

# Financial Statement 2009-2010

**Auditors' Report**

**Balance Sheet**

**Profit and Loss Account**

**Statement of Changes in Equity**

**Cash Flow Statement**

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

We have audited the accompanying balance sheet of Bangladesh Submarine Cable Company Limited as of 30 June 2010 and the related profit and loss account, statement of changes in equity and cash flow statement for the for the year that ended. The preparation of these financial statements is the responsibility of the Company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presented. We believe that our audit provides a reasonable basis for our opinion.

We report that:

- a) We could not verify the value at cost of core equipment for Taka 2,255,155,638 of total fixed assets of Taka 2,588,280,601 as there was no complete fixed assets register of the Company. No item-wise details i.e. date of acquisition, cost, accumulated depreciation, written down value, identification number etc properly linked with numbers and values were available for our verification. Further, we could not physically verify the core equipment for this audit purpose for lack of information as indicated above. As a result, these assets remained unverified by us except tracing the aggregate amount in the ledgers;
- b) The Company has paid Taka 4,460,571 to BTCL as share of insurance premium for its fixed assets which have remained in the ownership of BTCL but no adjustment has been made in this regard;
- c) No provision for pension fund or any adjustment thereon has been made in the accompanying financial statements during the year. Further, the amount of Taka 15,158,836 representing balance payable on account of pension fund determined at the time of taking over assets and liabilities from BTCL has remained unchanged for which no satisfactory explanation was available; and
- d) Twelve (12) shares of Taka 100 each have been issued to individuals who seem to be representatives of the respective organizations as mentioned in note - 4.1 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.



In our opinion, except for the effects on the financial statements of the matters referred to in the preceding paragraphs, the financial statements, prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS), give a true and fair view of the state of the Company's affairs as of 30 June 2010, and of the results of its operations and its cash flow statement for the year then ended 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 21 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.

Dhaka,

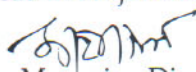
*Hoda Vasi Chandanmulla*  
Chartered Accountants

**Bangladesh Submarine Cable Company Limited**  
**Balance Sheet**  
**As on 30 June 2010**

	Notes	2010 Taka	2009 Taka
<b>Sources of fund :</b>			
<b>Shareholders' equity:</b>			
Share capital	4	673,147,800	1,400
Government equity	5	-	673,146,412
Tax holiday reserve		154,661,914	16,027,883
Revaluation reserve	6	164,654,032	164,654,032
Retained earnings		240,154,654	99,518,387
		<b>1,232,618,401</b>	<b>953,348,113</b>
<b>Long term liabilities:</b>			
Lease obligation - net of current portion	7	746,883,158	956,147,942
Security deposits received from clients	8	16,876,445	4,419,954
Employees' pension fund	9	15,158,836	15,158,836
		778,918,439	975,726,732
		<b>2,011,536,840</b>	<b>1,929,074,845</b>
<b>Application of fund</b>			
Property, plant and equipment	10		
Cost		2,588,280,601	2,578,379,716
Less: Accumulated depreciation		668,005,650	517,703,879
		1,920,274,951	2,060,675,837
Preliminary expenses	11	2,714,535	3,619,380
<b>Current assets:</b>			
Trade debtors	12	189,222,704	113,262,498
Advances and deposit	13	219,688	250,000
Investment in shares	14	5,653,568	-
Cash and cash equivalents	15	174,708,953	51,180,372
		369,804,912	164,692,870
<b>Current liabilities:</b>			
Lease obligation - current portion	7	213,395,750	212,477,321
Payable to BTCL		35,848,029	24,897,789
Provision for income tax		2,029,024	-
VAT payable		26,884,367	60,968,310
Provision for decrease in value of investment in shares		234,063	-
Provision for expenses	16	2,866,326	1,569,822
		281,257,559	299,913,242
Net current assets / (liabilities)		88,547,353	(135,220,372)
<b>Net assets</b>		<b>2,011,536,840</b>	<b>1,929,074,845</b>

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


  
 Company Secretary

  
 Managing Director

  
 Chairman

See annexed report of date

Dhaka,

  
 Chartered Accountants



**Bangladesh Submarine Cable Company Limited**  
**Profit and Loss Account**  
**For the year ended 30 June 2010**

Revenue:	Notes	2010 Taka	2009 Taka
IPLC (International Private Lease Circuit) rent		601,892,651	434,337,816
Circuit activation charge		1,480,000	1,610,000
		603,372,651	435,947,816
Direct operational cost			
Electricity and generator fuel		2,344,230	1,004,958
Landing station and route repair		948,749	422,788
Depreciation of core machinery	10	141,150,281	153,424,219
		144,443,260	154,851,965
<b>Gross profit</b>		<b>458,929,391</b>	<b>281,095,851</b>
<b>Other operating expenses:</b>			
Operation and maintenance expenses	17	37,081,242	70,322,310
General and administrative expenses	18	25,373,068	10,971,781
Depreciation on property, plant and equipment	10	9,151,490	8,080,254
Amortization on preliminary expenses		904,845	904,845
		72,510,645	90,279,190
<b>Operating profit</b>		<b>386,418,746</b>	<b>190,816,661</b>
<b>Non operating (expenses)/income</b>			
Financial charges for lease		(37,266,421)	(68,224,662)
Exchange loss		(5,051,729)	(7,960,245)
Provision for decrease in value of investment in shares		(234,063)	-
Other income	19	4,752,570	914,515
		(37,799,643)	(75,270,392)
<b>Net profit before taxation for the year / period</b>		<b>348,619,103</b>	<b>115,546,269</b>
Less: Income tax expenses		2,034,024	-
<b>Net profit after tax and before appropriation</b>		<b>346,585,079</b>	<b>115,546,269</b>
Less: Transfer to tax holiday reserve		138,634,031	16,027,883
<b>Net profit after tax holiday reserve transfer to retained earnings</b>		<b>207,951,047</b>	<b>99,518,386</b>

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


  
Company Secretary

  
Managing Director

  
Chairman

See annexed report of date

Dhaka,

  
Chartered Accountants

**Bangladesh Submarine Cable Company Limited**  
**Statement of Changes in Equity**  
**For the year ended 30 June 2010**

Particulars	Share capital	Government	Tax holiday	Revaluation	Retained	Total
	Taka	equity	reserve	reserve	earnings	Taka
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 for the period	-	-	-	-	99,518,387	99,518,387
<b>Balance as at 30 June 2009</b>	<b>1,400</b>	<b>673,146,412</b>	<b>16,027,883</b>	<b>164,654,032</b>	<b>99,518,387</b>	<b>953,348,114</b>
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 for the year	-	-	-	-	207,951,047	207,951,047
<b>Balance as at 30 June 2010</b>	<b>673,147,800</b>	<b>-</b>	<b>154,661,914</b>	<b>164,654,032</b>	<b>240,154,654</b>	<b>1,232,618,401</b>

*[Signature]*  
 Company Secretary

*[Signature]*  
 Managing Director

*[Signature]*  
 Chairman



**Bangladesh Submarine Cable Company Limited**  
**Cash Flow Statement**  
**For the year ended 30 June 2010**

	<u>Notes</u>	<u>2010</u> <u>Taka</u>	<u>2009</u> <u>Taka</u>
<b>A. Cash Flows from operating activities</b>			
Net profit before taxation		348,619,103	115,546,269
Add: Item not involving in movement of cash:			
Depreciation on property, plant and equipment	10	150,301,771	161,504,473
Amortization of preliminary expenses		904,845	904,845
Provision for decrease in value of investment in shares		234,063	-
		151,440,679	162,409,318
		<b>500,059,782</b>	<b>277,955,587</b>
<b>Cash generated from operations</b>			
Increase in trade debtors	12	(75,960,205.5)	(113,262,498)
Increase / (decrease) in advances and deposit	13	30,312	(250,000)
Payment of tax		(5,000)	-
(Increase) / decrease in sundry creditors		(21,837,210)	87,365,343
		(97,772,103)	(26,147,155)
<b>Net cash from operating activities</b>		<b>402,287,679</b>	<b>251,808,432</b>
<b>B Cash flows from investing activities</b>			
Increase in investment in shares		(5,653,568)	-
Increase in property, plant and equipment	10	(9,900,885)	(530,937)
Net cash used in investing activities		(15,554,453)	(530,937)
<b>C. Cash flows from financing activities</b>			
Dividend paid		(67,314,781)	-
Decrease in lease obligation	6	(208,346,355)	(204,517,077)
Increase in security deposit from clients	7	12,456,491	4,419,954
<b>Net cash used in financing activities</b>		<b>(263,204,645)</b>	<b>(200,097,123)</b>
<b>D. Net cash flow (A+B+C)</b>		123,528,581	51,180,372
<b>E. Cash and cash equivalents at the beginning of the year</b>		51,180,372	-
<b>C. Cash and cash equivalents at the ending of the year</b>		<b>174,708,953</b>	<b>51,180,372</b>


  
 Company Secretary

  
 Managing Director

  
 Chairman

See annexed report of date

Dhaka,

  
 Chartered Accountants

# Bangladesh Submarine Cable Company Limited

## Notes to the financial statements

For the year ended 30 June 2010

### 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 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 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

#### 3.1 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.

#### 3.2 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.



### 3.3 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.

### 3.4 Depreciation of property, plant and equipment

Depreciation on all property, plant and equipment has been charged on reducing balance method considering the economic and useful lives of such assets. Full year depreciation is charged on assets during the year of acquisition irrespective of their date of acquisition and no depreciation will be charged on assets during the time of disposal.

### 3.5 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.

### 3.6 Preliminary expenses

Preliminary expenses represent 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.

### 3.7 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.

### 3.8 Current tax

Provision for income tax is made as per Finance Act - 2010. No provision for income tax has been made in the accompanying financial statements due to taxable loss arisen for the assessment year 2009-2010.

### 3.9 Revenue recognition 3.9.1 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.

### 3.9.2 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.

### 3.10 General

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

	<u>2010</u> <u>Taka</u>	<u>2009</u> <u>Taka</u>
<b>4 Share capital</b>	<u>10,000,000,000</u>	<u>10,000,000,000</u>
Authorized:		
100,000,000 ordinary shares of Taka 100 each		
Issued and paid up :	<u>673,147,800</u>	<u>1,400</u>
67,31,478 ordinary shares of Tk 100 each fully paid up		

#### 4.1 Composition of shareholdings

Name of shareholders & respective Ministries/Agencies	Represented by	No. of shares	Value in Taka
Ministry of Post & Telecommunications,	Mr. Sunil Kanti Bose	6,731,466	673,146,600
Ministry of SICT, GOB	Mr. Rabindra Nath Roy Chowdhury	2	200
Ministry of Finance, GOB	Syed Monjurul Islam	2	200
Mirpur Institute of Science & Technology	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. Md. Monwar Hossain		2	200
		<u>6,731,478</u>	<u>673,147,800</u>

Note: The entire amount of above paid up capital has been paid by the Government of Bangladesh.

A distribution schedule of the shares as at 30 June 2010 is given below as required by listing regulations:

Slabs by number of shares	Number of shareholders	Number of shares	Holdings %
Less than 500	6	12	0.00018%
Above 1,000,000	1	6,731,466	99.99982%
	<u>7</u>	<u>6,731,478</u>	<u>100.00000%</u>



	<u>2010</u> <u>Taka</u>	<u>2009</u> <u>Taka</u>
<b>5 Government equity</b>	<u>-</u>	<u>673,146,412</u>

As contained in note - 1, a Vendor agreement was executed between the representatives of the Government of Bangladesh (GOB) and the BSCCL 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. During the year 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.

<b>6 Revaluation reserve</b>	<u>164,654,032</u>	<u>164,654,032</u>
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Land measuring 5.49 acres owned by Government of Bangladesh 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.

	<u>2010</u> <u>Taka</u>	<u>2009</u> <u>Taka</u>
<b>7 Lease obligation - net of current portion</b>	<u><b>746,883,158</b></u>	<u><b>956,147,942</b></u>

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 repayments of lease obligations repayable after the balance sheet date are as follows:

Finance lease liabilities - minimum lease payments  
Payable not later than one year  
Payable later than one year but not later than 5 years

213,395,750	212,477,321
746,883,158	956,147,942
<u><b>960,278,908</b></u>	<u><b>1,168,625,263</b></u>

**8 Security deposits received from clients**

Nirvotel Limited  
Mir Telecom Limited  
Mango Teleservices Ltd.  
Bangla Trac Communication Limited  
Bangladesh Telecommunications Company Limited

4,718,931	2,272,977
3,229,954	1,134,000
1,001,383	-
1,012,977	1,012,977
6,913,200	-
<u><b>16,876,445</b></u>	<u><b>4,419,954</b></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**

<u><b>15,158,836</b></u>	<u><b>15,158,836</b></u>
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This represents amount payable to BTCL employees working on deputation and the amount incorporated in the vendor agreement. These employees are in the process of returning to their original work place 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				Accumulated depreciation			Amount in Taka	
	At 1st July 2009	Additions during the year	At 30 June 2010	Rate	At 1st July 2009	Charged during the year	At 30 June 2010	WDV as on 30 June 2010	
Land	164,700,000	-	164,700,000	-	-	-	-	164,700,000	
Core equipment	2,255,155,638	-	2,255,155,638	8%	490,777,122	141,150,281	631,927,403	1,623,228,235	
Landing station earth filling	9,646,000	-	9,646,000	10%	2,619,492	702,651	3,322,143	6,323,857	
Building	58,488,364	-	58,488,364	2%	3,416,793	1,101,431	4,518,224	53,970,140	
Floor development	2,654,065	-	2,654,065	10%	672,057	198,201	870,258	1,783,807	
Security barak & security wall	7,827,297	-	7,827,297	2%	460,500	147,336	607,836	7,219,461	
Deep Tube-Well & Pump House	2,343,837	-	2,343,837	10%	636,498	170,734	807,232	1,536,605	
500 KV sub-station	3,284,000	-	3,284,000	15%	1,271,139	301,929	1,573,068	1,710,932	
Power system	34,737,942	-	34,737,942	10%	9,433,522	2,530,442	11,963,964	22,773,978	
Boundary wall	8,255,575	-	8,255,575	2%	485,696	155,398	641,094	7,614,481	
Ducting from Beach Manhole	18,088,759	-	18,088,759	5%	2,582,594	775,308	3,357,902	14,730,857	
Vehicles	8,494,000	8,598,000	17,092,000	20%	4,162,060	2,585,988	6,748,048	10,343,952	
Office equipment and furniture	4,532,685	1,302,885	5,835,570	10%	1,169,251	466,632	1,635,883	4,199,687	
Co-Location point	171,554	-	171,554	10%	17,155	15,440	32,595	138,959	
<b>Total</b>	<b>2,578,379,716</b>	<b>9,900,885</b>	<b>2,588,280,601</b>		<b>517,703,879</b>	<b>150,301,771</b>	<b>668,005,650</b>	<b>1,920,274,951</b>	
<b>Previous year balance</b>	<b>2,577,848,779</b>	<b>530,937</b>	<b>2,578,379,716</b>		<b>356,199,406</b>	<b>161,504,473</b>	<b>517,703,879</b>	<b>2,060,675,837</b>	

	2010 <u>Taka</u>	2009 <u>Taka</u>
<b>11 Preliminary expenses</b>		
Opening balance	3,619,380	4,524,225
Less: Amortization made during the year / period	904,845	904,845
	<u>2,714,535</u>	<u>3,619,380</u>
<b>12 Trade debtors</b>		
Bangladesh Telecommunication Company Limited (BTCL)	129,558,420	93,991,138
Novotel Limited	1,777,604	1,403,542
Mir Telecom Limited	-	5,872,531
Bangla Trac Communication Limited	11,355,319	2,814,454
Mango Teleservices Limited	39,005,718	9,180,833
Other receivables	7,525,643	-
	<u>189,222,704</u>	<u>113,262,498</u>
<b>13 Advances and deposit</b>		
Advance given to employees for foreign traveling	160,000	250,000
Security deposit - Duncan Products Ltd.	5,000	-
Advance Income Tax (AIT)	54,688	-
	<u>219,688</u>	<u>250,000</u>
<b>14 Investment in shares</b>	<u>5,653,568</u>	<u>-</u>
<p>During the year, 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 2010 is Taka 5,946,530. Provision for decreasing value of shares as required, has been made in the accompanying financial statements.</p>		
<b>15 Cash and cash equivalents</b>		
Cash in hand		
Head office - Dhaka	37,971	286,292
Landing station - Cox's Bazar	62,216	95,880
	<u>100,187</u>	<u>382,172</u>
Cash at bank on current & STD account with Sonali Bank Limited		
Sheraton Hotel Branch - Current Account	16,153,165	50,548,469
Sheraton Hotel Branch - STD Account	8,000,000	-
Cox's Bazar Branch	455,601	249,731
	<u>24,608,766</u>	<u>50,798,200</u>
Short term deposits with		
National Bank Limited, Motijheel Branch	75,000,000	-
Trust Bank Limited, Dilkusha Corporate Branch	75,000,000	-
	<u>150,000,000</u>	<u>-</u>
	<u>174,708,953</u>	<u>51,180,372</u>



	2010	2009
	<u>Taka</u>	<u>Taka</u>
16 Provision for expenses		
Office rent (note - 16.1)	2,400,000	1,200,000
Audit fee including VAT	172,500	156,750
Advertisement and publicity expenses	-	40,253
Vehicle fuel	6,758	-
Salary and allowances	-	80,554
Govt. employees' beneficiary and joint insurance fund	870	-
Vehicle maintenance	6,040	-
Postage and courier expenses	-	39,465
Electricity	190,000	35,000
Business development expenses	40,000	-
Withholding tax payable	50,158	17,800
	<u>2,866,326</u>	<u>1,569,822</u>

16.1 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 an best estimation basis in the absence of any agreement. This has been arrived as follows:

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

#### 17 Operation and Maintenance Expenses

	<u>37,081,242</u>	<u>70,322,310</u>
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The amount paid to SEA-ME-WE 4 during the year expenses of cable operation and maintenance purpose after netting reimbursement of expenses from Consortium incurred by BSCCL for Taka 10,079,697.

#### 18 General and administrative expenses

Salary and allowances	14,563,756	6,149,273
Office rent	1,200,000	1,200,000
Repair and maintenance	2,174,802	1,371,475
Board and other meetings fees	466,826	540,002
Audit fee including VAT	172,500	156,750
Consultancy fee	133,000	100,400
Advertisement and publicity expenses	120,680	284,376
Vehicles running expenses	672,991	462,383
Insurance premium	4,460,571	-
Traveling & conveyance	888,219	192,870
Printing and stationery	305,967	322,139
Postage and courier expenses	14,283	25,939
Entertainment	177,749	69,590
Bank charges and commission	21,724	96,584
	<u>25,373,068</u>	<u>10,971,781</u>

## 19 Other income

	2010 <u>Taka</u>	2009 <u>Taka</u>
Rent of Rest House	149,919	39,220
Income from investment in shares	861,970	-
Interest on FDR and others	2,848,444	-
Compensation from Consortium on account of foreign traveling	892,237	875,295
	<u>4,752,570</u>	<u>914,515</u>

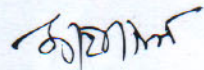
## 20 Particulars of employees

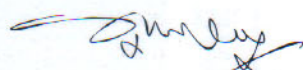
The number of permanent employees during this period part thereof who received a total salary of BDT 36,000 per annum and above was 40 ( 30 June 2009: 37).

## 21 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>

  
Company Secretary

  
Managing Director

  
Chairman



# SEA-ME-WE-4 SUBMARINE CABLE

