

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:

Company	Contact Person	Contact Number
Bangladesh Submarine Cable Company Limited Telejogajog Bhaban (6 th Floor), 37/E, Eskaton Garden, Dhaka-1000.	Md. Abdus Salam Khan, FCS Company Secretary & Chief Financial Officer	Phone: 88-02-9362764
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		Website: www.bsccl.com.bd

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

Underwriters	Contact Person	Telephone Number
ICB Capital Management Limited BDBL Bhaban (Level:16), 8 DIT Avenue, Dhaka-1000.	Md. Moshir Rahman Chief Executive Officer	7160326-7160327
GSP Finance Limited 1, Paribagh Mymensingh Road Dhaka-1000.	Toaha Muhammad DGM & Chief Operating Officer	01817-127708
Banco Finance and Investment Limited 14-15 Motijheel C/A, Ispahani building (3rd Floor), Dhaka-1000.	Kazi Saifur Rahman Managing Director & CEO	7125703, 7124438, 7125634
Prime Finance Capital Management Limited 63, Dilkusha C/A (3 rd floor) Dhaka-1000.	M. Mosharraf Hossain, PhD, FCA	9563883

Stock Exchanges	Available At	Telephone Number
Dhaka Stock Exchange Ltd. 9/F Motijheel C/A Dhaka-1000.	DSE Library	9564601-7
Chittagong Stock Exchange Ltd. 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.secdb.org, www.dsebd.org, www.csebd.com, www.bsccl.com.bd, www.icbcml.com.bd and Public Reference room of the Securities and Exchange Commission (SEC) for reading and study.

Auditor's	Telephone Number
Hoda Vasi Chowdhury & Co. BTMC Building (8 th level) 7-9, Kawran Bazar, Dhaka-1215.	9120090
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	Fax : 8119298

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Definition and Elaboration of the abbreviated words and technical terms used in the Prospectus

BSCCL	:	Bangladesh Submarine Cable Company Limited.
IDB	:	Islamic Development Bank
IIG	:	International Internet Gateway
IPLC	:	International Private Leased Circuits
IGW	:	International (Voice) Gateway
BTCL	:	Bangladesh Telecommunications Company Limited
MOU	:	Memorandum of Understanding
BERNET	:	Bangladesh Education & Research Network
IT	:	Information Technology
EEDC	:	Electrical and Electronics Divisional Committee
BUET	:	Bangladesh University of Engineering and Technology
BSTI	:	Bangladesh Standards and Testing Institution
ECE	:	Electronics & Communication Engineering
KUET	:	Khulna University of Engineering & Technology
RUET	:	Rajshahi University of Engineering & Technology
AGM	:	Annual General Meeting
CDBL	:	Central Depository Bangladesh Limited
CIB	:	Credit Information Bureau
COMMISSION	:	Securities and Exchange Commission
CSE	:	Chittagong Stock Exchange Limited
DSE	:	Dhaka Stock Exchange Limited
EPS	:	Earning Per Share
EGM	:	Extra-Ordinary General Meeting
GOB	:	Government of Bangladesh
GDP	:	Gross Domestic Product
ISSUE	:	Initial Public Offering of shares of BSCCL
ICML	:	ICB Capital Management Limited
ICB	:	Investment Corporation of Bangladesh
NAV	:	Net Asset Value
RJSC	:	Registrar of Joint Stock Companies & Firms
R & D	:	Research & Development
SEC	:	Securities and Exchange Commission
SECURITIES	:	Shares of BSCCL
SECURITIES MARKET	:	The Share Market of Bangladesh
STL	:	Short Term Loan
THE COMPANY/ISSUER	:	Bangladesh Submarine Cable Company Ltd.
VAT	:	Value Added Tax
SEA-ME-WE-4/SMW4	:	Southeast Asia Middle East and Western Europe-4
MIU*Km	:	Minimum Investment Unit * Kilometer
BTRC	:	Bangladesh Telecommunication Regulatory Commission

Disclosure in respect of issuance of security in Demat form

As per provision of the Depository Act, 1999 and regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (right/bonus) will be issued in dematerialized form only.

Conditions under Section 2CC of the Securities and Exchange Ordinance, 1969

PART-A

1. The company shall go for Initial Public Offer (IPO) for 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) worth Tk. 1,085,000,000.00 (Tk. One Hundred Eight Crore and Fifty Lac) following the Securities and Exchange Commission (Public Issue) Rules, 2006, the Depository Act, 1999 and regulations made there under.
2. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in 4 (Four) national daily newspapers (two in Bangla and two in English), within 3 (Three) working days of issuance of the consent letter. The issuer shall post the full prospectus, vetted by the Securities and Exchange Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the issue manager, within 3 (Three) working days from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The issuer shall submit to SEC, the stock exchanges and the Issue manager a diskette containing the text of the vetted prospectus in "MS -Word" format.
3. Sufficient copies of prospectus shall be made available by the issuer so that any person requesting a copy may receive one. A notice shall be placed on the front of the application form distributed in connection with the offering, informing that interested persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the Issue manager. The subscription application shall indicate in bold type that no sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus has been published.
4. The company shall submit 40 (Forty) copies of the printed prospectus to the Securities and Exchange Commission for official record within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.
5. The issuer company and the issue manager shall ensure transmission of the prospectus, abridged version of the prospectus and relevant application forms for NRBs through email, simultaneously with publication of the abridged version of the prospectus, to the Bangladesh Embassies and Missions abroad and shall also ensure sending of the printed copies of abridged version of the prospectus and application forms to the said Embassies and Missions within 5 (Five) working days of the publication date by Express Mail Service (EMS) of the postal department. A compliance report shall be submitted in this respect to the SEC jointly by the issuer and the Issue manager within 2 (Two) working days from the date of said dispatch of the prospectus and the forms.
6. The paper clipping of the published abridged version of the prospectus, as mentioned at **condition no. 2 above**, shall be submitted to the Commission within 24 hours of the publication thereof.
7. The company shall maintain separate bank account(s) for collecting proceeds of the Initial Public Offering and shall also open Foreign Currency (FC) account(s) to deposit the application money of the Non Resident Bangladeshis (NRBs) for IPO purpose, and shall incorporate full particulars of said FC account(s) in the prospectus. The company shall open the above-mentioned accounts for IPO purpose; and close these accounts after refund of over-subscription money. Non-Resident Bangladeshi (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy to the effect that no visa is required for traveling to Bangladesh.

8. The issuer company shall apply to all the stock exchanges in Bangladesh for listing within 7 (Seven) working days from the date of issuance of this letter and shall simultaneously submit the vetted prospectus with all exhibits, as submitted to SEC, to the stock exchanges.
9. The following declaration shall be made by the company in the prospectus, namely: -

“Declaration about Listing of Shares with the stock exchange (s):

None of the stock exchange(s), if for any reason, grants listing within 75 (Seventy Five) days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within 15 (Fifteen) days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (Seventy Five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid 15 (Fifteen) days, the Directors of the company, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (Two Percent) per month above the bank rate, to the subscribers concerned.

The Issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within 7 (Seven) days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money.”

10. The subscription list shall be opened and the sale of securities commenced after **25 (Twenty Five) days** of the publication of the abridged version of the prospectus and shall remain open for **5 (Five) consecutive banking days**.
11. A non-resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking “Account Payee only”. The NRB applicants shall send applications to the issuer company within the closing date of the subscription so as to reach the same to the company by the closing date plus 9 (Nine) days. Applications received by the company after the above time period will not be considered for allotment purpose.
12. The company shall apply the spot buying rate (TT clean) in US Dollar, UK Pound Sterling and Euro of Sonali Bank Ltd, which shall be mentioned in the Prospectus, as prevailed on the date of opening of the subscription for the purpose of application of the NRBs and other non-Bangladeshi persons, where applicable.
13. The Company and the issue manager shall ensure prompt collection/clearance of the foreign remittances of NRBs and other non-Bangladeshi(s), if applicable, for allotment of shares.
14. Upon completion of the period of subscription for securities, the issuer and the issue manager shall jointly provide the Commission and the stock exchanges with the preliminary status of the subscription within 5 (Five) working days, in respect of the following matters, namely: -
 - a. Total number of securities for which subscription has been received;
 - b. Amount received from the subscription; and
 - c. Amount of commission paid to the bankers to the issue.
15. The issuer and the issue manager shall jointly provide the Commission and the stock exchanges with the list of valid and invalid applicants (i.e. final status of subscription) in electronic form in 2 (Two) CDs and final status of subscription to the Commission within **3 (Three) weeks** after the closure of the subscription along with bank statement (original), branch-wise subscription statement. The list of valid and invalid applicants shall be finalized after examination with the CDBL in respect of BO accounts and particulars thereof.

16. The IPO shall stand cancelled and the application money shall be refunded immediately (but not later than 5 (Five) weeks from the date of the subscription closure), if any of the following events occur:
 - (a) Upon closing of the subscription list it is found that the total number of valid applications (in case of under subscription including the number of the underwriter) is less than the minimum requirement as specified in the listing regulations of the stock exchange(s) concerned; or
 - (b) At least 50% of the IPO is not subscribed.
17. 10% of total public offering shall be reserved for non-resident Bangladeshi (NRB) and 10% for mutual funds and collective investment schemes registered with the Commission, and the remaining 80% shall be open for subscription by the general public. In case of under-subscription under any of the 10% categories mentioned above, the unsubscribed portion shall be added to the general public category and, if after such addition, there is over subscription in the general public category, the issuer and the managers to the issue shall jointly conduct an open lottery of all the applicants added together.
18. All the applicants shall first be treated as applied for one minimum market lot of **100 shares worth Taka 3,500/-** (Taka three thousand and five hundred only). If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. In case of over-subscription under any of the categories mentioned hereinabove, the issuer and the Issue manager shall jointly conduct an open lottery of all the applications received under each category separately in presence of representatives from the issuer, the stock exchanges and the applicants, if there be any.
19. **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.**
20. **The applicant shall provide with the same bank account number in the application form as it is in the BO account of the application.**
21. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission may forfeit whole or part of their application too.**
22. Lottery (if applicable) shall be held within **4 (Four) weeks** from closure of the subscription date.
23. The company shall issue share allotment letters to all successful applicants within **5 (Five) weeks** from the date of the subscription closing. Within the same time, refund to the unsuccessful applicants shall be made in the currency in which the value of securities was paid for by the applicants without any interest, through direct deposit to the applicant's bank account as far as possible/ Account Payee Cheque/ refund warrants with bank account number, bank's name and branch as indicated in the securities application forms payable at Dhaka/ Chittagong/ Khulna/ Rajshahi/ Barisal/ Sylhet/ Bogra, as the case may be subject to condition no. 20 above.

Refund money of the unsuccessful applicants shall be credited directly to their respective bank accounts, who have chosen the option in the IPO application forms, as maintained with the bankers to the issue or any other banks mentioned in the application.

A compliance report in this regard shall be submitted to the Commission within 7 (Seven) weeks from the date of closure of subscription.
24. The company shall furnish the List of Allotees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within **24 (Twenty Four) hours** of allotment.
25. In the event of under-subscription of the public offering, the unsubscribed portion of securities shall be taken up by the underwriter(s) (subject to Para -16 above). The issuer must notify the underwriters to take up the

underwritten shares within 10 (Ten) days of the closing of subscription on full payment of the share money within 15 (Fifteen) days of the issuer's notice. The underwriter shall not share any underwriting fee with the Issue manager, other underwriters, issuer or the sponsor group.

26. All issued shares of the issuer at the time of according this consent shall be subject to a **lock-in period of 3 (Three) years** from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided that the persons (other than Directors and those who hold 5% or more shares in the company), who have subscribed to the shares of the company within immediately preceding two years of according consent shall be subject to a **lock-in period of 1 (One) year** from the date of issuance of prospectus or commercial operation, whichever comes later.

27. In respect of shares of Sponsors/Directors/Promoters (if in paper format) shall be handed over to security custodian bank registered with SEC and shall remain till completion of lock in and the name and branch of the bank shall be furnished to the Commission jointly by the issuer and Issue manager, along with a confirmation thereof from the custodian bank, within one week of listing of the shares with the stock exchange(s). Or they (shares of Sponsors/ Directors/ Promoters) can be demated and will remain in lock-in under CDBL system and issuer will submit a dematerialization confirmation report generated by CDBL and attested by Managing Director of the company along with lock-in confirmation with SEC within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters the issuer will ensure their lock-in of those shares and submit a statement to this effect to SEC.
28. The company shall apply to the stock exchanges for listing within 7 (Seven) working days of issuance of this letter and shall simultaneously submit to the Commission attested copies of the application filed with the stock exchanges.
29. The Company shall not declare any benefit other than cash dividend based on financial statement for the year ended June 30, 2011.
30. **"The company shall deposit 3% tax to the Government Treasury on the share premium of the IPO and submit authenticated copy of 'Treasury Chalan' to the Commission, among others, to obtain consent for holding of lottery in line with the NBR's Order No. Rvi vtev/AvqKi evtRU/2010/97 dated 30.06.2010 and Rvi vtev/Ki -4/AvqKi/11(4)/2003(Ask)-1/225 dated 06.07.2010."**

PART-B

1. The issuer and the Issue Manager shall ensure that the abridged version of the prospectus and the full prospectus is published correctly and in strict conformity with the conditions of this letter without any error/omission, as vetted by the Securities and Exchange Commission.
2. The issue manager shall carefully examine and compare the published abridged version of the prospectus on the date of publication with the copy vetted by SEC. If any discrepancy/ inconsistency is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to SEC and the stock exchange(s) concerned, correcting the discrepancy/inconsistency as required under 'Due Diligence Certificates' provided with SEC.
3. Both the issuer company and the issue manager shall, immediately after publication of the prospectus and its abridged version, jointly inform the Commission in writing that the published prospectus and its abridged version are verbatim copies of the same as vetted by the Commission.
4. The fund collected through Public Offering shall not be utilized prior to listing with stock exchanges and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.

5. The company shall furnish report to the Commission and to the stock exchanges on utilization of Public Offering proceeds within **15 (Fifteen) days** of the closing of **each month** until such fund is fully utilized, as mentioned in the schedule contained in the prospectus, and in the event of any irregularity or inconsistency, the Commission may employ or engage any person, at issuer's cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.
6. All transactions, excluding petty cash expenses, shall be effected through the company's bank account(s).
7. Proceeds of the Public Offering shall not be used for any purpose other than those specified in the prospectus. Any deviation in this respect must have prior approval of the shareholders in the shareholders Meeting under intimation to SEC and stock exchanges.
8. Directors on the Company's Board will be in accordance with applicable laws, rules and regulations.
9. The financial statements should be prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as required by the Securities and Exchange Rules, 1987.

PART-C

1. All the above conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969 shall be incorporated in the prospectus immediately after the page of the table of contents, with a reference in the table of contents, prior to its publication.
2. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

PART-D

1. As per provision of the Depository Act, 1999 & regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (Including rights/bonus) will be made in dematerialized form only.

An applicant (including NRB) shall not be able to apply for allotment of shares without Beneficial Owners (BO) account.

2. The company and the issue manager shall ensure due compliance of all the above conditions and the Securities and Exchange Commission (Public Issue) Rules, 2006.

General Information

- The Prospectus has been prepared by **ICB Capital Management Limited** from information supplied by **Bangladesh Submarine Cable Company Limited** (the Company) and also several discussions with the Managing Director and related executives of the Company which is publicly available. The Board of Directors of **Bangladesh Submarine Cable Company Limited** hereby confirms that to the best of their knowledge and belief the information contained herein is true and correct in all material respects and that there are no other material facts the omission of which would make any statement herein misleading.
- No person is authorized to give any information or to make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorized by the Company or the Issue Manager.
- The Issue, as contemplated in this document, is made in Bangladesh and is subject to the exclusive jurisdiction of the Courts of Bangladesh. Forwarding this Prospectus to any person residing outside Bangladesh in no way implies that the issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country.

DECLARATIONS AND DUE DILIGENCE CERTIFICATES

Declaration about the responsibility of the Directors, including the Managing Director/CEO of the Issuer Company “Bangladesh Submarine Cable Company Limited” in Respect of the Prospectus

This Prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity and accuracy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative action against any or all of us as it may deem fit.

We also confirm that full and fair disclosure has been made in this prospectus to enable the investors to make a well informed decision for investment.

Sd/ (Rabindra Nath Roy Chowdhury) Representative of Ministry of SCIT, GOB	Sd/ (Syed Monjurul Islam) Representative of Ministry of Finance, GOB
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Sd/ (Col. Shahriar Ahmed) Representative of Mirpur Institute of Science & Technology	Sd/ (Asif Ibrahim) Representative of Dhaka Chamber of Commerce & Industries
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Sd/ (Dr. Raqibul Mostafa) Representative of United International University	Sd/ (Md. Monwar Hossain) Managing Director
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Sd/
(Sunil Kanti Bose)
Representative of the Ministry of Posts and Telecommunications, GOB

Consent of the Director(s) to Serve as Director(S)

We hereby agree that we have been serving as Director(s) of “Bangladesh Submarine Cable Company Limited” and continue to act as Director(s) of the Company.

Sd/ (Rabindra Nath Roy Chowdhury) Representative of Ministry of SCIT, GOB	Sd/ (Syed Monjurul Islam) Representative of Ministry of Finance, GOB
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Sd/ (Col. Shahriar Ahmed) Representative of Mirpur Institute of Science & Technology	Sd/ (Asif Ibrahim) Representative of Dhaka Chamber of Commerce & Industries
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Sd/ (Dr. Raqibul Mostafa) Representative of United International University	Sd/ (Md. Monwar Hossain) Managing Director
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Sd/
(Sunil Kanti Bose)
Representative of the Ministry of Posts and Telecommunications, GOB

Declaration about filing of Prospectus with the Registrar of Joint Stock Companies & Firms

A dated and signed copy of the Prospectus has been filed for registration with the Registrar of Joint Stock Companies & Firms, Government of the Peoples' Republic of Bangladesh, as required under Section 138(1) of the Companies Act, 1994 before Publication of the Prospectus in the newspaper.

Due Diligence Certificate of Manager to the Issue

Sub: Public offer 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 of Bangladesh Submarine Cable Company Limited.

We, the under-noted Manager to the Issue to the above mentioned forthcoming issue, state as follows:

1. We, while finalizing the draft prospectus pertaining to the said issue, have examined various documents and other materials as relevant for adequate disclosures to the investors; and
2. On the basis of such examination and the discussions with the issuer company, it's Directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) the draft prospectus forwarded to the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (b) all the legal requirements connected with the said issue have been duly complied with; and
- (c) the disclosures made in the draft prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue.

For Manager to the Issue

Sd/-

(Md. Moshir Rahman)

Chief Executive Officer

ICB Capital Management Limited

Due Diligence Certificate of the Underwriter(s)

Sub: Public offer of 30,000,000 Ordinary Shares of Tk.10.00 at an issue price of Tk. 35.00 each including a premium of Tk.25.00 per share totaling to Tk. 1,050,000,000.00 of Bangladesh Submarine Cable Company Limited.

We, the under-noted Underwriter(s) to the abovementioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the abovementioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination and the discussion with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company; -

WE CONFIRM THAT:

- (a) all information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (b) we shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (c) this underwriting commitment is unequivocal and irrevocable.

For Underwriters

Sd/-
(Nasir Uddin Ahmed)
Chief Executive Officer
ICB Capital Management Limited

Sd/-
(A.H. Ekbal Hossain)
GSP Finance Company (Bangladesh) Limited

Sd/-
(Kazi Saifur Rahman, FCA)
Managing Director & CEO
Banco Finance and Investment Limited

Sd/-
(M. Mosharraf Hossain, PhD, FCA)
Managing Director & CEO
Prime Finance Capital Management Limited

RISK FACTORS & MANAGEMENT'S PERCEPTIONS ABOUT THE RISKS

There are both external and internal risk factors having direct as well as indirect effects on the investment by the investors. The assessable risk factors and Management perception are described hereunder:

Interest rate risk: Interest rate risk is the risk borne by an interest-bearing asset, such as a loan, due to variability of interest rates. Submarine Cable implemented a project by borrowing a loan of 60 (sixty) million USD from Islamic Development Bank (IDB). Out of the 18 installments, 11 installments has been paid. Interest rate of the loan is fixed and very competitive. So risk is very nominal in this case.

Management perception: Management of the company is emphasizing on financing by collecting fund from capital market to reduce dependency on loan. In case of taking loan, Company always careful to maintain fixed interest rate or in taking variable interest rate for short term. Moreover, Company maintains very good reputation in the Banking community to attract very competitive rates from the Banks.

Exchange Rate Risk: BSCCL pay the installment of IDB loan and also pays annual Operation & Maintenance cost to SMW-4 consortium in USD. There is a risk that the amount will be affected by changes in exchange rates.

Management perception: Company is aware to mitigate the risk and has intention to develop a set of controls to monitor exchange rate risk.

Industry Risk: Customers always wants to avail the service at a lower rate that might reduce IPLC charges as well as total revenue to the company.

Management perception: Demand is increasing day-by-day regarding data and voice service. If the management of the company reduces charges of the product then volume of sales will be higher of the product. This will increase revenue of the company.

Market and Technology related-risks: If Government decides to provide license in private sector for terrestrial cross border transmission which rate is cheaper resulting the company may face competition. The most crucial risk in IT sector is rapid technology change. At present the world is going through technological revolution. Any serious defect in the equipments may affect the service. On the other hand, there are less strong access network which is a constraint to distribution of data and voice service all over the country, specifically to rural areas.

Management perception: At present BSCCL has no competitor in the Submarine Cable Telecom sector. BSCCL owns the only submarine cable of Bangladesh and is the sole supplier of bulk bandwidth. It has secured the permit/license from BTRC for providing service through the submarine cable. So, the market risk is absent here. The SMW-4 consortium uses DWDM technology, which is the latest technology in fiber optic communication. Development on this technology is ongoing all over the world and BSCCL is in line with the change. For example, BSCCL is going to implement 40 G technology for up-gradation # 3 projects. At the same time, Government is taking initiatives to spread the access network all over the country for broadband internet services. However, the company has been using the latest technology and has the provision to update system through changing terminal equipments. Already the system has been upgraded three times which has enhanced capacity and efficiency. It is forecasted that within next 10 (ten) years no notable investment is required for existing infrastructure.

Potential or existing Government regulations: BTRC might issue license to another organization (private or public) to provide submarine cable bandwidth.

Management perception: Business diversification and expansion regarding service location is under active consideration of management.

Potential change in global or national polices: Foreign operators might be permitted to provide IPLC service, which will create huge competitions.

Management perception: As mentioned earlier, business diversification and expansion regarding service location is under active consideration of management. Again, there is a plan of BSCCL to provide transit links to neighboring country. This will require Government permission to export unused/spare bandwidth to earn foreign currency for the country & also for the company.

Operational Risk: Presently, Bangladesh has only one submarine cable system, and if the submarine cable is cut, the country would suffer in terms of voice and data communication for at least 7-10 days till the cable get repaired. Although we shall be able to continue small magnitude of communication through our satellite system but that will be much less in comparison to Submarine Cable.

Management perception: BSCCL can cope with such situation through diversion facilities availed through other submarine cables.

ISSUE SIZE AND PURPOSE OF THE PUBLIC OFFERING

Financial structure of the Company

Authorized Capital		
1,000,000,000 ordinary shares of Taka 10 each		Tk. 10,000,000,000
1 Issued & Fully Paid-up Capital prior to IPO		
a)	First as per Memorandum	Tk. 1400
b)	Ordinary Shares Issued as on 09.08.2009 (other than Cash)	Tk. 673,146,400.00
c)	Ordinary Shares Issued as on 04.12.2010 (Bonus Share)	Tk. 201,943,900.00
Total		Tk. 875,091,700.00
2 Paid-up Capital after IPO		
a)	Issued, subscribed and paid up capital as on 30-06-2011	Tk. 875,091,700
b)	*Initial Public Offering (IPO) including Employees portion	Tk. 310,000,000
Total paid up capital after IPO		Tk. 1,185,091,700
Premium on IPO		Tk. 775,000,000

*Including 1,000,000 shares of Tk.35.00 each totaling of Tk.35,000,000 reserved for the Employees of the Company.

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
Total		108.50 crore

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.

DESCRIPTION OF BUSINESS

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 1st January, 2009.

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

Principal products and services

BSCCL has Submarine Cable Landing Station located at Jhilongja, Cox’s Bazar from where Backhaul Service Provider (presently only BTCL) is connected. Clients can connect their fiber optic cable for IPLC (International Private Leased Circuits) service from co-location centers (Presently at Chittagong, Mohakhali, Dhaka and Moghbazar, Dhaka) of Backhaul Service Provider. Moreover, with a view to provide multiple options for backhaul connectivity, a co-location centre has been established in Cox's bazar landing station. BSCCL's valued clients can choose their backhaul provider who could directly connect their fibers at the co-location centre of BSCCL. BSCCL is the root

service provider of submarine cable bandwidth and handles country's only submarine cable. Presently, BSCCL is providing the following services:

- Bandwidth service for different routes and different levels such as STM-1, STM-4, STM-16 to the International Internet Gateway (IIG) companies through International Private Leased Circuits (IPLC).
- Bandwidth service for different routes and different levels such as STM-1, STM-4, STM-16 to the International (Voice) Gateway (IGW) companies.

Market for product & services

Currently BSCCL has no competitor in the Submarine Cable Telecom sector. BSCCL owns the only submarine cable of Bangladesh and is the sole supplier of bulk bandwidth. It has secured the permit/license from BTRC for providing service through the submarine cable. All the IIG and IGW companies would require taking lease of bandwidth from BSCCL as per their licensing guidelines and BTRC regulations. Through bandwidth business, BSCCL is already making profit at the level of Tk.22.42 crore (per year) and its bandwidth growth rate is 20% per year.

Relative contribution of Products/Services contributing more than 10% of the total revenue

The relative contribution to sales and income of the services that accounts for more than 10% of the Company's total revenue are mentioned below:

Name of the Service	As per Accounts As on 30-06-2011	% of contribution to income
IPLC Service	Tk. 83.78 crore	99%

Associates, subsidiary/related holding Company & their core areas of business

BSCCL has no subsidiary, associate or related holding company.

Distribution of products/services

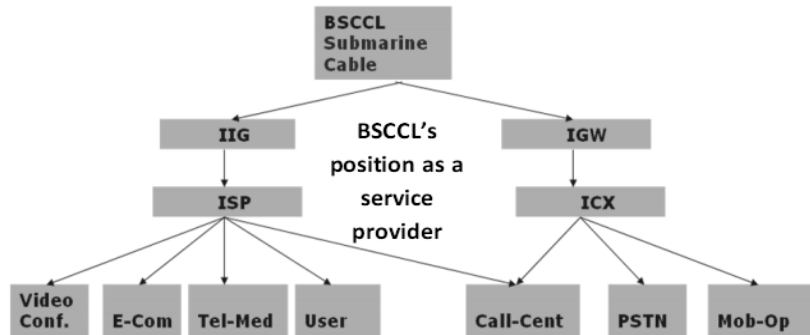
BSCCL is authorized to sell or lease capacity to the followings, within the framework of the Licensing Guideline and with the approval of the Bangladesh Telecommunication regulatory Commission.

- All IIG Companies (Presently, BTCL & Mango Teleservices Ltd).
- All IGW companies (Presently, BTCL, Bangla Trac Communication Ltd., Mir Telecom, & Novotel Ltd.).
- Any other corporate users interested in IPLC connections with substantially large bandwidth.

The general procedure for provisioning of service is outlined below:

1. The client has to apply for a service/bandwidth such as the IPLC.
2. Upon receiving the registration information, connection details, signed contract documents, etc. BSCCL will issue demand note within three working days.
3. Upon receiving the payment for the amount mentioned in the demand note, BSCCL will issue work order to start the activation process for the connection and will ensure the connectivity within five working days.
4. Upon activation of the circuit BSCCL will start billing cycle starting from the date of activation of the circuits.

BSCCL has Submarine Cable Landing Station located at Jhlongja, Cox's Bazar from where Backhaul Service Provider (presently only BTCL) is connected. Clients can connect their fiber optic cable for IPLC service from ROP (Presently at Chittagong, Mohakhali, Dhaka and Moghbazar, of Backhaul Service Provider. Moreover, with a view to provide multiple options for backhaul connectivity, a co-location centre has been established in Cox's bazar Landing Station. BSCCL's valued clients can choose their backhaul provider who could directly connect their fibers at the co-location centre of BSCCL at Cox's bazar.



Competitive conditions in the business

Bangladesh Submarine Cable Company (BSCCL) is a core Telecommunications service provider through the international Submarine (Fiber Optic) Cable and domestic high capacity optical fiber network. The service provided by BSCCL represents the Ultra High Bandwidth International long-haul communications between Bangladesh and the rest of the world. BSCCL presently handles Bangladesh's only submarine cable called the SEA-ME-WE-4 (South East Asia-Middle East-Western Europe-4) and represents our country in the SEA-ME-WE-4 international submarine cable consortium. By providing submarine cable Bandwidth BSCCL is contributing to the revenue earning of the Government of Bangladesh. BSCCL is one of the growing companies in the Telecom sector and company's submarine cable network is the main telecommunications infrastructure of the country.

The company provides wholesale bandwidth of different magnitude and on different routes through the International Private Leased Circuits (IPLC). BSCCL's submarine cable carries the country's main traffic of Internet/Data, voice and video. Its clients are: all IIG (International Internet Gateway) service providers, all IGW (International Voice Gateway) service providers and any other licensed IPLC users.

Currently, BSCCL has no competitor in the Submarine Cable Telecommunication sector and is the sole supplier of bulk bandwidth. It has secured the permit from the Bangladesh Telecommunications Regulatory Commission (BTRC) for providing service through the submarine cable. All the IIG and IGW companies would require taking lease of bandwidth from BSCCL according to the tariff system approved by the Govt. and based on the license guidelines, terms & conditions, and regulations of the Govt.

From the beginning BSCCL is making significant amount of profit with remarkable growth rate. It has already submitted a proposal to the concerned Ministry for second submarine cable and its ownership. Therefore, BSCCL has a very strong position in the Telecom market. However, future licensing for the Submarine Cable and International Terrestrial Cable may bring up companies in the international bandwidth business as the potential competitors of BSCCL within the next 2-3 years.

Sources and availability of raw materials and the names of the principal suppliers

BSCCL as a member of the SEA-ME-WE-4 International Submarine Cable Consortium (comprising of 16 major Telecom companies of 14 countries) has made investment for being a part of the SEA-ME-WE-4 Submarine Cable System and based on the investment it has achieved ownership on a portion of the total activated Capacity, service through which is the main sales product of the Company. The services & works of constructing the Submarine Cable including the main equipments and accessories such as the line terminal equipments, interfaces, power feeding equipments, optical submarine cables, terrestrial segments, optical fibers, connectors, optical signal generators, repeaters/amplifiers, accessories, etc. have been provided by the two suppliers (selected by the Consortium): 1. Alcatel-Lucent Submarine Networks (France) and 2. Fujitsu Japan Ltd.

Sources of, and requirement for power, gas and water or any other utilities

Sl. No.	Item	Sources	Requirements/Remarks
1	Power (Electricity)	Bangladesh Power Development Board	30,000 KWH per month *
2	Gas	Not required	Not applicable
3	Water	Own Deep Tube Well	Not available

- The Company has own Power Generation Plant of two 380 KVA to provide backup at the time of power interruption. The company has also battery backup for power generation.

Customer providing 10% or more revenues

The Company's products/services are sold to various customers. The main customers are as follows:

Name of Customer	Amount of Revenues	Percentage of Total Revenues
Bangladesh Telecommunications Company Ltd.	Tk. 61,21,72,734.00	75.30 %
Mango Teleservices Limited	Tk. 8,20,07,755.20	10.09 %

Contract(s) with principal suppliers/customers

The Company has no such contract.

Material patents, trademarks, licenses or royalty agreements

There are no material patents, trademarks, licenses or royalty agreements with any third parties. There are only a Vendor's Agreement, a Memorandum of Understanding (MOU), a Construction and Maintenance Agreement, a Lease Agreement and a Pertinent Purchase Agreement.

Employee's position

As on 30 June 2011, manpower position of the Company is as follows:

Sl. No.	Classes of Employees	Permanent	Casual/Contract	Total
1	Managing Director		1	1
2	Company Secretary	1		1
3	DGMs	3		3
4	Managers	4		4
5	Officers	8		8
6	Staff	22	1	23
	Total	38	2	40

Production /Services rendering capacity and current utilization (as per Audited Accounts)

Particulars	2011		2010	
	Gbps	Utilization in%	Gbps	Utilization in%
Present capacity	44.60	-	44.6	-
Capacity utilized (rented)	21.86	49%	15.20	34%

DESCRIPTION OF PROPERTY

The company's business is operated through its Registered Office at 37/E, Eskaton Garden, Dhaka-1000 and its Landing station at Jhlongja, Cox's bazar. The landing station of the company is situated on the company owned premises which mutation is completed. The company itself owns the entire fixed assets. The properties, plants and equipments owned by the company and written down value thereof are stated as follows:

Sl. No.	Classes of Property, Plant and Equipment	WDV at 30-06-2011	WDV at 30-06-2010
1	Land	164,700,000	164,700,000
2	Core equipment	1,493,369,976	1,623,228,235
3	Landing station earth filling	5,691,471	6,323,857
4	Building	52,890,737	53,970,140
5	Floor development	1,605,426	1,783,807
6	Security barak & security wall	7,075,072	7,219,461
7	Deep Tube-Well & Pump House	1,382,944	1,536,605
8	500 KV sub-station	1,454,292	1,710,932
9	Power system	20,496,580	22,773,978
10	Boundary wall	7,462,192	7,614,481
11	Ducting from Beach Manhole	13,994,314	14,730,857
12	Vehicles	8,275,162	10,343,952
13	Office equipment and furniture	4,414,343	4,199,687
14	Co-Location point	125,063	138,959
		1,782,937,573	1,920,274,951

- 4 (four) vehicles and some part of furniture and fixtures & office equipment are in Head Office, Dhaka and all other assets of the company are situated at company's Landing Station at Jhlongja, Cox's bazar and are in good workable condition.
- There is no mortgage and other type of lien on the property.
- The company has no asset under lease agreement.
- The above mentioned properties were purchased in brand new condition.
- The Government of the People's Republic of Bangladesh (GOB) entered into a lease agreement with Islamic Development Bank (IDB) on 12 February 2005. The Company has classified this lease as finance lease and accordingly, accounted for liabilities for lease obligations and corresponding lease assets in the financial statements.

Name of Institute	Type of Loan	Amount of Loan	Rate of Interest	Sanction Date	Installment Amount	Outstanding Balance (As on 30-06-2011)
Islamic Development Bank	Purchase	US\$ 60,000,000 (Tk.4,200,000,000)	Fixed Rate (2.40%) + Libor rate	28-12-04	US\$ 3,529,666.67 (Tk. 259,359,907)	US\$ 24,707,666.63 (Tk. 18,15,519,344) BTCL (56.63%) Tk. 10,28,128,604 BSCCL (43.37%) Tk. 787,388,380

Land Description

District : Cox's bazar
 Police Station : Cox's bazar
 Mouza : Jhlongja
 Area of Land : 5.42 Acre

The above land was owned by the company according to the ordinance for land acquisition circulated by the Ministry of Posts and Telecommunications and order of land commissioner on 29-09-2011 of which ledger no. 9686.

PLAN OF OPERATION AND DISCUSSION OF FINANCIAL CONDITION

Internal and External sources of Fund:

(As per Audited Accounts)

Particulars	2010-2011	2009-2010	2008-2009
Total Sources of Fund			
A. Internal Sources of Fund:			
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
Sub-Total	1,537,723,091	1,232,618,400	953,348,113
B. External Sources of Fund:			
Lease obligation – net of current portion	562,419,691	746,883,158	956,147,942
Security Deposits received from Clients	18,571,376	16,876,445	4,419,954
Lease obligation –current portion	224,968,689	213,395,750	212,477,321
Sub-Total	805,959,756	977,155,353	1,173,045,217
Grand Total (A+B)	2,343,682,847	2,209,773,753	2,126,393,330

Material commitment for capital expenditure

There are no material commitments for capital expenditure except commitment for work in progress for Upgrade # 3 of SMW-4.

Material changes from period to period

(As per Audited Accounts)

Particulars	2010-2011	2009-2010	2008-2009
Income	837,786,048	603,372,651	435,947,816
Operating Cost (Direct Operational Cost + Other Operating Expenses)	224,077,482	216,953,905	245,131,155
Operating Profit	613,708,566	386,418,746	190,816,661
Non-operating (Expense) / Income	(68,919,290)	(37,799,643)	(75,270,392)
Net Profit after Tax	305,104,691	346,585,079	115,546,269

Causes for material changes

During the last three years operating income & Net Profit before Tax (NPBT) as well as net operating profit of the company shows an upward trend. Deferred Tax liability for Tk. 20 crore has been recognized in the financial year 2010-2011 for that net profit after tax has been reduced for Tk 4 crore. Management of the company controlled operating expenses very efficiently. This achievement was possible due to long lasting experience and good operational efficiency of the officials of the company and business promotion efforts of the Directors and Management personnel.

Seasonal aspect of the company's business

There is no seasonal impact on the business of the Company, as demand for products/services of the Company is almost stable in all seasons.

Known trends, events or uncertainties

Natural disaster and social/political unrest are generally known events that may affect the Company's business.

Changes in the assets of the company used to pay off any liabilities

No asset of the company has been disposed off to pay liabilities of the Company.

Loan taken or given from holding/parent company or subsidiary company

The Company has no subsidiary or associate concerns at the moment. Therefore, taking loan from such concerns does not arise.

Future contractual liabilities

The company has no plan to enter into any contractual liabilities within next one year apart from normal course of business.

Future capital expenditure

The company has no plan for future capital expenditure.

VAT, income tax, customs duty or other tax liability**VAT**

As per Accounts VAT of Tk. 44,839,104.00 is payable which is subsequently paid.

Income tax

The income tax status of the company is mentioned below:

Sl. No.	Accounting Year	Assessment Year	Status
1	2010-2011	2011-2012	As per certificate given by DCT circle-86, Zone-8, Dhaka, dated 08/12/2011, income tax return has been submitted for assessment year 2011-2012 under universal self assessment system and settled as per rules.
2	2009-2010	2010-2011	As per certificate given by DCT circle-86, Zone-8, Dhaka, dated 30/12/2010, income tax return has been submitted for assessment year 2010-2011 under universal self assessment system and settled as per rules.
3	2008-2009	2009-2010	As per certificate given by DCT circle-86, Zone-8, Dhaka, dated 13/01/2010, income tax return has been submitted for assessment year 2009-2010 under universal self assessment system and settled as per rules.

*As per income tax ordinance, 1984 (XXXVI of 1984) of section 46B(6), Income tax authority has given exemption on profit and gain of Bangladesh Submarine Cable Co. Limited, Tele Communication Bhaban (6th floor), 37/E Eskaton Garden, Dhaka (TIN no. 248-200-8046/সি-86 tax area -8, Dhaka) for a period of 5 (five) years vide their latter no. নশি নং-১১(৬৪) অনু-১/২০০৯ dated 04-08-2009 in the following manner:

For First 2 (two) Year (1st and 2nd year) - 100%

For Next 2 (two) Year (3rd and 4th year) - 50%

Remaining 1 (one) Year -25%

It is to be mentioned here that tax holiday will expire on 31-12-2013.

Custom duty or other liabilities

There are no dues outstanding on account of Customs duty or other tax liabilities.

Sources from which VAT & Taxes are paid

Vat & Taxes is being paid from ordinary business resources.

Operating lease during the last five years

The company has established its registered office on the premises of Bangladesh Telecommunication Limited (BTCL). The settlement of rent or ownership with BTCL is not yet done. Details of which is as follows:

Name of Office & Branch	Area (Sft.)	Period of Lease	Rent per Sft (Tk)
37/E, Eskaton Garden(6 th Floor), Dhaka-1000	4,800	From beginning of operation	Not settled

Provision for office rent amounting to Tk. 36.00 lac up to 30 June 2011 (note-17.1 of accounts) is payable to Bangladesh Telecommunication Company Limited (BTCL) has been made for office space occupied by the Company at Telejogajog Bhaban owned by BTCL on an best estimation basis without any agreement.

Financial lease commitment

Company has taken finance lease from IDB. The detail is given below:

(As per Audited Accounts)

Name of Institute	Type of Loan	Amount of Loan	Rate of Interest	Sanction Date	Installment Amount	Outstanding Balance (As per audited accounts)
Islamic Development Bank	Purchase	US\$ 60,000,000 (Tk.4,200,000,000)	Fixed Rate (2.40%) + Libor rate	28-12-04	US\$ 3,529,666.67 (Tk. 259,359,907)	US\$ 24,707,666.63 (Tk. 18,15,519,344) BTCL (56.63%) Tk. 10,28,128,604 BSCCL (43.37%) Tk. 787,388,380

Personnel related scheme

The following retirement benefit schemes for the employees of BSCCL have been introduced:

Gratuity	Annual Bonus and other Incentives	Hospitalization Benefit	Travel Allowance	Leave Facilities	Incentive Bonus
The Company also maintains non-funded Gratuity Scheme for its permanent employees. An employee, on completion of continuous service of three years with the Company, is entitled to get gratuity at one month's basic salary for each completed year of service. No provision has been made as there is no any employee who completed 3 years of service with the company.	There is a provision for two festivals Bonus every year, at one month basic pay, for the permanent employees of the Company. Besides, the company provides earned leave encashment facilities as per guideline of the Company.	All permanent employees and their dependants are eligible for the benefit as per service rules of the company.	Travel allowance is paid to the employees of the company according to entitlement.	Earned, medical, casual and maternity leaves are allowed as per service rules of the company.	Bonus is allowed to the employees as per Board decision.

BREAKDOWN OF ISSUE EXPENSES

The total IPO expenses are estimated as follows:

Particulars	Rate	Amount in Tk.
Manager to the issue fees	Lump Sump	2,000,000.00
Vat on Issue Fees		90,000.00
Regulatory Expenses:		
Listing Related Expenses:		
Service Charge for DSE	Fixed	5,000.00
*Annual Fee for DSE & CSE		200,000.00
Listing Fees for Stock Exchanges (DSE & CSE)	@ 0.25% on up to Taka 10 crore of paid-up capital. & 0.15% on the balance amount (Max Tk. 20.00 lac) each	4,000,000.00
SEC Fees		
Application Fee	Fixed	10,000.00
Consent Fee	@ 0.15% on the public offering amount	1,627,500.00
IPO Commission:		
Underwriting Commission	0.50% on the underwritten amount	2,625,000.00

CDBL Fees and Expenses:		
**Security Deposit of Eligible Securities	Fixed	500,000.00
Documentation Fee	As actual	2,500.00
***Annual Fee	As actual	100,000.00
Issue Fee	0.00025 on the public offer	262,500.00
Connection Fee	As actual	6,000.00
IPO Commission:		
Bankers to the issue Commission	@ 0.1% on collected amount (Assuming 5 times over subscribed)	5,250,000.00
3% Tax on Premium		23,250,000.00
Printing, Publication and Others:		
Publication of Abridge Version of Prospectus	Estimated	800,000.00
Printing of Prospectus	Estimated	400,000.00
Printing of Application Forms	Estimated	200,000.00
Fee for Conduction of Lottery		700,000.00
Post Issue Expenses:		
Data Collection, Data Entry, Data, Processing and other related job, Printing of Allotment Letters and Refund Warrant, Distribution of Allotment Letter and Refund Warrant (including courier)	Estimated	13,500,000.00
Publication of Notice	Estimated	200,000.00
Miscellaneous	Estimated	100,000.00
Total		55,828,500.00

N.B. The cost of the above mentioned IPO expenses may vary and will be adjusted accordingly.

REVALUATION OF COMPANY'S ASSETS & SUMMARY THEREOF

The valuation of company's assets was made by M.A. Fazal & Co. Chartered Accountants, on 28th December, 2008. The valuation, which conforms to International Valuation Standards, was arrived by reference to market evidence of transaction prices for similar properties. The summary of revaluation is as follows:

(As per audited accounts)

Description	Book value as on 30.06.2008	Revaluation surplus as on 30.06.2008	Revalued value as on 30.06.2008
Land & Land Development	45,968.00	164,654,032	164,700,000
Total	45,968.00	164,654,032	164,700,000

Date of Revaluation : 28th December, 2008.

Work done to date by the Valuer: The above C.A. Firm (M.A. Fazal & Co.) has not rendered any valuation services to other enterprises.

Reasons for Valuation: The valuation has been made for reflection of actual value of its assets & liabilities and for calculation of net worth of the company. The revalued amount was incorporated in the accounts as on 30.06.2008. The revaluation surplus amount of Tk. 164,654,032.00 has been kept as revaluation reserve. The balance of revaluation reserve is Tk. 164,654,032.00 as on 30.06.2011.

Exemption from Revaluation: The guideline no. 1 of Ministry of Finance of April 2011 regarding "Revaluation of Assets & Liabilities of Government Companies proposed to be listed in capital market" is as follows:

"পূঁজিবাজারে তালিকাভুক্তিকরণের লক্ষ্যে প্রস্তাবিত সরকারি মালিকানাধীন কোম্পানি যে তারিখে ডাইরেক্ট লিস্টিং এর জন্য ষ্টক এক্সচেঞ্জ বা প্রাথমিক গণপ্রস্তাবের জন্য কমিশনের নিকট আবেদন করবে (যার জন্য যেটা প্রযোজ্য হবে), আবেদনের সাথে দাখিলকৃত কোম্পানির সম্পদ ও দায়-দেনার পুনঃমূল্যায়ন প্রতিবেদন সেই তারিখ থেকে এক বছরের বেশী পুরাতন হবে না।"

However, the Ministry of Finance vide its letter no. 53.310.031.00.00.085.2005(7)15 dated 15.01.2012 has exempted BSCCL from the requirement of above guideline.

Transaction between Holding/subsidiary/associate Company and the Issuer within the 5 years:

The Company has no subsidiary/holding company at this moment; hence transaction is not applicable.

Auditors' certificate on allotment of shares to shareholders including promoters or sponsor shareholders for any consideration otherwise than for cash

This is to certify that Bangladesh Submarine Cable Company Limited has allotted 6,731,464 shares of Taka 100 each for consideration other than cash to its shareholders including the promoters or sponsor shareholders up to 30 June 2011.

This is also to certify that Bangladesh Submarine Cable Company Limited has issued 2,019,439 ordinary shares of Tk. 100 each on 4th December 2010 as bonus shares. This issue of bonus shares was approved by the shareholders at the 2nd Annual General Meeting held on 04 December 2010 and the Securities and Exchange Commission accorded consent to the issuance of bonus shares on 27th December 2010. The share certificate has already been issued.

Dhaka, 20 August 2011

Sd/-
Hoda Vasi Chowdhury and Company
Chartered Accountants

Material information which is likely to have an impact

There is no other material information which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public.

DIRECTORS AND OFFICERS

The Board of Directors of BSCCL comprises of 7 (seven) Directors. The name, age and position of all Directors of the Company are as follows:-

Sl. No.	Name	Position in the Company	Respective Ministry & Designation	Age	Educational Qualification	Date of becoming a director for the first time	Date of expiration of Current term
1.	Sunil Kanti Bose	Chairman	Secretary, Ministry of Post & Telecommunications	57	B.Sc (Hons), M.Sc (Dhaka University)	04-12-2010	4th Annual General Meeting of 2012
2.	Syed Monjurul Islam	Director	Additional Secretary, Ministry of Finance	54	B.Com (Hons), MBA	27-01-2010	3 rd Annual General Meeting of 2011
3.	Rabindra Nath Roy Chowdhury	Director	Joint Secretary, MoSICT	54	B.A Hons (English), MA (English)	09-02-2010	3 rd Annual General Meeting of 2011
4.	Col. Shahriar Ahmed	Director	Colonel (Admin), DSCSC, Mirpur Cantonment, Dhaka.	52	B.A (Pass)	04-12-2010	5 th Annual General Meeting of 2012
5.	Mr. Asif Ibrahim	Director	President, Dhaka Chamber of Commerce & Industry.	46	Bachelor in Computer Information System (CIS) Major : Business	13-01-2011	5 th Annual General Meeting of 2012
6.	Dr. Raqibul Mostafa	Director	Associate Professor, United International University.	44	B.Sc. (EEE Dept., BUET), M.Sc. (EE Dept., Virginia Tech, USA)	23-03-2010	4 th Annual General Meeting of 2012
7.	Md. Monwar Hossain	Managing Director	CEO, BSCCL	58	B.Sc. Engg (Elec.), MBA	29-06-2008	

Directors' involvement in other organization

The follow table shows the details list of Directors and their involvement in other Companies.

Sl. No.	Name of Directors	Name of Organization	Position	Experience
1	Sunil Kanti Bose	BTCL, TSS, TELLETALK, BKSSL	Chairman	28 Years.
2	Syed Monjurul Islam	BTCL. North West Zone Power Co. Ltd. IFIC Bank Limited Jamuna Oil Co. Ltd. Bangladesh Services Ltd. Industrial Promotion & Development Co. Ltd.	Director Director Director Director Director	27 Years.
3	Asif Ibrahim	Dhaka Chamber of Commerce and Industry (DCCI). Standing Committee of RDTI (Research and Development), Bangladesh Garment Manufacturers and Exporter's Association (BGMEA). Standing Committee of Information Technology and Web Portal Bangladesh Garment Manufacturers and Exporters Association (BGMEA). Executive Forum, International Trade Center (ITC), Geneva. High Power Committee on WTO issues, Ministry of Commerce. Balloting, Handicap, Indoor Sports Committee, Kurmitola Golf Club. Balloting, Billiards and Snooker, Golf Sub-committee, Dhaka Club Limited.	President Chairman Network Member Member Member Member	25 Years.

Family relationship among Directors and top five Officers

There is no family relationship amongst Directors and Officers.

Short bio-data of the Directors

A brief bio-data of the Directors including the Managing Director of BSCCL Board is given below:

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 nd 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
<hr/>			
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
<hr/>			
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
-

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
-

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 30th 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 1st 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

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

Credit Information Bureau (CIB) report

In terms of the CIB Report of the Bangladesh Bank the company is free from loan default. As per CIB Circular No.- 01/96 dated 20/8/96, Chairman, Managing Director and Director of public sector companies are not owner of that companies. So, their CIB information is not required.

Description of senior executives and departmental heads

Sl.	Name	Age	Educational Qualification	Designation	Experience in the Company	Experience in various Business
01	Md. Monwar Hossain	58	B.Sc. Engineering (Elec.), M.B.A	Managing Director	3 years 1 month	30 years
02	Md. Abdus Salam Khan	44	M.Com. M.B.A. & FCS	Company Secretary & CFO	3 years	16 years
03	Parvez Monon Ashraf	39	B.Sc, MSc (APECE, DU), MS-Electrical Engg. (USA)	DGM (Costumer Care)	2 year 6 months	12 years 6 months
04	Md. Jahangir Alam	43	B.Sc. Engineering (Elec.)	DGM (Operation)	2 years 3 months	12 years
05	Mr. Mohammad Zakirul Alam	37	B.Sc. Engineering (Mechanical), M.B.A	DGM (Bandwidth Planning)	2 years 2 months	12 years
06	Md. Shakawath Hussain	26	B.Sc. Engineering (ECE)	Manager (Maintenance)	2 years 6 months	5 years
07	Ms. Nazia Hassan	27	B.Sc. Engineering (CSE), M.Sc. Engg. (ETE), PGB (Business Management)	Manager (Sales)	2 years 5 months	6 years
08	Mahammad Tajul Islam	33	M.Com (Accounting)	Manager (Accounts)	2 years 2 months	5 years
09	Muhammed Shoeb Ali	29	B.Sc. Engineering (EEE)	Manager (Development & Purchase)	2 years	6 Years

Involvement of Directors and Officers in Certain Legal Proceedings

No Director or officer of the Company was involved in any of the following types of legal proceedings in the last ten years:

- Any bankruptcy petition filed by or against any company of which any officer or director of the issuer company filing the prospectus was a director, officer or partner at the time of the bankruptcy.
- Any conviction of director, officer in a criminal proceeding or any criminal proceeding pending against him.
- Any order, judgment or decree of any court of competent jurisdiction against any director, officer permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.
- Any order of the Securities and Exchange Commission, or other regulatory authority or foreign financial regulatory authority, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.

Certain Relationships and Related Transactions

The company does not have any transaction during the last two years, or any proposed transaction, between the issuer and any of the following persons:

- Any director or executive officer of the issuer;
- Any director or officer;
- Any person owning 5% or more of the outstanding shares of the issuer;
- Any member of the immediate family (including spouse, parents, brothers, sisters, children, and in-laws) of any of the above persons;
- Any transaction or arrangement entered into by the issuer or its subsidiary for a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries/holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of prospectus;

- f. Any loan either taken or given from or to any director or any person connected with the director, any loan taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan;
- g. Any director holding any position, apart from being a director in the issuer company, in any company, society, trust, organization, or proprietorship or partnership firm.
- h. Except the following transaction :
- The Company has no related party transactions as per BAS – 24 except those made with its managing director, which have already been disclosed under note # 20 in the accompanying financial statements as follows:

Name of the related party	Relation with the company	Nature of transactions	2011 Taka	2010 Taka
Md. Monwar Hossain	Managing Director	Remuneration	2,458,956	1,714,125

Further to the above, the Directors are enjoying Board attendance fees and Managing Director is enjoying car facilities.

Directors' facilities

Without Board of Directors' attendance fees and Managing Director's salary and car facilities there is no other interests and facilities, whether pecuniary or non-pecuniary, are enjoyed by the Directors of the Company.

Executive Compensation

Name and designation with the amount of remuneration paid to the top five salaried officers in the last accounting year ended 30 June 2011.

SL. No.	Name of the Executive	Designation	Total Salary (Tk.) (FY 2010-11)
01.	Md. Monwar Hossain	Managing Director	24,58,956.00
02.	Md. Abdus Salam Khan	Company Secretary & CFO	9,43,914.00
03.	Parvez Monon Ashraf	Deputy General Manager (Customer Care)	9,24,485.00
04.	Md. Jahangir Alam	Deputy General Manager (Operation)	8,93,740.00
05.	Mohammad Zakirul Alam	Deputy General Manager (Bandwidth Planning)	9,13,363.00

Aggregate amount of remuneration paid to directors and officers

Sl. No.	Particulars	Remuneration & Salary 2010-2011
01.	Directors	
	i) Managing Director	24,58,956.00
	ii) Others Director	2,55,875.00
02	Officers & Staff	1,43,64,291.00

The company did not pay any remuneration to any director who was not an officer during the last accounting year.

Future compensation

No such contract was made with any officer or director for the payment of future compensation.

Pay increase intention

BSCCL allows annual increment on the basis of rating of permanent officers and employees.

Options granted to Directors, Officers and Employees

The Company has not offered any option for issue of shares to any of the officers, directors and employees or to any outsiders.

Transaction with the Directors and Subscribers to the Memorandum

a) Benefits from the Company during last five years.

The Directors and Subscribers to the memorandum have not received any benefits directly or indirectly other than Board meeting attendance fees, Managing Director' salary and car facilities.

b) Directors Assets transferred to the Company

The issuer has not received any assets, services or other consideration from its Directors and Subscribers to the memorandum.

c) No assets were acquired or are to be acquired from the directors and subscribers to the memorandum.

Net tangible assets per ordinary share

We have examined the following calculation of net tangible assets per ordinary share of Bangladesh Submarine Cable Company Limited as at 30 June 2011.

Based on our examination, we certify that these have been correctly extracted and arrived at on the basis of audited financial statements of the Company as at 30 June 2011.

	30-Jun-2011
	<u>Taka</u>
<u>Shareholders' equity:</u>	
Share capital	875,091,700
Tax holiday reserve	235,490,031
Revaluation reserve	164,654,032
Retained earnings	262,487,328
	1,537,723,091
<u>Net tangible assets:</u>	
Property, plant and equipment - net of accumulated depreciation	1,782,937,573
Work in progress	487,551,230
Preliminary expenses	1,809,690
Current assets	391,760,610
Total assets	2,664,059,103
Less: Total liabilities	
Long term liabilities	796,834,488
Current liabilities	329,501,523
	1,126,336,011
Net assets	1,537,723,091
Less: Preliminary expenses	1,809,690
Net tangible assets (A)	1,535,913,401
Number of ordinary shares of Taka 10 each (B)	87,509,170
Net tangible assets per ordinary share of Taka 10 each (A / B)	17.55

OWNERSHIP OF THE COMPANY'S SECURITIES

Shareholding Structure

Ministry of Post and Telecommunications (MoPT), Government of Bangladesh owns most of the shares (99.99982%) of the company. At present, Mr. Sunil Kanti Bose, (Secretary, Ministry of Post and Telecommunications) has been representing on behalf of the Ministry. Other six shareholders are holding negligible part of the company (0.00018%) each. The board consists of seven members including the Managing Director. The Board is led by its Chairman Mr. Sunil Kanti Bose, Secretary, Ministry of Post and Telecommunications. As per schedule X of the Companies Act, 1994 (Submitted to RJSC on 4th December, 2010) the shareholding position is as follows:

a.

Name of the shareholder	Represented by	No. of Shares	Holding (%)
Rabindra Nath Roy Chowdhury	Ministry of SCIT, GOB	20	00.00003
Syed Monjurul Islam	Ministry of Finance, GOB	20	00.00003
Col. Shahriar Ahmed	DSCSC, Mirpur Cantonment, Dhaka.	20	00.00003
Abul Kasem Khan (Abul Kasem Khan is replaced by Asif Ibrahim)	Dhaka Chamber of Commerce & Industries	20	00.00003
Raqibul Mostafa	United International University	20	00.00003
Mr. Md. Monwar Hossain	Bangladesh Submarine Cable Co. Ltd. (BSCCL)	20	00.00003
Ministry of Post & Telecommunications, GOB	Mr. Sunil Kanti Bose	67,314,640	99.999792
Mr. Sunil Kanti Bose	Ministry of Post & Telecommunications, GOB	20	00.00003
Total		67,314,780	100.00000

* No individual shareholders except Government hold 5% or more of the securities.

b. Subsequently the company has issued 2,019,439 no. of bonus share. As per schedule XV of the Companies Act, 1994 dated 04-12-2010 this bonus shares were allotted in the name of MoPT. Therefore, shareholding position is as follows:

Name of the shareholder	Represented by	No. of Shares	Holding (%)
Rabindra Nath Roy Chowdhury	Ministry of SCIT, GOB	20	00.00002
Syed Monjurul Islam	Ministry of Finance, GOB	20	00.00002
Col. Shahriar Ahmed	DSCSC, Mirpur Cantonment, Dhaka.	20	00.00002
Asif Ibrahim	Dhaka Chamber of Commerce & Industries	20	00.00002
Raqibul Mostafa	United International University	20	00.00002
Mr. Md. Monwar Hossain	Bangladesh Submarine Cable Co. Ltd. (BSCCL)	20	00.00002
Ministry of Post & Telecommunications, GOB	Mr. Sunil Kanti Bose	87,509,030	99.99984
Mr. Sunil Kanti Bose	Ministry of Post & Telecommunications, GOB	20	00.00002
Total		87,509,170	100.00000

Securities owned by the Officers

No share or security is held by any officer of the company except as disclosed below:

Sl.	Name	Designation	No. of shares hold	% holding
1.	Md. Monwar Hossain	Managing Director	20	0.0000228

DETERMINATION OF OFFERING PRICE

Particulars	Amount (in Tk.)
Method 1(a): Net Asset Value (NAV) per share	17.57
Method 1(b): Net Asset Value (NAV) per share without considering asset revaluation	15.69
Method 2: Historical Earnings based value per share	50.74

In consideration of the above, the management of BSCCL believes that the issue price of Tk. 35.00 is justified.

Calculations of Methodologies

Method 1: Share price on Net Asset Value (NAV)

Sl. No.	Particulars	Amount	Net Amount
a)	Share capital		875,091,700.00
b)	Tax holiday reserve		235,490,031.00
c)	Revaluation Reserve		164,654,032.00
d)	Retained Earnings		262,487,328.00
Total Shareholders' Equity			1,537,723,091.00
Number of shares			87,509,170
Net Assets Value per Share at BDT 10 per share			17.57
Net Assets Value per Share without considering asset revaluation at BDT 10 per share			15.69

Method 2: Historical Earnings based value

Year	No. of Share	Net Profit after tax	Weight of No. of shares	Weighted Average of Net profit after tax
2008-09	140	115,546,269.00	0	0
2009-10	67,314,780	346,585,079.00	0.4348	150,695,192.35
2010-11	87,509,170	305,104,691.00	0.5652	172,445,171.35
Total	154,824,090	767,236,039.00	1.00	323,140,363.70
No. of shares before IPO				87,509,170
Weighted Average EPS				3.69
DSE overall P/E as on November, 2011				13.75
Earning based Value per share				50.74

The company was incorporated on 24-06-2008 and started its commercial operation from 1st January, 2009 and thus the net profit after that period has been considered to calculate Earnings per Share.

Based on the above calculation, the weighted average net profit after tax stands at Tk. **323,140,363.70** and Diluted EPS based on Weighted Average of Net Profit after Tax =3.69. If we consider the share price of the Company on the basis of price earnings multiple of 13.75 (Overall market P/E =13.75; Source; DSE Monthly Review as on 30-11-2011), the earning based value of shares of the Company stands at **Tk. 50.74**.

MARKET FOR THE SECURITIES BEING OFFERED

The issuer shall apply to



Dhaka Stock Exchange Limited (DSE)
9/F, Motijheel C/A, Dhaka-1000.

And



Chittagong Stock Exchange Limited (CSE)
CSE Building, 1080 Sheikh Mujib
Road, Chittagong.

Within 7 (seven) working days from the date of consent accorded by the Commission to issue prospectus.

Declaration about listing of shares with the Stock Exchange(s)

None of the Stock Exchange(s), if for any reason, grants listing within seventy five (75) days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75(seventy five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen (15) days, the company's directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon, to the Commission within seven (7) days of expiry of the aforesaid fifteen (15) days time period allowed for refund of the subscription money.

Trading and settlement

Trading and Settlement Regulation of the stock exchanges shall apply in respect of trading and settlement of the shares of the company.

The issue shall be placed in "N" Category with DSE & CSE.

DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

Dividend, Voting, Preemption Rights

The Share Capital of the company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles of Association of the company. All shareholders shall have the usual voting right voting right in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of General Meeting – Ordinary or Extra Ordinary. On a show of hand, every shareholder present in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for every share held by him or her.

In case of any additional issue of shares for raising further capital the existing shareholders shall be entitled to Issue of Right shares in terms of the guidelines issued by the SEC from time to time.

Conversion and liquidation rights

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are freely transferable. The Company shall not charge any fee for registering transfer of shares. No transfer shall be made to a firm, an infant or person of unsound mind.

Dividend policy

- a) The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum of Association and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.
- b) No larger dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of Net Profit of the Company shall be conclusive.
- c) No dividend shall be payable except out of the profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
- d) The Directors may from time to time pay the members such interim dividend as in their judgment the financial position of the Company may justify.
- e) A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
- f). There is no limitation on the payment dividends to the common stockholders of the Company.

Other rights of stockholders

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. No transfer shall be made to a minor or person of unsound mind.

The Directors shall present the financial statements as required under the law & International Accounting Standard. Financial statements will be prepared in accordance with the International Accounting Standards consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and International Accounting Standard to the shareholders regarding the financial and operational position of the company. The shareholders shall have the right to receive all periodical statement and reports, audited as well as unaudited, published by the company from time to time.

The shareholder holding minimum of 10% shares of paid-up capital of the company shall have the right to requisition Extra-ordinary General Meeting of the company as provided for the section 84 of the Companies Act 1994.

DEBT SECURITIES

The Company has not issued or planning to issue any debt securities within six months.

LOCK-IN PROVISION

All issued shares of the issuer at the time of according consent to public offering shall be subject to a lock-in period of 3 (Three) years from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided that the persons, other than directors and those who hold 5% or more, who have subscribed to the shares of the Company within immediately preceding 2 (Two) years of according consent, shall be subject to a lock-in period of 1 (One) year from the date of issuance of prospectus or commercial operation, whichever comes later. The following table indicates the pre IPO shareholders position.

Sl. No.	Name	Status	No. of Shares hold	% of ownership	Last Date of Acquisition	Lock-in period from the date of Prospectus Issuance
1	Rabindra Nath Roy Chowdhury	Shareholder	20	.00002285%	24-06-2008	3 Years
2	Syed Monjurul Islam	Shareholder	20	.00002285%	24-06-2008	3 Years
3	Col. Shahriar Ahmed	Shareholder	20	.00002285%	24-06-2008	3 Years
4	Asif Ibrahim	Shareholder	20	.00002285%	24-06-2008	3 Years
5	Raqibul Mostafa	Shareholder	20	.00002285%	24-06-2008	3 Years
6	Mr. Md. Monwar Hossain	Shareholder	20	.00002285%	24-06-2008	3 Years
7	Ministry of Post & Telecommunications, GOB	Shareholder	87,509,030	99.99984%	24-06-2008 09-08-2009 04-12-2010	3 Years
8	Mr. Sunil Kanti Bose	Shareholder	20	.00002285%	24-06-2008	3 Years
	Total		87,509,170	100.00%		

*List with detail information of general investors are mentioned in ownership of Company's securities and none of the general investors as stated above hold 5% or more of the paid-up capital.

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;-

- a) 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
- b) 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.

SUBSCRIPTION BY AND REFUND TO NON-RESIDENT BANGLADESHI (NRB)

- (1) A non-resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking "Account Payee only".
- (2) The value of securities applied for by such person may be paid in Taka or US Dollar or UK Pound Sterling or Euro at the rate of exchange mentioned in the securities application form.
- (3) Refund against oversubscription shall be made in the currency in which the value of securities was paid for by the applicant through Account Payee bank cheque payable at Dhaka with bank account number, bank's name and branch as indicated in the securities application form. If the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms.

AVAILABILITY OF SECURITIES

Offer to the Employees of the Company

The Board of Directors of the Bangladesh Submarine Cable Company Limited approved the proposal of distributing 10 lac shares at the issue price for the Employees of BSCCL. This was approved in the 46th Board Meeting of BSCCL held on 12th July 2011. It was also advised by the Board that Government permission should be necessary for this. Accordingly BSCCL approached to the Ministry of Posts and Telecommunications (MoPT) regarding granting of shares for the BSCCL Employees. The Ministry of Posts and Telecommunications (MoPT) vide letter dated 9th November 2011 has given IPO approval in line with 46th Board meeting of BSCCL.

Offer to the General Public

1. Shares

Particulars	No. of shares	Amount in Tk
A. 10% of IPO i.e. 3,000,000 Ordinary Shares shall be reserved for Non Resident Bangladeshis.	3,000,000	105,000,000
B. 10% of IPO i.e. 3,000,000 Ordinary Shares shall be reserved for Mutual funds and Collective investment schemes registered with the Commission.	3,000,000	105,000,000
C. The remaining 80% of IPO i.e. 24,000,000 Ordinary Shares shall be opened for subscription by the General Public.	24,000,000	840,000,000
D. Reserved for Employees*	1,000,000	35,000,000
Total	31,000,000	1,085,000,000

*Distribution of Employees' Share

SL. No.	Name	Designation	No. of shares to be allotted	Issue Price	Amount to be paid (in Taka)
1	2	3	4	5	6
01	Md. Monwar Hossain	Managing Director	154,835	35.00	5,419,218
02	Md. Abdus Salam Khan	Company Secretary	63,320	35.00	2,216,210
03	Md. Jahangir Alam	DGM (Operation)	60,305	35.00	2,110,659
04	Mohammad Zakirul Alam	DGM (Bandwidth Planning)	60,305	35.00	2,110,659
05	Parvez Monon Ashraf	DGM (Customer Care)	60,305	35.00	2,110,659
06	Muhammed Shoeb Ali	Manager (Development & Purchase)	32,597	35.00	1,140,883
07	Md. Shakawat Hussain	Manager (Maintenance)	32,597	35.00	1,140,883

08	Mrs. Nazia Hassan	Manager (Operation)	32,597	35.00	1,140,883
09	Muhammad Tajul Islam	Manager (Accounts)	32,597	35.00	1,140,883
10	Md. Kafil Uddin	Accountant	23,283	35.00	814,916
11	Md. Harun ar Rashid Mridha	Security Officer	23,283	35.00	814,916
12	Uzzal Kumar Saha	DM (Operation)	23,283	35.00	814,916
13	Md. Rakibul Hossain	DM (Operation)	23,283	35.00	814,916
14	Md. Eastakhar Hasan	DM (Operation)	23,283	35.00	814,916
15	H.M. Reza Latif	DM (Operation)	23,283	35.00	814,916
16	Khondker Hayat Mahmud	DM (Operation)	23,283	35.00	814,916
17	Jewel Miah	DM (Operation)	23,283	35.00	814,916
18	Md. Saiful Islam Shomon	Computer Operator/Office Assistant	15,522	35.00	543,277
19	Farjana Akhter	Computer Operator/Office Assistant	15,522	35.00	543,277
20	San San (Maung San)	Computer Operator/Office Assistant	15,522	35.00	543,277
21	Rajon Kanti Paul	Electrician	13,970	35.00	488,950
22	Md. Abdul Bari	Driver	13,970	35.00	488,950
23	Md. Osman Goni	Driver	13,970	35.00	488,950
24	Md. Masud	Driver	13,970	35.00	488,950
25	Md. Akkas Ali Sheikh	Driver	13,970	35.00	488,950
26	Md. Abul Kalam	Cook	12,418	35.00	434,622
27	Md. Nurul Islam	Cook Helper	10,866	35.00	380,294
28	Md. Kamruzzaman Chowdhury	MLSS	10,866	35.00	380,294
29	Md. Jarjis Babu	MLSS	10,866	35.00	380,294
30	Md. Kabir Uddin	Guard	10,866	35.00	380,294
31	Md. Jamshed Alam	Guard	10,866	35.00	380,294
32	Hiralal Chandra Mali	Guard	10,866	35.00	380,294
33	Md. Farid Hossain	Mali	10,866	35.00	380,294
34	Mrs. Hosne Ara Parven	Sweeper	10,866	35.00	380,294
35	Sudhir Chandra Dey	Sweeper	10,866	35.00	380,294
36	Md. Monirul Islam	Driver	13,305	35.00	465,666
37	Md. Zakir Hossain	Driver	13,305	35.00	465,666
38	Md. Saiful Islam	Guard	10,348	35.00	362,185
39	Mohammad Habibur Rahman	Guard	10,348	35.00	362,185
40	Md. Golam Mostafa	Guard	10,348	35.00	362,185
	Total		1,000,000		*35,000,000

- If any employee fails or denies to take all of his allotted shares or any part of it, those shares shall be distributed to the other employees of the company on a pro-rata basis, proportionate to the basic salary of each employee.
2. All shares as stated in clause 1.A, 1.B and 1.C shall be offered for subscription and subsequent allotment by the issuer, subject to any restriction, which may be imposed, from time to time, by the Securities and Exchange Commission.
 3. In case of over-subscription under any of the categories mentioned in 1.A, 1.B and 1.C the Issue Manager shall conduct an open lottery of all the applications received under each category separately in accordance with the letter of consent issued by the Securities and Exchange Commission.
 4. In case of under-subscription under any of the 10% categories mentioned in 1.A and 1.B, the unsubscribed portion shall be added to the general public category and, if after such addition, there is over-subscription in

the general public category, the issuer and the issue manager shall jointly conduct and open lottery of all the applicants added together.

5. In case of under-subscription of the public offering, the unsubscribed portion of securities shall be taken up by the underwriter(s).
6. The lottery as stated in clause (3) and (4) shall be conducted in the presence of representatives from the issuer, the stock exchanges, and the applicants, if there be any.

APPLICATION FOR SUBSCRIPTION

1. Application for shares may be made for a minimum lot for 100 Ordinary shares to the value of Tk. 35.00 and should be made on the Company's Printed Application forms. Application Form and Prospectus may be obtained from the Registered Office of the Company, members of Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. or from the Bankers to the Issue. In case adequate forms are not available, applicants may use photocopied/cyclostyled/hand written/typed copies of the forms. Applications must not be for less than 100 shares. Any application not meeting this criterion will not be considered for allotment purpose.
2. Joint application form for more than two persons will not be accepted. In the case of joint application each party must sign the application form.
3. Application must be in full name of individuals or limited companies or trusts or societies and not in the name of firms, minors or persons of unsound mind. Applications from insurance, financial and market intermediary companies and limited companies must be accompanied by Memorandum and Articles of Association.
4. **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.**
5. **The applicant shall provide with the same bank account number in the application form as it is in the BO account of the application.**
6. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission may forfeit whole or part of their application too.**
7. An IPO applicant shall ensure his/her BO account remains operational till the process of IPO (including securities allotment or refund of IPO application) is completed. If any BO account mentioned in the IPO application is found closed, the allotted security may be forfeited by SEC.
8. Bangladeshi Nationals (including non-resident Bangladeshi Nationals working abroad) and Foreign Nationals shall be entitled to apply for shares.
9. Payment for subscription by investors other than Non-Resident Bangladeshi may be made to the said branches/office of the banks mentioned below in Cash/Cheque/Pay Order/Bank Draft. The Cheque/Pay Order/Bank Draft shall be made payable to the bank to which it is sent and be marked "**Bangladesh Submarine Cable Company Limited**" and shall bear the crossing "**Account Payee Only**" and must be drawn on a bank in the same town of the bank to which application form is deposited.
10. A Non-Resident Bangladeshi (NRB) shall apply against the IPO either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee (including a Bank or a Company) by paying out of foreign currency deposit account maintained in Bangladesh, for the value of securities applied for.

The value of securities applied for may be paid in Taka, US Dollar or UK Pound Sterling or EURO at the spot Buying (TT Clean) rate of exchange prevailing on the date of opening of subscription. Refund against over subscription of shares shall be made in the currency in which the value of shares applied for was paid by the

applicant. Share application form against the quota for NRB shall be sent by the applicant directly along with a draft or cheque to the Company at its registered office. Copies of application form and prospectus shall be available with Bangladesh Embassy/High Commission in USA, UK, Saudi Arabia, UAE, Qatar, Kuwait, Oman, Bahrain, Malaysia and South Korea and web site of the issuer, issue manager, DSE, CSE and the SEC.

11. All completed application forms together with remittances for the full amount payable on application shall be lodged by investors other than Non-Resident Bangladeshis with any of the branches of the Bankers to the Issue:
12. The IPO subscription money collected from investors (other than Non-Resident Bangladeshis) in US Dollar or UK Pound sterling or EURO) by the bankers to the issue will be remitted to the Company's **STD A/C** No. 36000433 with **Sonali Bank Limited, Hotel Sheraton Corporate Branch**, Dhaka, Bangladesh for this purpose.
13. The subscription money collected from Non-Resident Bangladeshis in US Dollar or UK Pound Sterling or EURO shall be deposited to three FC accounts opened by the Company for IPO purpose are as follows:

Sl.	Name of the FC Accounts	Account No.	Bank & Branch	Currency
1	Bangladesh Submarine Cable Company Limited	000019	Sonali Bank Limited, Local Office	US Dollar
2	-do-	000001	Sonali Bank Limited, Local Office	GBP
3	-do-	000008	Sonali Bank Limited, Local Office	EURO

14. In the case of over-subscription of securities to the NRB applicants, refund shall be made by Bangladesh Submarine Cable Company Limited out of the "FC Account for IPO NRB Subscription". Bangladesh Submarine Cable Company Limited has already opened the aforesaid FC Accounts and shall close these FC accounts after refund of oversubscription, if any.

APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS AND THE INSTRUCTIONS PRINTED ON THE APPLICANT FORM ARE LIABLE TO BE REJECTED.

UNDERWRITING OF SHARES

The Initial Public Offering (IPO) is for 30,000,000 ordinary shares of Tk. 35.00 each including a premium of Tk.25.00 per share amounting to Tk.1,050,000,000.00 As per guideline of the Securities and Exchange Commission (Public Issue) Rules, 2006, 50% of the issue has to be underwritten on a firm commitment basis by the following underwriters:

Sl.	Name and address of underwriters	Number of shares underwritten	Amount (Tk)
1	Banco Finance and Investments Limited	1,500,000	52,500,000.00
2	GSP Finance Company (Bangladesh) Limited	1,500,000	52,500,000.00
3	ICB Capital Management Limited	10,500,000	367,500,000.00
4	Prime Finance & Investment Limited.	1,500,000	52,500,000.00
	Total	15,000,000	525,000,000.00

Principal terms and conditions of underwriting agreement

1. If and to the extent that the shares offered to the public by a Prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within 10 (ten) days of the closure of subscription call upon the underwriter in writing with a copy of said writing to the Securities and Exchange Commission, to subscribe for the shares not subscribed by the closing date and to pay for in cash in full for such unsubscribed shares in cash in full within 15 (fifteen) days of the date of said notice and the said amount shall have to be credited into shares subscription account within the said period.
2. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his underwriting commitment under the Agreement, until such time as the Cheque/Bank Draft has been en-cashed and the Company's account credited.
3. In any case within 7 (seven) days after the expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and payment by the underwriter to the Commission.
4. In the case of failure by the underwriter to pay for the shares under the terms mentioned above, the said Underwriter will not be eligible to underwrite any issue, until such time as he fulfils his underwriting commitment under the Agreement and also other penalties as may be determined by the Commission may be imposed on him.
5. In case of failure by any underwriter to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under the Agreement.
6. In case of failure by the Company to call upon the underwriter for the aforementioned purpose within the stipulated time, the Company and its Directors shall individually and collectively be held responsible for the consequences and/or penalties as determined by the Securities and Exchange Commission under the law may be imposed on them.

Commission for the Underwriters

The company shall pay to the underwriter an underwriting commission at the rate of 0.50% of the IPO amount of the issue value of shares underwritten by them out of the Public Issue.

Right of Underwriters on Company's Board

Underwriters have not acquired any right to have their representatives in the Board of Directors of the Company.

Allotment

The company reserves the right of accepting any application, either in whole, or in part, successful applicants will be notified by the dispatch on an allotment letter by registered post/courier. Letter of allotment and refund warrants will be issued within 5(five) weeks from the closing of the subscription list. After allotment the company will have to transfer the shares to the allottees' Beneficiary Owners (BO) account, which has been mentioned in the application form.

The company shall issue share allotment letter to all successful applicants, within 5(five) weeks, from the date of the subscription closing date. At the same time, the unsuccessful application shall be refunded with the application money within 5 (five) weeks from the closing of the subscription date, by Account Payee Cheque, without interest payable at Dhaka/Chittagong/Khulna/Rajshahi/Barisal/Sylhet as the case may be.

Where allotment is made, in whole or in part in respect of joint application, the allotment letter will be dispatched to the person whose name appears first in the application form notwithstanding that the shares have been allotted to the joint applicants. Where joint applicant is accepted in part, the balance of any amount paid on application will be refunded without interest to the person named first in the application form.

Material Contracts

- a. Underwriting Agreements between the Company and the Underwriters.
- b. Issue Management Agreement between the Company and ICB Capital Management Limited.
- c. Contract between the company and the Central Depository Bangladesh Ltd. (CDBL).
- d. Credit Rating Agreement between the Company and Credit Rating Information and Services Ltd. (CRISL)

Copies of the aforementioned contracts and documents and a copy of Memorandum and Articles of Association of the Company and the Consent order from the Securities and Exchange Commission may be inspected on any working day during office hours at the Company's Registered Office.

Manager to the Issue

ICB Capital Management Limited is the Manager to the Issue. The Issue Manager will get Tk. 20, 00,000.00 as issue management fee.

Commission to the Banker to the Issue

Commission at the rate of 0.10% of the amount collected will be paid to the Bankers to the Issue for the services to be rendered by them.

Banker to the issue

<p>The City Bank Limited B.B. Avenue Branch, Dhaka Principal Branch, Dhaka Dhanmondi Branch, Dhaka Shaymoli Branch, Dhaka Imamogonj 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, Narayanganj 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 Mouvi 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 Narayanganj Branch, Narayanganj Sonargaon Branch, Narayanganj 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 Mouvi Bazar Branch, Mouvi Bazar Gournadi 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 Narayanganj Branch, Narayanganj Sylhet Main Branch, Sylhet Daragat 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 Mosjid Road Branch, Dhaka Shaymoli Branch, Dhaka Rokeya Sarani Branch, Dhaka Bashundhara Branch, Dhaka Ashulia Branch (Rural), Dhaka Narayanganj Branch, Narayanganj Joypara Branch (Rural), Dhaka Savar Branch, Dhaka Mouchak Branch, Dhaka Karwan Bazar Branch, Dhaka Agrabad 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 Chhagalnaiya 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 Narayanganj Branch, Narayanganj Tongi Branch, Tangail Paglabazar Branch, Narayanganj Madhabhi Branch, Madhabhi 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. Satoire Branch, Bogra, Faridpur. Tejgaon Branch, Dhaka. Sonargaon Janapath Branch, Dhaka. Mawna Branch, Shreepur, Gazipur. Bijaynagar Branch, Paltan, Dhaka. Gopalgonj Branch, Gopalgonj. Rajbari Branch, Rajbari. Tongi Station Road Branch, Tongi, Gazipur. Agrabad Branch, Agrabad/CA, Chittagong Khatungonj Branch, Khatungonj, Chittagong Jubilee Road Branch, Chittagong. Kadamtali Branch, Kadamtali, Chittagong. Chawkbazar Branch, Chittagong. Port Branch, Dabolmuring, Chittagong. Andarkilla Branch, Chittagong. O.R. Nizam Road Branch, Chittagong. Madunaghat Branch, Chittagong. Noapara Branch, Chittagong. Lohagara Branch, Lohagara, Chittagong. Nazirhat Branch, Fatickchari, Chittagong. Kamal Bazar Branch, Chittagong. Fatickchari Branch, Fatickchari, Chittagong. Cox's Bazar Branch, Cox's Bazar. Comilla Branch, Chapirpatty, Comilla. Chandpur Branch, Pail Bazar, Chandpur. Lakshimpur Branch, Lakshimpur. Brahmanbaria Branch, Brahmanbaria. Matizlee Court Branch, Noakhali. Chowmuhuni Branch, Noakhali. Feni Branch, Feni. Dhohazhar Branch, Chittagong. Muradpur Branch, Muradpur, Chittagong. Station Road Branch, Kawkali, Chittagong. Bahadurhat Branch, Chittagong. Gohira Branch, Chittagong. Chokoria Branch, Chokoria, Cox's Bazar. Rangunia Branch, Rangunia, Chittagong. Hathazari Branch, Hathazari, Chittagong. Pahartali Branch, Pahartali, Chittagong. Eidgan Branch, Eidgan, Cox's Bazar. Dampara Branch, Wasu More, Chittagong. Rozgan SME Branch, Rozgan, Chittagong. Bogra Branch, Pashari Mansion, Bogra. Dinajpur Branch, Maktapaly, Dinajpur. 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 & Hospital Branch, Sirajgonj. Jessore Cantt. Branch, Jessore. Shahjalal Uposahar Branch, Sylhet. Rajshahi Branch, Rajshahi. Barisal Branch, Barisal. Joypara Branch, Dahak.</p>
<p>Investment Corporation of Bangladesh (ICB) 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, Nayapalton, Dhaka</p>	<p>ONE Bank Limited 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 Pragati Sarani Branch, Dhaka Elephant Road Br., Dhaka Jatrabari Branch, Dhaka Nawabgonj Branch, Dhaka Bangshal Branch, Dhaka Gonakbari (EPZ) Branch, Dhaka Imamogonj 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 Chandragonj 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 Rangonj Branch, Lakshimpur Majidee Court Branch, Noakhali Banashri Branch, Dhaka Rajshahi Branch, Rajshahi Shahjadpur Branch, Sirajgonj Jagannathpur Branch, Nadda, Dhaka Tongi Branch, Gazipur Comilla Branch, Comilla Bashabo Branch, Dhaka Satkhira Branch, Satkhira Madhabdi Branch, Narsingdi Rangamati Branch, Rangamati Sitakunda Branch, Sitakunda Moghbaraz Branch, Dhaka</p>	<p>Social Islami Bank Limited 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 Rampura 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 Narayanganj Branch, Narayanganj</p>	<p>Trust Bank Limited Principal Branch, Dhaka. Dikusha Corporate Branch, Dhaka Kafur 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 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 Brahmanbaria Branch, Brahmanbaria 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 Motihar Branch, Rajshahi Sherpur Road Branch, Bogra</p>	<p>Trust Bank Limited Principal Branch, Dhaka. Dikusha Corporate Branch, Dhaka Kafur 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 & Hospital Branch, Sirajgonj Jessore Cantt. Branch, Jessore Shahjalal Uposahar Branch, Sylhet Rajshahi Branch, Rajshahi Barisal Branch, Barisal Joypara Branch, Dahak</p>
<p>IFIC Bank Limited Federal Branch, Motijheel, Dhaka Mohakhali Branch, Dhaka Elephant Road Branch, Dhaka Kawranbazar Branch, Dhaka Uttara Branch, Dhaka Pallabi Branch, Dhaka Narsingdi Branch, Narsingdi Narayanganj Branch, Narayanganj Faridpur Branch, Faridpur Dhanmondi Branch, Mirpur Road, Dhaka Banani Branch, Dhaka Shantiganj Branch, Dhaka Islampur Branch, Dhaka Naya Paltan Branch, Dhaka Malibagh Branch, Dhaka Lalimata Branch, Dhaka North Brooke Hall Br., Satipur, Dhaka Mymensingh Branch, Mymensingh Stock Exchange Br., Motijheel, Dhaka Pragati Sarani Br., Uttar Badda, Dhaka Mirpur Branch, Mirpur, Dhaka. Agrabad Branch, Chittagong Madam Bibi Hat Br., Sitakunda, Chittagong SK. Mujib Rd. Br., Chittagong B. 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<p>Mutual Trust Bank Limited Babubazar Branch, Dhaka</p>	<p>Pubali Bank Limited 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 Branch, Dhaka Sadarghat Branch, Dhaka</p>	<p>Southeast Bank Limited Principal Branch, Dhaka Corporate Branch, Dhaka Imamganj Branch, Dhaka</p>	<p>United Commercial Bank Limited (UCBL) Principal Branch, Motijheel, Dhaka Moulvibazar Branch, Dhaka Islampur Branch, Dhaka Elephant Road Branch, Dhaka Shantinagar Branch, Dhaka Bangshal Branch, Dhaka Nawabpur Branch, Dhaka Kawran Bazar Branch, Dhaka Mohammadpur Branch, Dhaka Nayabazar Branch, Dhaka Mirpur Branch, Dhaka Foreign Exchange Branch, Dhaka Hasnabad Branch, Dhaka Mymensingh Branch, Mymensingh</p>	<p>United Commercial Bank Limited (UCBL) Principal Branch, Motijheel, Dhaka Moulvibazar Branch, Dhaka Islampur Branch, Dhaka Elephant Road Branch, Dhaka Shantinagar Branch, Dhaka Bangshal Branch, Dhaka Nawabpur Branch, Dhaka Kawran Bazar Branch, Dhaka Mohammadpur Branch, Dhaka Nayabazar Branch, Dhaka Mirpur Branch, Dhaka Foreign Exchange Branch, Dhaka Hasnabad Branch, Dhaka Mymensingh Branch, Mymensingh Narsingdi Branch, Narsingdi Narayanganj Branch, Narayanganj Tongi Branch, Tangail Paglabazar Branch, Narayanganj Madhabhi Branch, Madhabhi 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. Satoire Branch, Bogra, Faridpur. Tejgaon Branch, Dhaka. Sonargaon Janapath Branch, Dhaka. Mawna Branch, Shreepur, Gazipur. Bijaynagar Branch, Paltan, Dhaka. Gopalgonj Branch, Gopalgonj. Rajbari Branch, Rajbari. Tongi Station Road Branch, Tongi, Gazipur. Agrabad Branch, Agrabad/CA, Chittagong Khatungonj Branch, Khatungonj, Chittagong Jubilee Road Branch, Chittagong. Kadamtali Branch, Kadamtali, Chittagong. Chawkbazar Branch, Chittagong. Port Branch, Dabolmuring, Chittagong. Andarkilla Branch, Chittagong. O.R. Nizam Road Branch, Chittagong. Madunaghat Branch, Chittagong. Noapara Branch, Chittagong. Lohagara Branch, Lohagara, Chittagong. Nazirhat Branch, Fatickchari, Chittagong. Kamal Bazar Branch, Chittagong. Fatickchari Branch, Fatickchari, Chittagong. Cox's Bazar Branch, Cox's Bazar. Comilla Branch, Chapirpatty, Comilla. Chandpur Branch, Pail Bazar, Chandpur. Lakshimpur Branch, Lakshimpur. Brahmanbaria Branch, Brahmanbaria. Matizlee Court Branch, Noakhali. Chowmuhuni Branch, Noakhali. Feni Branch, Feni. Dhohazhar Branch, Chittagong. Muradpur Branch, Muradpur, Chittagong. Station Road Branch, Kawkali, Chittagong. Bahadurhat Branch, Chittagong. Gohira Branch, Chittagong. Chokoria Branch, Chokoria, Cox's Bazar. Rangunia Branch, Rangunia, Chittagong. Hathazari Branch, Hathazari, Chittagong. Pahartali Branch, Pahartali, Chittagong. Eidgan Branch, Eidgan, Cox's Bazar. Dampara Branch, Wasu More, Chittagong. Rozgan SME Branch, Rozgan, Chittagong. Bogra Branch, Pashari Mansion, Bogra. Dinajpur Branch, Maktapaly, Dinajpur. 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 & Hospital Branch, Sirajgonj. Jessore Cantt. Branch, Jessore. Shahjalal Uposahar Branch, Sylhet. Rajshahi Branch, Rajshahi. Barisal Branch, Barisal. Joypara Branch, Dahak.</p>

Independent Auditors' Report
To the Shareholders
of
Bangladesh Submarine Cable Company Limited

We have audited the accompanying financial statements of Bangladesh Submarine Cable Company Limited which comprise the balance sheet as at 30 June 2011, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

- a) Trade receivable from Mango Teleservices Limited amounting Taka 32.3 million has been remained unrealized for a period from six months to two and half years and no provision has been made for the same in the accompanying financial statements and accordingly the net profit for the year has been overstated to that extent; and*
- b) One hundred and forty (140) shares of Taka 10 each for Taka 1,400 have been issued to individuals who seem to be representatives of the respective organizations as mentioned in note – 4.2 and being transferred subsequently to other individuals instead of organizations or Government of Bangladesh and as a results, the actual ownership of the shares is in question.*

Qualified Opinion

In our opinion, *except for the effects of the matters described in the Basis for Qualified Opinion paragraphs*, the financial statements give a true and fair view of the financial position of the Company as at 30 June 2011, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS), and comply with the Companies Act, 1994 and other applicable laws and regulations.

We also report that,

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) the Company's balance sheet and profit and loss account together with notes 1 to 26 thereto dealt with by the report are in agreement with the books of account; and
- d) the expenditure incurred and payments made were the purposes of the Company's business for the year.

We have issued our independent audit opinion on 16 August 2011 on the same set of financial statements qualifying our report on fixed assets and other points. Management has subsequently provided us the list of fixed assets and documents related to the mutation of land which have been verified by us satisfactorily except the allocation of cost as mentioned in accompanying note - 3.3.

Dhaka, 4 October 2011

Sd/-
Hoda Vasi Chowdhury And Co.
Chartered Accountants

Bangladesh Submarine Cable Company Limited

Balance Sheet

As at 30 June 2011

<u>Sources of fund</u>	<u>Notes</u>	2011	2010
		<u>Taka</u>	<u>Taka</u>
Shareholders' equity:			
Share capital	4	875,091,700	673,147,800
Tax holiday reserve		235,490,031	154,661,914
Revaluation reserve	5	164,654,032	164,654,032
Retained earnings		262,487,328	240,154,654
		1,537,723,091	1,232,618,400
Long term liabilities:			
Lease obligation - net of current portion	6	562,419,691	746,883,158
Deferred tax liabilities	7	200,684,585	-
Security deposits received from clients	8	18,571,376	16,876,446
Employees' pension fund	9	15,158,836	15,158,836
		<u>796,834,488</u>	<u>778,918,440</u>
		<u>2,334,557,579</u>	<u>2,011,536,840</u>
<u>Application of fund</u>			
Property, plant and equipment	10		
Cost		2,588,985,740	2,588,280,601
Less: Accumulated depreciation		806,048,167	668,005,651
		1,782,937,573	1,920,274,950
Preliminary expenses	11	1,809,690	2,714,535
Work in progress	12	487,551,230	-
Current assets:			
Trade debtors	13	181,733,838	189,222,704
Advances and deposit	14	5,710,405	219,688
Investment in shares	15	12,479,676	5,653,568
Cash and cash equivalents	16	191,836,691	174,708,953
		391,760,610	369,804,912
Current liabilities:			
Lease obligation - current portion	6	224,968,689	213,395,750
Payable to BTCL		-	35,848,029
Provision for income tax		39,372,121	2,029,024
VAT payable		44,839,104	26,884,367
Provision for decrease in value of investment in shares		2,523,270	234,063
Provision for expenses	17	17,798,339	2,866,326

	329,501,523	281,257,559
Net current assets	<u>62,259,087</u>	<u>88,547,353</u>
Net assets	<u>2,334,557,579</u>	<u>2,011,536,840</u>

These financial statements should be read in conjunction with the annexed notes

Sd/-
Company Secretary

Sd/-
Managing Director

Sd/-
Chairman

See annexed report of date

Dhaka, 4 October 2011

Sd/-
Hoda Vasi Chowdhury And Co.
Chartered Accountants

Bangladesh Submarine Cable Company Limited

Profit and Loss Account

For the year ended 30 June 2011

	<u>Notes</u>	<u>2011</u> <u>Taka</u>	<u>2010</u> <u>Taka</u>
Revenue:			
IPLC (International Private Lease Circuit) rent		827,806,048	601,892,651
Circuit activation charge	18	9,980,000	1,480,000
		837,786,048	603,372,651
Direct operational cost			
Electricity and generator fuel		2,015,717	2,344,230
Landing station and route repair		1,909,596	948,749
Depreciation of core machinery	10	129,858,259	141,150,281
		<u>133,783,572</u>	<u>144,443,260</u>
Gross profit		704,002,476	458,929,391
Other operating expenses:			
Operation and maintenance expenses	19	56,196,580	37,081,242
General and administrative expenses	20	25,008,227	25,373,068
Depreciation on property, plant and equipment	10	8,184,258	9,151,490
Amortization on preliminary expenses	11	904,845	904,845
		<u>90,293,910</u>	<u>72,510,645</u>
Operating profit		613,708,566	386,418,745
Non operating (expenses)/income			
Financial charges for lease		(28,480,435)	(37,266,421)
Exchange loss		(50,516,822)	(5,051,729)
Provision for investment in shares		(2,332,593)	(234,063)
Other income	21	12,410,560	4,752,570
		<u>(68,919,290)</u>	<u>(37,799,643)</u>
Net profit before taxation		544,789,276	348,619,102
Less: Income tax expenses			
Current tax expenses		39,000,000	2,034,024
Deferred tax expenses	7	200,684,585	-
		<u>239,684,585</u>	<u>2,034,024</u>
Net profit after tax and before appropriation		305,104,691	346,585,078
Less: Transfer to tax holiday reserve		80,828,117	138,634,031
Net profit after tax holiday reserve transfer to retained earnings		<u>224,276,574</u>	<u>207,951,047</u>
Earnings Per Share (EPS)	22	<u>3.49</u>	<u>3.96</u>

These financial statements should be read in conjunction with the annexed notes

Sd/-
Company Secretary

Sd/-
Managing Director

Sd/-
Chairman

See annexed report of date

Dhaka, 4 October 2011

Sd/-
Hoda Vasi Chowdhury And Co.
Chartered Accountants

Bangladesh Submarine Cable Company Limited

Statement of Changes in Equity

For the year ended 30 June 2011

<u>Particulars</u>	Share capital	Government equity	Tax holiday reserve	Revaluation reserve	Retained earnings	Total
	<u>Taka</u>		<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Balance as at 24 June 2008	-	-	-	-	-	-
Share capital	1,400	-	-	-	-	1,400
Government equity	-	673,146,412	-	-	-	673,146,412
Tax holiday reserve	-	-	16,027,883	-	-	16,027,883
Revaluation reserve	-	-	-	164,654,032	-	164,654,032
Net profit after tax holiday reserve for the year	-	-	-	-	99,518,387	99,518,387
Balance as at 30 June 2009	1,400	673,146,412	16,027,883	164,654,032	99,518,387	953,348,114
Share capital	673,146,400	-	-	-	-	673,146,400
Government equity	-	(673,146,412)	-	-	-	(673,146,412)
Tax holiday reserve	-	-	138,634,031	-	-	138,634,031
Dividend paid	-	-	-	-	(67,314,780)	(67,314,780)

Net profit after tax holiday reserve for the year	-	-	-	-	207,951,047	207,951,047
Balance as at 30 June 2010	673,147,800	-	154,661,914	164,654,032	240,154,654	1,232,618,400
Bonus shares issued	201,943,900	-	-	-	(201,943,900)	-
Tax holiday reserve	-	-	80,828,117	-	-	80,828,117
Net profit after tax holiday reserve for the year	-	-	-	-	224,276,574	224,276,574
Balance as at 30 June 2011	<u>875,091,700</u>	<u>-</u>	<u>235,490,031</u>	<u>164,654,032</u>	<u>262,487,328</u>	<u>1,537,723,091</u>

Sd/-

Company Secretary

Sd/-

Managing Director

Sd/-

Chairman

See annexed report of date

Dhaka, 4 October 2011

Sd/-
Hoda Vasi Chowdhury And Co.

Chartered Accountants

Bangladesh Submarine Cable Company Limited
Cash Flow Statement
For the year ended 30 June 2011

	2011	2010
	<u>Taka</u>	<u>Taka</u>
Cash Flows from operating activities		
Cash received from clients	847,611,348	527,982,758
Payment for cost and expenses	(87,575,359)	(74,629,627)
Payment to employees	(16,823,255)	(12,849,631)
Financial charge on lease payments	(14,824,830)	(37,266,421)
Tax paid	(4,539,396)	(5,000)
Other receipts	10,074,126	4,107,329
	<u>733,922,634</u>	<u>407,339,408</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(705,139)	(9,900,885)
Work in progress	(487,551,230)	-
Investment in shares	(6,826,108)	(5,653,568)
	<u>(495,082,477)</u>	<u>(15,554,453)</u>
Cash flows from financing activities		
Dividend paid	-	(67,314,781)
Lease obligation	(223,407,350)	(213,398,084)
Security deposit from clients	1,694,931	12,456,491
	<u>(221,712,419)</u>	<u>(268,256,374)</u>
Net cash flow for the year	17,127,738	123,528,581
Cash and cash equivalents at the beginning of the year	<u>174,708,953</u>	<u>51,180,372</u>
Cash and cash equivalents at the end of the year	<u>191,836,691</u>	<u>174,708,953</u>

Sd/-
Company Secretary

Sd/-
Managing Director

Sd/-
Chairman

See annexed report of date

Dhaka, 4 October 2011

Sd/-
Hoda Vasi Chowdhury And Co.
Chartered Accountants

Bangladesh Submarine Cable Company Limited
Notes to the financial statements
For the year ended 30 June 2011

1. Background of the Company

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.

The Company was originated after separating from Bangladesh Telecommunications Company Limited (BTCL) (previously BTTB) with all assets situated at Zilonjha 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 of 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 in favor of BTCL by GOB in the absence of existence of BSCCL at that time. However, these two agreements have not yet been revalidated in favor of BSCCL.

2. 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.

3. Significant accounting policies

Basis of accounting

The financial statements have been prepared on going concern basis under the historical cost convention in accordance with the Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS), the Companies Act 1994 and other applicable laws and regulations in Bangladesh.

Foreign currency transactions

Transactions in foreign currencies are converted into equivalent Bangladeshi Taka (Tk/BDT) applying the ruling rate on the date of such transactions. Assets and liabilities outstanding at 30 June 2010 denominated in foreign currencies have been shown in Taka at the rate in terms of foreign currencies ruling on the Balance Sheet date.

Property, plant & equipment

All property, plant and equipment are stated at cost less accumulated depreciation. Cost includes expenditure directly attributable to the acquisition and installation of the assets. All repairs and maintenance expenses are charged to the profit and loss account during the period when these are incurred.

Depreciation of property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation. Cost includes expenditure directly attributable to the acquisition and installation of the assets. All repairs and maintenance expenses are charged to the profit and loss account during the year when these are incurred.

The cost of core equipment represents the invoice price and other directly attributable expenditures which have been allocated proportionately to individual items.

Lease

Lease of property, plant and equipment are classified as finance lease because the Company (lessee) substantially enjoys all the risks and rewards of ownership. Each lease payment is allocated between the lease liability and finance charge. The property, plant and equipment acquired under finance leases are depreciated over their estimated useful lives.

Preliminary expenses

Preliminary expenses represents the expenses relating to company formation and legal expenses incurred thereon and these are being amortized over a period of five years starting from the year in which the Company has commenced its commercial operation. During the year, an amount of Taka 904,845 has been amortized.

Tax holiday reserve

Tax holiday reserve has been created using applicable rate of income as determined by the Income Tax Ordinance 1984. The Company has been granted tax holiday by the National Board of Revenue (NBR) (Ref: 11(64) Anu-1/2009 Dhaka dated 04 August 2009) for a period of 5 years effective from 01 January 2009 in the following manner:

<u>Period</u>	<u>Tax Exemption Rate</u>
First two years (1 January 2009 to 31 December 2010)	100%
Next two years (1 January 2011 to 31 December 2012)	50%
Remaining one year (1 January 2013 to 31 December 2013)	25%

Current tax

Provision for income tax is made as per Finance Act 2011. The Company has been granted 50% tax exemption for the period 1 January to 30 June 2011. Required provision for income tax has been made in the accompanying financial statements

Deferred tax

Deferred tax has been recognized in accordance with the provision of BAS 12 based on the deductible or taxable temporary difference between the carrying amount of assets / liabilities in balance sheet and its tax base. Deferred tax asset or liability is the amount of income tax recoverable or payable in the future periods recognized in the current period. Deferred tax asset or liability does not create a legal recoverability or liability from or to Tax Authority. Related deferred tax income / expense is recognized as well in the profit and loss account.

Revenue recognition

IPLC Rent

IPLC (International Private Lease Circuit) rent is billed in the beginning of each month and recorded as income on delivery of the bills to clients and the bills are dispatched once in every month.

Circuit activation charge

Circuit activation charges revenue consists of charges imposed to clients for activation of new circuits. These are recognized when amounts are collected through demand notes.

General

- i) Figures appearing in these financial statements have been rounded off to the nearest Bangladeshi Taka.

- ii) Previous year's figures have been rearranged, wherever considered necessary, to conform with current year's presentation.

	2011	2010
4 Share capital	<u>Taka</u>	<u>Taka</u>
Authorized:		
1,000,000,000 ordinary shares of Taka 10 each	<u>10,000,000,000</u>	<u>10,000,000,000</u>
Issued and paid up:		
140 ordinary shares of Taka 10 each fully paid up (note- 4.2)	1,400	1,400
67,314,640 ordinary shares of Taka 10 each issued to MoPT, GOB (note- 4.3)	673,146,400	673,146,400
20,194,390 bonus shares of Taka 10 each issued in 2010 (note- 4.4)	<u>201,943,900</u>	<u>-</u>
	<u>875,091,700</u>	<u>673,147,800</u>

4.1 Composition of shareholdings as at 30 June 2011

<u>Name of shareholders & respective Ministries/Agencies</u>	<u>Represented by</u>	<u>No. of shares</u>	<u>2011 Value in Taka</u>
Ministry of Posts & Telecommunications, GOB	Mr. Sunil Kanti Bose	87,509,030	875,090,300
Ministry of SICT, GOB	Mr. Rabindra Nath Roy Chowdhury	20	200
Ministry of Finance, GOB	Mr. Syed Monjurul Islam	20	200
D S C S C, Dhaka Cantonment	Col. Shahriar Ahmed	20	200
Dhaka Chamber of Commerce & Industries	Mr. Asif Ibrahim	20	200
United International University	Dr. Raqibul Mostafa	20	200
Mr. Sunil Kanti Bose		20	200
Mr. Md. Monwar Hossain		<u>20</u>	<u>200</u>
		<u>87,509,170</u>	<u>875,091,700</u>

Composition of shareholdings as at 30 June 2010

		<u>2010</u>	
Ministry of Posts & Telecommunications, GOB	Mr. Sunil Kanti Bose	6,731,464	673,146,400
Ministry of SICT, GOB	Mr. Rabindra Nath Roy Chowdhury	2	200
Ministry of Finance, GOB	Mr. Syed Monjurul Islam	2	200
DSCSC, Mirpur Cantonment, Dhaka	Col. Shahriar Ahmed	2	200
Dhaka Chamber of Commerce & Industries	Mr. Abul kasem khan	2	200
United International University	Dr. Raqibul Mostafa	2	200
Mr. Sunil Kanti Bose		2	200
Mr. Md. Monwar Hossain		<u>2</u>	<u>200</u>
		<u>6,731,478</u>	<u>67,314,780</u>

A distribution schedule of the shares as at 30 June 2011 is given below as required by listing regulations:

<u>Slabs by number of shares</u>	<u>Number of shareholders</u>	<u>Number of shares</u>	<u>Holdings %</u>
Less than 500	7	140	0.00016%
Above 1,000,000	<u>1</u>	<u>87,509,030</u>	<u>99.99984%</u>
	<u>8</u>	<u>87,509,170</u>	<u>100.00000%</u>

4.2 The entire amount of Taka 1,400 of the above paid up capital has been paid by the Government of Bangladesh.

4.3 Basis to issue of 6,731,464 ordinary shares to the Ministry of Post & Telecommunications, GOB

As contained in note - 1, a Vendor agreement was executed between the representatives of the Government of Bangladesh (GOB) and the Company on 30 June 2008 incorporating certain assets and liabilities inherited from Bangladesh Telecommunication Company Limited (BTCL) (formerly Bangladesh Telephone and Telegraph Board - BTTB). The balance of net worth was agreed to settle by issuing shares to the Government. In the year 2009 - 2010, out of the balance available in this account, the Company has issued 6,731,464 ordinary shares of Taka 100 each totaling share capital amounting to Taka 673,146,400 in favor of the Ministry of Post and Telecommunications, Government of the Peoples Republic of Bangladesh in consideration of the same amount of Government equity after obtaining consent from the Securities and Exchange Commission (SEC).

Further, the aforesaid amount of Taka 673,146,412 being difference between assets and liabilities as taken over through Vendor agreement for issuing of shares to the Government. The Company has acquired certain assets and liabilities procured / emanated between 01 October 2007 to 30 June 2008.

4.4 During the year, the Company has issued 20,194,390 bonus shares of Taka 10 each totaling share capital amounting to Taka 201,943,900 in favor of the Ministry of Post and Telecommunications, Government of the Peoples Republic of Bangladesh and consent has been obtained from the Securities and Exchange Commission (SEC).

	<u>2011</u>	<u>2010</u>
	<u>Taka</u>	<u>Taka</u>
5 Revaluation reserve	<u>164,654,032</u>	<u>164,654,032</u>

Land measuring 5.49 acres owned by the Company and situated at Cox's Bazar has been revalued and the difference between cost and estimated fair value has been treated as revaluation reserve by an independent firm.

6 Lease obligation - net of current portion	<u>562,419,691</u>	<u>746,883,158</u>
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The Government of Bangladesh (GOB) entered into a lease agreement with Islamic Development Bank (IDB) on 12 February 2005. The Company has classified this lease as finance lease and accordingly, accounted for liabilities for lease obligations and corresponding lease assets in the financial statements. The principal amount payable after the balance sheet date are as follows:

Finance lease liabilities - minimum lease payments

Payable not later than one year	224,968,689	213,395,750
Payable later than one year but not later than 5 years	<u>562,419,691</u>	<u>746,883,158</u>
	<u>787,388,380</u>	<u>960,278,908</u>

Interest rate for the above lease is of 6 months LIBOR + 2.4%. As applicable present LIBOR is 0.635%, present interest

rate is 3.035%.

- 7 Deferred tax liabilities has been recognized in accordance with the provision of BAS 12 based on the taxable temporary difference in carrying amount of assets / liabilities and its tax base. Related deferred tax expense has been recognized in profit and loss account.

Deferred tax liabilities is arrived at as follows:

	Carrying amount on balance sheet date	Tax base	Taxable temporary difference
<u>Year ended 30 June 2011</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Property, plant and equipments excluding land	1,618,237,573	1,083,078,680	535,158,893
Applicable tax rate			<u>37.5%</u>
Deferred tax liability as on 30 June 2011 and expense for the year 2010-1011			<u>200,684,585</u>

	2011	2010
8 Security deposits received from clients	<u>Taka</u>	<u>Taka</u>
Novotel Limited	4,438,931	4,718,931
Mir Telecom Limited	4,191,908	3,229,954
Mango Teleservices Ltd.	1,001,383	1,001,383
Bangla Trac Communication Limited	2,025,954	1,012,978
Bangladesh Telecommunications Company Limited	<u>6,913,200</u>	<u>6,913,200</u>
	<u>18,571,376</u>	<u>16,876,446</u>

In addition to above security deposits, Bank guarantees for an amount of Taka 4,248,644 has been received from Mango Teleservices Limited as security.

9 Employees' pension fund **15,158,836** **15,158,836**

This represents amount payable to BTCL employees working on deputation and the amount incorporated in the vendor agreement. All except two of these employees have already returned to their original work place. The above noted amount is adequate to take care of the liabilities on account of the employees currently working for the Company as deputed from BTCL and therefore no additional provision has been made in the accompanying financial statements. The Company however, does not have any pension fund.

10 Property, plant and equipment - at cost less accumulated depreciation

Name of assets	Cost			Rate	Accumulated depreciation		Amount in Taka	
	At 1st July 2010	Additions during the year	At 30 June 2011		At 1st July 2010	Charged during the year	At 30 June 2011	WDV as on 30 June 2011
Land	164,700,000	-	164,700,000	-	-	-	-	164,700,000
Core equipment	2,255,155,638	-	2,255,155,638	8%	631,927,403	129,858,259	761,785,662	1,493,369,976
Landing station earth filling	9,646,000	-	9,646,000	10%	3,322,143	632,386	3,954,529	5,691,471
Building	58,488,364	-	58,488,364	2%	4,518,224	1,079,403	5,597,627	52,890,737
Floor development	2,654,065	-	2,654,065	10%	870,258	178,381	1,048,639	1,605,426
Security barak & security wall	7,827,297	-	7,827,297	2%	607,836	144,389	752,225	7,075,072
Deep Tube-Well & Pump House	2,343,837	-	2,343,837	10%	807,232	153,660	960,893	1,382,944
500 KV sub-station	3,284,000	-	3,284,000	15%	1,573,068	256,640	1,829,708	1,454,292
Power system	34,737,942	-	34,737,942	10%	11,963,964	2,277,398	14,241,362	20,496,580
Boundary wall	8,255,575	-	8,255,575	2%	641,094	152,290	793,383	7,462,192
Ducting from Beach Manhole	18,088,759	-	18,088,759	5%	3,357,902	736,543	4,094,445	13,994,314
Vehicles	17,092,000	-	17,092,000	20%	6,748,048	2,068,790	8,816,838	8,275,162
Office equipment and furniture	5,835,570	705,139	6,540,709	10%	1,635,883	490,483	2,126,366	4,414,343
Co-Location point	171,554	-	171,554	10%	32,595	13,896	46,491	125,063
Total	2,588,280,601	705,139	2,588,985,740		668,005,650	138,042,517	806,048,167	1,782,937,573
Previous year balance	2,578,379,716	9,900,885	2,588,280,601		517,703,879	150,301,771	668,005,650	1,920,274,951

11 Preliminary expenses	2011	2010
	Taka	Taka
Opening balance	2,714,535	3,619,380
Less: Amortization made during the year	904,845	904,845
	<u>1,809,690</u>	<u>2,714,535</u>

12 Work in progress	<u>487,551,230</u>	<u>-</u>
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This represents amount paid in full to Consortium (SEA-ME-WE 4) for the project "Cable System Upgrade 3" participated by member companies and awaiting capitalization after completion of the project. This will enhance the Bandwidth capacity of the Company by 100 Gbps.

13 Trade debtors		
Bangladesh Telecommunications Company Limited (BTCL)	68,665,323	129,558,420
Novotel Limited	14,875,840	1,777,604
Mir Telecom Limited	6,382,350	-
Bangla Trac Communication Limited	9,898,988	11,355,319
Mango Teleservices Limited	78,180,302	39,005,718
Other receivables (note 13.1)	3,731,035	7,525,643
	<u>181,733,838</u>	<u>189,222,704</u>

Trade debtors having unrealized for a period more than 6 (six) months is Taka 34,103,014. The Company has considered this receivable as good and no provision has been made accordingly.

13.1 Other receivables includes accrued interest on FDRs amounting Taka 2,906,747.

14 Advance and deposit		
Advance given to employees for foreign traveling	-	160,000
Advance to employees against expenses	402,000	-
Advance against IPO and other related expenses	2,491,535	-
Security deposit - Duncan Products Ltd.	5,000	5,000
Advance Income Tax (AIT)	2,811,870	54,688
	<u>5,710,405</u>	<u>219,688</u>

15 Investment in Shares	<u>12,479,676</u>	<u>5,653,568</u>
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The Company has invested the above-noted amount to fulfill the requirement of availing Tax Holiday. The market value of the above-noted investment as on 30 June 2011 is Taka 11,302,632. Provision for diminishing value of shares as required, has been made in the accompanying financial statements.

16 Cash and cash equivalents	2011	2010
	<u>Taka</u>	<u>Taka</u>
Cash in hand	199,016	37,971
Head office - Dhaka	227,507	62,216
Landing station - Cox's Bazar	426,523	100,187
Cash at bank on current & STD account with Sonali Bank Limited		
Sheraton Hotel Branch - Current Account	14,520,042	16,153,165
Sheraton Hotel Branch - STD Account	2,381,270	8,000,000
Cox's Bazar Branch	401,356	455,601
	17,302,668	24,608,766
Short term deposits (FDRs) with		
National Bank Limited, Motijheel Branch	51,350,000	75,000,000
Trust Bank Limited, Dilkusha Corporate Branch	-	75,000,000
Basic Bank Limited	31,142,500	-
Standard Bank Limited	30,000,000	-
IFIC Bank Limited	61,615,000	-
	<u>174,107,500</u>	<u>150,000,000</u>
	<u>191,836,691</u>	<u>174,708,953</u>

17 Provision for expenses		
Office rent (note - 17.1)	3,600,000	2,400,000
Accrued interest on IDB Loan	13,655,605	-
Audit and others fee including VAT	312,500	172,500
Vehicle fuel expense	-	6,758
Govt. employees' beneficiary and joint insurance fund	870	870
Vehicle maintenance	-	6,040
Electricity expense	200,000	190,000
Business development expenses	20,000	40,000
Donation payable	9,364	-
Withholding tax payable	-	50,158
	<u>17,798,339</u>	<u>2,866,326</u>

17.1 Provision for office rent payable to Bangladesh Telecommunication Company Limited (BTCL) has been made for office space occupied by the Company at Telejogajog Bhaban owned by BTCL on the lump sum basis in the absence of any agreement. This has been arrived as follows:

Opening Balance	2,400,000	1,200,000
Add: Provision made during the year	<u>1,200,000</u>	<u>1,200,000</u>
Closing Balance	<u>3,600,000</u>	<u>2,400,000</u>

18 Circuit Activation Charge **9,980,000** **1,480,000**

This represents charges imposed to clients for activation of new circuits. During the year this has increased significantly because of charging installation expenses of new circuit starting from the year under review.

19 Operation and maintenance expenses	2011	2010
	<u>Taka</u>	<u>Taka</u>
	<u>56,196,580</u>	<u>37,081,242</u>

This represents amount paid to SEA-ME-WE 4 during the period for expenses of cable operation and maintenance purpose after netting reimbursement of expenses, if any, from Consortium incurred by the Company.

20	General and administrative expenses		
	Salary and allowances	14,364,299	12,849,631
	Managing Director's remuneration	2,458,956	1,714,125
	Office rent	1,200,000	1,200,000
	Repair and maintenance	2,667,787	2,174,802
	Board and other meetings fees	555,264	466,826
	Audit and other fees including VAT	312,500	172,500
	Consultancy fees	260,685	133,000
	Advertisement and publicity expenses	167,564	120,680
	Vehicles running expenses	970,413	672,991
	Insurance premium	-	4,460,571
	Traveling & conveyance	1,257,881	888,219
	Printing and stationery	379,887	305,967
	Postage and courier expenses	16,677	14,283
	Entertainment expenses	317,882	177,749
	Bank charges and commission	<u>78,432</u>	<u>21,724</u>
		<u>25,008,227</u>	<u>25,373,068</u>

21	Other income		
	Rest House rent	324,451	149,919
	Income from investment in shares	-	861,970
	Interest on FDR and others	12,086,109	2,848,444
	Compensation from Consortium on account of foreign traveling	-	892,237
		<u>12,410,560</u>	<u>4,752,570</u>

22 Earnings Per Share

22.1 Basic earnings per share

Profit attributable to the ordinary shareholders - A	305,104,691	346,585,078
Weighted average number of shares outstanding - B	<u>87,509,170</u>	<u>87,509,170</u>
Basic earnings per share - A / B	<u>3.49</u>	<u>3.96</u>

Weighted average number of shares outstanding and EPS for the year 2010 have been restated by the issuance of 20,194,390 bonus shares.

22.2 Diluted earning per share

No diluted earnings per share is required to be calculated for the year as there was no scope for dilution during the year under review.

23	Bandwidth Capacity	2011		2010	
		<u>Gbps</u>	<u>Utilization</u> in%	<u>Gbps</u>	<u>Utilization</u> in%
	Present capacity	44.60		44.6	
	Capacity utilized (rented)	21.86	49%	15.20	34%

24	Remittance of foreign currency	2011	2010
		<u>US\$</u>	<u>US\$</u>
	Purpose of payments		
	Operation and maintenance expenses	872,031	678,853
	Financial charge on lease	207,514	535,063
	Lease principals	3,061,632	3,061,665
	Capital equipments	<u>7,000,000</u>	-
		<u>11,141,177</u>	<u>4,275,581</u>

25 Particulars of employees

The number of permanent employees during this period part thereof who received a total salary of BDT 36,000 per annum and above was 40 (30 June 2010: 40).

	2011	2010
	<u>Taka</u>	<u>Taka</u>
26 Contingent liabilities and commitments		
i) Outstanding letter of credit	<u>Nil</u>	<u>Nil</u>
ii) Capital expenditure commitments	<u>Nil</u>	<u>Nil</u>
iii) Bank Guarantees given to Customs Authority	<u>128,800</u>	<u>128,800</u>

Sd/-
Company Secretary

Sd/-
Managing Director

Sd/-
Chairman

See annexed report of date

Dhaka, 4 October 2011

Sd/-
Hoda Vasi Chowdhury And Co.
Chartered Accountants

Auditors' report under Section 135(1) and Para 24(1) of Part II of Schedule III 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
Sources of fund			
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
	2,334,557,579	2,011,536,840	1,929,074,845
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
	<u>329,501,523</u>	<u>281,257,559</u>	<u>299,913,242</u>
Net current assets	<u>62,259,087</u>	<u>88,547,353</u>	<u>(135,220,372)</u>
Net assets	<u>2,334,557,579</u>	<u>2,011,536,840</u>	<u>1,929,074,845</u>

B. Statement of operating results

	<i>Figures in Taka</i>		
	2010-2011	2009-2010	2008-2009
Income			
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
	<u>837,786,048</u>	<u>603,372,651</u>	<u>435,947,816</u>
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>
Gross profit	<u>704,002,476</u>	<u>458,929,391</u>	<u>281,095,851</u>
Other operating expenses:			
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>
Operating profit	<u>613,708,566</u>	<u>386,418,746</u>	<u>190,816,661</u>
Non operating (expenses)/income			
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>

Net profit before tax	544,789,276	348,619,103	115,546,269
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>	
Net profit after tax and before appropriation	305,104,691	346,585,079	115,546,269
Less: Transfer to tax holiday reserve	80,828,117	138,634,031	16,027,883
Net profit transfer to retained earnings	<u>224,276,574</u>	<u>207,951,047</u>	<u>99,518,386</u>

C. Statement of cash flows

Figures in Taka

	2010-2011	2009-2010*	2008-2009*
Cash Flows from operating activities			
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)
Financial 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
	<u>733,922,634</u>	<u>407,339,408</u>	<u>259,768,677</u>
Cash flows from investing activities			
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)	-
	<u>(495,082,477)</u>	<u>(15,554,453)</u>	<u>(530,937)</u>
Cash flows from financing activities			
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
	<u>(221,712,419)</u>	<u>(268,256,374)</u>	<u>(208,057,368)</u>
Net cash flow for the year	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	-
Cash and cash equivalents at the end of the year	<u>191,836,691</u>	<u>174,708,953</u>	<u>51,180,372</u>

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

	2010-2011	2009-2010	2008-2009
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:

	2010-2011	2009-2010	2008-2009
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

Auditors' certificate on allotment of shares to shareholders including promoters or sponsor shareholders for any consideration otherwise than for cash

This is to certify that Bangladesh Submarine Cable Company Limited has allotted 6,731,464 shares of Taka 100 each for consideration other than cash to its shareholders including the promoters or sponsor shareholders up to 30 June 2011.

This is also to certify that Bangladesh Submarine Cable Company Limited has issued 2,019,439 ordinary shares of Tk. 100 each on 4th December 2010 as bonus shares. This issue of bonus shares was approved by the shareholders at the 2nd Annual General Meeting held on 04 December 2010 and the Securities and Exchange Commission accorded consent to the issuance of bonus shares on 27th December 2010. The share certificate has already been issued.

Dhaka, 20 August 2011

Sd/-
Hoda Vasi Chowdhury And Co.
Chartered Accountants

Auditors' certificate regarding net tangible assets per ordinary share

We have examined the following calculation of net tangible assets per ordinary share of Bangladesh Submarine Cable Company Limited as at 30 June 2011.

Based on our examination, we certify that these have been correctly extracted and arrived at on the basis of audited financial statements of the Company as at 30 June 2011.

	30-Jun-2011
	<u>Taka</u>
<u>Shareholders' equity:</u>	
Share capital	875,091,700
Tax holiday reserve	235,490,031
Revaluation reserve	164,654,032
Retained earnings	262,487,328
	<u>1,537,723,091</u>
<u>Net tangible assets:</u>	
Property, plant and equipment - net of accumulated depreciation	1,782,937,573
Work in progress	487,551,230
Preliminary expenses	1,809,690
Current assets	391,760,610
Total assets	2,664,059,103
Less: Total liabilities	
Long term liabilities	796,834,488
Current liabilities	329,501,523
	<u>1,126,336,011</u>
Net assets	1,537,723,091
Less: Preliminary expenses	1,809,690
Net tangible assets (A)	<u>1,535,913,401</u>
Number of ordinary shares of Taka 10 each (B)	87,509,170
Net tangible assets per ordinary share of Taka 10 each (A / B)	<u>17.55</u>

Dhaka, 20 August 2011

Sd/-
Hoda Vasi Chowdhury And Co.
Chartered Accountants

**Auditors' certificate on calculation of various accounting ratios
For the years' ended 30 June 2011, 30 June 2010 and 30 June 2009**

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
Liquidity Ratios			
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
Operating Ratios			
Accounts receivable turnover (in times)	4.71	3.32	3.85
Asset turnover (in times)	0.36	0.30	0.23
Profitability Ratios			
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

	<u>Ratio</u>	<u>Formula</u>
Liquidity ratios	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
Operating ratios	Accounts receivable turnover	Revenue / Account receivables
	Asset turnover	Revenue / Net assets
Profitability Ratios	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

Auditor additional disclosures

Presently we have no TAX and VAT liability pending with any authorities.

In response to the letter SEC/CI/IPO-139/2010/838 dated 28 November 2011 issued by the Securities and Exchange Commission in relation to proposed Initial Public Offerings (IPO) of Bangladesh Submarine Cable Company Limited, we, as auditors of the Company, confirm that-

- 1) Since the company is not listed with any stock exchange, we have not expressed explicitly in auditors' report that the financial statements comply with Securities and Exchange Rules, 1987. Virtually, the financial statements have been prepared and audited in adherence to the provisions of the Securities and Exchange Rules, 1987.
- 2) Bangladesh Submarine Cable Company was incorporated on 24 June 2008 and as such no comparative information of previous year is required.
- 3) The provisions of BAS 17 is duly complied with by the Company regarding lease financing. We refer to note 6 of the financial statements for further elucidation.
- 4) The statement of assets and liabilities is extracted from audited financial statements. But there were no audited financial statements on 30 June 2008.
- 5) The disclosure about revaluation as per BAS – 16 is following:
 - i) Effective date of revaluation: 30 June 2008
 - ii) Revalued by: M. A. Fazal & Co, Chartered Accountants
 - iii) Method and significant assumptions: Current market price of land
 - iv) Carrying amount under cost model: Taka 45,968
 - v) Revaluation surplus: Taka 164,654,032
- 6) Rent depends on agreement between tenant and building owner. The company has made provision for office rent in the absence of any agreement with building owner (BTCL). If we consider the rent trend over last three years, the provision for office rent is inadequate, say by Taka 24 lacs. Since the amount is far below the materiality level set for the audit of 2010-1011, it did not warrant qualification of audit opinion on this issue.
- 7) Revaluation of land does not contradict with the provisions of BAS 16. As per BAS 16, if an asset is revalued, then the entire class of asset must be revalued. Accordingly, the Company has revalued entire assets categorized as land.
- 8) The Company has no related party transactions as per BAS – 24 except those made with its managing director, which have already been disclosed under note # 20 in the accompanying financial statements as follows:

Name of the related party	Relation with the company	Nature of transactions	2011 Taka	2010 Taka
Md. Monwar Hossain	Managing Director	Remuneration	2,458,956	1,714,125

- 9) Tax holiday reserves are invested in accordance with Income Tax Ordinance, 1984.

Dhaka, 13 December 2011

Sd/-
Hoda Vasi Chowdhury And Co.
Chartered Accountants

Directors comments on Auditors Qualification

a) Trade receivable from Mango Teleservices Ltd. amounting Taka. 32.30 million has been unrealized for a period more than 6 (six) months. The Board of Directors of the Company has considered this receivable as good and no provision has been made accordingly.

b) The 140 shares were issued infavor of individuals instead of the Institutions with a view to ensure representations of the expert persons in the Board from various Agencies/Institutions covering areas of Technical, Financial and Administrative aspects.

Sd/-
Md. Monwar Hossain
Managing Director

Sd/-
Md. Abdus Salam Khan, FCS
Company Secretary & CFO

**CREDIT RATING REPORT
ON
BANGLADESH SUBMARINE CABLE COMPANY LIMITED**

REPORT: RR/1064/11

This is a credit rating report as per the provisions of the Credit Rating Companies Rules 1996. CRISL's entity rating is valid one year for long-term rating and 6 months for short term rating. After the above periods, these ratings will not carry any validity unless the entity goes for surveillance.

CRISL followed Corporate Rating Methodology published in CRISL website www.crislbd.com

Address:
CRISL
Nakshi Homes
(4th & 5th Floor)
6/1A, Segunbagicha,
Dhaka-1000
Tel: 9515807-8
9514767-8
Fax: 88-02-9565783
Email:
crisldhk@crislbd.com

Date of Rating	November 20, 2011	
	Long Term	Short Term
Entity Rating (With Government Support)	AAA	ST-1
Entity Rating (Stand Alone Basis)	AAA	ST-1
Outlook	Positive	

Analysts:

Ahsanul Arefin
arefin@crislbd.com

Kaniz Fatema
kaniz@crislbd.com

As Govt. Support Entity

Entity Rating:
Long Term: AAA
Short Term: ST-1

Stand Alone Basis Entity Rating:

Long Term: AAA
Short Term: ST-1

Outlook: Positive

**BANGLADESH
SUBMARINE CABLE
COMPANY LIMITED**

PRINCIPAL

ACTIVITY
Bandwidth Provider

Incorporated on:
June 24, 2008

Chairman:
Mr. Sunil Kanti Bose

Managing Director:
Mr. Md. Monwar Hossain

EQUITY
Tk. 1.36 billion

TOTAL ASSETS
Tk. 2.61 billion

1.0 RATIONALE

CRISL has rated Bangladesh Submarine Cable Company Limited (hereinafter called "BSCCL") from two distinct perspectives, firstly, as Government Supported Entity and secondly, as a commercial entity on stand-alone basis. Under the Government Supported Entity purview, CRISL has assigned 'AAA' (Pronounced as triple A) rating in the Long Term and 'ST-1' in the Short Term to BSCCL. Further considering the commercial operations, CRISL has also assigned the Long Term rating of 'AAA' and Short Term rating of 'ST-1' to BSCCL, on a stand-alone basis without considering Government support. The above ratings have been assigned after due consideration to its good fundamentals such as full Government ownership, strong equity base, sound liquidity, good financial and operating performance, experienced management team, monopoly business, etc. The above factors are moderated, to some extent, by absence of alternative channels for providing bandwidth, low capacity utilization and exposure to foreign currency risk; although the cumulative effects of the same do not have any significant impact on overall operating performance and creditworthiness of the company.

Entities rated in this category are adjudged to be of best quality, offer highest safety and have highest credit quality. Risk factors are negligible and risk free, nearest to risk free Government bonds and securities. Changing economic circumstances are unlikely to have any serious impact on this category of companies. The short term liquidity reveals highest certainty of timely payment. Short-term liquidity including internal fund generation is very strong and access to alternative sources of funds is outstanding.

CRISL also placed the company with "Positive Outlook" in consideration of its prospective business growth. The company is in the process of expanding the bandwidth to eight sisters of India.

2.0 CORPORATE PROFILE

2.1 The Genesis

Bangladesh Submarine Cable Company Limited is a Telecommunications infrastructure service provider primarily through the international submarine cable and domestic high capacity optical fiber network in Cox's bazar. The service provided by BSCCL represents the gateway communication between Bangladesh and the rest of the world. The company was incorporated in Bangladesh as a public limited company on June 24, 2008 under the Companies Act 1994 with an authorized capital of TK. 10,000 million and paid up capital of TK. 675.10 million. The company is fully owned by the Government of the Peoples' Republic of Bangladesh and represented by various Ministries of the Government. The Company originated after separating from Bangladesh Telecommunications Company Limited (BTCL) (previously BTTB) with all assets 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**

CREDIT RATING REPORT ON BANGLADESH SUBMARINE CABLE COMPANY LIMITED

Europe). A Vendor Agreement was executed between the representatives of the Government of Bangladesh (GOB) and the BSCCL on June 30, 2008 incorporating a statement of certain assets and liabilities as of June 30, 2008. Two separate agreements namely Purchase and Lease Agreements were executed on February 12, 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 in favor of BTCL by GOB in the absence of existence of BSCCL at that time. Mentionable here that, these two agreements have not yet been revalidated in favor of BSCCL. However, since then the IDB loan is repaid by the two companies in the ratio of BTCL (57%) and BSCCL (43%) as per asset distributions by the Government through the vendor agreements. 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. Head Office of BSCCL is located at Telejogajog Bhaban (6th floor), 37/E, Eskaton Garden, Dhaka - 1000.

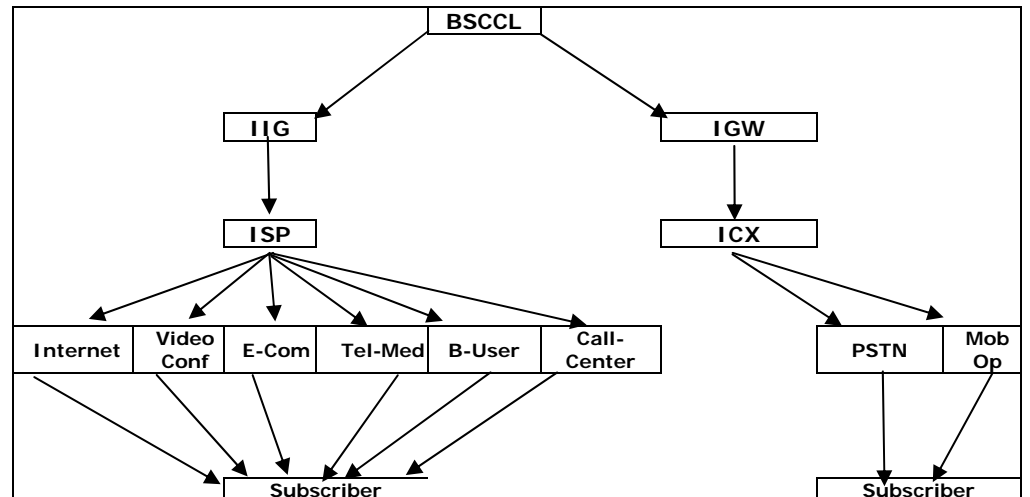
2.2 Products Line

IPLC Services

BSCCL is authorized to sell or lease Bandwidth to the followings, within the framework of the Licensing Guideline and with the approval of the Bangladesh Telecommunication regulatory Commission.

1. All IIG (International Internet Gateway) Companies (Presently, BTCL & Mango Teleservices Ltd).
2. All IGW (International Voice Gateway) companies (Presently, BTCL, Bangla Trac Communication Ltd., Mir Telecom, & Novotel Ltd.).
3. Any other corporate users interested in IPLC connections with substantially large bandwidth.

The service flow to ultimate customers is as follow:



Most of the Bandwidth is provided to BTCL followed by Mango. A summary of the allocation of bandwidth is as following:

*Most of the Bandwidth
Allocated to BTCL*

Clients	Bandwidth Allocation (GBPS)	% of total Bandwidth	Services
BTCL	10.385	68.32%	Voice and Data
Mango	2.635	17.34%	Data
Novo	0.775	5.10%	Voice
Mir	0.775	5.10%	Voice
BTRAC	0.62	4.08%	Voice
Total	15.2	100.00%	

CREDIT RATING REPORT ON BANGLADESH SUBMARINE CABLE COMPANY LIMITED

2.3 Distribution of Products/Services:

BSCCL has Submarine Cable Landing Station located at Jhlongjha, Cox's Bazar from where Backhaul Service Provider (presently only BTCL) is connected. Clients can connect their fiber optic cable for IPLC (International Private Leased Circuits) service from co-location centers (Presently at Chittagong, Mohakhali, Dhaka and Moghbazar, Dhaka) of Backhaul Service Provider. Moreover, with a view to provide multiple options for backhaul connectivity, a co-location centre has been established in Cox'sbazar Landing Station. BSCCL's valued clients can choose their backhaul provider who can directly connect their fibers at the co-location centre of BSCCL.

2.4 Ownership Pattern & Board

Ministry of Post and Telecommunications (MoPT), Government of Bangladesh owns most of the shares (99.99982%) of the company. At present Mr. Sunil Kanti Bose, (Secretary, Ministry of Post and Telecommunications) has been representing on behalf of the Ministry. Other six shareholders are holding negligible part of the company (0.00018%) each. Though the shareholding position is now concentrated but it will be diversified after IPO issue. The Board consists of seven members including the Managing Director. The Board is led by its Chairman Mr. Sunil Kanti Bose, Secretary, Ministry of Post and Telecommunications. A brief about the Board members is stated below:

100% Owned by
Government

Sl.	Name	Position	Position in the Company
1.	Mr. Sunil Kanti Bose	Secretary, Ministry of Post & Telecommunications	Chairman
2.	Syed Monjurul Islam	Additional Secretary, Ministry of Finance	Director
3.	Mr. Rabindra Nath Roy Chowdhury	Joint Secretary, MoSICT (Ministry of Science and ICT)	Director
4.	Col. Shahriar Ahmed	Colonel (Admin), DSCSC, Mirpur Cantonment, Dhaka. (on LPR)	Director
5.	Mr. Asif Ibrahim	President, Dhaka Chamber of Commerce & Industry.	Director
6.	Dr. Raqibul Mostafa	Associate Professor, United International University.	Director
7.	Mr. Md. Monwar Hossain	CEO, BSCCL	Managing Director

The Board of BSCCL conducted 45 meetings in last three years after formation. The Board members have diversified knowledge on different sectors of the economy. The company has special sub-committees for recruitment, purchase, and sales formed by the Board.

3.0 BUSINESS ANALYSIS

3.1 Operation & Market Situation

The company provides Bandwidth service to its clients through International Private Leased Circuits (IPLC). BSCCL provides two types of services – Data (International Internet Gateway - IIG) and Voice (International Voice Gateway - IGW). The prices of the services are set by BTRC.

Monopoly Business

Currently BSCCL has no competitor in the Submarine Cable Telecom sector, as it owns the only submarine cable of Bangladesh and is the sole supplier of bulk bandwidth. It has secured the permit/license from BTRC for providing service through the submarine cable. All the IIG and IGW companies would require taking lease of bandwidth from BSCCL as per their licensing guidelines and BTRC regulations. The company has already submitted a proposal to the concerned ministry for second submarine cable and its ownership. Therefore, BSCCL has a very strong position in the Telecom market. However, Government is in the planning stage to offer private entrepreneurs for Terrestrial cable line that has been planned to route through Jessore – Faridpur – Kolkata. However, it may require additional 2/3 years to fully implement the process. At that time it will be a substitute for BSCCL's Bandwidth service which is comparatively less costly than that could be provided by Submarine Cable System.

CREDIT RATING REPORT ON BANGLADESH SUBMARINE CABLE COMPANY LIMITED

3.2 Network Profile: SEA-ME-WE-4

The SEA-ME-WE-4 submarine cable system is a high capacity optical fiber Submarine Cable System linking 16 companies of the 14 countries: SingTel (Singapore), TM (Malaysia), CAT (Thailand), BSCCL (Bangladesh), TATA Communications (India), Bharti Airtel (India), SLT (Sri Lanka), PTCL (Pakistan), ETISALAT (United Arab Emirates), STC (Saudi Arabia), Telecom Egypt (Egypt), Tunisie Telecom (Tunisia), TIS (Italy), Algeria Telecom (Algeria), FT (France) and Verizon Business (UK). It is called the South East Asia-Middle East-Western Europe- 4 (SEA-ME-WE-4) cable network and is functioning under an International Consortium. It has a total length of 20,000 km with 1.28 Terabits/Sec design capacity. The Consortium continues to maintain and operate the system. The SMW4 submerged plant features are; two-fibre pairs running from Tuas (Singapore) to Marseilles (France) having the “express” and “omnibus” routes. The SEA-ME-WE 4 system is divided into four segments linking 16 Landing Stations: Tuas (Singapore), Melaka (Malaysia), Satun (Thailand), Cox’s Bazar (Bangladesh), Chennai (India), Colombo (Sri Lanka), Mumbai (India), Karachi (Pakistan), Fujairah (UAE), Jeddah (SA), Suez, Alexandria (Egypt), Palermo (Italy), Bizerte (Tunisia), Annaba (Algeria) and Marseilles (France). The consortium is a hierarchical organization which operates, manages and administers the cable system. At the top of the hierarchy is the Management Committee, which steers the major decision of the consortium. Bodies subordinate to the Management Committee include the Procurement Group; Operation and Maintenance; the Financial & Administrative Subcommittee; Assignment, Routing and Restoration; and Investment and Agreement. Other bodies in the organization are the Central Billing Party which is subordinate to the Financial & Administrative Subcommittee, and the Network Administrator which is subordinate to Assignment, Routing and Restoration sub-committee. The total expenditures are charged by the consortium to its members. The current charge carried by BSCCL is around TK. 40 million per year for its operation and maintenance.

3.3 Customers

The company has limited number of customers approved by BTRC. BTCL is its largest customer (66.31% revenue) followed by Mango Teleservices Ltd. (13.77% revenue). The major customers’ name and gross revenue from them (for the year 2010-11) are as below:

BTCL is the Key Customer

Clients	Revenue (in million BDT)	% of total Revenue	Bandwidth Allocation (GBPS)	Services
BTCL	703.18	66.31	12.865	Voice and Data
Mango Teleservices Ltd.	146.02	13.77	6.355	Data
Novotel Ltd.	78.57	7.41	0.775	Voice
Mir Telecom	76.77	7.24%	0.620	Voice
Bangla Trac Ltd.	55.90	5.27%	0.620	Voice
Total	1,060.45	100.00%	21.215	

3.4 Infrastructure Facilities

Total land area in Submarine Cable Landing Station, Jhilongja, Cox’s Bazar is 5.42 acres with a functional building premises of 19,500 Sq. ft. In landing station the company has Transmission Equipments (Flashwave S 650, Protection Sub-system Rack, Tributary Rack, Transmit Wave length Multiplexer & Amplifier Rack TWMA, Receive Wave length De-Multiplexer & Amplifier Rack RWDA, Optical Distribution Frame, etc), IT & Data Equipment (Procurve Switch, IP Phone, Cisco Router, Cisco Switch, HP Workstation, etc), Test Equipment & Tools (Splicing KIT, Optical Cable Intermediate Splicing, BIT Error Meter, Digital Transmission Analyzer, Optical Time Domain Reflecto Meter, Optical Spectrum Analyzer, Optical Power Meter, Optical Alternator, Optical Fiber Cleaning Kit, Surge Mega Ohm Meter, etc). The company has spare parts for uninterrupted voice and data supply. The station area is fully secured by Bangladesh Government which is recognized as Class 1 KPI (Key Point Installation).

Sound Infrastructure

3.5 Technical Collaboration

SEA-ME-WE-4 Cable System is based on Densend Wavelength Division Multiplexing (DWDM) transmission technology in the 1550 nm-wavelength window and conventional chromatic dispersion mapping. Two suppliers, Alcatel-Lucent (France) & Fujitsu (Japan) were the main original contractors for manufacturing and installation of the system. The network

CREDIT RATING REPORT ON BANGLADESH SUBMARINE CABLE COMPANY LIMITED

administration system is controlled by TATA Communications India. In Bangladesh BTCL, PGCB, and Banglaphone is providing back-haul support to the company.

4.0 BUSINESS PLAN

4.1 Direct Listing in Stock Exchanges:

Bangladesh Government currently owns 99.99% shares of the company (87.51 million shares of TK. 10 each) but soon it is going to be enlisted in DSE and CSE for general investors. The company is planning to issue 31 million shares of TK. 10 each (including premium of TK. 25) and thus avail TK. 1,085 million. The fund from IPO will be used for loan repayment and infrastructure development.

4.2 Export Bandwidth in Eastern Part of India:

To ensure uninterrupted Voice and Data supply the company is going to establish another substitute cable line for acquiring Bandwidth. At the same time the company is planning to export Bandwidth. BSCCL has received a proposal from the Assam Govt. regarding provision of bandwidth in eight North-Eastern provinces of India. The provinces are Assam, Meghalaya, Tripura, Mizoram, Monipur, Nagaland, Arunachal Pradesh and Sikim. A high power delegation from India discussed the matter with the Bangladesh Govt. (MoPT) regarding connectivity of Cox's bazaar Landing Station with the following two Land Optical Fiber Links to those eight provinces of India:

- (a) Cox's bazaar-Ctg-Comilla-Agartola.
- (b) Cox's bazaar-Ctg-Dhaka-Rangpur-Dhubri-Gawhati.

They requested for a basic supply of 10 Gbps bandwidth for data and voice to these eight provinces. BSCCL is planning to prepare a project paper and forward the same to the Government for approval.

4.3 Future Capital Expenditure:

The following capital expenditure has been planned to incur during the period, 2011-13:

Items of Capital Expenditure	Estimated Taka (in Million)
Building two Terrestrial Cable link (Coxs' Bazar –Comilla-Agortola and Rangpur-Dhubri Gawhati) for providing transit service to Neighboring Country	400.00
Obtaining IIG license	30.00
Building 2nd Submarine Cable with New Consortium	4,500.00
Addition to Fixed Assets	30.00
Total	4,960.00

5.0 CORPORATE GOVERNANCE

Corporate governance is a blend of law, regulations, enforcement and appropriate voluntary practice by the companies that permit a corporate to attract capital, perform efficiently and generate long term economic value for its shareholders while respecting the interest of its stakeholders and society as a whole. The specific areas covered are transparency in disclosure of relevant, reliable financial and operational information, information on ownership and control, information on internal processing of management. Some of the areas are reviewed as follows:

5.1 Management

The operation of BSCCL is being looked after by an experienced management team having multi dimensional exposures. The Management Team of BSCCL is headed by the Managing Director Mr. Md. Monwar Hossain who joined the company from its inception. Prior to joining here he worked as Member (P&D) of BTTB. He was also the Project Director of Bangladesh Submarine Cable Project. The top Management of the company has been formed as:

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Name of the Executive	Designation	Experience (years)	
		in the Company	Total
Engr. Md. Monwar Hossain (58)	Managing Director	03	30
Md. Abdus Salam Khan (44)	Company Secretary	03	15
Parvez Monon Ashraf (38)	Deputy General Manager (Customer Care)	02	12
Md. Jahangir Alam (43)	Deputy General Manager (Operation)	02	12
Mohammad Zakirul Alam (36)	Deputy General Manager (Bandwidth Planning)	02	12
Mohammad Zakirul Alam (36)	Deputy General Manager (Bandwidth Planning)	02	12
Md. Jahangir Alam (43)	Deputy General Manager (Operation)	02	12

5.2 Human Resources Policy

Total human resource strength of the company stood at 40 on June 30, 2011. Among the employees 17 are in Officer Level and 23 are support Staff. Compared to the officers the number of staffs has been found in the higher side. Again the company has 6 contractual and 34 permanent employees. The company has separate services rule approved by the Board. Employee turnover of the company has been found to be insignificant. After incorporation in 2008 only two employees resigned from the company. The company provides festival bonus, performance bonus, profit bonus, gratuity to all employees and hospitalization benefits after a certain number of years of service. The performance of the employees is evaluated in regular basis which is the key factor for promotion. However, no employee has been promoted in last two years.

Low Employee Turnover

5.3 IT and MIS

As an IT based telecom organization BSCCL has been operating with a good IT infrastructure for the tasks related with technology. BSCCL has SSEOPS and GO-Global UX 2.1.2 to communicate with other landing stations in real time virtual online network. Submarine cable landing station has data management system called System Surveillance Equipment (SSE) which allows the operator to monitor and control the entire submarine system. The company has NOC modules like Trouble Ticket, Inventory Management, System Status, Restoration Status, Termination Station Module etc. Other supporting tasks are less complicated. The company uses "Tally Software" for accounting purpose – preparing salary sheet, monthly budget and voucher entry.

6.0 KEY PERFORMANCE INDICATORS ANALYSIS

The business performance of the company has been found stable as reflected in the indicators. Sales of the company increased by 38.85% in FY 2010-11 compared to 38.40% in FY 2009-10. On the other hand the gross profit margin decreased to 53.40% in FY 2010-11 compared to 63.26% in FY 2009-10 primarily due to decrease in Bandwidth price.

(million TK.)

Key Indicators	2010-11	2009-10	2008-09
Sales	837.79	603.37	435.95
Change in %	38.85%	38.40%	
Gross Profit	704.00	458.93	281.10
Change in %	53.40%	63.26%	
Operating Profit	613.79	386.44	190.91
Change in %	58.83%	102.42%	

While considering the future capacity and demand it has been found that at present the company has the Bandwidth capacity of 44.60 gbps and utilization of 21.86 gbps during FY 2010-11. The demand for Bandwidth has been increasing in constant rate due to expansion of business in Bangladesh. In YE 2011-12 the Bandwidth capacity will be 160.00 gbps and forecasted demand will be 32.57 gbps.

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12*
Capacity (gbps)	29.32	44.6	44.6	44.60	160.00
Utilization (gbps)	7.13	7.60	15.2	21.86	32.57
Capacity Utilization	24.32%	17.04%	34.08%	49.01%	20.36%

* Forecasted Data

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7.0 FINANCIAL PERFORMANCE REVIEW

*Good Financial
Performance*

Indicators:	30-6-2011	30-6-2010	30-6-2009
Return on Average Assets Before Tax (ROAA)%	21.98	15.33	5.18*
Return on Average Equity After Tax (ROAE)%	22.03	31.71	12.12*
Return on Average Capital Employed (ROACE)%	25.07	17.69	5.99*
Gross Profit Margin%	84.03	76.06	64.48
Operating Profit Margin%	73.26	64.05	43.79
Net Profit Margin%	36.42	57.44	26.50
Earning Per Share (Tk. 10)	3.49	3.96	1.32

** Only FY 2008-09 has been considered for the calculation*

The profitability indicators are showing a mixed performance over the last year. Due to monopoly opportunity and good business growth, most of the profitability indicators have been found to be improving continuously. ROAA before tax increased to 21.98% in FY 2010-11 from 15.33% in FY 2009-10. From January 1, 2011 the tax exemption rate of the company decreased to 50% from 100% which ultimately decreased the net income after tax of the company. ROAE after tax decreased to 22.03% in FY 2010-11 from 31.71% in FY 2009-10 and net profit margin stood at 36.42% in FY 2010-11 from 57.44% in FY 2009-10. The EPS of the company stood at TK. 3.49 in FY 2010-11 and TK. 5.15 in FY 2009-10.

*Good Operating
Performance*

Indicators:	30-6-2011	30-6-2010	30-6-2009
Cost to Revenue Ratio (%)	15.97	23.94	35.52
Administrative & Selling Exp to Revenue Ratio %	4.03	5.85	4.49
Selling & Distribution Cost to Revenue Ratio %	0.03	0.02	0.07
Finance Cost to Revenue Ratio %	3.41	6.18	15.67

Key expenditure of BSCCL is depreciation of core machinery and maintenance expense for submarine cable. The overall cost efficiency of the company improved during FY 2010-11. The cost to revenue ratio decreased to 15.97% in FY 2010-11 compared to 23.94% in FY 2009-10 due to decrease in depreciation expenses. The finance cost also decreased to 3.41% in FY 2010-11 compared to 6.18% in FY 2009-10 due to repaying long term loan over the year.

8.0 CAPITAL STRUCTURE

(in million TK.)

		30-6-2011	30-6-2010	30-6-2009
Assets		2,664.06	2,292.79	2,228.99
	Current	391.76	369.8	164.69
	Long Term	2,272.30	1,922.99	2,064.30
		Fixed assets (core equipments)	1,920.27	2,060.68
Liabilities		1,126.34	1,060.18	1,275.64
	Current	329.50	281.26	299.91
	Long Term	796.83	778.92	975.73
		Long Term Bank Loan	746.88	956.15
Equity		1,537.72	1,232.62	953.35
NAV per Share (Considering TK. 10)		Tk. 17.57	Tk. 18.31	-----

Total assets size of the company stood at 2,664.06 million in FY 2010-11 consisting of 14.71% current and 85.29% long term assets. Long term assets primarily consist of core equipment (TK. 1,782.94 million). Total assets have been financed by current liabilities of 12.37% and long term liabilities of 29.91% and equities of 57.72%. The NAV stood at TK. 17.57 per share and TK. 18.31 per share in FY 2010-11 and FY 2009-10 respectively.

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*Equity Based Capital
Structure*

Solvency Analysis:	2010-11	2009-10	2008-09
Leverage Ratio (X)	0.73	0.86	1.34
Internal Capital Generation (%)	19.84	28.12	12.12
Debt Service Coverage Ratio (X)	2.94	2.15	5.07
Interest Coverage Ratio (X)	25.94	15.40	6.07

BSCCL is a sound equity based company with a leverage ratio of 0.73 times in YE 2010-11 which was 0.86 times in YE 2009-10. Due to decreasing net profit the internal capital generation decreased to 19.84% in FY 2010-11 compared to 28.12% in FY 2009-10. Debt Service Coverage Ratio and Interest Coverage Ratio stood at 2.94 times and 25.94 times at in FY 2010-11 respectively.

9.0 LIQUIDITY AND FUND FLOW ANALYSIS

Good Liquidity

Liquidity Analysis:	2010-11	2009-10
Current Ratio (X)	1.19	1.31
Quick Ratio (X)	1.19	1.31
Cash flow from Operating Activities (in million TK.)	733.92	407.34
Cash flow from Investing Activities (in million TK.)	-495.09	-15.55
Cash flow from Financing Activities (in million TK.)	-221.71	-268.27

The liquidity position of the company has been found to be good. Being a service oriented company, BSCCL do not have to keep any inventory hence, current ratio and quick ratio is showing the same result. The current and quick ratios of the company are moderate due to significant amount of current portion of long term loan to be paid during next one year. During last two financial years the company has generated significant cash from operations which was used to repay the bank loan. In FY 2010-11 BSCCL deployed significant amount (TK. 487.55 million) of fund for network up gradation which was supported by internally generated fund of the company.

10.0 FINANCIAL FACILITY FROM ISLAMIC DEVELOPMENT BANK (IDB)

BSCCL was originated and incorporated after separating from erstwhile BTTB with only assets situated at Jhionja, Cox-bazar namely the Landing Station and the equipments thereon. Before the separation the whole project named "Establishment of International Telecommunication System through Submarine Cable" was undertaken by BTTB participating in an International agreement with an International Consortium namely SEA-ME-WE-4 (South East Asia Middle East Western Europe 4). Initially the project was funded by GOB and later on a long term sale or lease back facilities for USD 60 million was taken from Islamic Development Bank (IDB) for further financing the whole project smoothly.

10.1 Fund Utilization

Bangladesh Government availed USD 60.00 million (USD 62.64 million considering IDCP) lease facility from Islami Development Bank (IDB) to purchase the Equipment set forth in the project named "Establishment of International Telecommunication System through Submarine Cable" on February 12, 2005. The fund was utilized for Wireless Local Loop (USD 53.16 million), Microwave System (USD 1.90 million), and Digital Switching System (USD 12.65 million). Later the loan amount was transferred to BTTB. After BTTB converted to two Public Limited Companies, BTCL took the liability of lease payment. However, of the lease amount BTCL pays 57% and BSCCL pays 43% as per vendor agreements.

10.2 Installment Method

The loan should be repaid in USD currency within nine years (18 installments) starting from one year of loan disbursement. Individual installment includes two parts - a fixed principle amount (USD 3.48 million) and LIBOR based interest payment. At first the entire amount of each installment is paid by BTCL. Later BSCCL pays its portion to BTCL.

*Regular Loan Repayment
History*

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10.3 Lease Conditions

1. The equipments shall remain sole and exclusive property of the Lessor (IDB) till repayment of the loan.
2. The Lessor (IDB) makes no express or implied warranties regarding merchantability or fitness of the products.
3. The Lessor (IDB) is not responsible for repair, service or defects in the equipment or the operation thereof.
4. The Lessor (IDB) will not be liable for any loss suffered by Lessee (BSCCL).
5. The consortium pays all charges and expenses for the operation of the Equipment
6. The Lessee (BSCCL) pays an operational and maintenance charge (O&M) for each quarter for a financial year.

10.4 Current Status

The company pays its entire installment in a regular basis. Up to November 15, 2011 the company has paid 11 installments (TK. 224.97 million).

10.5 Security Arrangements

Bangladesh Government has provided guarantee for the loan. Apart from that the assets of the company are mortgaged to IDB.

12.0 RISK MANAGEMENT

12.1 Technology Risk

The most crucial risk in IT sector is rapid technology change. At present the world is going through technological revolution. However, the company has been using the latest technology and has the provision to update system only through changing terminal equipments. Already the system has been upgraded three times which has enhanced capacity and efficiency. It is forecasted that within next 15 years no notable investment is required for existing infrastructure.

12.2 Market Risk

At present BSCCL has no competitor in the Submarine Cable Telecom sector. BSCCL owns the only submarine cable of Bangladesh and is the sole supplier of bulk bandwidth. It has secured the permit/license from BTRC for providing service through the submarine cable. So, the market risk is absent here. However, if the Government decides to provide license in private sector for terrestrial transmission which might provide cheaper rate, the company may face competition.

12.3 Pricing Risk

As the company is monopoly in business, so it has enough flexibility to change the price as required. However, BTRC is the regulatory body here to control the price. So, the pricing risk has also been found in an insignificant level. Still the Government is considering to reduce the Bandwidth price in order to expand internet usage in the country, which might negatively affect revenue.

12.4 Foreign Currency Risk

The entire amount of lease has to be paid in foreign currency. If the USD appreciates or Bangladeshi Taka depreciates then the company have to pay additional charge for lease amount. However, as a highly profitable company the foreign exchange fluctuation risk is not vital in case of loan repayment.

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13.0 OBSERVATION SUMMARY

<p>Rating Comforts:</p> <ul style="list-style-type: none"> • Government owned entity • Good equity base • Good financial performance • Good operating performance • Sound liquidity • Increasing capacity utilization • Experienced management • • Regular loan repayment history • Monopoly business 	<p>Rating Concerns:</p> <ul style="list-style-type: none"> • Absence of alternative channel for providing bandwidth utilization • Exposed to foreign currency risk
<p>Business Prospects:</p> <ul style="list-style-type: none"> • Export of excess Bandwidth • Develop another landing station as alternative source of international communication 	<p>Business Challenges:</p> <ul style="list-style-type: none"> • No control over price fixation • Pressure from stakeholders to reduce price • Competition due to private sector bandwidth business

14.0 PROSPECT

BSCCL is primarily promoting IT sector in the country by let them access internet facilities. The company is key backward linkage of the sector. Though in terms of market size, the IT sector does not feature at the top few sectors of the economy, because of the strategic importance of the sector for the national development, the industry has always been regarded as one of the priority sectors of the economy. However, till now the sector's potential has not been utilized to its fullest capacity. Country's IT industry has conceivably reached a stage where it is prepared to provide important value to other sectors of the economy by making them more efficient - more productive. It is now up to those sectors to bank on the value enhancing opportunities created and offered by the IT industry.

The Indian success story, harnessing the Internet and creating an IT economy that has by all accounts single-handedly established a middle class in the country and by many accounts (though there are detractors) brought significant progress toward broader national development goals, is the dream for other developing countries around the globe. The sector is attractive for multiple reasons:

- High income generating potential
- Labor intensive; a benefit for most developing countries that have low cost of labor
- Start-up costs relatively low compared to manufacturing
- Viewed as a mechanism for developing human resources
- Belief that participation in the outsourcing industry will enable eventual expansion of domestic ICT industry
- Government belief that policies and strategies needed to promote this industry will have a trickle down effect for other segments of the economy
- Opportunity to establish new trade relationships – diversify
- Opportunity for foreign investment and partnerships
- Environmentally friendly with good working conditions
- Pride – participation in the global economy in a modern industry
- Worldwide supply of IT workers

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However, establishing a presence in the ICT sector, or even developing a sustainable domestic ICT industry, is not a simple task. Multiple elements must come together in a supportive collaboration to enable growth and sustainability. The environment for success shall be better than it is today; the challenge remains bringing all the stakeholders to the table to agree on the path forward.

END OF THE REPORT

(Information used herein is obtained from sources believed to be accurate and reliable. However, CRISL does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities. All rights of this report are reserved by CRISL. Contents may be used by news media and researchers with due acknowledgement)

[We have examined, prepared, finalized and issued this report without compromising with the matters of any conflict of interest. We have also complied with all the requirements, policy procedures of the SEC rules as prescribed by the Securities and Exchange Commission.]

**CREDIT RATING REPORT
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CRISL RATING SCALES AND DEFINITIONS LONG-TERM RATINGS OF CORPORATE	
RATING	DEFINITION
AAA Triple A (Highest Safety)	Investment Grade Entities rated in this category are adjudged to be of best quality, offer highest safety and have highest credit quality. Risk factors are negligible and risk free, nearest to risk free Government bonds and securities. Changing economic circumstances are unlikely to have any serious impact on this category of companies.
AA+, AA, AA- (Double A) (High Safety)	Entities rated in this category are adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a corporate entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions.
A+, A, A- (Single A) (Adequate Safety)	Entities rated in this category are adjudged to offer adequate safety for timely repayment of financial obligations. This level of rating indicates a corporate entity with an adequate credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories.
BBB+, BBB, BBB- (Triple B) (Moderate Safety)	Entities rated in this category are adjudged to offer moderate degree of safety for timely repayment of financial obligations. This level of rating indicates that a company is under-performing in some areas. Risk factors are more variable in periods of economic stress than those rated in the higher categories. These entities are however considered to have the capability to overcome the above-mentioned limitations.
BB+, BB, BB- (Double B) (Inadequate Safety)	Speculative Grade Entities rated in this category are adjudged to lack key protection factors, which results in an inadequate safety. This level of rating indicates a company as below investment grade but deemed likely to meet obligations when due. Overall quality may move up or down frequently within this category.
B+, B, B- (Single B) (Risky)	Entities rated in this category are adjudged to be with high risk. Timely repayment of financial obligations is impaired by serious problems which the entity is faced with. Whilst an entity rated in this category might be currently meeting obligations in time through creating external liabilities.
CCC+, CCC, CCC- (Triple C) (Vulnerable)	Entities rated in this category are adjudged to be vulnerable and might fail to meet its repayments frequently or it may currently meeting obligations in time through creating external liabilities. Continuance of this would depend upon favorable economic conditions or on some degree of external support.
CC+, CC, CC- (Double C) (High Vulnerable)	Entities rated in this category are adjudged to be very highly vulnerable. Entities might not have required financial flexibility to continue meeting obligations; however, continuance of timely repayment is subject to external support.
C+, C, C- (Extremely Speculative)	Entities rated in this category are adjudged to be with extremely speculative in timely repayment of financial obligations. This level of rating indicates entities with very serious problems and unless external support is provided, they would be unable to meet financial obligations.
D (Default)	Default Grade Entities rated in this category are adjudged to be either already in default or expected to be in default.
<i>Note: For long-term ratings, CRISL assigns + (Positive) sign to indicate that the issue is ranked at the upper-end of its generic rating category and - (Minus) sign to indicate that the issue is ranked at the bottom end of its generic rating category. Long-term ratings without any sign denote mid-levels of each group</i>	
SHORT-TERM CORPORATE RATING	
ST-1	Highest Grade Highest certainty of timely payment. Short-term liquidity including internal fund generation is very strong and access to alternative sources of funds is outstanding. Safety is almost like risk free Government short-term obligations.
ST-2	High Grade High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.
ST-3	Good Grade Good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.
ST-4	Moderate Grade Moderate liquidity and other protection factors qualify an entity to be in investment grade. Risk factors are larger and subject to more variation.
ST-5	Speculative Grade Speculative investment characteristics. Liquidity is not sufficient to ensure discharging debt obligations. Operating factors and market access may be subject to a high degree of variation.
ST-6	Default Entity is in default or is likely to default in discharging its short-term obligations. Market access for liquidity and external support is uncertain.



শেয়ারবাজারে বিনিয়োগ ঝুঁকিপূর্ণ,
জেনে ও বুঝে বিনিয়োগ করুন।

"Interested persons are entitled to a prospectus, if they so desire. Copies of the prospectus may be obtained from the issuer and the issue manager"

BANGLADESH SUBMARINE CABLE COMPANY LTD.
APPLICATION FORM
APPLICATION FOR SHARES BY NON-RESIDENT BANGLADESHI
(To be sent directly to the Company's Corporate Office)

WARNING: Please read the instructions at the back of this form. Incorrectly filled applications or applications failing to comply with any of the instructions therein may be rejected

The Chief Executive Officer
BANGLADESH SUBMARINE CABLE COMPANY LTD.
37/E, Eskaton Garden, Dhaka-1000.

Dear Sir

I/We apply for and request you to allot me/us number of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon terms of the Company 's Prospectus approved by the Securities and Exchange Commission and subject to the Memorandum and Articles of Association of the Company . I/we authorize you to place my/our name(s) on the Register of Members of the Company and deposit the said ordinary shares in my/our Beneficiary Owner ("BO") account; I/we further authorize you to send a Crossed (Account payee only) Cheque in respect of any application money refundable to me/us by post/courier at my/our risk to the first applicant's address stated below:

- No. of Ordinary Shares..... of Tk. 35.00 each including a premium of Tk. 25.00 per share.
- Total subscription money of the amount of Tk. (in figures)Taka (in words)..... only convertible into USD at the rate of US Dollar 1.00 = Tk./UK Pound Sterling 1.00 = Tk./ EURO 1.00= Tk.....
- Payment by Draft/Cheque No.....date.....for US Dollar/UK Pound Sterling/EURO/Tk. drawn on..... Bankbranch.....
- 4. Beneficiary Owner (BO) A/C No.**
(If you do not mention your valid BO A/C No. your application will be treated as invalid)
- I/we agree to fully abide by the instructions given herein.
- Particulars of Applicant(s)

a) Sole/First Applicant

Name :	
Father's/Husband's Name :	
Mother's Name:	
Mailing Address :	
Occupation :	Nationality :
Passport No. :	Valid upto:
Date of Birth :	
For Refund: Please write the correct and full name of bank and branch (Application will not be treated as valid if any one uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank).	
Applicants Bank A/c no.	
Name of the Bank :	Branch :

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

b) Second Applicant

Name :	
Father's/Husband's Name :	
Mother's Name:	
Mailing Address :	
Occupation :	Nationality :
Passport No. :	Valid upto :
Date of Birth :	

Nominee's Name :	
Mailing Address:	

7. I/We hereby declare that I/we have read the Prospectus of **BANGLADESH SUBMARINE CABLE COMPANY LTD.** and have willingly subscribed for..... Ordinary Shares of Tk. 35.00 each including a premium of Tk. 25.00 per share.

8. Specimen Signature(s):

Name in Block Letters	Signature
Sole/First Applicant :	
Second Applicant :	
Nominee :	

Please see the instructions in paragraphs 14 & 15 for the evidence required to establish Non-Resident Bangladeshis Status.



INSTRUCTIONS

1. As per provisions of Depository Act, 1999 and regulations made thereafter shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) account number in the Application Form. If you do not mention your valid BO Account number, your application will be treated as invalid.
2. All information must be written or typed in Block Letters in English and must not be abbreviated.
3. An Application must not be for less than 100 Ordinary Shares and must be for a multiple of 100 Ordinary Shares. Any application not meeting this criterion will not be considered for allotment purpose.
4. Application must be accompanied by a foreign demand draft drawn on a bank payable at Dhaka or cheque drawn out of foreign currency deposit account maintained in Bangladesh for the full value of Shares favoring **BANGLADESH SUBMARINE CABLE COMPANY LTD.** and crossed "**ACCOUNT PAYEE ONLY**".
5. Application shall be sent by the applicant directly to the Company within **22 March, 2012** so as to reach the Company within **31 March, 2012**. Any Application sent after **22 March, 2012** or received by the Company after **31 March, 2012** will not be considered for allotment purpose.
6. Refund against over-subscription shall be made in the currency in which the value of Shares was paid for by the applicant through A/C Payee Cheque payable at Dhaka with bank account number, Bank's name and Branch.
7. In case of over-subscription, allotment shall be made by lottery solely in accordance with the instructions of the Securities and Exchange Commission.
8. Money receipt of clearance of draft or cheque, as the case may be, shall be sent by post to the applicant by the Company .
9. Joint Application by two persons will be acceptable. In such a case, allotment or refund shall be made by post to the first applicant. Note that a non-resident Bangladeshi ("NRB") applicant cannot submit more than two applications, one in his/her own name and another jointly with another person by one cheque/DD/PO/ by US \$/UK Pound Sterling/EURO/Taka (supported by a foreign currency encashment certificate). More than two applications by one cheque/DD/PO by US \$/UK Pound Sterling/EURO/Taka (supported by a foreign currency encashment certificate) will not be allowed.
10. Application must be made by an individual, a Company or Societies, a trust or a society and not by a firm, minor or persons of unsound mind.
11. Making of any false statement in the application or supplying of incorrect information therein on suppressing any relevant information shall make the application liable to rejection and subject to forfeiture of application money and/or forfeiture of the share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account specified by Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by law.
12. The intending NRB applicants shall deposit the share subscription money by a US \$/UK Pound Sterling/EURO demand draft drawn on any bank and payable in Dhaka, Bangladesh, or through a nominee paying out of a non-resident foreign currency deposit account maintained in Bangladesh or in Taka, supported by a foreign currency encashment certificate issued by the bank concerned, for the price of the ordinary shares applied for, through a crossed bank cheque marked "Account Payee only", such that the issuer's collecting bank can clear the proceeds and deposit the same into the issuer's account in time.
13. The spot buying rate (TT Clean) in US \$ / UK Pound Sterling / EURO of Sonali Bank as prevalent on the date of opening of subscription will be applicable for the Non Resident Bangladeshi (NRB) applicants.
14. **The applicant shall furnish photocopies of relevant pages of valid passport(s) in support of his/her being a NRB , dual citizenship or of the foreign passport bearing an endorsement from the concerned Bangladeshi Embassy to the effect that no visa is required for him/her to travel to Bangladesh.**
15. In case of joint application, the joint applicant shall also submit supporting papers / documents in support of his being an NRB as mentioned in para - 14 (above).
16. **An applicant cannot submit more than two applications, one in his/her own name and another 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.**
17. **No issue of ordinary shares shall be made nor shall any money be taken from any person, in connection with such issue and subscription, until 25 days after the Prospectus has been published.**
18. In the case of non-allotment of the ordinary shares, if the applicants' bank accounts as mentioned in their application forms are maintained with any of the bankers to the issue, the amount refunded to those applicants will be directly credited into their ordinary respective bank accounts as mentioned in their application forms. Otherwise, refunds will be made only through "Account Payee" cheque(s) with bank account number and name of bank branch as mentioned in the application form, payable at Dhaka, Chittagong, Khulna, Barisal, Rajshahi or Sylhet, as the case may be.
19. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission may forfeited whole or part of their application too.**

THE NRB APPLICATION ALONG WITH THE FOREIGN CURRENCY DRAFT, AS ABOVE, IS TO BE SUBMITTED TO THE COMPANY'S CORPORATE OFFICE DIRECTLY WITHIN THE STIPULATED TIME MENTIONED IN PARA 5.



Information included as per notification no. SEC/CMRRCD/2008/115/Admin/30 dated October 05, 2011:

1. Earning Per Share (EPS) on fully diluted basis (with the total existing no. of shares)

Net Profit after Tax and before appreciation	Tk. 305,104,691
No. of Shares before IPO	87,509,170
Earning Per Share (EPS) on fully diluted basis	Tk. 3.49

2. Net profit excluding extra-ordinary income or non-recurring income coming from other than core operations

Net Profit after Tax and before appreciation	Tk. 305,104,691
Other Income	Tk. 12,410,560.00
Net Profit after Tax and before appreciation except other income	Tk.292,694,131.00

3. Earnings per shares excluding extra-ordinary income or non-recurring income coming from other than core operations

Net Profit after Tax and before appreciation	Tk. 305,104,691
Other Income	Tk. 12,410,560.00
Net Profit after Tax and before appreciation except other income	Tk.292,694,131.00
No. of Shares before IPO	87,509,170
Earning Per Share (EPS) on fully diluted basis	Tk.3.34

4. Net Asset Value

(a) Net Asset Value with Revaluation reserve based on fully diluted basis

Sl. No.	Particulars	Amount	Net Amount
a)	Share capital		875,091,700.00
b)	Tax holiday reserve		235,490,031.00
c)	Revaluation Reserve		164,654,032.00
d)	Retained Earnings		262,487,328.00
Total Shareholders' Equity			1,537,723,091.00
Number of shares			87,509,170
Net Assets Value per Share at BDT 10 per share			17.57



(b) Net Asset Value without Revaluation reserve based on fully diluted basis

Sl. No.	Particulars	Amount	Net Amount
a)	Share capital		875,091,700.00
b)	Tax holiday reserve		235,490,031.00
c)	Retained Earnings		262,487,328.00
Total Shareholders' Equity			1,373,069,059.00
Number of shares			87,509,170
Net Assets Value per Share without considering asset revaluation at BDT 10 per share			15.69