GoB): 73.85%
- Institutional Investors: 15.52%
- Foreign Investment: 2.75%
- Public Shareholders: 7.88%

BSCPLC was established after the abolition of the Bangladesh Telegraph and Telephone Board (BTTB). The company inherited all assets, including land, buildings, and equipment at the landing station in Jhlongsha, Cox's Bazar, associated with the undersea submarine cable system.

Before the formation of BSCPLC, the project "Establishment of International Telecommunication System through Submarine Cable" was initiated by BTTB as part of the SEA-ME-WE-4 (South East Asia-Middle East-Western Europe) international agreement consortium. In 2014, BSCPLC joined the SEA-ME-WE-5 submarine cable consortium, connecting Bangladesh to a second submarine cable system. This second cable landed at the Kuakata, Patuakhali landing station in December 2016 and became commercially operational on September 10, 2017.

BSCPLC plays a critical role in providing Bangladesh with telecommunications infrastructure, connecting the country to the global information superhighway via its submarine cable system. The company delivers high-quality bandwidth for international data and voice communication. Oversight of BSCPLC is managed by the Posts and Telecommunications Division of the Ministry of Posts, Telecommunications & Information Technology. The entity's operational activities are given below:

#### **Key Operational Activities**

SI	Particulars	Unit	FY 2020-21	FY 2021-22	FY 2022-23
1.	Achievable Capacity	Gbps	3,000	3,370	3,420
2.	Lit up Capacity	Gbps	2,000	3,050	3,050
3.	Utilization	Gbps	1,563.91	2,068.88	2,556.
4.	IPLC-Export (SMW#5)	Million Taka	-	19.89	25.37

The above table highlights the key operational activities of BSCPLC over three fiscal years. The Achievable Capacity increased from 3,000 Gbps in FY 2020-21 to 3,370 Gbps in FY 2021-22 (a 12.3% increase) and slightly to 3,420 Gbps in FY 2022-23 (a 1.5% increase). Lit-up Capacity surged from 2,000 Gbps in FY 2020-21 to 3,050 Gbps in FY 2021-22 (a 52.5% increase), remaining stable in FY 2022-23. Utilization saw consistent growth, rising from 1,563.91 Gbps in FY 2020-21 to 2,068.88 Gbps in FY 2021-22 (a 32.3% increase) and further to 2,556 Gbps in FY 2022-23 (a 23.5% increase). IPLC-Export (SMW#5) was first reported in FY 2021-22 at 19.89 million Taka and grew by 27.5% to 25.37 million Taka in FY 2022-23. This reflects BSCPLC's expanding operational capacity and export revenues.

## **2. Role and Function:**

Bangladesh Submarine Cables PLC (BSCPLC) mainly performs the following functions:

- i. Offers a one-stop service for circuit provisioning, ensuring efficient operations and maintenance.
- ii. Provides customer support through its International Internet Gateway (IIG) network operation center and submarine cable landing station monitoring center.
- iii. Delivers co-location services to customers from various BSCPLC facilities.
- iv. Implements initiatives to enhance the professional skills of its officers and employees.
- v. Engages in social welfare activities funded by the company's Corporate Social Responsibility (CSR) programs.
- vi. Supplies International Private Lease Circuit (IPLC) and IP transit services to International Internet Gateway (IIG) companies.
- vii. Offers IPLC services to International Voice Gateway (IGW) companies.

## **3. Core Business and Organizational Structure**

Core Business:

- i. Provides high-quality bandwidth for internet and voice communication through IPLC.
- ii. Develops strategies to maximize the use of existing bandwidth and lease surplus bandwidth in the international market.
- iii. Maintains seamless operations and maintenance by coordinating with the South East Asia-Middle East-Western Europe (SMW) consortiums, including SMW-4, SMW-5, and the upcoming SMW-6.

## 4. Evaluation Parameters

### Criteria: Business and Governance

#### Indices: A. Business Strategy and Social Responsibility

Table 1(a): Standard of Indices A

FY 2022-23

Serial No.	Indicators & Sub-indicators	* Standard						
		Types of Measurement	Weight for Sub-indicators	Grade: Excellent Score: 4	Grade: Very Good Score: 3	Grade: Good Score: 2	Grade: Fair Score: 1	Grade: Under-performing Score: 0
1	<b>Entity Strategy</b>							
	Entity Strategic Plan	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
2	<b>Growth Trajectory</b>							
	2a. Net Income Growth	QN	4	25.00% or more	20.00% to 24.99%	15.00% to 19.99%	10.00% to 14.99%	Below 10.00%
	2b. Service Revenue Growth	QN	4	30.00% or more	25.00% to 29.99%	20.00% to 24.99%	15.00% to 19.99%	Below 15.00%
	2c. Other Growth	QL	3	91-100%	81-90%	71-80%	41-70%	Below 41%
3	<b>Effective Implementation of Public Policy</b> • Implement activities to achieve policy goal	QL	3	91-100%	81-90%	71-80%	41-70%	Below 41%
4	<b>Efficiency of Project Implementation/ Project Goal Achievement:</b> • Percentage of estimated target achieved"	QN	4	91-100%	81-90%	71-80%	41-70%	Below 41%
5	<b>Social Contribution</b> •Environmental Contribution •CSR/WPPF •Training/Volunteering	QL	3	91-100%	81-90%	71-80%	41-70%	Below 41%

Table 1(b): Achievement of Indices A

Serial No.	Indicators & Sub-Indicators	Types of Measurement	Weight for sub-indicators	Actual Performance	Achievement		Basis of Performance Measuring
					Grade	Score	
1	Entity Strategy						
	Entity Strategic Plan	QL	4	91.00%	Excellent	4	Note 1
2	Growth Trajectory						
	2a.Net Income Growth	QN	4	12.79 %	Fair	1	AFS
	2b Service Revenue Growth	QN	4	16.76%	Fair	1	AFS
	2c. Other Growth	QL	3	92.00%	Excellent	4	Note 2
3	Effective Implementation of Public Policy	QL	3	91.00%	Excellent	4	Note 3
4	Efficiency of Project Implementation/ Project Goal Achievement	QN	4	91.00%	Excellent	4	Note 4
5	Social Contribution	QL	3	92.00%	Excellent	4	Note 5
Sub-Total			25				

**Note-1:** Bangladesh Submarine Cable PLC (BSCPLC) has formulated a forward-looking strategic plan to enhance national connectivity and address the country's growing bandwidth requirements. This includes the ongoing installation of the 3rd submarine cable, targeted for completion by 2025, and the planned deployment of a 4th submarine cable during the 2028–2032 period. Additionally, BSCPLC aims to enter into a construction and maintenance agreement with the SMW-6 submarine cable consortium, which will facilitate the delivery of high-quality international voice and data services at affordable rates. This strategic approach strengthens the nation's digital infrastructure, ensuring sustainable and inclusive technological growth. These plans directly support SDG 9 (Industry, Innovation, and Infrastructure) and are aligned with the National Strategic Plan and Government Policy Directives outlined in the National Budget.

**Note-2:** BSCPLC has implemented the following measures to enhance its service processes:

- i. Introduced a pre-paid limited destination service to improve accessibility and flexibility for users.
- ii. Providing National Internet Exchange (NIX) services to strengthen network connectivity and efficiency.
- iii. Established new IIG Point of Presence (PoP) for network operation center.
- iv. Constructed Functional Bhaban at Cox's Bazar Landing Station.

**Note-3:** Bangladesh Submarine Cables PLC (BSCPLC) plays a vital role in implementing public policy by ensuring high-quality, secure, and uninterrupted international connectivity, which supports the government's vision for a "Digital Bangladesh." Through the provision of International Private Lease Circuit (IPLC) and IP transit services, along with its involvement in the SMW-4, SMW-5, and upcoming SMW-6 submarine cable systems, BSCPLC contributes directly to SDG 9 (Industry, Innovation and Infrastructure) and SDG 17 (Partnerships for the Goals).

**Note-4:** During FY 2022–23, KDA achieved 91.00% of its financial target and 132.00% of its physical target in project implementation. A comprehensive performance score was assigned based on this combined achievement.

**Note-5:** BSCPLC is actively involved in social and environmental activities, including:

- i. Providing internet bandwidth through submarine cables, which has a minimal environmental impact.
- ii. Donating an ambulance to Anjuman Mofidul Islam as part of its Corporate Social Responsibility (CSR) program.
- iii. Establishing 50 (fifty) digital classrooms for disadvantaged and differently-abled students of 11 (eleven) schools.
- iv. Making significant contributions to employee welfare through the Workers' Profit Participation Fund (WPPF), and transferring TK 16.10 million of WPPF funds to the Shramik Kallayan Foundation.
- v. Organizing regular training programs to build the capacity of employees on relevant subjects.
- vi. Maintaining employee benefit schemes, including WPPF, Provident Fund, and Gratuity Fund.

## Indices: B. Operational Efficiency

**Table 2(a): Standard of Indices B**

FY 2022-23

Serial No.	Indicators & Sub-indicators	* Standard						
		Types of Measurement	Weight for Sub-indicators	Grade: Excellent Score: 4	Grade: Very Good Score: 3	Grade: Good Score: 2	Grade: Fair Score: 1	Grade: Under-performing Score: 0
1	<b>Service Delivery</b>							
	Service Benefit & Accessibility	QL	5	91-100%	81-90%	71-80%	41-70%	Below 41%
2	<b>Labor Productivity</b>							
	Added Value per Employee (million Tk.)	QN	4	Tk40.00 mil or more	Tk.35.00 to 39.99 mil	Tk.30.00 to 34.99 mil	Tk25.00 to 29.99 mil	Below Tk. 25.00 mil
3	<b>Capital Productivity</b>							
	3a. Added Value per Tk. Value of Assets	QN	4	Tk. 0.25 or more	Tk. 0.23 to 0.24	Tk. 0.21. to 0.22	Tk. 0.19 to 0.20	Below Tk. 0.19
	3b. Added Value Per Tk. Value of PPE	QN	4	Tk. 1.00 or more	Tk. 0.80 to 0.99	Tk. 0.60 to 0.79	Tk. 0.40 to 0.59	Below Tk. 0.40
4	<b>Production</b>							
	4a..Asset Turnover (Times)	QN	4	0.25 or more	0.20 to 0.24	0.15 to 0.14	0.10 to 0.14	Below 0.10
	4bCapacity Utilization.	QN	4	91-100%	81.90%	71-80%	41-70%	Below 41%
Sub-total			25					

**Table 2(b): Achievement of Indices B**

Serial No.	Indicators & Sub-Indicators	Types of Measurement	Weight for sub-indicators	Actual Performance	Achievement		Basis of Performance Measuring
					Grade	Score	
1	<b>Service Delivery</b>						
	Service Benefit & Accessibility	QL	5	92.00%	Excellent	4	Note-5
2	<b>Labor Productivity</b>						
	Added Value per Employee (million Tk.)	QN	4	Tk. 33.89 mil	Good	2	AFS
3	<b>Capital Productivity</b>						
	3a. Added Value per Tk. Value of Assets	QN	4	Tk. 0.23	Very Good	3	AFS
	3b. Added Value Per Tk. Value of PPE	QN	4	Tk.0.79	Good	2	AFS
4	<b>Production</b>						
	4a. Asset Turnover (Times)	QN	4	0.25	Excellent	4	AFS
	4b. Capacity Utilization	QN	4	83.80%	Very Good	3	SL 42 of Annexure-1
Sub-total			25				

**Note-5:** BSCPLC has introduced the following measures to enhance stakeholder satisfaction:

- i. Reduced prices of its product and service by around 23% on an average.
- ii. Ensured 24/7 availability of technical support services.

## Indices: C. Financial

**Table 3(a): Standard of Indices C**

FY 2022-23

		* Standard						
Serial No.	Indicators & Sub-indicators	Types of Measurement	Weight for Sub-indicators	Grade: Excellent Score: 4	Grade: Very Good Score: 3	Grade: Good Score: 2	Grade: Fair Score: 1	Grade: Under-performing Score: 0
	i. Financial Performance							
1	Operating profit	QN	2	Tk. 3,500 million or more	Tk.3,000 to Tk.3,499 million	Tk2,500 to Tk.2,999 million	Tk2,000 to Tk. 2,499 million	Below Tk.2,000 million
2	Profit before Tax	QN	2	Tk. 3,000 million or more	Tk.2,500 to Tk.2,999 million	Tk. 2,000 to Tk. 2,499 million	Tk.1,500 to Tk.1,999 million	Below Tk. 1,500 million
3	Return on Assets (%)	QN	2	15.00 % or more	13.00% to 14.99 %	11.00%to 12.99%	9.00% to10.99%	Below 9.00%
4	Return on Service Revenue (%)	QN	2	50.00% or more	45.00%to 49.99%	40.00% to 44.99%	35.00% to 39.99%	Below 35.00%
5	Return on Equity (%)	QN	2	20.00% or more	18.00%to 19.99%	16.00 % to 17.99%	14.00 % to15.99%	Below 14.00%
6	Net Worth Growth (%)	QN	2	25.00 or more	23.00% to 24.99%	21.00% to 22.99%	19.00% to 20.99%	Below 19.00%
7	Capital Budget Utilization (%)	QN	2	91-100%	81-90%	71-80%	41-70%	Below 41%
	ii. Financial Risk							
1	Debt Equity Ratio (Times)	QN	2	0.70or less	0.71 to 1.00	1.01 to 1.30	1.31 to 1.60	More than 1.60
2	Debt to Assets (Times)	QN	2	0.40or less	0.41 to 0.60	0.61 to 0.80	0.81 to 1.00	More than 1.00
3	Debt Coverage Ratio (Times)	QN	2	2.00 or more	1.75to 1.99	1.50to 1.74	1.25to 1.49	Below 1.25
4	Current Ratio (Times)	QN	2	2.00 or more	1.75to 1.99	1.50to 1.74	1.25to 1.49	Below 1.25
5.	Accounts Receivable Period (Days)	QN	2	60 or less	61 to 80	81 to 100	101 to 120	More than 120
	iii. Transactions with Govt.							
1	Taxes Paid	QN	1	91-100%	81-90%	71-80%	41-70%	Below 41%
2	Fees & Charges Paid	QN	1	91-100%	81-90%	71-80%	41-70%	Below 41%
3	Debt Service Liabilities Paid	QN	2	91-100%	81-90%	71-80%	41-70%	Below 41%
4.	Dividend Paid	QN	2	91-100%	81-90%	71-80%	41-70%	Below 41%



**Table 3 ( b): Achievement of Indices C**

Serial No.	Indicators & Sub-Indicators	Types of Measurement	Weight for sub-indicators	Actual Performance	Achievement		Basis of Performance measuring
					Grade	Score	
	i. Financial Performance						
1	Operating profit	QN	2	Tk. 3,672.44 million	Excellent	4	AFS
2	Profit before Tax	QN	2	Tk. 3,581.65 million	Excellent	4	AFS
3	Return on Assets (%)	QN	2	13.40%	Very Good	3	AFS
4	Return on Sales (%)	QN	2	54.13%	Excellent	4	AFS
5	Return on Equity (%)	QN	2	19.89%	Very Good	3	AFS
6	Net Worth Growth (%)	QN	2	31.96%	Excellent	4	AFS
7	Capital Budget Utilization (%)	QN	2	98.05%	Excellent	4	SL-27,28 of Annexure -1
	ii. Financial Risk						
1	Debt Equity Ratio (Times)	QN	2	0.49	Excellent	4	AFS
2	Debt to Assets (Times)	QN	2	0.33	Excellent	4	AFS
3	Debt Coverage Ratio (Times)		2	7.42	Excellent	4	AFS
4	Current Ratio (Times)	QN	2	3.35	Excellent	4	AFS
5	Accounts Receivable Period (Days)	QN	2	259.66	Under Performing	0	AFS Note-6
	iii) Transactions with Government						
1	Taxes Paid	QN	1	119.41%	Excellent	4	SL-31,32 of Annexure -1
2	Fees & Charges Paid	QN	1	100 %	Excellent	4	SL-35,36 of Annexure -1
3	Debt Service Liabilities Paid	QN	2	81%	Very Good	3	SL-33,34 of Annexure -1
4	Dividend Paid	QN	2	100%	Excellent	4	SL-29,30 of Annexure -1
Sub-total			30				

**Note-6:** In the Audit Report for 2022-23, Accounts Receivable (Trade) reflects a total of Tk. 3,389.23 million. Out of this amount, Tk. 932.80 million remains outstanding for over 365 days. To recover the long-pending outstanding balances from the parties concerned, BSCPLC has filed various lawsuits against 19 parties; however, the matter has not yet been resolved.

## Indices: D. Corporate Governance Practices

**Table 4(a): Standard of Indices D**

FY 2022-23

Serial No.	Indicators & Sub-indicators	* Standard						
		Types of Measurement	Weight for Sub-indicators	Grade: Excellent Score: 4	Grade: Very Good Score: 3	Grade: Good Score: 2	Grade: Fair Score: 1	Grade: Under-performing Score: 0
1	<b>Commitment to Corporate Governance:</b> <ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Ethics</li> <li>• Key policies of Board</li> <li>• Board structure</li> <li>• Employees service rules/regulations</li> <li>• Appointment of Board Secretary</li> </ul>	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
2	<b>Board Practices:</b> <ul style="list-style-type: none"> <li>• Composition of Board of Directors and number of meetings held</li> <li>• TOR of board</li> <li>• Number of independent Board Directors</li> <li>• Name &amp; Number of board committees and number of meetings held</li> <li>• Number of board decisions that have been implemented</li> </ul>	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
3	<b>Transparency and Disclosure:</b> <ul style="list-style-type: none"> <li>• Board of directors and Senior managers name and biographies</li> <li>• Audited financial statement</li> <li>• Citizen charter</li> <li>• APA</li> <li>• Code of conduct</li> </ul>	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
4	<b>Control Environment and Process:</b> <ul style="list-style-type: none"> <li>• Entity's internal control systems for different departments</li> <li>• Internal audit procedure and reporting authority</li> <li>• Entity's computer-based management information system (database)</li> <li>• Any authority of the board to mitigate the entity's emergency situation</li> <li>• Measures taken for safe working environment in the entity's premises</li> </ul>	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
5	<b>Performance against the key Indicators of APA<sup>1</sup>:</b> <ul style="list-style-type: none"> <li>• Total Performance score achieved on APA</li> </ul>	QN	4	100%	90%	80%	70%	60%

<sup>1</sup>Standard of APA Indicator is set on the basis of Annual Performance Agreement (APA) Guideline.

**Table 4(b): Achievement of Indices D**

Serial No.	Indicators & Sub-Indicators	Types of Measurement	Weight for sub-indicators	Actual Performance	Achievement		Basis of Performance Measuring
					Grade	Score	
1	Commitment to Corporate Governance	QL	4	91%	Excellent	4	Note 7
2	Board Practices	QL	4	92%	Excellent	4	Note 8
3	Transparency and Disclosure	QL	4	93%	Excellent	4	Note 9
4	Control Environment and Process.	QL	4	82%	Very Good	3	Note 10
5	Performance against the key Indicators of APA	QN	4	95.50%	Very Good	3	Score of APA for FY 2022-23
Sub-total			20				
Grand Total (A+B+C+D):			100				

\* Standard for Financial and Non-Financial indicators are set on the basis of IPE process.

**Note-7:** BSCPLC operates under its own Memorandum and Articles of Association and adheres to a range of governance practices, including the Code of Conduct, Employee Service Rules/Regulations, Key Board Policies, the Ethics of the National Integrity Strategy, and the Citizen Charter. The company has a corporate secretary for its board.

**Note-8:** The Board of Directors consists of nine (9) members, all nominated by the Government of Bangladesh (GOB). The Board includes a chairman and eight (8) other members, of whom two (2) are independent directors, one (1) is the ex-officio Managing Director, and the remaining five (5) represent various Ministries, Divisions, and Organizations. The Board follows the Terms of Reference (TOR) and has established three (3) committees: the Nomination and Remuneration Committee (NRC), the Audit Committee, and the Tariff Committee. During the fiscal year 2022-23, twelve (12) Board meetings were held, resulting in the implementation of eighty-three (83) Board decisions.

**Note-9:** The names and biographies of the entity's Board of Directors and Senior Managers, along with the Audited Financial Statements, Citizen Charter, APA, Act, Rules, Regulations, and Code of Conduct, are available on BSCPLC's website.

**Note-10:** BSCPLC has implemented the following measures to control environment and process:

- BSCPLC has an Internal Audit Department that prepares an annual Internal Audit Plan, which is approved by the Audit Committee at the beginning of each year.
- The audit team performs their work based on the Internal Audit Plan. After completing the audits, they prepare an Internal Audit Report and submit it to the Audit Committee.
- The Audit Committee reviews the report and takes appropriate actions.
- The entity's Accounts Department uses Tally Accounting software and maintains a computer-based Inventory Management System.
- CC cameras have been installed to cover the entire office building, ensuring safety and security, including at the landing station.
- Security measures are maintained in accordance with the KPI policy.

## 5. IPE Process

- i. Performances of non-financial indicators of Bangladesh Submarine Cables PLC (BSCPLC) has been evaluated using information and documents of the inception report provided by BSCPLC.
- ii. Actual performance of non-financial indicators is determined through the collective decision of ERT members.
- iii. According to IPEG, actual financial performances of BSCPLC are to be evaluated on the basis of national best practices/standard. However, due to non-availability of such standard and comparable entities in the country, BSCPLC's financial performance was assessed based on its performance over the last five years on respective financial indicators.
- iv. Performances of all financial indicators are evaluated based on audited financial statements.
- v. Measurement tools used for financial indicators are suggested by IPEG.
- vi. Grades and scores are assigned according to the IPEG.

## 6. Performance Evaluation Results

### Bangladesh Submarine Cables PLC (BSCPLC)

Fiscal Year: 2022-23

Serial No	Name of Indices, Indicators and Sub-indicators	Weight for Indices	Weight for Sub indicators	Score Obtained	Weighted Score
a	b	c	d	e	f
A	<b>Business Strategy and Social Responsibility:</b>	25			
1	Entity Strategy: • Entity Strategic Plan		4	4	0.16
2	Growth Trajectory: 2a. Net Income Growth		4	1	0.04
	2b. Service Revenue Growth		4	1	0.04
	2c. Other Growth		3	4	0.12
3	Effective Implementation of Public Policy: • Implement activities to achieve policy goal		3	4	0.12
4	Efficiency of Project Implementation/ Project Goal Achievement: • Percentage of estimated target achieved		4	4	0.16
5	Social Contribution: • Environmental Contribution • CSR / WPPF • Training / Volunteering		3	4	0.12
<b>Sub Total</b>			<b>25</b>		<b>0.76</b>
B	<b>Operational Efficiency:</b>	25			
1	Service Delivery: • Service benefits and Accessibility		5	4	0.20
2	Labor Productivity: 2a. Added Value Per Employee		4	2	0.08
	2b. Employees cost on Value addition (%)				
3	Capital Productivity: 3a. Added Value Per TK Value of Assets		4	3	0.12
	3b. Added Value Per TK Value of PPE		4	2	0.08
4	Production:				
	4a. Input use Efficiency				
	4b. Inventory Turnover				
	4c. Asset Turnover		4	4	0.16
	4d. Capacity Utilization		4	3	0.12
<b>Sub Total</b>			<b>25</b>		<b>0.76</b>

Serial No	Name of Indices, Indicators and Sub-indicators	Weight for Indices	Weight for Sub indicators	Score Obtained	Weighted Score
C	<b>Financial:</b>	30			
	<b>i. Financial Performance:</b>				
1	Operating profit		2	4	0.08
2	Profit before tax		2	4	0.08
3	Return on assets		2	3	0.06
4	Return on Service Revenue		2	4	0.08
5	Return on equity		2	3	0.06
6	Net worth growth		2	4	.0.08
7	Capital budget utilization		2	4	0.08
	<b>ii. Financial Risk:</b>				
1	Debt equity ratio		2	4	0.08
2	Debt to assets		2	4	0.08
3	Debt coverage ratio		2	4	0.08
4	Current ratio		2	4	0.08
5	Accounts receivable period		2	0	0.00
	<b>iii. Transactions with Government:</b>				
1	Taxes paid		1	4	0.04
2	Fees & charges paid		1	4	0.04
3	Debt Service Liabilities Paid		2	3	0.06
4	Dividend Paid		2	4	0.08
	<b>Sub Total</b>		<b>30</b>		<b>1.06</b>

Serial No	Name of Indices, Indicators and Sub-indicators	Weight for Indices	Weight for Sub indicators	Score Obtained	Weighted Score
D	<b>Corporate Governance Practices:</b>	20			
1	Commitment to Corporate Governance: <ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Ethics</li> <li>• Key policies of Board</li> <li>• Board structure</li> <li>• Employee's service rules/ regulations</li> <li>• Appointment of Board Secretary</li> </ul>		4	4	0.16
2	Board Practices: <ul style="list-style-type: none"> <li>• Composition of Board of Directors and number of meetings held</li> <li>• TOR of board</li> <li>• Number of independent Board Directors</li> <li>• Name &amp; Number of board committees and number of meetings held</li> <li>• Number of board decisions that have been implemented</li> </ul>		4	4	0.16
3	Transparency and Disclosure: <ul style="list-style-type: none"> <li>• Board of directors and Senior managers name and biographies</li> <li>• Audited financial statement</li> <li>• Citizen charter</li> <li>• APA</li> <li>• Code of conduct</li> </ul>		4	4	0.16
4	Control Environment and Process: <ul style="list-style-type: none"> <li>• Entity's internal control systems for different departments</li> <li>• Internal audit procedure and reporting authority</li> <li>• Entity's computer-based management information system (database)</li> <li>• Any authority of the board to mitigate the entity's emergency situation</li> <li>• Measures taken for safe working environment in the entity's premises</li> </ul>		4	3	0.12
5	Performance against the key Indicators of APA: <ul style="list-style-type: none"> <li>• Total Performance score achieved on APA</li> </ul>		4	3	0.12
	<b>Sub Total</b>				<b>0.72</b>
	<b>Grand Total (A+B+C+D)</b>	<b>100</b>	<b>100</b>		<b>3.30</b>

## 7. Interpretation of Results

As per Independent Performance Evaluation (IPE), Bangladesh Submarine Cables PLC (BSCPLC) Scored 3.30 out of 4.00 in the year 2022-23.

7. (A) The performance of BSCPLC is graded “Excellent” in the following areas:

- Entity Strategic Plan
- Social Contribution
- Board Practices
- Other Growth
- Transparency and Disclosure
- Corporate Governance
- Efficiency of project Implementation
- Current Ratio
- Capital Budget Utilization
- Net Worth Growth
- Debt Coverage Ratio
- Assets Turnover
- Debt to Assets
- Return on Service Revenue
- Debt Coverage Ratio
- Debt Equity Ratio
- Effective Implementation of Public Policy
- Service Delivery

The performance of BSCPLC graded “Very Good” in the following areas:

- Control Environment and Process
- Annual Performance Agreement (APA)
- Capital Productivity
- Return on Equity
- Return on Assets
- Capacity Utilization

The performance of BSCPLC is graded “Good” in the following area:

- Labor Productivity

The performance of BSCPLC is graded “Fair” in the following areas:

- Service Revenue Growth
- Net Income Growth

The performance of BSCPLC is graded “Fair” in the following area:

- Accounts Receivable Period



**7. (B) Other important aspects of Performance during FY 2022-23:**

- BSCPLC has earned operating profit of Tk. 3,672.44 million.
- The entity earned net profit (after tax) of Tk.2,790.296 million.
- BSCPLC Current Ratio (Times) 3.35 which indicates entity is in a well position to meet its current liabilities in due period.
- BSCPLC Paid Taxes Tk.1,146.70 million and DSL Tk. 263.61 million.
- GOB invested Tk.612.76 million as equity and 1,086.50 million as loan to BSCPLC against the completed projects.

**8. Findings from the Audit Report 2022-2023**

8(A). In BSCPLC Audit report 2022-23, the auditor provided qualified opinion on the following issues:

- BSCPLC received Tk. 2,522.36 million from GOB against the Implementation of Regional Submarine Telecommunications project in different phases. The said amount will be converted into share capital as per documents. But BSCPLC is waiting for approval from Ministry of Finance to transfer the equity money into share capital which is unresolved still.

8(B). In the BSCPLC audit report 2022-23, the auditor emphasis and drew attention to the following accounts and notes:

1. The company carried forward employees' pension fund Tk. 13.81 million for deputation employees in its financial statement for long period of time without adjustment.
2. BSCPLC disclosed the Contingent Liabilities of Tk. 25.24 million against Income Tax which is now placed to High Court Division.
3. A dispute arises between BSCPLC and BTCL regarding the office rent of Tk. 6.74 million which is pending for a long time.
4. The company filed different types of litigation to realize the long pending outstanding of Tk. 50.65 million from 19 parties.
5. In the report inadequate bad debt provision has been kept for TK932.80 million receivable which is overdue or aging over one year or more.

**9. Recommendation for Performance Based Incentives**

Bangladesh Submarine Cables PLC (BSCPLC) has obtained a weighted score of 3.30 out of a scale 4.00 and is graded "Very Good". Therefore, IPEC recommended non-financial incentive for the employees of BSCPLC. Also, a certificate from Finance Division may be awarded to BSCPLC for being graded "Very Good" in IPE for the FY 2022-23.

## **10. Recommendations for Improvements:**

To improve the performance of BSCPLC the following recommendations are made based on the findings of IPE:

- i. BSCPLC should take appropriate steps to execute the construction and maintenance agreement with the SMW-6 submarine cable consortium, aiming to improve bandwidth capacity, diversity, and redundancy.
- ii. The entity should implement state of art technology in internet and voice communication services to ensure uninterrupted connectivity and provide affordable bandwidth pricing for customers.
- iii. The company should take necessary measures to lease surplus bandwidth in the international market and/or utilize it within the country.
- iv. The company should implement Enterprise Resource Planning (ERP) software by 2026 as per its plan to streamline operational activities.
- v. BSCPLC should prepare its Audited Financial Statements in accordance with IAS/IFRS guidelines.
- vi. The company should address pending issues, such as office rent, receivables, and pension funds, to ensure a fair presentation of the Audited Financial Statements (AFS).
- vii. BSCPLC reports a total revenue of Tk. 5,152.30 million according to the VAT return, but the actual total revenue is Tk. 5,204.79 million. A reconciliation of the Tk. 52.99 million difference should be undertaken.
- viii. The entity should resolve the share capital issues with the Finance Division to ensure a fair presentation of its Financial Statements.
- ix. The entity should maintain a specific provision for the significant amount of accounts receivable in accordance with IAS 36, due to the potential risk of non-recovery of long-outstanding receivables. In line with the Prudence Principle, an adequate provision should be ensured to cover such risks.

## **11. Conclusion**

Based on Audited Financial Statements, data and documents of Bangladesh Submarine Cables PLC (BSCPLC), Independent Performance Evaluation (IPE) report has been prepared for FY 2022-23. In the report it is found that BSCPLC's financial and non- financial performance has improved compare to last fiscal year. Hence, to expand the jurisdiction of BSCPLC and overall performance improvement the entity should complete the "Third Submarine Cable Installation" project within timeline and take initiative to install Fourth Sub Marine Cable in Bangladesh as per their projection. The entity should resolve the financial anomalies mentioned in BSCPLC Audit Report 2022-23.

**Bangladesh Submarine Cables PLC (BSCPLC)**

**Annexure-1**

**Financial & Other Information**

Amount in BDT			
Serial No	Statement of Financial Position (Balance Sheet)	Evaluate Fiscal Year	Previous Fiscal Year
		2022-23	2021-22
1	Current Assets:		
	i. Inventories		
	• Material		
	• Accessories/ Supplies		
	• Others (including spare parts)		
	ii. Receivable:		
	• Trade	3,389,225,805	2,679,443,597
	• Others	208,943,128	73,055,043
	iii. Cash and Cash Equivalent	229,962,026	210,798,632
	iv. Investment in FDR, Shares & others	3,860,489,139	5,781,722,498
2	Total Current Assets (i+ii+iii+iv)	7,688,620,098	8,745,019,770
3	Total Non-Current Assets		
	• Property, Plant & Equipment (PPE)	6,021,293,160	6,441,535,808
	• Capital Work in Progress	6,958,346,053	1,591,351,700
	• Other Non Current Assets	160,946,486	113,865,972
4	Total Assets (2+3)	20,829,205,797	16,891,773,250
5	Current Liabilities:		
	i. Payables:		
	• Trade	299,633,870	208,565,363
	• Others		
	ii. Other Current Liabilities	1,992,066,911	2,475,221,058
6	Total Current Liabilities (i+ii)	2,291,700,781	2,683,786,421
7	Non-Current Liabilities:		
	i. Long Term Loans/Debts	3,352,984,839	2,482,863,067
	ii. Deferred Liabilities	629,158,656	613,107,389
	iii. Other Non-Current Liabilities	529,847,965	483,479,737
8	Total Non-Current Liabilities (i+ii+iii)	4,511,991,461	3,579,450,193
9	Total Liabilities (6+8)	6,803,692,242	6,263,236,615
10	Equity:		
	i. Share Capital	1,649,055,100	1,649,055,100
	ii. Equity Money from GOB	2,522,360,790	1,909,600,000
	iii. Share Premium	723,293,759	723,293,759
	iv. Tax Holiday Reserve	876,412,889	847,740,119
	v. Revaluation Reserve	996,929,484	1,032,360,394
	vi. Retained Earnings/(Loss)	7,257,461,533	4,466,487,262
11	Total Equity (i+ii+iii+iv+v)	14,025,513,555	10,628,536,634
12	Total Equity and Liabilities (9+11)	20,829,205,797	16,891,773,250

## Annexure 1

Serial No	Statement of Profit or Loss and Other Comprehensive Income (Income Statement)	2022-23		2021-22	
		Amount	Percentage	Amount	Percentage
13	Net Sales Revenue	5,154,911,960		4,414,830,603	
	Total Revenue	5,154,911,960	100%	4,414,830,603	100%
14	Less: Cost of Services	876,987,279	17.01%	694,480,914	11.73%
15	Gross Profit/(Loss) (13-14)	4,277,924,681	82.99%	3,720,349,689	84.27%
16	Less: Operating Expenses:				
	i. Administrative Expenses	605,480,733	11.75%	514,908,980	11.66%
	ii. Marketing Expenses				
17	Total Operating Expenses (i+ii)	605,480,733	11.75%	514,908,980	11.66%
18	Operating Profit/(Loss) (15-17)	3,672,443,948	71.24%	3,205,440,709	72.61%
19	Add: Non-Operating Income	215,037,225		265,966,762	
20	Less: Financial Expenses	126,107,280		136,514,690	
21	Less Contribution to WPPF	179,722,697		160,053,969	
22	Net Profit/(Loss) before Tax (18+19 – 20-21)	3,581,651,196		3,174,838,812	
23	Less: Provision for Tax				
	i. Current tax	802,875,078		690,326,921	
	ii. Deferred tax	(11,519,959)		10,533,426	
24	Net Profit/(Loss) After Tax (22-23)	2,790,296,078		2,473,978,465	

Serial No	Other Information	Evaluate Fiscal Year	Previous Fiscal Year
		2022-23	2021-22
25	Credit Sales	4,764,190,362	4,066,996,277
26	Credit Purchases		
27	Capital Budget Allocation	5,577,729,790	1,923,632,000
28	Actual Capital Expenditure	5,469,108,864	1,690,735,237
29	Dividend Payable	621,021,000	560,136,544
30	Dividend Paid	621,021,000	560,136,544
31	Taxes Payable	960,269,166	821,805,495
32	Taxes Paid	1,146,704,551	796,280,485
33	Debt Service Liabilities (DSL) Payable	326,187,802	326,528,811
34	Debt Service Liabilities (DSL) Paid	263,609,340	326,528,811
35	Fees, Fine and Charges Payable	226,669,013	9,199,701
36	Fees, Fine and Charges Paid	226,669,013	9,199,701
37	New Government Investment:		
	• Equity	612,760,790	249,600,000
	• Debts/Loan	1,086,500,000	500,400,000
38	Total Government Fund Transferred to SOE/AB under the following heads:		
	• Grants		
	• Subsidies		
	• Other Transfer (Specify)		
39	Operating Cash Surplus/(Deficit)	2,421,338,044	2,764,215,184
40	Added Value	4,744,668,155	4,160,415,131
41	Employee's cost includes wages, salaries, bonus, provident fund contribution and other allowances		
42	Capacity Utilization (%)	83.80%	67.83%
43	Input use Efficiency (%)		
44	Number of Employees (Nos)	137	142
45	Performance score achieved on APA	95.50%	

36. Number of Employees (NOS)	137	142
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## Schedule – 2

## Non-financial Information format

Sl.	Particulars	
<b>A</b>	<b>Enterprise Information and Legal Framework</b>	
2	Sector	Telecommunication
3	Name of Entity	Bangladesh Submarine Cables PLC (BSCPLC)
4	Number of Subsidiaries	N/A
5	Number of Branches	N/A
6	Website	<a href="https://bscplc.com.bd">https://bscplc.com.bd</a>
7	Email Address	<a href="mailto:info@bscplc.gov.bd">info@bscplc.gov.bd</a>
8	Year of Incorporation	24 June 2008
9	Governing Law	Public limited company under the Companies Act 1994
10	Other relevant Governing Laws & Regulations	Income Tax Act 2023, VAT Act-2012, VAT Rules-2016, Customs Act-1969, Labor Act-2013, Listing Regulation 2015, IFRS, Code of Corporate Governance by BSEC, DSE & CSE Rules, BSEC Act-1993 & Rules-1987, Financial Reporting Act-2015
11	Incorporation Structure	State owned public Company
12	Listed in the Stock Exchange	Yes
<b>B</b>	<b>Ownership and Shareholder Protection</b>	
14	Administrative Ministry	MoPT & IT
15	Structure of Organization	Autonomous Body (Public Ltd. Company)
<b>C</b>	<b>Strategy and Governance Information</b>	
17	Board of Directors (Number disaggregated by gender and profile)	9

18	Qualification of Board Members	At least Graduate
19	Number of Independent Director	2
20	Chairman to be Independent of Board	Yes (Independent Director)
21	Board Committees	Audit Committee, Nomination & remuneration Committee, Tariff Committee etc.
22	Number of Board Meetings held	12
23	Board Sitting Fees	10,000/- (Net after deduction of VAT & TAX)
24	Executive Management	Managing Director
25	Selection process of Board Members	Nomination from respective Ministry or Organization
26	Strategic Plan/Public Policy Goal (copy required)	<p>Strategic Objectives • To provide global telecommunications network services to the subscribers through easily available and effective connectivity. • To ensure high quality international voice and data traffic transportation services at affordable price. • To flourish as a viable and customer friendly company and to meet the gradually increasing demand of bandwidth of the country. • To play the vital role in establishing Smart Bangladesh through "Vision 2041" by the year 2041 ensuring availability of uninterrupted and well-balanced bandwidth by Submarine Cable systems. • To earn handsome amount of revenue for the Government of Bangladesh through domestic as well as international lease of bandwidth.</p>
27	Innovative work (Description)	Innovation team has been working to innovate at least one thing in every year to facilitate services of the company.



28	Project Completion Rate: Actual Achievement /Target	
<b>D</b>	<b>Ownership Structure</b>	
30	Govt. Shareholding	73.84
31	Private Shareholding	23.36
32	Others	2.80 (Foreign)
<b>E</b>	<b>Fiscal and Financial Discipline</b>	
34	Who are the Primary Lenders to the Enterprise	Government of Bangladesh and IDB
<b>F</b>	<b>Controls, Transparency and Disclosure</b>	
36	Latest Audited Financial Statement	For the FY 2022-2023
37	Audited by	MABS & J Partners
38	Risk Assessment Report	Credit Rating
39	Internal Control	Yes
40	Timely public disclosure of financial statements	Yes
41	Measures for safe working Environment/Process (Description)	<p>The following are the steps taken by the Company for safe working environment:</p> <p>→ CC camera has been installed in the whole office including landing stations</p> <p>→ Fire detection and fire sprinkling system along with fire extinguisher have been installed.</p> <p>→ Physical training is held for safe working environment by fire service personnel.</p> <p>→ Training for awareness of safe working environment among the employee of the company has been arranged.</p> <p>→ Being KPI, Security has been maintained according to the Policy of KPI.</p>



<b>G</b>	<b>Human Resources</b>		
43	Number of employees	134	
44	Number of New Job Creation (Regular, Internship, etc.)	Recruitment requirement of Company.	as per the
<b>H</b>	<b>Employee and Social Welfare</b>		
46	CSR, WPPF, Provident Fund, Gratuity Fund etc.	Yes	

**Note:** Above mentioned non-financial information to be provided for IPE.

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