

# Abridged Version of Prospectus



## Bangladesh Submarine Cable Company Limited

37/E, Eskaton Garden, Telejogajog Bhaban (6<sup>th</sup> Floor), Dhaka-1000.

Phone: 880-2-9353885, Fax: 880-2-9333125

Website: www.bscl.com.bd

**Initial Public Offering of 31,000,000 Ordinary Shares of Tk. 10.00 each at an issue price of Tk.35.00 per share including a premium of Tk. 25.00 per share ( including 1,000,000 shares of Tk. 35.00 each totaling of Tk.35,000,000.00 reserved for the Employees of the Company) totaling Tk. 1,085,000,000.00.**

## Subscription

Opening Date for Subscription: **March 18, 2012**

Closing Date for Subscription: **March 22, 2012**

For Non-Resident Bangladeshi Quota Subscription Closes on: **March 31, 2012**

## Credit Rating by

### Credit Rating Information and Services Ltd. (CRISL)

Rating	Long Term	Short Term
	AAA	ST-1
Credit Rating Date	20 November, 2011	
Expiry Date of Rating	19 November 2012	19 May 2012

## MANAGER TO THE ISSUE



## ICB CAPITAL MANAGEMENT LIMITED

(A SUBSIDIARY OF ICB)

BDBL Bhaban (Level-16), 8, DIT Avenue, Dhaka - 1000.

Phone: 7160326-7, Fax: 880-2-9555707, E-mail: ceocmcl@accesstel.net

Website: www.icbcm.com.bd

*"CONSENT OF THE SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2006. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER, ISSUE MANAGER, UNDERWRITER AND/OR AUDITOR".*

## **Special Note**

Please read the Prospectus carefully which includes ‘**Risk Factors**’ before taking your investment decision.

An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the commission and the balance amount will be refunded to the applicant.

The applicant shall provide with the same bank account number in the application form as it is in the BO account of the application.

### **Bangladesh Submarine Cable Company Limited – Corporate Status and Background**

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. 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. Commercial operation was started from 1<sup>st</sup> January, 2009.

The Company was originated after separating from Bangladesh Telecommunications Company Limited (BTCL) (previously BTTB) with all assets and liabilities situated at Jhlongja 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).

A Vendor Agreement was executed between the representatives of the Government of Bangladesh (GOB) and the BSCCL on 30 June 2008 incorporating a statement of certain assets and liabilities as at 30 June 2008.

Two separate agreements namely Purchase and Lease Agreements were executed on 12 February 2005 between Government of Bangladesh (GOB) and Islamic Development Bank (IDB) for sale and lease back of project’s assets namely “Establishment of International Telecommunication System through Submarine Cable.” These agreements were executed by GOB in favor of BTCL in the absence of existence of BSCCL at that time. However, these two agreements have not yet been revalidated in favor of BSCCL.

Participation in Upgrade # 3: Starting with only 7.5 Gbps in 2006, Bangladesh has gradually built up its Submarine Cable Bandwidth to around 44.60 Gbps. At the same time, bandwidth utilization has been increased significantly. Considering the increasing demand of bandwidth of the country, BSCCL has participated in Upgrade#3 of SEA-ME-WE-4 consortium to achieve additional around 4 million MIU\*km capacity by investing 48.75 crore taka from it’s own fund. By May 2012, total bandwidth capacity of BSCCL will be 144.60 Gbps.

### **Important dates**

A Construction and Maintenance Contract signed with SEA-ME-WE-4 Consortium and GoB	: 27-03-2004
A lease Agreement signed with IDB and GoB	: 12-05-2005
Vendors Agreement signed with the Govt. and BSCCL	: 30-06-2008
Date of Incorporation	: 24-06-2008
Commencement of Commercial Operation	: 01-01-2009
1 <sup>st</sup> Annual General Meeting	: 12-12-2009

### **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.

### **Availability of Prospectus**

Prospectus of Bangladesh Submarine Cable Company Limited may be obtained from the Issuer Company, Issue Manager, Underwriter(s) and the Stock Exchanges as follows:

<b>Company</b>	<b>Contact Person</b>	<b>Contact Number</b>
<b>Bangladesh Submarine Cable Company Limited</b> Telejogajog Bhaban (6 <sup>th</sup> Floor), 37/E, Eskaton Garden, Dhaka-1000.	<b>Md. Abdus Salam Khan,</b> <b>FCS</b> Company Secretary & Chief Financial Officer	Phone: 88-02-9362764
		Fax:880-2-9333125
		E-mail:salam_bsccl@yahoo.com
		Website: www.bsccl.com.bd

<b>Issue Manager</b>	<b>Contact Person</b>	<b>Contact Number</b>
<b>ICB Capital Management Ltd.</b> BDBL Bhaban (Level:16), 8 DIT Avenue, Dhaka-1000.	<b>Md. Moshir Rahman</b> Chief Executive Officer	Tel : 02-7160422,7160326-27, 9563455, Ext: 196
		E-mail: ceocmcl@accesstel.net
		Website : www.icbcm.com.bd

<b>Underwriters</b>	<b>Contact Person</b>	<b>Telephone Number</b>
<b>ICB Capital Management Limited</b> BDBL Bhaban (Level:16), 8 DIT Avenue, Dhaka-1000.	<b>Md. Moshir Rahman</b> Chief Executive Officer	7160326-7160327
<b>GSP Finance Limited</b> 1, Paribagh Mymensingh Road Dhaka-1000.	<b>Toaha Muhammad</b> DGM & Chief Operating Officer	01817-127708
<b>Banco Finance and Investment Limited</b> 14-15 Motijheel C/A, Ispahani building (3rd Floor), Dhaka-1000.	<b>Kazi Saifur Rahman</b> Managing Director & CEO	7125703, 7124438, 7125634

<b>Prime Finance Capital Management Limited</b> 63, Dilkusha C/A (3 <sup>rd</sup> floor) Dhaka-1000.	<b>M. Mosharraf Hossain, PhD, FCA</b>	9563883
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<b>Stock Exchanges</b>	<b>Available At</b>	<b>Telephone Number</b>
<b>Dhaka Stock Exchange Ltd.</b> 9/F Motijheel C/A Dhaka-1000.	DSE Library	9564601-7
<b>Chittagong Stock Exchange Ltd.</b> 1080 Sheikh Mujib Road, Agrabad Chittagong-4100.	CSE Library	(031) 714632-3 (031) 720871-3

**Prospectus would also be available on the web site [www.secbd.org](http://www.secbd.org), [www.dsebd.org](http://www.dsebd.org), [www.csebd.com](http://www.csebd.com), [www.bsccl.com.bd](http://www.bsccl.com.bd), [www.icbcml.com.bd](http://www.icbcml.com.bd) and Public Reference room of the Securities and Exchange Commission (SEC) for reading and study.**

<b>Auditor's</b>	<b>Telephone Number</b>
<b>Hoda Vasi Chowdhury &amp; Co.</b> BTMC Bulding (8 <sup>th</sup> level) 7-9, Kawran Bazar, Dhaka-1215.	9120090 8121114 Fax : 8119298

#### **Short Bio-data of Directors including Managing Director**

01. Name of the Director : **Mr. Sunil Kanti Bose**
02. Designation : Secretary, MoPT & Chairman, BSCCL.
03. Date of Birth : 30/12/1953
04. Educational Qualifications : B.Sc (Hons), M.Sc (Dhaka University)  
M.Sc. (University of Peshwar)  
M.F. (University of Philipines)
05. Brief Job description of last 5 years : Mr. Sunil Kanti Bose, Chairman, BSCCL, Joined as Member (Finance) in BIWTA on 15/04/2003 and continued upto 07/11/2006. Entrusted with the responsibilities of Chairman, BIWTA on 08/11/2006 and continued upto 03/12/2006. Joined as Additional Secretary on 04/12/2006. Mr. Sunil Joined as Chairman, BIWTA on 05/12/2006 for the 2<sup>nd</sup> time. Mr. Sunil Kanti Bose worked as Chairman, BRTA for about

a year. Mr. Bose worked as a Secretary to the Government in Ministry of Social Welfare, Ministry of Establishment and finally as Secretary to Ministry of Posts and Telecommunications from 08/02/2009 till date.

06. TIN Number : 452-101-9792

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01. Name of the Director : **Mr. Syed Monjurul Islam**  
02. Designation : Additional Secretary, MoF & Director, BSCCL  
03. Date of Birth : 20/10/1956  
04. Educational Qualifications : B.Com (Hons), MBA  
05. Brief Job description of last 5 years : Working for the government of Bangladesh for the last 27 years. He has been actively involved in Public Debt Management & Macro-Fiscal Management of the country for last 5 years.  
06. TIN Number : 120-105-1773

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01. Name of the Director : **Mr. Rabindra Nath Roy Chowdhury**  
02. Designation : Joint Secretary, MoSICT & Director, BSCCL  
03. Date of Birth : 01/09/1956  
04. Educational Qualifications : B.A Hons (English), MA (English)  
05. Brief Job description of last 5 years : Working as Joint Secretary (Development) in the Ministry of Science and ICT (1 year : November 2009 – December 2010).  
“Served as Joint Secretary (Environment) in the Ministry of Environment and Forest (3 Years : October 2006 – October 2009)”.  
“Worked as Deputy commissioner (D.C) in the District of Nilphamari (2004-2006).  
06. TIN Number : 120-101-2249

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01. Name of the Director : **Col. Shahriar Ahmed**  
02. Designation : Colonel (Admin), DSCSC, Mirpur Cantonment, Dhaka. & Director, BSCCL  
03. Date of Birth : 25/08/1958  
04. Educational Qualifications : B.A (Pass)  
05. Brief Job description of last 5 years : Col. Shahriar Ahmed joined Bangladesh Army in 1978 and was commissioned in 1979 in the Corps of Singals. He was trained in the army on various communications matters with specialization of designing and maintaining wireless links.

Col. Shahriar was deputed to Bangladesh Rifles (BDR) as Director Communications and was responsible for BDR communications throughout the country.

Col. Shahriar was holding a very responsible post of Station Commander in Jessore Cantonment.

Before going on LPR, he was working as Colonel Administration of Defence Services Command and Staff College, Mirpur Cantonment. Col. Shahriar had been posted abroad to serve the UN Mission in Former Yugoslavia and Sierraleone.

06. TIN Number : 113-103-6307

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01. Name of the Director : **Dr. Raqibul Mostafa**
02. Designation : Associate Professor, EEE Dept., UIU & Director, BSCCL
03. Date of Birth : 06/06/1966
04. Educational Qualifications :  
a. Ph.D. (EE Dept., Virginia Tech, USA)  
b. M.Sc. (EE Dept., Virginia Tech, USA)  
c. B.Sc. (EEE Dept., BUET)
05. Brief Job description of last 5 years : Dr. Mostafa joined as a Senior Engineer in the Corporate Research and Development division of Qualcomm Inc., a globally renowned wireless company in October 2004. He worked on various communication standards by designing test specifications applicable to such standards and numerous research projects. He worked in Qualcomm for more than four and half years before taking up teaching position in the EEE dept in UIU in June 2009. Currently he is an Associate Professor in the EEE dept.

06. TIN Number : 047-105-8110/Sa-16

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01. Name of the Director : **Mr. Md. Monwar Hossain**
02. Designation : Managing Director, BSCCL
03. Date of Birth : 15-10-1952
04. Educational Qualifications : B.Sc. Engg (Elec.), MBA
05. Brief Job description of last 5 years : In 2005, Mr. Monwar was working as a General Manager of erstwhile BTTB. He was working as Project Director of Bangladesh Submarine Cable Project. On 30<sup>th</sup> June 2008, he was promoted as Member (P&D) of

BTTB. he was given the responsibility of the Managing Director of the newly formed public limited company called “Bangladesh Submarine Cable Co. Ltd.” (BSCCL), with effect from 1<sup>st</sup> July 2008. It was an enormous job to prepare the Organogram, Logo, Vision, Mission of the newly formed company. Formulating the duties and responsibilities of various officers and staff and their recruitment was a challenging duty. Formation of Service rules, Procurement procedure, Sales procedure, forecasting and allocation of bandwidth were the other major duties and responsibilities.

06. TIN Number : 143-105-2026

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01. Name of the Director : **Mr. Asif Ibrahim**

02. Designation : President, DCCI & Director, BSCCL

03. Date of Birth : 23 July, 1965

04. Educational Qualifications : Bachelor in Computer Information System (CIS)  
Major : Business  
University of North Texas, USA.

05. Brief Job description of last 5 years : Mr. Asif started his carrier as a sales officer of the University Bookstore in Denton, Texas, USA in 1988. After coming back to Bangladesh in 1993, he took charge as Director of Finance and Admin of the Newage Group of Industries. From 1997 till date, Mr. Asif has been working as Managing Director of Newage Garments Limited and Vice Chairman of Marketing & Finance of the Newage group of Industries. Mr. Asif Ibrahim has been a renowned personality in Business Community of the country due to his versatile knowledge in that sector.

06. TIN Number : 106-100-6275  
Company - 11, Circle - 4

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#### **Directors Ownership in other Listed Companies**

Sl. No.	Name	Position in Bangladesh Submarine Cable Company Limited	Directorship/Sponsorship/ Ownership with other Listed Companies	Position	Experience
01.	Syed Monjurul Islam	Director	IFIC Bank Limited Jamuna Oil Co. Ltd. Bangladesh Services Ltd. Industrial Promotion & Development Co. Ltd.	Director Director Director	27 years

### Refund of subscription Money

As per SEC Notification Dated February 9, 2010, the issuer shall refund application money to the unsuccessful applicant of the public offer by any of the following manner based on the option given by the applicant in the application form;-

- Through banking channel for onward deposit of the refund money into the applicant's bank account as provided in the respective application form for subscription; or
- Through issuance of refund warrant in the name and address of the applicant as provided in the respective application form for subscription.

Provided that, in case of deposit into the applicant's bank account, the applicant will bear the applicable service charge, if any, of the applicant's banker, and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.

### Use of IPO Proceeds

**Introduction:** Since the Company (BSCCL) is expecting a lucrative premium along with face value of its shares, the proceeds from the shares would be a substantial amount which shall be utilized in a very effective and fruitful way.

The following are the plans to utilize the proceeds from the shares:

Sl. No.	Particulars	Amount in Taka
1	Repayment of IDB Loan	78.34 crore
2	IPO Cost	5.70 crore
3	Working capital	24.46 crore
	<b>Total</b>	<b>108.50 crore</b>

### Repayment of IDB Loan

Bangladesh Submarine Cable Co. Ltd. (BSCCL) is transformed from a development project of erstwhile BTTB (presently BTCL). The project was carried out mainly through an IDB (Islamic Development Bank) loan of Tk. 60 million USD. The part of the loan utilized for submarine cable construction for Bangladesh was 35.3 million USD. The rest of the loan amount was utilized for other projects which were taken over by BTCL. As per the condition of the loan (lease), it has to be repaid through 18 equal installments & two installments per year i.e, repay period is 9 years. The company has so far paid 11 installments of IDB loan in time and planed to repay the remaining outstanding installments of IDB Loan for Tk. 78.34 crore from the proceeds of IPO.

**Time schedule of IPO expenditure:**

Particulars	Time schedule for completion of proposed work
Repayment of IDB Loan	Within six months of receiving IPO fund.

Sd/-  
**Md. Monwar Hossain**  
 Director & Managing Director

Sd/-  
**Md. Abdus Salam Khan, FCS**  
 Chief Finance Officer

The company did not enter into any contract for aforesaid utilization of proceeds.

<p><b>The City Bank Limited</b>  B.B. Avenue Branch, Dhaka  Principal Branch, Dhaka  Dhanmondi Branch, Dhaka  Shaymoli Branch, Dhaka  Imamogji Branch, Dhaka  Johnson Road Branch, Dhaka  Kawranbazar Branch, Dhaka  New Market Branch, Dhaka  VIP Road Branch, Dhaka  Islampur Branch, Dhaka  Nawabgonj Branch, Dhaka  Nawabpur Branch, Dhaka  Pragati Sarani Br., Dhaka  Bangabandhu Road Branch, Narayangonj  Zinzira Br., Dhaka  Tongi Branch, Gazipur  Agrabad Branch, Chittagong  Jubilee Road Branch, Chittagong  Khatungonj Branch, Chittagong  Andarkilla Br., Chittagong  Cox's Bazar Br., Chittagong  Chawkbazar Br., Chittagong  Pahartoli Br., Chittagong  Comilla Branch, Comilla  Narsingdi Br., Narsingdi  Zinda Bazar Branch, Sylhet  Bandar Bazar Branch, Sylhet  Amborkhana Br., Sylhet  Moulvi Bazar Br., Sylhet  Rajshahi Branch, Rajshahi  Bogra Branch, Bogra  Rangpur Br., Rangpur  Sirajgonj Br., Sirajgonj  Khulna Branch, Khulna  Jessore Br., Jessore  Barisal Branch, Barisal</p>	<p>Banani Branch, Dhaka  Dhanmondi Branch, Dhaka  Dholaikhal Branch, Dhaka  Dikusha Branch, Dhaka  Elephant Road Branch, Dhaka  Fulbaria Branch, Dhaka  Gulshan Branch, Dhaka  Mohammadpur Branch, Dhaka  MTB Corporate Center Branch, Dhaka  Pallabi Branch, Dhaka  Panthapath Branch, Dhaka  Principal Branch, Dhaka  Pragati Sarani Branch, Dhaka  Savar Br., Savar, Dhaka  Shanir Akhra Branch, Dhaka  Tongi Branch, Gazipur  Uttara Model Town Br., Uttara, Dhaka  Narayangonj Branch, Narayangonj  Sonargaon Branch, Narayangonj  Agrabad Branch, Chittagong  Alankar Mour Branch, Chittagong  CDA Avenue Branch, Chittagong  Jubilee Road Br, Chittagong  Khatungonj Branch, Chittagong  Feni Branch, Feni  Rajshahi Branch, Rajshahi  Rangpur Branch, Rangpur  Bogra Branch, Bogra  Pabna Branch, Pabna  Kushtia Branch, Kushtia  Sylhet Branch, Sylhet  Moulvi Bazar Branch, Moulvi Bazar  Gourmadi Branch, Barisal  Jessore Branch, Jessore  Habigonj Branch, Habigonj</p>	<p>C.D.A Corp. Br., Chittagong  Agrabad Corp. Br., Chittagong  Laldighi East Branch, Chittagong  Khatungonj Branch, Chittagong  Narayangonj Branch, Narayangonj  Sylhet Main Branch, Sylhet  Dargahate Branch, Sylhet  Khulna Branch, Khulna  Rajshahi Branch, Rajshahi  Barisal Branch, Barisal  Commila Br., Commila  Tangail main Br., Tangail  Jessore Branch, Jessore  Gopalgonj Branch, Gopalgonj  Feni Branch, Feni  Sreemangal Branch, Moulvibazar  Sunamgonj Branch, Sunamgonj</p>	<p>Dhanmondi Branch, Dhaka  Uttara Branch, Dhaka  New Elephant Road Br., Dhaka  Gulshan Branch, Dhaka  Kakrail Branch, Dhaka  Banani Branch, Dhaka  Bangshal Branch, Dhaka  New Eskaton Branch, Dhaka  Pragati Sarani Br., Dhaka  Mohammadpur Branch, Dhaka  Sat Masjid Road Branch, Dhaka  Shaymoli Branch, Dhaka  Rokeya Sarani Branch, Dhaka  Bashundhara Branch, Dhaka  Ashulia Branch (Rural), Dhaka  Narayangonj Branch, Narayangonj  Joypara Branch (Rural), Dhaka  Mouchak Branch, Dhaka  Karwan Bazar Branch, Dhaka  Agargaon Branch, Dhaka  Moulvibazar Branch, Moulvibazar  Konabari Branch, Gazipur  Chouhatta Branch, Sylhet  Laldighirpar Branch, Sylhet  Shahjalal Uposahar, Sylhet  Kulaura Branch (Rural), Sylhet  Pathantula Branch, Sylhet  Feni Branch, Feni  Khatungonj Branch, Chittagong  Jubilee Branch, Chittagong  Halishahar Branch, Chittagong  Chowmuhuni Branch, Noakhali  CDA Avenue Br, Chittagong  Cox's Bazar Br, Chittagong  Chittagalnaiya Branch, Feni  Bogra Branch, Bogra  Khulna Branch, Khulna  Barisal Branch, Barisal  Rajshahi Branch, Rajshahi  Bandar Bazar Branch, Sylhet  Pahartali Branch, Chittagong</p>	<p>Narsingdi Branch, Narsingdi  Narayangonj Branch, Narayangonj  Tangail Branch, Tangail.  Paglabazar Branch, Narayangonj  Madhabdi Branch, Madhabdi  Faridpur Branch, Faridpur  Tongi Branch, Tongi, Gazipur  Zinzira Branch, Zinzira, Dhaka  North Brook Hall Road Branch, Dhaka  Mohakhali Branch, Dhaka  Bhulta Branch, Rugganj, Narayanganj  Uttara Branch, Uttara, Dhaka  Dhanmondi Branch, Dhaka  Dhonia Branch, Dhaka  Gazipur Chowrasta Branch, Gazipur.  Banani Branch, Dhaka.  Savar Branch, Savar.  Nabinagar Branch, Savar, Dhaka.  Corporate Branch, Gulshan Avenue, Dhaka.  Chashara Branch, Chashara, Narayanganj.  New Eskaton Branch, Dhaka.  Bashundhara Branch, Dhaka.  Kanchan Branch, Narayanganj.  Satore Bazar Branch, Boalmari, Faridpur.  Tejgaon Branch, Dhaka.  Sonargaon Janapath Branch, Dhaka.  Mawna Branch, Shreepur, Gazipur.  Pathantula Branch, Paltan, Dhaka.  Gopalgonj Branch, Gopalgonj.  Rajbari Branch, Rajbari.  Tongi Station Road Branch, Tongi, Gazipur.  Agrabad Branch, Agrabad C/A, Chittagong.  Khatungonj Branch, Chittagong.  Khatungonj, Chittagong  Jubilee Road Branch, Chittagong.  Kadamtali Branch, Kadamtali, Chittagong.  Chawkbazar Branch, Chittagong.  Port Branch, Dabulmuring, Chittagong.  Andarkilla Branch, Chittagong.  O.R.Nizam Road Branch, Chittagong.  Madunaghat Branch, Chittagong.  Noapara Branch, Chittagong.  Lohagara Branch, Lohagara, Chittagong.  Nazirhat Branch, Fatikchhari, Chittagong.  Kamal Bari Branch, Chittagong.  Fatikchhari Branch, Fatikchhari, Chittagong.  Cox's Bazar Branch, Cox's Bazar.  Comilla Branch, Chatipatty, Comilla.  Chandpur Branch, Paul Bazar, Chandpur.  Lakshimpur Branch, Lakshimpur.  Brahmanbaria Branch, Brahmanbaria.  Maizdee Court Branch, Noakhali.  Chowmuhani Branch, Noakhali.  Feni Branch, Feni.  Dhohazur Branch, Chittagong.  Muradpur Branch, Muradpur, Chittagong.  Station Road Branch, Katwali, Chittagong.  Baddarhat Branch, Chittagong.  Gohira Branch, Chittagong.  Khororia Branch, Chokoria, Cox's Bazar.  Rangunia Branch, Rangunia, Chittagong.  Hathazari Branch, Hathazari, Chittagong.  Pahartali Branch, Pahartali, Chittagong.  Eidganj Branch, Eidganj, Cox's Bazar.  Dampara Branch, Wasa More, Chittagong.  Raazan SME Branch, Raazan, Chittagong.  Bogra Branch, Pashari Mansion, Bogra.  Dinajpur Branch, Maldahpaly, Dinajpur.  Rajshahi Branch, Rajshahi.  Naogaon Branch, Naogaon.  Pabna Branch, Abdul Hamid Road, Pabna.  Serajgonj Branch, Serajgonj, Serajgonj.  Natore Branch, Patuapara, Natore.  Chapainawabgonj Branch, Chapainawabgonj.  Khulna Branch, K.D Ghosh Road, Khulna.  Jessore Branch, M.K Road, Jessore.  Kushtia Branch, Kushtia.  Jhenaidah Branch, Jhenaidah.  Noapara Bazar Branch, Jessore.  Khan jahan Ali Road Branch, Khulna.  Chuadanga Branch, Chuadanga.  Barisal Branch, Nahar Market, Barisal.  Sylhet Branch, Laldighirpar, Sylhet.  Moulvibazar Branch, Moulvibazar.  Biswanath Branch, Biswanath, Sylhet.  Beanibazar Branch, Beanibazar, Sylhet.  Amborkhana Branch, Amborkhana, Sylhet.  Goalbazar Branch, Balagonj, Sylhet.  Sherpur Branch, Sylhet.  Zindabazar Branch, Zindabazar, Sylhet.  Nobigonj Branch, Nobigonj, Hobigonj.  Barolekha Branch, Barolekha, Moulvibazar.  Shibgonj Branch, Sadar Thana, Sylhet.  Shahjalal Uposahar Branch, Sylhet.  Lama Bazar Branch, Lama Bazar, Sylhet</p>
<p><b>Investment Corporation of Bangladesh (ICB)</b>  Head Office, NSC Tower, Dhaka  Chittagong Branch, Chittagong  Rajshahi Branch, Rajshahi  Sylhet Branch, Sylhet  Khulna Branch, Khulna  Barisal Branch, Barisal  Bogra Branch, Bogra  Local Office, Nayapaltan, Dhaka</p>	<p><b>ONE Bank Limited</b>  Principal Branch, Dhaka  Motijheel Branch, Dhaka  Karwan Bazar Branch, Dhaka  Gulshan Branch, Dhaka  Mirpur Branch, Dhaka  Uttara Branch, Dhaka  Dhanmondi Branch, Dhaka  Banani Branch, Dhaka  Kakrail Branch, Dhaka  Progoti Sarani Branch, Dhaka  Elephant Road Br., Dhaka  Jatrabari Branch, Dhaka  Nawabgonj Branch, Dhaka  Bangshal Branch, Dhaka  Ganakbari (EPZ) Branch, Dhaka  Imamogji Branch, Dhaka  Narayanganj Branch, Narayanganj  Joypara Branch, Dhaka  Agrabad Branch, Chittagong  Khatungonj Br, Chittagong  CDA Avenue Branch, Chittagong  Nanupurbazar Branch, Chittagong  Cox's Bazar Br, Chittagong  Jubilee Road Br, Chittagong  Chowmuhani Branch, Noakhali  Chandgonj Branch, Lakshimpur  Feni Branch, Feni  Raipur Branch, Lakshimpur  Dagon Bhuiyan Branch, Feni  Sylhet Branch, Sylhet  Sherpur Branch, Moulvi Bazar  Islampur Branch, Sylhet  Jessore Branch, Jessore  Bogra Branch, Bogra  Serajgonj Branch, Serajgonj Sadar  Laksham Branch, Laksham  Ramgonj Branch, Lakshimpur  Majidee Court Branch, Noakhali  Banashiri Branch, Dhaka  Rajshahi Branch, Rajshahi  Shahjadpur Branch, Sirajgonj  Jagannathpur Branch, Nadda, Dhaka  Tongi Branch, Gazipur  Comilla Branch, Comilla  Bashabo Branch, Dhaka  Sathkira Branch, Sathkira  Madhabdi Branch, Narsingdi  Rangamati Branch, Rangamati  Sitakunda Branch, Sitakunda  Moghbar Branch, Dhaka</p>	<p><b>Social Islami Bank Limited</b>  Principal Branch, Dhaka  Agrabad Branch, Chittagong  Khulna Branch, Khulna  Sylhet Branch, Sylhet  Rajshahi Branch, Rajshahi  Gulshan Branch, Dhaka  Babu Bazar Branch, Dhaka  Begum Rokeya Sarani Branch, Dhaka  Panthopath Branch, Dhaka  Sonargaon Branch, Narayanganj  Foreign Exchange Branch, Dhaka  Dhanmondi Branch, Dhaka  Uttara Branch, Dhaka  Mirpur Branch, Dhaka  Banani Branch, Dhaka  Rampur Branch, Dhaka  Rasulpur Branch  South Surma Branch Sylhet  Comilla Branch, Comilla  Islampur Branch, Dhaka  New Eskaton Branch, Dhaka  Chandpur Branch, Chandpur  Chawk Bazar Branch, Chittagong  Narayangonj Branch, Narayanganj</p>	<p><b>Sonali Bank Limited</b>  Local Office, Motijheel, Dhaka  Naryangonj Corp. Branch, Narayanganj  Dhaka Cantt. Corp. Branch, Dhaka  Dhanmondi Branch, Dhaka  Comilla Branch, Comilla  Dargate Branch, Sylhet  Barisal Corp. Branch, Barisal  Khulna Corp. Branch, Khulna  Rajshahi Corp. Branch, Rajshahi  Bogra Corp. Branch, Bogra  Rangpur Corp. Branch, Rangpur  Dinajpur Corp. Branch, Dinajpur  Gulshan Branch, Dhaka  Uttara Model Town Branch, Dhaka  BUET Branch, Dhaka  Hotel Ruposhi Bangla Branch, Dhaka  New Market Branch, Dhaka  Mirpur Section-1 Branch, Dhaka  Sadarghat Corp. Branch, Dhaka  Gazipur Court Building Branch, Gazipur  Mymensingh Branch, Mymensingh  Tangail Branch, Tangail  Narsingdi Branch, Narsingdi  Agrabad Chittagong Branch, Chittagong  Riazuddin Bazar Branch, Chittagong.  Wage Earners' Branch, Chittagong  Court Hill Branch, Chittagong  Pahartoli Main Road Branch, Chittagong  Khatungonj Branch, Chittagong  Patiya Branch, Chittagong  Sunamgonj Branch, Sunamgonj  Cox's Bazar Main Branch, Cox's Bazar  Majidee Court Branch, Noakhali  Feni Branch, Feni  Comilla Branch, Comilla  Chandpur Main Branch, Chandpur  Brahmonbaria Branch, Brahmonbaria  Court Building Branch, Sylhet  Moulvibazar Branch, Moulvibazar  Hobigonj Branch, Hobigonj  Doulotpur College Road Branch, Khulna  KDA New Market Branch, Khulna  Sir Iqbal Road Branch, Khulna  Jessore Corp. Branch, Jessore  Kushtia Branch, Kushtia  Mohammadpur Branch, Dhaka  Nayabazar Branch, Dhaka  Gulshan Branch, Dhaka  Mirpur Branch, Dhaka  Foreign Exchange Branch, Dhaka  Hasnabad Branch, Dhaka  Mymensingh Branch, Mymensingh</p>	<p><b>Trust Bank Limited</b>  Principal Branch, Dhaka.  Dilkusha Corporate Branch, Dhaka  Kakrail Branch, Dhaka  Radisson Water Garden Branch, Dhaka  Mirpur Branch, Dhaka  Karwan Bazar Branch, Dhaka  Uttara Corporate Branch, Dhaka  Narayanganj Branch, Narayanganj  Elephant Road branch, Dhaka  Dhanmondi Branch, Dhaka  Narsingdi Branch, Narsingdi  Tongi branch, Gazipur  Joydebpur Branch, Gazipur  Ashulia Branch, Dhaka  Mymensingh Cantt. Branch, Mymensingh  Savar Cantt. Branch, Dhaka.  S.S Cantt. Branch, Ghatail, Tangail  Halishahar Branch, Chittagong  Kadamtoli Branch, Chittagong  Comilla Cantt. Branch, Comilla  Feni Branch, Feni  Chowmohoni Branch, Noakhali  Comilla Branch, Comilla  Ashugonj Branch, B. Baria  Khulna Branch, Khulna  Jalalabad Cantt. Branch, Sylhet  Rangpur Cantt. Branch, Rangpur  Bogra Cantt. Branch, Bogra  Khawja Younus Ali Medical College &amp; Hospital Branch, Sirajgonj  Jessore Cantt. Branch, Jessore  Shahjalal Uposahar Branch, Sylhet  Rajshahi Branch, Rajshahi  Barisal Branch, Barisal  Joypara Branch, Dahak</p>
<p><b>Mutual Trust Bank Limited</b>  Babubazar Branch, Dhaka</p>	<p><b>Pubali Bank Limited</b>  Principal Branch, Dhaka  Motijheel Corporate Branch, Dhaka  Foreign ex. Corp. Br., Dhaka  Dhaka stadium Corp. Br., Dhaka  Mohakhali Corporate Branch, Dhaka.  Uttara Model Town Br., Dhaka  Gulshan Model Town Br., Dhaka  Sadarghat Branch, Dhaka</p>	<p><b>Southeast Bank Limited</b>  Principal Branch, Dhaka  Corporate Branch, Dhaka  Imamganj Branch, Dhaka</p>	<p><b>United Commercial Bank Limited (UCBL)</b>  Principal Branch, Motijheel, Dhaka  Moulavibazar Branch, Dhaka  Islampur Branch, Dhaka  Elephant Road Branch, Dhaka  Shantinagar Branch, Dhaka  Bangshal Branch, Dhaka  Nawabpur Branch, Dhaka  Karwan Bazar Branch, Dhaka  Mohammadpur Branch, Dhaka  Nayabazar Branch, Dhaka  Gulshan Branch, Dhaka  Mirpur Branch, Dhaka  Foreign Exchange Branch, Dhaka  Hasnabad Branch, Dhaka  Mymensingh Branch, Mymensingh</p>	<p><b>United Commercial Bank Limited (UCBL)</b>  Principal Branch, Motijheel, Dhaka  Moulavibazar Branch, Dhaka  Islampur Branch, Dhaka  Elephant Road Branch, Dhaka  Shantinagar Branch, Dhaka  Bangshal Branch, Dhaka  Nawabpur Branch, Dhaka  Karwan Bazar Branch, Dhaka  Mohammadpur Branch, Dhaka  Nayabazar Branch, Dhaka  Gulshan Branch, Dhaka  Mirpur Branch, Dhaka  Foreign Exchange Branch, Dhaka  Hasnabad Branch, Dhaka  Mymensingh Branch, Mymensingh</p>

## Selected ratios and Earnings Per Share

We have examined the following accounting ratios of Bangladesh Submarine Cable Company Limited for the years ended 30 June 2011, 30 June 2010 and 30 June 2009, as submitted to us by its management. The preparation of these ratios is the responsibility of the Company's management. Our responsibility is to review them and certify as to whether they have been properly prepared using acceptable principles on the basis of audited financial statements for the years ended 30 June 2011, 30 June 2010 and 30 June 2009.

Based on our review, we hereby certify that the Company has properly prepared the following ratios for the years as stated below:

	30 June 2011	2009-2010	2008-2009
<b>Liquidity Ratios</b>			
Current ratio	1.19	1.31	0.55
Quick ratio	1.17	1.31	0.55
Times interest earned ratio	20.13	10.37	2.80
Debt to equity ratio	0.51	0.78	1.23
<b>Operating Ratios</b>			
Accounts receivable turnover (in times)	4.71	3.32	3.85
Asset turnover (in times)	0.36	0.30	0.23
<b>Profitability Ratios</b>			
Gross margin ratio (%)	0.84	0.76	0.64
Net income ratio (%)	0.36	0.57	0.27
Return on assets (%)	0.13	0.17	0.06
Return on equity (%)	0.20	0.28	0.12
Earnings per share (weighted average number of shares outstanding 6,731,478 for 2009-2010 and 14 for 2008-2009 of Taka 100 each as shown in audited financial statements)	-	51.49	8,253,305
Earnings per share (weighted average number of shares outstanding 8,750,9170 of Taka 10 each including issuance of bonus shares at 3B:10 ratio for the year 2009-2010)	3.49	3.96	1.32

Dhaka, 20 August 2011

Sd/-  
Hoda Vasi Chowdhury And Co.

Chartered Accountants

Ratio

Formula

<b>Liquidity ratios</b>	Current ratio	Current assets / Current liabilities
	Quick ratio	(Current assets-advances & deposit) / (Current liabilities)
	Times interest earned ratio	EBIT / Finance cost
	Debt to Equity	Total debt / Total equity
<b>Operating ratios</b>	Accounts receivable turnover	Revenue / Account receivables
	Asset turnover	Revenue / Net assets
<b>Profitability Ratios</b>	Gross margin ratio	Gross margin / Revenue
	Net income ratio	Profit after tax / Revenue
	Return on assets	Profit after tax / Net assets
	Return on equity	Profit after tax / Shareholders' equity
	Earnings per share	Net profit after tax attributable to ordinary shareholders / Number of ordinary shares outstanding

### Financial statements in accordance with section 135 of the companies Act 1994

We, as the auditors of Bangladesh Submarine Cable Company Limited, have examined the following statement of assets and liabilities as at 30 June 2011, 30 June 2010 and 30 June 2009, and statement of operating results and statement of cash flows for the years then ended prepared by management of the company and certify pursuant to section 135(1) and paragraph 24(1) of Part-II of Schedule-III of the Companies Act 1994 that:

1. The Company was incorporated on 24th June 2008.
2. The following statement of assets and liabilities, statement of operating results and statement of cash flows have been correctly extracted from the audited accounts of the respective years since inception.

#### A. Statement of assets and liabilities

*Figures in Taka*

	30-Jun-2011	30-Jun-2010	30-Jun-2009
<b><u>Sources of fund</u></b>			
Shareholders' equity:			
Share capital	875,091,700	673,147,800	1,400
Government equity	-	-	673,146,412
Tax holiday reserve	235,490,031	154,661,914	16,027,883
Revaluation reserve	164,654,032	164,654,032	164,654,032
Retained earnings	262,487,328	240,154,654	99,518,387
	1,537,723,091	1,232,618,400	953,348,113
Long term liabilities:			

Lease obligation - net of current portion	562,419,691	746,883,158	956,147,942
Deferred tax liabilities	200,684,585	-	-
Security deposits received from clients	18,571,376	16,876,446	4,419,954
Employees' pension fund	15,158,836	15,158,836	15,158,836
	796,834,488	778,918,440	975,726,732
	<b>2,334,557,579</b>	<b>2,011,536,840</b>	<b>1,929,074,845</b>

**Application of fund**

Property, plant and equipment			
Cost	2,588,985,740	2,588,280,601	2,578,379,716
Less: Accumulated depreciation	806,048,167	668,005,651	517,703,879
	1,782,937,573	1,920,274,950	2,060,675,837
Work in progress	487,551,230	-	-
Preliminary expenses	1,809,690	2,714,535	3,619,380
Current assets:			
Trade debtors	181,733,838	189,222,704	113,262,498
Advances and deposit	5,710,405	219,688	250,000
Investment in shares	12,479,676	5,653,568	-
Cash and cash equivalents	191,836,691	174,708,953	51,180,372
	391,760,610	369,804,912	164,692,870
Current liabilities:			
Lease obligation - current portion	224,968,689	213,395,750	212,477,321
Payable to BTCL	-	35,848,029	24,897,789
Provision for income tax	39,372,121	2,029,024	-
VAT payable	44,839,104	26,884,367	60,968,310
Provision for investment in shares	2,523,270	234,063	-
Provision for expenses	17,798,339	2,866,326	1,569,822
	329,501,523	281,257,559	299,913,242
Net current assets	62,259,087	88,547,353	(135,220,372)
<b>Net assets</b>	<b>2,334,557,579</b>	<b>2,011,536,840</b>	<b>1,929,074,845</b>

**B. Statement of operating results**

	<b>Figures in Taka</b>		
	<b>2010-2011</b>	<b>2009-2010</b>	<b>2008-2009</b>
<b>Income</b>			
IPLC (International Private Lease Circuit) rent	827,806,048	601,892,651	434,337,816
Circuit activation charge	9,980,000	1,480,000	1,610,000
	837,786,048	603,372,651	435,947,816

Direct operational cost			
Electricity and generator fuel	2,015,717	2,344,230	1,004,958
Landing station and route repair	1,909,596	948,749	422,788
Depreciation of core machinery	129,858,259	141,150,281	153,424,219
	<u>133,783,572</u>	<u>144,443,260</u>	<u>154,851,965</u>
<b>Gross profit</b>	<b>704,002,476</b>	<b>458,929,391</b>	<b>281,095,851</b>
<b>Other operating expenses:</b>			
Operation and maintenance expenses	56,196,580	37,081,242	70,322,310
General and administrative expenses	25,008,227	25,373,068	10,971,781
Depreciation on property, plant and equipment	8,184,258	9,151,490	8,080,254
Amortization on preliminary expenses	904,845	904,845	904,845
	<u>90,293,910</u>	<u>72,510,645</u>	<u>90,279,190</u>
<b>Operating profit</b>	<b>613,708,566</b>	<b>386,418,746</b>	<b>190,816,661</b>
<b>Non operating (expenses)/income</b>			
Financial charges for lease	(28,480,435)	(37,266,421)	(68,224,662)
Exchange loss	(50,516,822)	(5,051,729)	(7,960,245)
Provision for investment in shares	(2,332,593)	(234,063)	-
Other income	12,410,560	4,752,570	914,515
	<u>(68,919,290)</u>	<u>(37,799,643)</u>	<u>(75,270,392)</u>
<b>Net profit before tax</b>	<b>544,789,276</b>	<b>348,619,103</b>	<b>115,546,269</b>
Less: Income tax expenses			
Current tax expenses	39,000,000	2,034,024	-
Deferred tax expenses	200,684,585	-	-
	<u>239,684,585</u>	<u>2,034,024</u>	<u>-</u>
<b>Net profit after tax and before appropriation</b>	<b>305,104,691</b>	<b>346,585,079</b>	<b>115,546,269</b>
Less: Transfer to tax holiday reserve	<u>80,828,117</u>	<u>138,634,031</u>	<u>16,027,883</u>
<b>Net profit transfer to retained earnings</b>	<b><u>224,276,574</u></b>	<b><u>207,951,047</u></b>	<b><u>99,518,386</u></b>

**C. Statement of cash flows**

	<b>Figures in Taka</b>		
	<b>2010-2011</b>	<b>2009-2010*</b>	<b>2008-2009*</b>
<b>Cash Flows from operating activities</b>			
Cash received from clients	847,611,348	527,982,758	322,685,318
Payment for cost and expenses	(87,575,359)	(74,629,627)	(75,421,674)
Payment employees	(16,823,255)	(12,849,631)	(6,068,719)
Fiancial charge on lease payments	(14,824,830)	(37,266,421)	(68,224,662)
Tax paid	(4,539,396)	(5,000)	-

Other receipts	10,074,126	4,107,329	86,798,414
	<b>733,922,634</b>	<b>407,339,408</b>	<b>259,768,677</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	(705,139)	(9,900,885)	(530,937)
Work in progress	(487,551,230)	-	-
Investment in shares	(6,826,108)	(5,653,568)	-
	<b>(495,082,477)</b>	<b>(15,554,453)</b>	<b>(530,937)</b>
<b>Cash flows from financing activities</b>			
Dividend paid	-	(67,314,781)	-
Lease obligation	(223,407,350)	(213,398,084)	(212,477,322)
Security deposit from clients	1,694,931	12,456,491	4,419,954
	<b>(221,712,419)</b>	<b>(268,256,374)</b>	<b>(208,057,368)</b>
<b>Net cash flow for the year</b>	17,127,738	123,528,581	51,180,372
Cash and cash equivalents at the beginning of the year	174,708,953	51,180,372	-
<b>Cash and cash equivalents at the end of the year</b>	<b>191,836,691</b>	<b>174,708,953</b>	<b>51,180,372</b>

In the years' 2008-2009 and 2009-2010 as shown in audited financial statements, statement of cash flows were presented using indirect method which have been currently presented under direct method in order to conform to the recent year's

\* presentation.

#### **D. Earnings per share**

	<b>2010-2011</b>	<b>2009-2010</b>	<b>2008-2009</b>
Earnings per share (weighted average number of shares outstanding 6,731,478 for 2009-2010 and 14 for 2008-2009 of Taka 100 each as shown in audited financial statements)	-	51.49	8,253,305
Earnings per share (weighted average number of shares outstanding 8,750,9170 of Taka 10 each including issuance of bonus shares at 3B:10 ratio for the year 2009-2010)	3.49	3.96	1.32

#### **E. Dividend**

The Company declared dividend for the following years:

	<b>2010-2011</b>	<b>2009-2010</b>	<b>2008-2009</b>
Cash dividend	-	-	10%
Stock dividend (Bonus share)	-	Bonus shares at 3B:10 ratio	-

#### **F. Subsidiary company**

The Company does not have any subsidiary company.

**G. Proceeds of the issue of shares**

No proceeds or any part of the proceeds from the issuance of shares were applied directly by the Company for purchasing of any business.

**H. Preparation of financial statements after 30 June 2011**

No accounts have been prepared in respect of any period subsequent to the year ended 30 June 2011.

**I. Non-recurring income**

In the statement of operating results of the Company for different years, non-recurring income had been shown under Other Income.

**Dhaka, 20 August 2011**

Sd/-

**Hoda Vasi Chowdhury And Co.**

Chartered Accountants