



Contents

LETTER of Transmittal

14 September 2014

To,

Shareholders  
Bangladesh Securities and Exchange Commission  
Dhaka Stock Exchange Limited  
Chittagong Stock Exchange  
Registrar of Joint Stock Companies and Firms

Respected/ Honorable Sir(s)

Annual Report for the year ended on 30 June 2014.

The undersigned on behalf of the Board of Directors and Management of BSCCL is pleased to present herewith the Annual Report for the year ended on 30 June 2014 alongwith the audited Financial Statements (Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes of Equity, Statement of Cash Flow and Notes to the Financial Statements) for the above mentioned year of the company.

Thanking You,

Sincerely Yours,

*Md. Abdus Salam Khan*  
Md. Abdus Salam Khan, FCS  
Company Secretary

NOTICE of the 6<sup>th</sup> Annual General Meeting

NOTICE is hereby given that the 6<sup>th</sup> Annual General Meeting of the Shareholders of the BANGLADESH SUBMARINE CABLE COMPANY LIMITED (BSCCL) is scheduled to be held at Captain Cox Ball Room of "Hotel OCEAN PARADISE", Cox'sbazar on 12<sup>th</sup> October 2014, Sunday at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS

Agenda #	1	To receive and adopt the Directors' Report and the Audited Financial Statements for the year ended on 30 June 2014 together with Auditors' Report thereon.
Agenda #	2	To declare dividend for the year ended on 30 June 2014.
Agenda #	3	To elect Directors as per article # 120, 121 and 122 of the Articles of Association of the Company.
Agenda #	4	To appoint Auditors for the Financial Year 2014-2015 and fix their remuneration.
Agenda #	5	To approve the appointment of the independent Directors of the Company.
Agenda #	6	To approve borrowing from Bank/FI to implement SMW-5 consortium project.

SPECIAL BUSINESS

		To consider, and if thought fit, to pass, with or without any modification, in the article # 148 related to appointment of the Managing Director of BSCCL in Articles of Association of the Company.
Agenda #	7	Existing article # 148 Quote "Subject to the provisions of sections 109 and 110 of the Act, the Board of Directors shall appoint a Managing Director who will be the Chief Executive of the Company on such terms as the Board may determine." Unquote  Proposed article # 148 Quote "Subject to the provisions of section 109 and 110 of The Companies Act, 1994.  The Managing Director who will be the Chief Executive Officer of the Company shall be nominated by the Government, which shall be approved and appointed by the Board of Directors. Such appointment should be approved by the Shareholders of the Company in the General Meeting." Unquote.

All the Shareholders are requested to kindly make it convenient to attend the AGM.

BY ORDER OF THE BOARD

*Md. Abdus Salam Khan*  
Md. Abdus Salam Khan, FCS  
Company Secretary  
Phone: 8876740, Cell: 01552266905  
E-mail: salam@bsccl.com.bd

Dated: Dhaka  
14 September 2014

NOTE:

- The Shareholders whose names were appeared in the Share Register of the Company or in the Depository Register on the Record Date i.e. 04 September 2014 will be entitled to attend at the Annual General Meeting and to receive the dividend.
- Members entitled to attend at the Annual General Meeting may appoint a Proxy to attend and vote on his/her behalf. The Proxy form must be affixed with requisite revenue stamp and must be submitted to the Registered Office of the Company not less than 48 hours before the time fixed for the Annual General Meeting.
- Admission to the meeting room will be allowed strictly on production of the attendance slip sent with the Notice as well as verification of signature of Member (s) and/or Proxy-holders (s).
- No benefit in cash or kind other than in the form of cash dividend or stock dividend, shall be paid to the holders of equity securities in terms of Notification No. SEC/CMRRC/2009-193/154 dated 24 October 2013 for attending the AGM of the Company.
- Members are requested to submit to the Company's Share Office on or before 30<sup>th</sup> September 2014, their written option to receive dividend. In case of non-submission of such option with the stipulated time, the mode of dividend payment will be determined by the Company.
- The respective Shareholders are requested to update their BO ID Information through Depository Participants (Member/Broker) by inserting 12 digits taxpayer's identification Number (e-TIN) for deduction of tax from cash dividends @ 10%. Failure to furnish e-TIN by 30<sup>th</sup> September 2014, tax deduction @15% would be applicable.
- The Annual Report will be sent by Courier to all members and it is also available in the Company's website at www.bsccl.com.bd

COMMUNICATION Worldwide

Our Vision:

To be the premier company as Submarine Cable Telecommunications service provider in nationwide bridging the digital divide and bringing internet to the door steps of the rural people of Bangladesh at affordable price.

Our Mission:

- To provide uninterrupted and quality broad-spectrum telecommunication services in transparent and competitive manner using state-of-the-art technology.
- To provide Bandwidth services for all kinds of international voice and data circuits through the submarine cable and optical fiber networks.
- To connect Bangladesh to the global information super highway.
- To strengthen the national ICT sector.
- To help the people of Bangladesh getting full benefit of all the Telecommunications & IT related services.

Our Strategic Objectives and Core Values:

- To provide subscribers easy access to an effective national and global telecommunication network.
- To provide triple play communications facilities comprising data, voice and video.
- To ensure high quality international traffic handling at lower cost.
- To flourish as a viable company and to meet the increasing demand of bandwidth.
- To achieve well-balanced growth of bandwidth in the country so that we can attain a "Digital Bangladesh" by the year 2025.
- To earn large revenue for the Government of Bangladesh through the sales of spare bandwidth to the domestic as well as international market and adoption of a dynamic and evolved business plan.

Background of the Company:

Bangladesh Submarine Cable Company Limited was originated and incorporated after separating from erstwhile BITB with assets situated at Jhlongha, Cox-Bazar named the Landing Station and the equipments thereon and subsequently the equipment installed in Head Office at 191, Tagaon-Gulshan Link Road, Dhaka-1208. Before the separation the whole project named "Establishment of International Telecommunication System Through Submarine Cable" was undertaken by BITB 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 to complete the whole project smoothly.

A vendor's agreement was signed between the representatives of GoB and the BSCCL on 30<sup>th</sup> June 2008 incorporating a statement showing a net worth of the company subtracting the liabilities from the assets. The balance is treated as Net worth payable to the Govt. in share capital. BSCCL obtained IIG License and the relevant equipment have been installed in Head Office, Regnum Centre, 191, Tagaon-Gulshan Link Road, Dhaka-1208 and this IIG was installed with the Company's own fund.

CORPORATE Information

Registration No:

C-7895(4351)/08 Dated 24-06-2008

Registered Office:

Rahmans Regnum Centre (7<sup>th</sup> & 8<sup>th</sup> Floor)  
191, Tagaon-Gulshan Link Road,  
Dhaka-1208

Website:

www.bsccl.com.bd

Legal Advisor:

Zibran & Associates  
23/3, Tolarbag, Mirpur, Dhaka-1216

Its Address:

Milky & Associates, Nayapattar, Dhaka-1000

Auditor:

ACNARIN, Chartered Accountants  
8/08, Bhabon (Level 13)  
12, Kawran Bazar,  
Dhaka-1215

Milestones:

Memorandum of Understanding (MoU) Signing for Joining SMW-4 Consortium	04 September 2002
Construction & Maintenance Agreement Signing (SMW-4)	27 March 2004
Inauguration of Cox'sbazar Landing Station	21 May 2006
Date of Incorporation of Business	24 June 2008
Vendor's Agreement with Government	30 June 2008
Commercial Launching of Operation	01 July 2008
1st Annual General Meeting	14 December 2009
Memorandum of Understanding (MoU) Signing for Joining SMW-5 Consortium	28 December 2011
Inaugurate Upgrade 2 of SMW-4	04 April 2011
Obtaining IIG License	04 March 2012
Listing with DSE & CSE	14 June 2012
Commercial Operation of IIG Line	01 July 2013

Member(s):

SEA-ME-WE 4 (South East Asia Middle East Western Europe 4)  
SEA-ME-WE 5 (South East Asia Middle East Western Europe 5)

Bank(s):

United Commercial Bank Limited (UCBL)  
Tagaon-Gulshan Link Road Branch  
191, Tagaon-Gulshan Link Road, Dhaka-1208

IFIC Bank Limited

Motihel Branch, Dhaka

Small Bank Limited

Roulet Bagha Hotel Branch, Dhaka.

Landing Station:

Jhlongha, Cox'sbazar  
Wakata, Aijpur, Patuakhali

Ethics & Code of Conduct

BSCCL has adopted clearly defined Codes of Conduct ("Code"), which reflects BSCCL's values of integrity, respect, trust and openness. It provides clear direction on conducting business, interacting with the community, government and business partners, and general workplace behavior. It also includes guidance on disclosure of conflict of interest situations, maintaining confidentiality and disclosure of information, good practices and internal control, and the duty to report where there is a breach against the Code. The Codes are properly communicated to all the employees, including the Board members and others acting on behalf, who are strictly required to abide by them. All of them have certified in writing that they have read and understood the Codes.

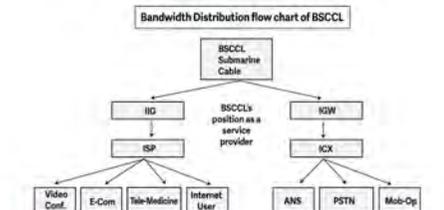
Restrictions on dealings in BSCCL Shares by Insiders

The Company has restricted of trading of BSCCL shares by Directors, Employees and other Insiders. The securities laws also impose restrictions on similar transactions. All the Insiders are prohibited from trading in the BSCCL shares, while in possession of unpublished price sensitive information in relation to the Company during prescribed restricted trading period. Directors and Employees are also required to notify their intention to trade in the BSCCL shares prior to initiating the same.

Product and Services

BSCCL is the root service provider of submarine cable bandwidth and handles country's lone submarine cable and it is also a IIG service provider. Presently, BSCCL is providing the following services:

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



## PERFORMANCE at a Glance

### Business Performance

BSCCL has been maintained sound business performance with an upward trend except in the year 2013-14. The BSCCL's capacity and utilization level of bandwidth by the company is presented as follows.

Particulars	2013-14	2012-13	2011-12	2010-11
Capacity (Gbps)	200.00	200.00	146.83	44.60
Utilization (Gbps)	22.50	38.75	26.00	21.86
Capacity Utilization (%)	11.25	19.38	17.70	49.00

### Financial Performance:

BSCCL has been maintained sound financial performance over the years except during the year 2013-14. The comparative financial performance for the last five years is given below:

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
Revenue (Amount Tk. in mil.)	753.75	1,248.38	1,214.52	837.79	603.37
Growth in Revenue (%)	(38.62)	2.79	44.96	38.85	38.40
Operating Cost of Sales Growth (%)	24.97	16	21.63	(2.38)	(6.72)
Gross Profit Margin (%)	68.70	84.88	86.60	84.03	70.06
Operating Profit Margin (%)	42.25	72.34	74.95	73.25	64.04
Net Profit Margin (%)	48.07	69.86	61.32	36.42	57.44
Return on Average Asset After Tax (%)	7.68	19.13	20.95	12.31	15.33
Return on Average Equity After Tax (%)	9.05	23.99	30.67	22.02	31.71
Return on Average Capital Employed (%)	11.28	26.60	27.25	26.36	19.59
Operating Cost to Revenue Ratio (%)	31.30	15.12	13.40	15.97	23.94
Administrative Expense to Revenue Ratio (%)	10.72	4.53	2.68	2.99	4.21
Finance Cost to Revenue Ratio (%)	-	-	2.10	3.40	5.18

## BOARD of Directors of BSCCL

### Chairman

**Mr. Md. Faizur Rahman Chowdhury**  
Secretary, Posts & Telecommunications Division, Ministry of Posts, Telecommunications & Information Technology (MoPT & IT)

### Directors

**Mr. Jalal Ahmed**  
Additional Secretary  
Ministry of Finance.

**Dal. Md. Aswin Talukder, PSC**  
Council Staff  
Army Headquarters, PG Director  
Dhaka Canton.

**Dr. Md. Mahabubul Alam Jovanir**  
Director & Professor  
Institute of Information Technology  
University of Dhaka.

**Mr. Md. Mowmen Hossain**  
Managing Director  
Bangladesh Submarine Cable Co. Ltd.

**Mr. Md. Feroz Salah Uddin**  
Additional Secretary  
Posts & Telecommunications Division, Ministry of Posts, Telecommunications & Information Technology (MoPT & IT)

**Mr. Rabbidra Nath Roy Chowdhury**  
Joint Secretary  
Ministry of Science & Technology

**Mr. Navin Uddin Ahmed**  
Council Member & Past President,  
ICAR and Independent Director, BSCCL

**Mr. Mohammad Shahjahan Khan**  
Member  
Dhaka Chamber of Commerce & Industry  
and Independent Director, BSCCL.

## BRIEF Description of Chairman



**Mr. Md. Faizur Rahman Chowdhury**, Secretary, Posts & Telecommunications Division, Ministry of Posts, Telecommunications & Information Technology (MoPT & IT) was born in an aristocratic Muslim family of Mohajir Upladdi of Natrakona District on 15th December 1959. He is the proud son of Late Mr. Saqdur Rahman Chowdhury and Akka Khatoon Chowdhury. Then they used to stay at Akka Villa of Mohajir Upladdi, Sadar. He has completed his SSC & HSC from the Railway Government High School, Mymensingh and the Aurang Mahomed Govt. College, Mymensingh respectively. He did his LL.B (Hons) and LL.M in 1981 & 1982 respectively from the University of Dhaka. He is married and has two children. He is a member of the then Council District.

In his career he has served several important positions of the State such as Upazila Magistrate, Upazila Nirbahi Officer, Additional District Magistrate, Deputy Secretary, Joint Secretary and Secretary of the Anti-Corruption Commission. He joined as the Secretary, Posts & Telecommunications Division on 22 July 2014. In his career he has participated in various trainings, seminars and workshops both in home and abroad. In the year 2014, he is married and has two children. He is a member of the then Council District.

## BRIEF Description of Directors



**Mr. Md. Feroz Salah Uddin**, Additional Secretary, Posts & Telecommunications Division, Ministry of Posts and Telecommunications (MoPT) was born in 03 May 1958 in the M.C. from Chittagang University and MBA from Northern University, Dhaka. He joined in Bangladesh Civil Service (BCS) in 1983 and belongs to BCS (Administration) Cadre 1983. He is a man of soothing personality and possesses a glorious diversified career. He started his career as Magistrate and in the field he served in different districts in different capacities including the position of Deputy Commissioner of Narail. Then he posted in Bangladesh Secretariat as Deputy Secretary in the year 2006 and worked in different ministries, divisions and departments.

He joined in Posts and Telecommunications Division, Ministry of Posts, Telecommunications and Information Technology (MoPT & IT) as Additional Secretary on 04/02/2014. During his long and varied career he has served the country by applying his progressive leadership, enlightened thinking, outstanding talent and impressive potentials being motivated by full of patriotism, commitment, dedication and conscience. He is involved in different social work including 'Scoring in national level' he was awarded 'Aparajit Bank Literature Prize' for his contribution in writing for the children. After joining in the Bangladesh Civil Service Mr. Salah Uddin took part in different training programs in home and abroad. As part of his job he attended in different meetings, seminars, workshops, study tours in abroad.

## BRIEF Description of Directors



**Mr. Jalal Ahmed**, Additional Secretary, Ministry of Finance & Director, BSCCL was born on January 03, 1951. He obtained Masters Degree from Dhaka University. He was promoted to the rank of Additional Secretary to the Government in October 10, 2011. He joined Ministry of Finance as Additional Secretary in September 2010. He was trained on various administrative and financial affairs inside and outside the country. Apart from being a Director of the Bangladesh Submarine Cable Company Limited, he is representing Finance Division in British American Tobacco, Bangladesh Telecommunication Company Limited, Bangladesh Services Limited, JFC Bank Ltd. & BFC as a Director. He joined Bangladesh Civil Service (Administration) Cadre in 1983. Mr. Ahmed was Vice Chairman of Export Promotion Bureau (EPB), the Trade Promotion Body of the country (August 2010 - October 2010). During that period, the country attained export growth history (i.e. 45.7%) which has not happened ever before. Earlier he was Chairman, Bangladesh Oil, Gas and Metals Corporation (BOGOC), one of the largest Public Enterprises of Bangladesh.



**Mr. Rabbidra Nath Roy Chowdhury**, Joint Secretary MoPT & Director, BSCCL was born on September 02, 1954. He was working as Joint Secretary (Development) in the Ministry of Science and ICT in the year November 2009 - December 2010. He served as Joint Secretary (Environment) in the Ministry of Environment and Forest (3 years), October 2005 - October 2009 and also worked as Deputy Commissioner (IC) in the District of Nilphamari (2004-2006). He obtained BA (Hons) English & M.A (English) degree.



**Colonel Md. Aswin Talukder, PSC** Director, BSCCL was born in an aristocratic Muslim family of Salar Upladdi of Tangail District on 14 December 1958. He was commissioned in the Corps of Signals of Bangladesh Army on 22 December 1980 with 2nd Bangladesh Military Academy Long Course. He is a graduate from Chittagang University and also from Bangladesh University of Engineering and Technology (BUET) in Electrical and Electronics Engineering. He also completed his Masters of Defense Studies (MDS) in 2003. Colonel Md. Aswin Talukder, PSC is also a graduate of Defense Services Command and Staff College (DSCSC), Muzaffargarh. He also completed Civil Command Course from Military College of Signals, Rawalpindi, Pakistan. He also attended courses/training on Microwave Communication, Optical Fiber Communication, High Frequency Communication, Digital Switching and Radio Relay Communication.

Colonel Md. Aswin Talukder has a unique mix of three types of appointment of Bangladesh Army i.e. Command Staff and Instructor, As Major he commanded State Signal Company, Sagar Cantonment and as Lieutenant Colonel he commanded 10 Signal Battalion in Dhaka Cantonment. As Lieutenant Colonel he also served as General Staff Officer-in-Chief (General Staff Officer) and Headquarters Army Training and Doctrine Command (ARTDC). He was also a member of Spectrum Management Committee (SMC) of BUET. He also worked as National Telecommunication Monitoring Centre (NTMC), Dhaka. During his long military career he has served Bangladesh Army by applying his leadership qualities, rich technical knowledge in IT and telecommunication, progressive and positive thinking, and impressive potentials being motivated by full of patriotism, commitment, dedication and conscience.

Colonel Md. Aswin Talukder, participated in Two United Nations Mission namely United Nations Mission in Congo (MONUC) as Military Observer in 2004 and United Nations Mission in Sudan (UNSMIS) as Chief Operations Officer in 2010/2011. He also attended a seminar on Emergency Management in Australia in 2008. He is a widely travelled person and travelled Australia, Belgium, China, Congo, Dubai, France, Germany, Iceland, Hong Kong, Korea, Malaysia, Pakistan, Poland, Rwanda, Switzerland, Thailand, Sudan, South Sudan and Uganda. Presently he is serving as General Staff of Personnel Services Directorate of Army Headquarters, Dhaka Cantonment, in addition to his current post he is also nominated to be a Director of Bangladesh Submarine Cable Company Limited (BSCCL).

## BRIEF Description of Directors



**Dr. Md. Mahabubul Alam Jovanir**, Director, BSCCL is a Professor of the Institute of Information Technology (IIT), University of Dhaka and trustee member, Rajshahi Science and Technology University. He also served as Director of the Institute of Information Technology (IIT) and as a Professor of Rajshahi Muslim Hall, University of Dhaka. He received a B.Sc. in Applied Physics & Electronics from Dhaka University in 1990, and an M.Sc. from the same University in 1991. He received his Ph.D. in Computer Science & Engineering (Information Systems) from the University of Waterloo, Canada in 2002. From 2002 to 2007, he was the IT Partners in Learning advisor of Microsoft Bangladesh Ltd.

Last few years, he successfully implemented some projects for the betterment of the Dhaka University. One is remediation of the two modern computer lab with the assistance of ICACA at its Institute, Institute of Information Technology (IIT), University of Dhaka and another one Computer Network for Dhaka University under the guidance of University Grants Commission of Bangladesh funded by World Bank. As an independent consultant he completed many projects, two most successful projects are Public Investment Management (PIM) of Planning Commission (PC) Programming Division and making a report which is intended to provide objective assessment of the current IT Systems and Architecture, and to make concrete, practical recommendations for improvement funded by World Bank, SGR, for works funded by Swiss University, Zolpax.

Now, he is also serving as Director of Bangladesh submarine cable company limited. His research interests center on improving the understanding, design and performance of computer systems, recognition systems, computer simulation of complex systems and risk factors in software engineering. He has also published more than 33 research papers and 07 books in his field. He serves as a reviewer in many peer to peer national and international conferences and journals. He has given numerous invited talks and tutorials, and consulted to companies involved in internet technologies home and abroad.



**Mr. Mohammad Shahjahan Khan**, Independent Director, BSCCL is the President of Dhaka Chamber of Commerce and Industry (DCCI), the pioneer and largest Chamber in the country. Mr. Khan is highly educated and a well known business personality. He is engaged in shipping, trading and housing business. He is a well traveled person and visited many countries of the world for the business promotion of Bangladesh. He is associated with various trade & social organizations in different capacities both in home & abroad.



**Mr. Md. Aswin Talukder, PSC**, Independent Director, BSCCL is a Chartered Accountant by profession, who passed C.A. in 1987 from ICAR. He was awarded ICAR Medal for his outstanding performance in CA intermediate examination. He worked for more than two decades in two BSCCLs, British American Tobacco Bangladesh and Cable Bangladesh, who left corporate jobs in 2010 as Finance Director of Cable Bangladesh Ltd. and subsequently started public practice.

He was the President of the Institute of Chartered Accountants of Bangladesh (ICAB) in 2009 and has been a Council Member of ICAB since 2001. He was Vice President twice in 2003 and 2004. He was a Board Member of South Asian Federation of Accountants (SAFA), based in Delhi, India.

He is closely involved in various academic activities of ICAR and ICBA. He is a fellow member of both ICAR and ICBA. He is also member of various professional institutions at home and abroad. He regularly attended on TV, radio, Internet Capital Market as an expert in its discipline.

He held the Position of Board Director in many companies and organizations namely, Bangladesh Commerce Bank Ltd., Dhaka Stock Exchange Ltd., BTCL, Chota Bangladesh Ltd., Carty Dhaka Bangladesh Ltd., Commerce Bank Bangladesh and Investment Ltd. etc. He was also Chairman, Board Audit Committee of Bangladesh Commerce Bank Ltd and Commerce Bank Securities and Investment Ltd. Currently he is also in the Board of Leads Corporation Ltd and Color City Ltd.

He worked as a member of Expert Panel and Jury Board of Dhaka Stock Exchange Ltd. He was General Secretary of Dhaka University Accounting Alumni and served for a term of two years. He holds a first class in Bachelor of Commerce with Honors in Accounting and also Post Graduation in the same subject from University of Dhaka. He is currently a Partner of MAAS & J Partners, Chartered Accountants.

## MANAGEMENT Team

**Mr. Mowmen Hossain**  
Managing Director

**Mr. Abdul Salam Khan, PSC**  
Company Secretary

**Parvez Monon Ashraf**  
DGM (Bandwidth Planning)

**Mohammad Zakirul Alam**  
DGM (Customer Care)

**Abdul Wahab**  
DGM (IS Operation)

**Nazia Hassan**  
Manager (Development)

**Muhammad Tajul Islam**  
Manager (Account)

**Anifur Rahman**  
Manager (IS)

**Mohammad Anisul Islam, ACS**  
Manager (Share)

**Mr. Md. Jahangir Alam**  
Project Director (SAP) Project

**Shukanta Kumar Debnath, ACA**  
DGM (IT & A)

**Mr. Md. Shakawat Hussain**  
Manager (Maintenance)

**Muhammad Shob Ali**  
Manager (Bandwidth Planning)

**Mohammad Shahadat Hossain**  
Manager (Audio)

**Subrom Kishor Das**  
Manager (IS&IT)

**Mr. Md. Soriful Haque**  
Manager (Operation)

## BRIEF Description of Top Management



**Mr. Md. Mowmen Hossain** was appointed as a Managing Director in BSCCL, effective from October 01, 2009. Before joining BSCCL, he was the SA/PS of Submarine Cable Project of BTCL. He was working in Dena (H) years on Law Firm BTCL. He was the sole responsible Engineer declared as the best engineer of the month (May 1995). He joined the BTCL in 1979 as BCS Telecom Engineer and held several managerial position and international assignments. He has extensive experience over 33 years in his career. He obtained his B.Sc. (Engineering, Electrical & Electronics Engineering) degree from Bangladesh University of Engineering & Technology (BUET). He obtained his MBA (Marketing), Mr. Hossain started his career as a teacher of Rajshahi University of Engg. & Technology (RUET) since 1981 till the year 1978 in 1978.



**Mr. Abdul Salam Khan, PSC** was appointed as a Company Secretary in BSCCL, effective from September 15, 2008. Before joining BSCCL, he was the Senior Deputy Company Secretary in GDF Finance and he also worked in Sabana, Truista and Hespero group of industries. He has extensive experience over 27 years in his career. He obtained his M.Com in Accounting from Dhaka University and MBA (Major in Finance) from Daffodil International University. He passed a CA, Intermediate examination from the Institute of Chartered Accountants of Bangladesh. He is also a Fellow Member of Institute of Chartered Secretaries of Bangladesh. He attended in different meetings, seminars and workshops in home and abroad.



**Mr. Parvez Monon Ashraf, Deputy General Manager (Bandwidth Planning)** has been working with BSCCL from February 8, 2009. Before joining BSCCL, he worked as a Technical Consultant in Expor (US, Inc., USA). He also worked in SMI/USA, PBL (IT Division), Cip-Silva Broadband Limited, DTN Ltd., etc. His professional experience spans over nearly 20 years. He has obtained BSC and MSc degrees (both Thesis in Digital Signal Processing) from the Dept. of Applied Physics, Electronics & Communication Engineering, University of Dhaka and MS in Electrical Engineering (with concentration in Communications and Networking, from Southern Methodist University, USA.



**Mr. Md. Jahangir Alam** is currently posted as the Project Director of SAP/IS Project, through which Bangladesh will be connected with the second Submarine Cable. Mr. Alam was appointed as a DGM (Operation) and he is working with BSCCL since May 06, 2009. Before joining BSCCL, he was working as a Computer Programmer in University Grants Commission of Bangladesh and he also worked as the Premier Bank, Software Shop Ltd. etc. He has extensive experience over 20 years in his career. He obtained his B.Sc. (Engineering (Electrical & Electronic) degree from Rajshahi University of Engineering & Technology (RUET).

## BRIEF Description of Top Management



**Mr. Mohammad Zakirul Alam** has been working with BSCCL since June 04, 2003. He is currently posted as DGM (Development) and with additional responsibility of DGM (Customer Care). Previously he served the Company in various positions such as DGM (Bandwidth Planning) and DGM (Operation). Before joining BSCCL, he worked as Network Manager in Comnet Ltd and he also worked in Digital Data Ltd. He has extensive experience of 15 years in his career. He obtained his B.Sc. (Engineering degree from Bangladesh University of Engineering & Technology (BUET). He also obtained his Executive MBA (Financial degree from North South University (NSU).



**Mr. Shukanta Kumar Debnath, ACA** was appointed as a DGM (Finance & Accounts) effective from April 01, 2011. Before joining BSCCL, he was a Senior Manager (Accounts) in Kapor Thaco Trust and he also worked in ODL Ltd. He has extensive experience over 18 years in his career. He obtained his M.Com in Management from National University and qualified as Chartered Accountant from the Institute of Chartered Accountants of Bangladesh (ICAB).



**Mr. Abdul Wahab** was appointed as a DGM (IS) in BSCCL. He joined BSCCL on September 01, 2010. Before joining BSCCL, he was working in BSCOM Online Limited as Manager (NOC). He also worked in DRNET. His professional experience spans over 14 years. He obtained his B.Sc. and M.Sc. degrees from the Department of Applied Physics, Electronics and Communication Engineering, the University of Dhaka.

Executive Committee

Chairman

**Md Feroz Salah Uddin**  
Additional Secretary  
Public & Information Services Division, Ministry of Posts,  
Telecommunications & Information Technology (MPST I & IT)  
Dhaka, BSCCL

Members

**Dr. Md. Mahabul Alam Jaider**  
Director & Professor  
Institute of Information Technology  
University of Dhaka.

**Md Moswar Hossain**  
Managing Director, BSCCL

Management Committee

Chairman

**Md Moswar Hossain**  
Managing Director

Members

**Md. Abdus Salam Khan**  
Company Secretary

**Pariyat Monon Ashraf**  
Deputy General Manager (D/G)

**Shakanta Kumar Debnath**  
Deputy General Manager (D/G)

Outstanding Realization Committee

Convener

**Md. Abdus Salam Khan**  
ICO, Company Secretary

Members

**Md. Zakirul Alam**  
Deputy General Manager (D/G)

**Tajul Islam**  
Manager (Accounts)

**Shoeb Ali**  
Manager (IT)

**Zahid Hossain**  
Deputy Manager (Marketing)

We believe good Corporate Governance involves openness and trustful cooperation between all stakeholders of the Company, including the owners of the Company-the Shareholders. Information is communicated to the Shareholders regularly through a number of forums and publications. The Company has adopted a detailed policy on information disclosure and communication. In compliance with continuous disclosure requirements, the Company's policy is to inform in a routine manner about all major developments that impact the business of the Company and also being able to make the shareholders informed about all important decisions of the company.

Information Disclosure

In accordance with the disclosure requirements, the Company follows two main forms of information disclosure:

**Continuous disclosure** - Continuous disclosures are the core disclosure and primary method of informing the market and Shareholders;

**Periodic disclosure** - in the form of quarterly, half yearly and yearly reporting of financial results and other issues; and event based disclosure - as and when required, of administrative and corporate developments, usually in the form of stock exchanges & press releases. All information provided to the BSE and Stock Exchanges are immediately made available to Shareholders and the market on the Company's Investor Relations section of the website: www.bsccl.com.bd

General Meeting

The General Meeting is the supreme governing body in BSCCL. The Company recognizes the rights of Shareholders and the Shareholders' interests are primarily exercised through BSCCL's Annual General Meeting (AGM). The Company requires its Board and Auditors to attend each AGM so as to be available to answer Shareholders queries on the activities of the Company.

Website

All financial results, key performance indicators, other relevant financial and non-financial data, Price Sensitive Disclosure etc. are posted on the Investor Relations section of the Company's Web site: www.bsccl.com.bd

Shareholders Queries

Whilst the Company aims to provide sufficient information to Shareholders and investors about the Company and its activities, it also recognizes that Shareholders may have specific queries relating to their shareholding. To ensure that Shareholders can obtain all relevant information to assist them in exercising their rights as Shareholders, these queries may be directed at:

Bangladesh Submarine Cable Company Limited (BSCCL)  
Rahman's Regnum Center (7th & 8th Floor)  
191, Tejgaon Gashan Link Road  
Dhaka-1209  
Phone: 88027992 & 4  
Fax: 8802-8870193

One of BSCCL's principal strengths is the quality and dedication of its employees and their shared sense of being part of a team. Their diverse talents, skills and creative abilities create a broad range of skills and knowledge that underpin Company's work. In order for BSCCL to continue its steady growth, it is essential that it retains key employees and provides an attractive opportunity for new personnel.

A great part of success in the financial services industry depends, more than anything else, on the know-how, experience, talent and commitment of a Company's human capital. For BSCCL to continue the success, the Company must be able to benefit from its strong business principles, its fast moving and entrepreneurial spirit and the broad opportunity for individual and team success. BSCCL places great emphasis on keeping employees informed about the Company's vision, strategy and its future plans. Moreover, the Company provides regular communication to its employees with information regarding current news of events and achievements.

Recruitment

A career with BSCCL demands a high level of diligence and dedication. The work of the Company requires individuals of uncommon ability and to this end efforts have been made in assembling Company's current group of employees. BSCCL consistently seeks to recruit who can strengthen this diversity, but still support its corporate culture. Because the Company has grown and expanded its operations, the number of applications from highly qualified people has increased indicating interest from people who are attracted by Company's distinct position and ideology. BSCCL believes that having a broad range of age and experience in its workforce helps the Company meet the varied needs of its clients. This is reflected in the structure of the workforce. BSCCL places a special emphasis that new positions are filled by the most accomplished candidates, in the terms of their education, experience and ability.

BSCCL's recruitment strategy is based on attracting highly qualified candidates through employee networks, selective head hunting and advertisement. Sub-Committee is responsible for recruiting diverse talent. The Human Resource Department is an important unit in achieving this.

Career and Development

BSCCL comprises a league of enterprising women and men who are distinguished by their initiative, diligence, imagination and ambition. The Company's network is driven by a sense of teamwork and solidarity that transcends Company's boundaries. The people of BSCCL are part of a culture of integrity and leadership; they have an active role to play in the Company. They form a community in which people's potential and talents are cultivated with the aim of establishing lifelong careers. High quality employees are trained and fostered with the goal of developing tomorrow's leaders.

Job satisfaction and retention

BSCCL seeks not only to attract the most qualified personnel but to retain them by creating a superior working environment and attending to their needs. To ensure success for the Company as a whole, employees are encouraged to engage in synergistic teamwork, and every effort is made to facilitate communication and flow of information. Employee initiative and responsibility are promoted through challenging assignments where rewards are determined by results.

Employee turnover at the Company was at a comparable level to the previous year. The total turnover rate for the Company was around zero percent, which is largely dependent on external factors.

Incentives

By rewarding good results, BSCCL encourages its people to fulfill their potential and in this way support the optimal performance of the Company. The system of profit-sharing in the form of profit bonus exemplifies how the Company works as a community and by the same token, it is made to facilitate communication and flow of information. Employee initiative and responsibility are promoted through challenging assignments where rewards are determined by results.

Transport

Transport facilities are provided to the top executives; moreover, adequate allowances are given to other employees for their transportation.

Provided Fund

Both employees and company contribute @ 10% of basic salaries to employees' Provident Fund.

Gratuity Fund

Employees who have served more than five years shall be entitled for gratuity facilities.

Workers Profit Participation Fund

The company maintains Workers Profit Participation Fund as per Labor Law by transferring 5% of Net Profit Before Tax.



Finance Minister Abul Muihit is handing over ICMA Best Corporate Award to Mr. Md. Abulbasak Secretary, Posts & Telecommunication Division of MPSTTT



Best Corporate Award 2013



3rd View of 2nd Submarine cable landing station



Implementation of 2nd Submarine Cable Landing Station at Khalka in progress

Photograph of 5th Annual General Meeting 2013



Message from the Chairman

Dear Shareholders, Colleagues, Ladies and Gentlemen

I welcome all the shareholders to this 5th Annual General Meeting (AGM) and already forwarded the Annual Report containing audited Financial Statements and Reports thereon for your consideration and approval.

I believe that the Company is under a capable Management with full support and contribution of you all and the Board of Directors that soon the company will achieve high degree of prosperity. I also feel obliged to unambiguously mention the other contributors including, but not being limited to, the Mo/TA/IL, SEC, DSE, CSE, CDBL, RSC, Banks, Financiers, Insurers, Distributors, Patrons and the Society at large who consider the Company as their own. The Company is holding high position among the peers with outstanding contribution to the society with quality bandwidth for data and voice communications. All these make the Company a unique one in the Country's Corporate Register.

The growth rate of GDP despite continued recession in the West/Developed economic, is on an average is more than 6% per annum. Investment in diversified telecom business seems to be inevitable for the economic growth of the Country.

I wish sincerely about the strong economic growth of this Company and strongly believe that its gradual development and market stability would raise it to a reasonably high level in the years to come. As you all know that the Company is doing a second Submarine Cable with Taka 658 crore and as such the company has a very strong future for business of Bandwidth in Bangladesh is ahead.

Thanking you all and wish you a good health and safe return home.

**Md. Feroz Salah Uddin**  
Chairman, BSCCL



Message from the Managing Director

Dear shareholders, Colleagues, Ladies and Gentlemen

We are thankful for your kind participation in the 5th AGM of the Company. The last financial year 2013-2014 BSCCL had faced some extra challenges like price reduction for bandwidth, opening of new business (IP Transit), bandwidth export to neighboring countries and a huge investment on our second submarine cable project. As you know we are going to invest about \$3.5 million USD (Tk. 688 Cr.) Our IP Transit sale is getting a new impetus after the price reduction.

I have no hesitation to mention that the Company this year, has taken conservative approach for dividend package for all shareholders of this company. We sincerely hope that we shall do much better in the coming year. The hope includes (i) Major states of Bangladesh sale (ii) Export of Bandwidth to Argentina (iii) Sales proceeds. For our new project in Kazakhstan, let me brief you the latest situation. Earth filling and boundary wall is almost complete in new Landing Station at Kizilkata and now contract is being signed for construction of the functional Building, this second cable will provide not only redundancy to the existing SMW-4 cable but also would add about 800 Gbps additional bandwidth for the country. We have several proposals of export of unused bandwidth to our neighbors. Let us work together and put our efforts to achieve prosperity of this company. We have good chances to go ahead and now it is required to utilize these possibilities with your cooperation and our hard work. Thank you all for your kind presence and patient hearing.

**Md. Moswar Hossain**  
Managing Director

Dear Shareholders

The Board of Directors of Bangladesh Submarine Cable Co. Ltd. (the "Company") welcomes you at the 5th Annual General Meeting of the Shareholders. We also take the pleasure in presenting the operational activities and the audited financial statements for the year ended on 30 June 2014 together with the report of the auditors thereon.

Economic Scenario and Prospect of the Industry

The economy of Bangladesh has flourished at a growth rate of more than 6% annum in the last few years. Amidst a recessionary trend throughout the world Bangladesh is among the first few countries in Asia according to growth rate. The industrial, manufacturing and service sector is gaining importance in the economy with time. Economic growth is rather indigenous with remarkable growth of foreign direct investment (FDI) in telecom, gas and power sectors.

Bangladesh in the recent years earned special mention in comparison with other South-Asian countries in terms of poverty alleviation, decreasing child mortality rate, recognition of women's rights, per capita income, the expectancy of the people receiving digital divide, literacy rate and some other indices. It has already achieved some of the Millennium Development Goal (MDG) before the stipulated time frame. It is improving at a good pace in terms of infrastructure development in road transportation, communication, power supply and water distribution. In the last few years it has seen tremendous development in the ICT sectors also. In the era of globalization, telecommunications and information technology are very important and can play a vital role to boost the economy. For Bangladesh also, a strong telecommunication sector had been one of the most important development goals for the Government. In the starting era of international long-distance telecommunications in the country, we had satellite connectivity through earth stations in Sylhet, Tazadad, Bostonia and Mohalshah. However, the advent of the personal computers, mobile communications and networking has created a new era of telecommunications which gave rise to extensive use of personal communication systems and internet resources. In a densely populated country like Bangladesh, telecommunication can be very important to improve the skills and thus boost up the socio-economic level of the people. Since the 1990s to today, the growth in mobile telephony has become quite significant and the number of mobile subscribers has reached 115 crore. Broadband internet services are spreading gradually as Government is taking special projects to bring school and colleges under internet service and also reducing prices to internet service cost to an affordable range for the common people. Presently, Bangladesh has more than 1.5 crore internet users. As a result of connecting with submarine cable system there were rapid expansion of the broadband internet industry. The Submarine Cable would have to be considered the provider of core Telecommunications service in the Country. The service provided by the Submarine Cable represents the Ultra High Bandwidth with high quality of service (QoS) international communication between Bangladesh and the rest of the world. Because of the Submarine Cable, internet traffic for both Voice and Data has increased exponentially in Telecommunication industry of Bangladesh and various service providers such as ICL, IGAR, BWA, etc. have been benefited. Keeping the "Vision 2021, Digital Bangladesh" in view, the Government of Bangladesh has exclusive plans to extend the broadband internet and telecommunication facilities for the benefits of the people as embodied in Government's IUTS (International Long Distance Telecommunication Services), Broadband and ICT Policies; the Broadband Penetration rate required to be pulled up from 7% (2011) to 30% within year 2021 (2013), and the union countries are needed to be under the broadband network, by 2013, about 1.7 million educational institutions (schools and colleges) will be provided with broadband connections, etc. To implement the policies and the Vision 2021, a large amount of bandwidth needs to be made available to the Government which will be provided by the Submarine Cable. 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 telecommunication infrastructure for the country for international communications. The information carrying capacity and reliability of the submarine cable is very high, and the latency is very small, so the network of submarine cables around the earth has made today's broadband internet very fast. Now-a-days, a vast majority of the international traffic is carried by the submarine cables. Thus, there is a good demand for the optical submarine cable links and these have become rational assets to the owner countries.

Business Operations and External Environment

Bangladesh Submarine Cable Company Limited (BSCCL) is a core Telecommunications service provider through the international Submarine (Fiber optic) Cable. The service provided by BSCCL represents the Ultra High Bandwidth through Submarine Cable 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 telecommunication infrastructure of the country for international communication.

Currently, BSCCL is the prime provider in the Submarine Cable Telecommunication sector and is the sole supplier of bulk bandwidth. It has secured the permission from the Government of Bangladesh for providing services through the submarine cable. The IG and IGW companies are taking lease of bandwidth from BSCCL, according to the tariff system approved by the Government and based on the license guidelines, terms & conditions and regulations of the Government.

Six (6) International Terrestrial Cable (ITC) licenses have been issued by Bangladesh Telecommunication Regulatory Commission (BTRC). ITC license holder shall interconnect with neighboring countries and offer PLC services. Home, ITI, license holders are the main competitors of BSCCL and they are providing substantial bandwidth to the customers through terrestrial links with India for which the usage of submarine cable bandwidth is declining mainly due to price factor. To remain competitive in the market, BSCCL has made a proposal for price reduction which is awaiting Ministry's approval for implementation.

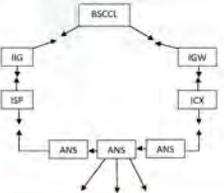
BSCCL got IG license from BTRC and started commercial operation from 1st of July 2011. We are expecting more revenue earnings for the company by introducing this new service.

Under the purview of the Submarine Cable License BTRC has given permission to BSCCL, for provisioning IP Transit to the IGW. BSCCL has launched this new product as white-label bringing in large bandwidth both from the East and West directions.

**Product Line**

BSCCL is authorized to sell or lease bandwidth and provides IP Transit Service in the following within the framework of the Licensing Guidelines and with the approval of the Bangladesh Telecommunication Regulatory Commission

- 1. IIG (International Internet Gateway) Companies.
- 2. IGV (International Voice Gateway) Companies.
- 3. ISP (Internet Service Provider) Companies.
- 4. Any other corporate users interested in ITC connections with substantially large bandwidth.



**Capacity Utilization and Upgrade of SEA-ME-WE-4 Consortium**

As a member of SEA-ME-WE-4 consortium, Bangladesh started with 75 Gbps bandwidth in the year 2006. Through upgrade 1.6 T, we received some bandwidth as a member country without any investment and our bandwidth capacity increased to 44,000Gbps in 2008. BSCCL participated in Upgrade 1 of SEA-ME-WE-4 consortium to achieve additional around 8 million MU per capacity by investing Taka 48 crore from its own sources. Additional capacity has already been added with existing capacity and total bandwidth capacity of BSCCL reached to 200 Gbps and whole country is now using 22.50 Gbps from Submarine Cable.

**Market Risk**

One of the major market risks for BSCCL is new competition. BSCCL, handles the only submarine cable of Bangladesh however the government has recently awarded license to six companies for International Terrestrial Cable (ITC). As a result, some of the existing clients might switch from BSCCL to new vendors to get bandwidth option. Companies who have been awarded the license are Nicomex Limited, Asia-AHL JV, BD Link Communication Ltd., Manag Telecoms Ltd., Sumati Communications Ltd and RingFlow Limited. ITC establishments are already operational from mid 2013. However, it is expected that the ITC operators will not be able to offer services at relatively competitive prices since they involve long transmission cost from Montreal and Chicago. The quality of bandwidth will be also better in Submarine Cable System. Therefore the exposure of market risk remain low for the company. In the recent days, the ITC companies were in a utility price war and pulled the market stability. BSCCL has actively reduced their bandwidth prices to match the market prices. Very shortly, the new rates could be implemented after approval of the Govt.

**Operational Risk**

Presently Bangladesh has only one submarine cable system, and if the submarine cable is cut, the country would suffer adversely in terms of voice and data communication for at least 7-10 days till the cable gets repaired. Although some relative neighbourhood communication through satellite system and ITC will be available, they will be less in quantity. However, the company can cope with such a situation through diversion facilities available through other submarine cables and therefore operational risk associated to the concern remains low.

**Financing Risk**

BSCCL is in a monopoly position in the submarine cable market; therefore it is not financially flexible to change the price of their service when required. However, BTRC is the regulatory body that controls the price. Government and stakeholders are creating pressure to reduce ITC charges which might reduce the total revenue to the company. So, the pricing risk for the company is in place. Such reduction impacts adversely on the revenue generation of the company. However, the company has intended to adjust price versus volume to address this risk and keeping exposure towards the risk at an acceptable level.

**Extra Ordinary Gain (Loss)**

There was no extra ordinary gain by the company during the year under reporting.

**Utilization of Proceeds from IPO**

The company received Taka 98.5 crore proceeds from IPO and spent Taka 5.77 crore for IPO expenses. The remaining amount of Tk 92.73 crore has been utilized for payment of 1st installment of SEA-ME-WE-6 Project which was approved by the shareholders of the company in the 26th AGM.

**Significant Variance of Financial Statements**

Revenue as well as net profit after tax has been declined significantly in the financial statements during the year ended on 30 June 2014 due to entering new competitors in the business.

**Remuneration to Directors:**

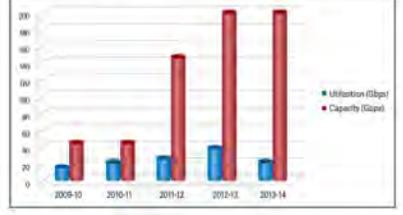
During the financial year 2013-2014 Taka 6,80,700 (including VAT) was paid as Directors Remuneration for attending Board of Directors Meeting.

**Appointment of Managing Director:**

The current employment contract of the Managing Director Mr. Md. Mowar Hossain will be expired on 30 September 2014. The process of appointment of the Managing Director has already been started and it is expected that a Managing Director will be appointed in due course.

**Capacity and utilization chart are given below**

	2009-10	2010-11	2011-12	2012-13	2013-14
Utilization (Gbps)	15.20	21.86	26.00	38.75	22.50
Capacity (Gbps)	44.60	44.60	146.93	700.00	700.00



**Establishing 2nd Submarine Cable (SEA-ME-WE-6 Submarine Cable System)**

Submarine Cable is regarded as the main Telecommunications infrastructure for any country and it is one of the most important components for building a Digital Bangladesh by the year 2025. Bangladesh is connected to the SEA-ME-WE-4 submarine cable system through a branch cable from Cox's Bazar to the main cable in the deep sea. Due to natural calamities and other technical reasons, existing submarine cable is vulnerable to disruption due to cutting up of cable and other incidents such as repeated failure of line outage. Therefore, an alternative submarine cable was a necessity to add redundancy to the existing submarine cable network as well as for route diversity of International Circuits.

Ministry of Posts, Telecommunications & Information Technology (MPTAIT) awarded BSCCL to join the SEA-6 Submarine Cable consortium. BSCCL signed Construction & Maintenance Agreement (CAMA) on 7 March 2014 to join in the SEA-6 Consortium.

**Objective of the Project:**

- a) The main objective of the project are:
  - i) to be a part of developing an alternative submarine cable link, which will cater for complete redundancy if the SEA-ME-WE-4 submarine cable is disconnected.
  - ii) to diversify the route for submarine cable to additional destinations.
  - iii) to add additional capacity by providing redundancy circuit to the clients.
  - iv) to achieve larger bandwidth for the country.

**Credit Rating of the Company**

Credit Rating Information & Services Limited (CRISL) has rated BSCCL consecutive 3 years as "AAA" in the long term and "S1+" in the short term, both Government and Standalone basis. The above ratings will be assigned after due consideration to be good fundamental such as excellent Government ownership, strong equity base, good financial and operating performance, sound liquidity, experienced management team and diversified business.

**Human Resources Policy**

Total approved human resource of the company stood 170 under the new program and at present working staff are 74 on 30 June 2014. Among the employees 34 are in the Officer Level and 40 are support staff. Compared to the offices, the number of staff has been found to be on the higher side. Again the company has 63 permanent, 11 contractual employees. The company has separate service regulations approved by the Board. There was no employee turnover of the Company during the reporting period. After reorganization in 2008, only two employees resigned from the Company. The Company provides festival bonus, profit bonus, provident fund, gratuity to all employees and hospitalization benefits after due analysis of cases. The performance of the employees is evaluated on regular basis which is the key factor for promotion.

**IT and GIS**

As an IT based telecommunication, BSCCL has been operating with a good IT infrastructure for the sake related with technology. BSCCL has SSERP's and Geo-GIS/OLY 3.11 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 active submarine system. The Company has Network Operation Center (NOC) modules like Trouble Ticket, Inventory Management, System Status, Restoration Status, Termination Status, Modem etc. Other supporting tasks are less complicated.

**The Directors report that:**

- a) The Financial Statements of the Company present fair state of affairs, results of its operation, cash flows and changes in equity.
- b) Proper books of account as required by the prevailing laws have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparing the financial statements and the accounting estimates are based on reasonable and prudent judgment.
- d) The financial statements have been prepared in accordance with applicable IAS/BAS/FRS/IFRS.
- e) The internal control system is sound in design and has been effectively implemented and monitored.
- f) There is no significant doubt about the Company's ability to continue as a going concern.

**Board of Directors Meeting:**

During the financial year 2013-2014, the Board of Directors held 6 (Sixteen) Meetings to discuss routine business issues of the Company as per the following:

Name of Directors	Designation	No. of Meetings held	Attendance	Term of the relevant director
Mr. Anwarul Siddique	Chairman	15	15	Full year
Mr. Md. Akmal	Director	15	14	Full year
Mr. Md. Faraz Saleh Uddin	Director	3	4	16/11/13 to 16/11/14
Mr. M. Rafiqul Islam	Director	10	9	10/11/13 to 16/11/14
Mr. Rabindra Nath Roy Chowdhury	Director	15	12	Full year
Dr. Md. Anwarul Hossain	Independent Director	12	11	16/11/13 to 16/11/14
Dr. Md. Mahabubul Alam Jaisidee	Director	4	4	16/11/13 to 16/11/14
Dr. Rabulul Mostafa	Director	11	6	16/11/13 to 16/11/14
Mr. Mohammed Shajhatul Islam	Independent Director	1	2	16/11/13 to 16/11/14
Mr. Md. Sabur Khan	Director	12	6	16/11/13 to 16/11/14
Mr. Nasir Uddin Ahmad FCA	Independent Director	1	1	16/11/13 to 16/11/14
Mr. Nazimul Hossain	Independent Director	12	11	16/11/13 to 16/11/14
Mr. Md. Mowar Hossain	Managing Director	13	15	Full year

**Location of Landing Stations for Bangladesh:**

Drawing another Submarine Cable from South-Western part would be a good option for redundant path of Submarine Cable. However, availability of land, communication facilities with capital city along with the other parts of the country availability of living facilities for the maintenance staff, etc. was decided to build the second landing station at Kusata of Pashchati District.

**System Configuration:**

SMW-6 will be a high capacity single backbone fiber optic network linking South East Asia, Middle East, East Africa and Europe. The initial member in SMW-6 are Singapore, Indonesia, Thailand, Myanmar, Bangladesh, Sri Lanka, United Arab Emirates (UAE), Saudi Arabia, France, China Mobile, Italy, China Telecom, Taiwan, New Yemen, Djibouti.

**Financial Information**

- 1. Amount of investment by BSCCL might be Taka 568 crore (USD83.5 million).
- 2. The company will arrange USD 30.5 million.
- 3. The company got approval of USD 44 million from Islamic Development Bank (IDB) as soft loan.

**Interconnection between the SEA-4 and SEA-6 Cables Landing stations of Bangladesh**

A plan has been made to interconnect the two submarine cable systems through another submarine cable, thereby the two landing stations Cox's Bazar for SEA-4 and Kusata (proposed for the second submarine cable) would get interlinked. The main objectives of the project are:

- a) To ensure Protection of the International Submarine Communications Links of Bangladesh.
- b) To facilitate the Facility regarding Operations & Maintenance (O & M) of the Network Operations Centers of the Submarine Cable Systems.
- c) To add Diversity for the International Communication Links.
- d) To gain additional revenue by providing redundant connectivity to the clients.
- e) To provide back up and better services for the ICT related services like call centers, software export, data entry, free-lancing etc.

**SWOT Analysis for BSCCL:**

- Strengths:**
  - a) BSCCL has the wide ownership of submarine cable in the country under SEA-4.
  - b) BSCCL is the Govt. owned public limited company.
  - c) After implementation of 2nd submarine cable under SEA-ME-6 consortium BSCCL will have redundancy and also a huge amount of bandwidth for national consumption as well as for export to the neighboring countries/International Market.
  - d) BSCCL has secured a very good reputation over the Telecommunication Industries of Bangladesh and abroad as well.
  - e) The company has been using latest technology & provides high quality bandwidth.
  - f) BSCCL is a profitable company since its incorporation.

**Weaknesses:**

- a) In future, BSCCL are would not remain as the sole agency to supply bulk bandwidth to IGW, IG and other corporate users. The competitors already the ITC license holders. Thus, BSCCL would require diversifying its business as the total bandwidth sales might reduce for BSCCL.
- b) BSCCL enjoyed a monopoly offering bandwidth to internet users in Bangladesh. However, BTRC licensed six companies for International Terrestrial Cable (ITC) services in January 2012, permitting international connectivity through terrestrial optical fiber links to neighboring countries' backbone networks. They started functioning and thereby impacted BSCCL's business adversely.
- c) Even though BSCCL is in a monopoly business, the price is regulated by the government through BTRC. The approval of BSCCL prices may take longer time the private Companies and thus BSCCL might loose clients.

**The pattern of shareholding as required by clause 15 (c) of the SEC Notification dated 7th August 2012**

Sl No	Name of Shareholder	Status	Shares held	Percentage
0	Parent/Subsidiary/Associate Companies Ministry of Post & Telecommunications		3,62,59,833	73.84%
01	Company Secretary, Chief Financial Officer, Head Accounts and Head Internal Audit and their spouses and minor children			
	Mr. Md. Muzakar Siddique	Chairman	0	0.00%
	Mr. Jalal Ahmed	Director	0	
	Mr. Md. Faraz Saleh Uddin	Director	0	
	Mr. M. Rafiqul Islam	Director	0	
	Mr. Rabindra Nath Roy Chowdhury	Director	29	0.00%
	Dr. Md. Anwarul Hossain	Director	0	
	Dr. Md. Mahabubul Alam Jaisidee	Director	0	
	Dr. Rajibul Mostafa	Director	29	0.00%
	Mr. Mohammad Shajhatul Khan	Independent Director	0	
	Mr. Md. Sabur Khan	Director	0	
	Mr. Nasir Uddin Ahmad	Independent Director	0	
	Mr. Md. Chahariboy	Independent Director	0	
	Mr. Md. Mowar Hossain	Managing Director	25	0.00%
	Mr. Md. Nazimul Hossain	CEO	52,819	0.00%
	Mr. Shoaibul Kameel Dohati	CTO	0	
	Mr. Md. Anwarul Hossain	Company Secretary	164	0.00%
	Mr. Mohammed Shoaibul Hossain	Head of Internal Audit	0	
02	Executives (as explained in the SEC Notification No. SEC/CMRRCD/2006/158/Adm/02-08 dated 20 February, 2006)			
	Mr. Paveli Moron Ashraf	OGM (Customer Care)	9,665	0.0%
	Mr. Md. Mollamat Zakari Alam	OGM (SP)	40	0.00%
	Mr. Abdul Wahab	Manager (Maintenance)	10	0.00%
	Mrs. Nazia Hassan	Manager	9,664	0.0%
	Mr. Muhammad Shoaib Ali	Manager	59	0.00%
03	Shareholders holding ten percent or more voting interest		NA	
04	Individual Shareholders holding ten percent or more voting interest		NA	
	Total		130,360,087	100.00%

**Opportunities:**

- a) There is a growing efforts to expand the reach of internet services in the country. Also, with more and more businesses going online, the demand in this segment is expected to rise at a healthy rate.
- b) High speed bandwidth in 10 Gbps (Gig) initiated one in Kolkata, Gazipur District and other in Mohabhat, Dhaka will enhance IT related businesses like Data Entry, Software Export, Call Center services.
- c) The company is actively looking to offer bandwidth to North East India states. The proposal of which has already been discussed between Government of Bangladesh and Govt. of India. This will offer significant growth opportunities to BSCCL.
- d) BSCCL has been already signed between BSCCL & BSUL of India for export/lease of BW to Tripura.
- e) Continued technology development is expected to see much higher bit-rate per user than currently in use, especially as companies in the developed world will invest. Besides new business sectors like BPO.
- f) BSCCL might opt to provide bandwidth service in form based on the business.
- g) To implement the Vision 2021 GOB will require huge bandwidth and BSCCL is owner & supplier of bulk bandwidth.
- h) Govt. has undertaken many projects like e-governance at all upazilla & Union parishes.

**Threats:**

- a) The most crucial threat of the company faces is rapid technology change or damage to the current undersea cable system that the company operates. Since the operation is highly capital intensive, any change in technology used will severely affect BSCCL's business. Also, any serious defect in the equipments may affect the services offered and revenue source of the company.

**Lease of Bandwidth to Neighboring Countries:**

BSCCL has received a proposal from BSNL, India for leasing bandwidth in eight North-Eastern provinces of India. The provinces are Assam, Meghalaya, Tripura, Mizoram, Manipur, Nagaland, Arunachal Pradesh and Sikkim. There was a high powered delegation from India who discussed with the Bangladesh Government (MPTAIT) regarding connectivity through Cox's Bazar Landing Station with the following two Land Optical Fiber Links to the eight provinces of India.

- Cox's Bazar-Chittagong-Brahmaputra, Akhaura-Agartala
- Cox's Bazar-Chittagong-Cornelia-Sylhet-Tamabil-Shillong

There is requirement for a basic capacity of 10 Gbps bandwidth for data and voice to Tripura province. Initially and the requirement will increase gradually for supply to other provinces. Delegates from Indian Government have already met with Bangladesh Government officials and they are interested to buy/lease 100 Gbps bandwidth from BSCCL. In this regard BSCCL has signed an MOU with BSNL of India and a formal contract is expected to be signed shortly.

Nevertheless, the growth in telecommunication in Bangladesh has been phenomenal. Through export of bandwidth to our neighbors, the country will be able to earn a stable foreign currency in the near future.

**Industry Risk**

Customers always want to avail the services at lower rate that may reduce PLC charges as well as total revenue of the company. Our competitors (ITCs) are giving the same services at much lower rate than that of us.

**Management Progression:**

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. This will increase the total revenue and thus decrease of price may not affect the sailing of the company rather increase profit of the company.

**Technology Risk**

The most crucial risk in IT sector is rapid technological change. At present the world is going through technological revolution. However, the company has been in the latest technology and has the provision to upgrade system only through changing terminal equipment. Within the system there will be no significant three times which has enhanced the capacity and efficiency. It is expected that in the next couple of years there will be no significant investment requirements for the existing infrastructure of the company. So, no exposure for the company regarding technology remains at acceptable level.

**Appointment / Re-appointment of Directors**

As per Articles of Association of the company, Mr. Jalal Ahmed, Director, and Mr. Rabibratan Roy Chowdhury, Director will retire at the 30th Annual General Meeting by rotation and being eligible for re-election they offer themselves for re-election in the next Annual General Meeting.

After conclusion of 31st Annual of Board of Directors has appointed Mr. Md. Faruque Chowdhury, Secretary, Posts and Telecommunications Division, Ministry of Posts, Telecommunications & Information Technology as the Chairman of the company in place of Mr. Md. Abubakar Siddique, Ex-Secretary, Posts and Telecommunications Division, Ministry of Posts, Telecommunications & Information Technology and Ex-Chairman of the company. Furthermore during that time, Board of Directors appointed Mr. Md. Faraz Saleh Uddin, Additional Secretary, Posts and Telecommunications Division, Ministry of Posts, Telecommunications & Information Technology (MPTAIT), Dr. Md. Mahabubul Alam Jaisidee, Director, Institute of Information Technology, University of Dhaka and Col. Md. Anwarul Hossain, PSC, Colonel Staff, Army Headquarters, PG Directorate (PS) as Directors of the company in place of Mr. M. Rafiqul Islam, Ex-Additional Secretary, Posts and Telecommunications Division, Ministry of Posts, Telecommunications & Information Technology (MPTAIT), Dr. Rajibul Mostafa, Associate Professor, United International University and Mr. Md. Sabur Khan, PSC, District, Dhaka Chapter of Commerce & Industry (CCI) Apart from that Board of Directors has appointed Mr. Nasir Uddin Ahmad, Council Member & Ex-President, ICAB and Mr. Mohammed Shajhatul Khan, President, CCA as Independent Directors of BSCCL. The appointment of above mentioned Directors would be placed at the 31st AGM for the approval of shareholders. The Brief Resumes of the Directors who seek appointment/re-appointment in the meeting 31st AGM are given in Page nos. .... to page nos. ....

**Compliance of Notification No. SEC/CMRRCD/2006/58/134/Adm/44, dated 7th August 2012.**

**Board of Directors:**

- 11. Board Size:** The number of members of the Board of Directors stands at 9 (including Independent Directors & Managing Director) which are within the limits fixed by BSCCL.
- 12. Independent Directors:**
- 12.1 Mr. Nasir Uddin Ahmad, FCA, FCS** In terms of the provision of Corporate Governance Guidelines of BSCCL, the Board of Directors has appointed Mr. Nasir Uddin Ahmad, FCA, FCS as Independent Director of the Company on 28 April 2014 in place of Mr. Nanda Gopal Chakraborty, Independent Director. BSCCL, Mr. Nasir is Ex-President and current Council member of the Institute of Chartered Accountants of Bangladesh (ICAB). He is a Partner of a well reputed CA firm namely, MBS & J Partners, Chartered Accountants. He is a member of various professional bodies both at home & abroad. He has participated in various seminars, conferences at home & abroad and represented ICAB at various professional events at home and abroad. He works for two British Multi-national Companies for more than two decades at various finance positions and finally as Finance Director. He has served various organizations as Director/Inspector Director (jointly) and is currently on the board of other companies.
- 12.2 Mr. Mohammed Shajhatul Khan** In terms of the provision of Corporate Governance Guidelines of BSCCL, the Board of Directors appointed Mr. Muhammad Shajhatul Khan, President, Dhaka Chapter of Commerce & Industry (CCI) on 28 April 2014 in place of Col. Shahrul Akbar as Independent Director of the Company. Mr. Khan is a highly educated and is well known business personality. He is engaged in shipping, trading and trading business.
- 13. Qualification of Independent Directors:** Mr. Nasir Uddin Ahmad, FCA, FCS is a partner of a well reputed CA firm namely MBS & J Partners, Chartered Accountants. He is the former member of Institute of Chartered Accountants of Bangladesh (ICAB) and Institute of Chartered Accountants of Bangladesh (ICSB). He is a member of the Institute of Internal Auditor, Singapore. He holds a first class BA Bachelor of Commerce with honors in Accounting and also Post Graduation in the same subject from University of Dhaka.





**Price Sensitive Information**

Price Sensitive Information means any such information if it is published may influence market price of the concerned security. Every listed issuer shall disseminate it in any form or price sensitive information within 30 minutes of the decision making or immediately upon getting such information to the BSE and the Stock Exchanges under the signature of its Chairman, the Chief Executive Officer or the Company Secretary through Fax and by special messenger, and through courier service in special cases and at the same time case publishing the same in widely circulated daily newspapers, one in Bengali and the other in English. BSCCL always comply with the statutory requirements in this regard.

**Appointment in the Board**

Appointment of any new Director is made with the consent of the directors and higher approval is placed for the shareholder's approval in the upcoming Annual General Meeting (AGM). The Managing Director nominated by the Government is also appointed by the Board and his/her appointment is also placed for the shareholder's approval in the upcoming Annual General Meeting (AGM). Any new appointment to the Board requires intimation to the Bangladesh Securities and Exchange Commission (BSEC) and Stock Exchanges.

**Board Committees**

There are several Board Sub-Committees, each with a defined scope of work and terms of reference. These committees are responsible for providing independent and expert advice to the Board on the subjects assigned. The Board is assisted by different Board Committee who discharge duties within the delegated and prescribed job responsibilities. All the members of the Committee are Directors and members of the Management. The Board Committees are as under:

- Board Audit Committee
- Executive Committee

**Appointment of the Managing Director**

The Managing Director is entrusted with the Management of the Company's operations and he is fully accountable to the Board. Performance of the Managing Director including the Management is assessed by the Board annually.

**Directors' Remuneration**

The Directors do not get any performance based remuneration or incentive. The Board members get only fees for attending Board/Committee meetings to the maximum of TK 5,000 per meeting. The remuneration package of the Managing Director is determined by the Board. The remuneration of the Directors can be determined/changed by the Board as per the Articles of Association.

**Qualification of Directors/Shareholders**

Directors of the Company are not eligible for any remuneration other than the meeting attendance fees as prescribed by this law. During the year under review, Board of Directors was eligible for attendance fee of TK 5,000 per meeting of Board, Executive Committee and Audit Committee.

**Employment Remuneration**

The objective of the Company's remuneration policy is to attract, motivate, reward and retain quality staff. The Board ensures that the remuneration policies are in line with the strategic objectives and the corporate values of the Company, and do not give rise to conflicts between the objectives of the Company and the interests of the individual Directors or key executive. The Company has separate Service Regulation and pay structure for each position which is approved by the Board of Directors and also by the Ministry and the Ministry of Finance.



Page 43

**Disclosure on the performance and prognosis of the Company**

BSCCL attaches high quality to timely published Quarterly, half-yearly and annual report with comprehensive details in records of regulatory requirements. Medium of publication include printed materials, newspapers and the website of the company. Price sensitive information released to the regulators is disseminated within half an hour of decision making. The financial statements are prepared in accordance with IAS and IFRS as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB)

**Internal Control**

The Board has ultimate responsibility for establishing an effective system of Internal Control. It is designed to manage rather than eliminate the risk of failure to achieve the business objectives and to provide reasonable but not absolute assurance that the assets are safeguarded against unauthorized use or material loss and that transactions are properly authorized and recorded. The internal control system addresses all business risks, including financial, operational and strategic risks.

**Accountability and Audit**

Board Audit Committee comprises of three non-executive Directors, including two independent Directors are in place. The Chief Financial Officers (CFO) and the head of Internal Audit attend the meeting by invitation. The Company Secretary attends all the meetings to provide technical assistance to the committee. The full report of the committee including the terms of reference and specific task carried out during the period on the date of accounts approval is given later on.

**Division of work by the Board and Chief Executive Officer**

The roles of the Board and Chief Executive Officer are separate and delineated in the Company's responsibilities charter, but our writing and agreed by the Board to ensure transparency and better corporate governance. So that each BSCCL has also adopted "Tone of Procedure for Chief Executive Officer". The CEO is the authoritative head for day-to-day management of BSCCL. He acts to responsibly ensure that BSCCL operates business as per the Articles of Association, decisions made by the Board and Shareholders, as well as according to BSCCL Policies and Procedures and applicable regulatory guidelines.

**Access to Information**

The Board recognizes that the decision-making process is highly dependent on the quality of information furnished. In furtherance to this, every Director has access to all information within the Company. Throughout their tenure in office, the Directors are continually updated on the Company's business and the regulatory and industry specific environments in which it operates. There are also a set of written briefings and meetings with senior executives and other appropriate external sources.

**Statutory Audit**

Statutory Audit of the Company is governed by the Companies Act, 1994 and Securities and Exchange Rules 1987. As per these regulations, auditors are appointed in each Annual General Meeting (AGM) and their remuneration is set by the Shareholders at the AGM. Appropriate provision is in place as per corporate governance best practices to ensure independence of statutory auditors. In addition to the audit of annual financial statements, the auditors also carry out interim audit and review the quarterly financials of the Company.

**Internal Audit**

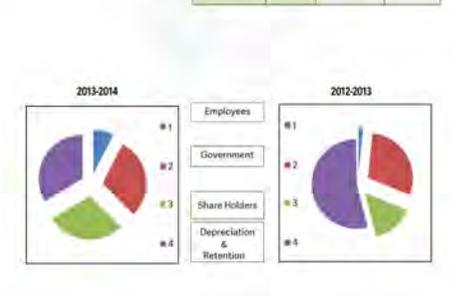
Internal Audit supports the Company in achieving its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of its risk management, control and governance processes. In order to ensure organizational independence of Internal Audit, the Head of Internal Audit reports functionally to the Audit Committee and administratively to the Chief Executive Officer (CEO). Internal Audit is empowered to carry out its activities in the Company. Internal Audit activities are governed by the Internal Audit Charter, which is approved by the Board.



Page 50

**Value Added Statement**

	2013-14	%	2012-13	%
<b>Value Added</b>				
Revenue	753,745		1,348,581	
Other income including interest income	194,071		193,604	
Net on revenue and other income	145,823		245,930	
Less: Cost of Operation and Maintenance	1,099,439		1,687,475	
	108,344		101,620	
<b>Available for distribution</b>	<b>904,094</b>	<b>100%</b>	<b>1,585,795</b>	<b>100%</b>
<b>Distributions</b>				
Employees	89,890	7.73%	26,716	1.68%
Government	271,422	30.02%	468,753	29.62%
Shareholders	200,720	22.04%	227,018	14.30%
	<b>602,063</b>	<b>64.99%</b>	<b>731,487</b>	<b>46.25%</b>
<b>Value reinvested and retained</b>				
Distribution & Retention	302,032	33.47%	857,308	53.75%
	<b>904,094</b>	<b>100%</b>	<b>1,585,795</b>	<b>100%</b>



Page 53

**Annexure-I**

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission (Notification No. SEC/MR/CD/2006/55/DA/AM/AM dated 07 August, 2012 issued under section 302 of the Securities and Exchange Ordinance 1997.

Condition No.	Title	Compliance Status (Y in appropriate column / Not Completed)	Remarks (if any)
<b>(Report under Condition No. 700)</b>			
1	<b>BOARD OF DIRECTORS:</b>		
1.1	Board's Size (Number of Board members listed 4 - 20)	✓	
1.2	<b>Independent Directors</b>		
1.2 (i)	Number of Independent Directors (at least 1/3)	✓	
1.2 (ii)	<b>Independent Director (ID) means a director:</b>		
1.2 (ii) (a)	Holding no share or holding less than 1% share	✓	
1.2 (ii) (b)	Not being a sponsor and connected with any sponsor or director or shareholder holding 1% or more share	✓	
1.2 (ii) (c)	Not having any pecuniary or other relationship with the company or its subsidiary/associated companies	✓	
1.2 (ii) (d)	Not being member/director/officer of any stock exchange	✓	
1.2 (ii) (e)	Not being shareholder/director/officer of any member of stock exchange or intermediary of capital market	✓	
1.2 (ii) (f)	Not being shareholder/director/officer of any member of stock exchange or intermediary of capital market	✓	
1.2 (ii) (g)	Not being an ID more than 3 listed companies	✓	
1.2 (ii) (h)	Not convicted as defaulter in any bank or NBF	✓	
1.2 (ii) (i)	Not convicted for a criminal offence	✓	
1.2 (ii) (j)	To be appointed by BSC and approved in the AGM	✓	
1.2 (i) (k)	The post cannot remain vacant for more than 90 days	—	N/A
1.2 (i) (l)	Laying down of code of conduct of Board members and recording of annual compliance of the code	✓	
1.2 (i) (m)	Tenure of ID: 3 years, may be extended for one term	✓	
1.3	<b>Qualification of Independent Director</b>		
1.3 (i)	Being knowledgeable, having integrity, ability to ensure compliance with law and make meaningful contribution	✓	
1.3 (ii)	Being a Member/Leader/Corporate Leader (Minimum of 12 years) /Teacher/Economist/Business/Law/CA/MA/Chartered/ Having 12 years of professional/managerial experience	✓	
1.3 (iii)	Former approval of the Commission in special cases	—	N/A
1.4	Appointment of Chairman and CEO, defining their roles	✓	
<b>The Director's Report to Shareholders shall include</b>			
1.5 (i)	Industry outlook and possible future developments	✓	
1.5 (ii)	Segment wise or product wise performance	✓	
1.5 (iii)	Risks and concerns	✓	
1.5 (iv)	Discussion on COGS, Gross Profit and Net Profit Margins	✓	
1.5 (v)	Discussion on continuity of Extra-Ordinary gain or loss	✓	
1.5 (vi)	Basic fact and a statement of related party transactions	✓	
1.5 (vii)	Utilization of proceeds from issuing instruments	✓	
1.5 (viii)	Explanation of the Financial results (wherever applicable) going for IPO, RPO, Right Offer, Direct Listing etc.	—	N/A
1.5 (ix)	Explanation about significant variance between Quarterly Financial performance and Annual Financial Statements	—	N/A
1.5 (x)	Remuneration to directors including ID's	✓	
1.5 (xi)	Full presentation of financial statements	✓	

Page 54

BSCCL Internal Audit Department discharges its assurance and consulting activities through management of three direct audit streams: Finance, Technology and General Business operations. Additionally, a separate team is responsible for quality assurance of internal audit activity. A risk-based annual audit plan is in place which takes into consideration the strategic imperatives and major risks surrounding BSCCL.

**Internal Control**

Corporate Governance is well-built in BSCCL and is reached to even greater height in terms of sound internal control pursued within the organization. In 2011, the practice has been shifted from passive to active as control owners/performers are now getting more involved, aware and pro-active to ensure internal control rather than being enforced. The outcome of the effort is award winning and well-recognized financial report. The scope of Internal Control over Financial Reporting (ICFR) includes Company Level Control (ICFR) along with General Computer Control (GCC) as well to ascertain operational efficiency, consistent and dependable financial reporting, information security and legal compliance. This reasonable assurance has become even more crucial after being a listed company in the country's Stock Exchanges.

**Shareholder Transactions**

A Director who has an interest in a transaction must obtain from the company and set out in the relevant resolution in respect of the transactions of the Board. Details of these transactions are set out under notes on the Financial Statements.

**Dividend Policy**

The Board of Directors has established a consistent Dividend Policy which forms the basis for the proposals on dividend payments that it makes to the Shareholders taking into consideration the business performance of the Company and its strategic initiatives. The Board believes that it is in the best interest of BSCCL to draw up a long-term and predictable Dividend Policy. The objective of the policy is to allow the Shareholders to make informed investment decisions.

**Risk Management & Risk Mitigation**

Risk Management & Risk Mitigation is concerned with earning competitive returns from the Company's various business activities at acceptable risk level. It supports the Company's competitiveness by developing a culture, practice and structure that systematically recognizes and addresses future opportunities without managing adverse effects (i.e. threats) through recognizing risk and acting appropriately upon it. The Company has well defined risk management policy, procedures and processes to mitigate strategic and enterprise level risks.

**Compliance with Rules & Regulations of the Country**

Compliance is a widespread trust. To have government's trusted right through the whole Company, the Management Team of BSCCL, the leaders of a compliant Company adopted ways that ensure compliance to all regulatory requirements and build organizational trust amongst the Board Members, Shareholders and customers. The regulatory bodies maintain a close monitoring process on BSCCL and has heightened the focus on transparency, as well as an increased need to provide accurate and periodic reporting of weaknesses and certifications. In this context, the Company provides complete set of financial statements and related documents to the Bangladesh Securities and Exchange Commission (BSEC), Stock Exchanges, National Board of Revenue (NBR), Register of Joint Stock Companies & Firms (RJSC), Bangladesh Telecommunication Regulatory Commission (BTRC), the Board of Investment (BOI) and all other relevant bodies and authorities. In order to conduct day to day business, BSCCL has been rendering its best efforts to comply with the existing applicable laws of the country as well as with the directives/guidelines/regulations of various Government Authorities. The Company has also taken various initiatives to conduct various awareness sessions on existing and proposed laws and regulations of the country within the Company to ensure compliance throughout the Company as a whole. On the whole, BSCCL has always strived to remain a fully compliant Company accommodating every possible ways and strategies to ensure the same.



Page 51

**Corporate Social Responsibility (CSR)**

Being a Government Company under the Ministry of Posts, Telecommunications and Information Technology (MoPT&T) Bangladesh Submarine Cable Company Limited (BSCCL) has strategic responsibility for the welfare of each quarter of the society along with the IT Sector of the Country. BSCCL, equipped its CSR strategy in 2012-13 with the goal to ensure long-term sustainability of the CSR initiatives. Under the multifaceted strategy, CSR initiatives will be related to the Company's main strength - communication technology. Besides, BSCCL, will extend its hands to support the welfare of any rural disaster area and when required.

As a part of Corporate Social Responsibility to assist in community development, BSCCL, performed the following activities during the year 2012-13.

**Online Essay Competition**

As a socially responsible company, BSCCL, strives to find a way to intervene through which quality education can be ensured even in deep rural areas of the country through ICT. With this objective in mind, BSCCL, launched Online Essay Competition under 3 categories on the World Telecommunication and Information Society Day 2014. The spirit of "Online Essay Competition" is to establish more Communication under the ICT through using the internet and to inspire the students to using the ICT. BSCCL, announced a competition for students of Schools, Colleges and Universities in Bangladesh to celebrate the day. The competition is termed as innovative project implemented by the students. The Honorable Minister for Ministry of Posts, Telecommunications & Information Technology (MoPT&T), Abdul Latif Siddique awarded "LAPTOP" as prizes to the winners of this competition of all the categories.

**Rescue to Appeal of A Road Accident Victim**

In response of the appeal of the members of a road accident victim BSCCL, provided cash assistance to applicants.

**Going Green**

While approving the financial statements, the Directors have made appropriate enquire and analyzed significant controlling and ineffective financials which enabled them to understand the ability of the Company to continue its operations for a foreseeable future. The Directors are convinced and have a reasonable expectation that the Company has adequate resources and legal instruments to continue its operations without interruptions. Therefore the Company adopted the going concern basis in preparing these financial statements.



Page 52

1.5 (vi)	Maintaining proper books of accounts	✓	
1.5 (vii)	Consider/Approval of appropriate accounting policies and accounting estimates being reasonable and prudent	✓	
1.5 (viii)	Following appropriate IAS/IFRS/IBOR/IS and adequate disclosure for any departure there from, if any	✓	
1.5 (ix)	Soundness and monitoring of financial control system	✓	
1.5 (x)	Statement regarding duty to continue as going concern	✓	
1.5 (xi)	Significant deviations from last year's operating results	—	N/A
1.5 (xii)	Summary of key operating/financial data of last 6 years	—	N/A
1.5 (xiii)	Reason for non declaration of Dividend	✓	
1.5 (xiv)	Number of Board meetings and attendance of directors	✓	
1.5 (xv)	<b>Pattern of shareholding (along with name wise details) by:</b>		
1.5 (xv) (a)	Parent/Subsidiary/Associate Companies & related parties	✓	N/A
1.5 (xv) (b)	Directors, CEO, CFO, HSA, their spouses & children	✓	
1.5 (xv) (c)	Executives (Top 5 salaried employees or their above)	✓	
1.5 (xv) (d)	Shareholders holding 1% or more voting interest	—	N/A
1.5 (xvi)	<b>In case of the appointment/re-appointment of a director</b>		
1.5 (xvi) (a)	A brief resume of the director	✓	
1.5 (xvi) (b)	Nature of his/her expertise in specific functional areas	✓	
1.5 (xvi) (c)	Names of companies in which he/she holds directorship and the membership of committees of the board	✓	
1.5 (xvi) (d)	Non engagement in Internal Audit services	✓	
2	<b>CFO, HEAD OF INTERNAL AUDIT AND CS</b>		
2.1	Appointment of a CFO, a head of Internal Audit and a CS and defining their roles, responsibilities & duties	✓	
2.2	Attendance of CFO and CS in the meetings of the Board	✓	
3	<b>AUDIT COMMITTEE:</b>		
3.1	Having Audit Committee as a sub-committee of the BOD	✓	
3.1 (a)	Audit Committee to assist the BOD in ensuring financials of the company and a good monitoring system	✓	
3.1 (b)	Audit Committee being responsible to the BOD duties of Audit Committee as or in respect of both in writing	✓	
3.2	<b>Composition of the Audit Committee</b>		
3.2 (i)	Audit Committee to be composed of at least 3 members	✓	
3.2 (ii)	Audit Committee members to be appointed by BOD and at least one independent Director to be included	✓	
3.2 (iii)	Audit Committee members to be "financially literate" and at least one to have accounting/financial expertise	✓	
3.2 (iv)	Vacancy in Audit Committee requiring the number lower than 1 to be filled at least within 3 months	✓	
3.2 (v)	The CS to act as the secretary of the Audit Committee	✓	
3.2 (vi)	No quorum in Audit Committee meeting without one ID	✓	
3.2 (vii)	Chairman of the Audit Committee		
3.2 (vii) (a)	Chairman to be an ID, selected by the BOD	✓	
3.2 (vii) (b)	Chairman of audit committee to resign position in AGM	✓	
3.3	<b>Role of Audit Committee</b>		
3.3 (i)	Oversee the financial reporting process	✓	
3.3 (ii)	Monitor choice of accounting policies and principles	✓	
3.3 (iii)	Monitor Internal Control Risk management process	✓	
3.3 (iv)	Overseeing and performance of external auditors	✓	
3.3 (v)	Review the annual financial statements	✓	
3.3 (vi)	Review the quarterly and half yearly financial statements	✓	

Page 55

3.3 (vii)	Review the adequacy of internal audit function	✓	
3.3 (viii)	Review statements of significant related party transactions	✓	
3.3 (ix)	Review letters issued by statutory auditors	✓	
3.3 (x)	Review disclosures regarding fraud or irregularities about assets of funds related through IPO/SPC/Right Issue	✓	
3.4	<b>Reporting of the Audit Committee</b>		
3.4.1	<b>Reporting to the Board of Directors</b>		
3.4.1 (i)	Reporting on the activities of Audit Committee	✓	
3.4.1 (ii) (a)	Reporting on conflicts of interests	—	N/A
3.4.1 (ii) (b)	Reporting on suspected/prepared fraud or irregularity or material misstatements in the internal control system	—	N/A
3.4.1 (ii) (c)	Reporting on suspected/prepared fraud or irregularity or material misstatements in the internal control system	—	N/A
3.4.1 (ii) (d)	Reporting on any other matter to discuss immediately	—	N/A
3.4.2	Reporting to BSEC	✓	
3.5	Reporting to the Shareholders and General Investors	✓	
4	<b>EXTERNAL / STATUTORY AUDITORS</b>		
4.0 (i)	Non engagement in appraisal/valuation/Finance agencies	✓	
4.0 (ii)	Non engagement in design & implementation of IIS	✓	
4.0 (iii)	Non engagement in Book Keeping or accounting	✓	
4.0 (iv)	Non engagement in Broker-Dealer services	✓	
4.0 (v)	Non engagement in Actuarial services	✓	
4.0 (vi)	Non engagement in Internal Audit services	✓	
4.0 (vii)	Non engagement in services determined by Audit Com.	✓	
4.0 (viii)	Possession no share by any partner or employee of the external audit firm during the tenure of appointment	✓	
4.0 (ix)	Non engagement in Audit / Certification Services or Compliance of Corporate Governance as required under clause (f) of condition 7	✓	
5	<b>SUBSIDIARY COMPANY</b>		
5.1 (i)	Composition of BOD to be similar to holding company	—	N/A
5.1 (ii)	One ID in both holding and subsidiary company	—	N/A
5.1 (iii)	Minutes of Board meeting of subsidiary company to be placed at following Board meeting of holding company	—	N/A
5.1 (iv)	Minutes of respective Board meeting of holding company to state that officers of subsidiary company are reviewed	—	N/A
5.1 (v)	Audit Committee of holding company to review financial statements of investments of subsidiary company	—	N/A
6	<b>DUTIES OF CEO AND CFO</b>		
6.1 (a)	To certify that they are reviewed IIS which contains no material misstatement or error no material fact	✓	
6.1 (b)	To certify that the statements present a true and fair view of affairs and are in compliance with accounting standards and applicable laws	✓	
6.1 (c)	To certify that no transaction is fraudulent, illegal or violation of company's code of conduct	✓	
7	<b>REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:</b>		
7.1	Obtaining certificate regarding compliance and sending it to shareholders along with the Annual Report	✓	
7.1 (a)	To state in accordance with structure in directors' report whether the conditions has been complied with	✓	

Page 56

**AUDIT COMMITTEE REPORT**  
For the year ended on 30 June 2014

The Audit Committee is appointed by the Board of Directors, as per the requirements of Bangladesh Securities and Exchange Commission (BSEC) notification. The Audit Committee consists of three members, of which two are Independent Directors. Meetings are attended by the Managing Director, Chief Financial Officer and Head of Internal Auditor of the company on invitation. The Company Secretary performed the secretarial function of the Committee.

The Audit Committee of Bangladesh Submarine Cable Co. Ltd. (BSCCL) is a sub-committee of the Board, to support the Board in fulfillment of its oversight responsibilities. The terms of reference of the Audit Committee are set by the Board of Directors in line with BSEC notification.

Composition of Audit Committee of BSCCL is as follows:  
The Audit Committee consists of the following members of the Board of Directors:

- Chairman - Mr. Nair Uddin Ahmed, FCA/ICS, Independent Director
- Member - Mr. Siddique Khatun Roy Chowdhury, Director
- Member - Mr. Mohammad Shujaat Hossain, Independent Director

**Major Responsibilities of the Audit Committee:**

The purpose, authority, composition, duties and responsibilities of the Audit Committee are delineated in its Charter. Some of the major responsibilities of the Audit Committee are as follows:

- To review the annual, half-yearly and quarterly financial statements and other financial results, and upon its satisfaction recommend the same to the Board for approval.
- To review the adequacy and effectiveness of financial reporting process, internal control system, risk management, auditing matters, and the Company's processes for monitoring compliance with regulatory requirements and the Codes of Conduct.
- To recommend appointment, termination of statutory auditors and determination of the audit fees, for Shareholders' approval.
- To consider the scope of work, and oversee and evaluate the work performed by statutory auditors.
- To review non-audit services performed by statutory auditors to the extent permitted by the relevant law, rules and regulations.
- To exercise its oversight the activities internal audit function.
- To review the effectiveness of internal audit function including performance, structure, adequacy of resources, and compliance with professional standards.
- To review the audit findings and material weaknesses and monitor implementation of audit action plan.

**Major Activities of the Audit Committee in 2013-2014**

The Committee held 7 (seven) meetings during the financial year 2013-2014. The Managing Director, Chief Financial Officer and Head of Internal Audit attended meetings on invitation. The major activities of the Audit Committee in 2013-2014 are stated below:

- Reviewed the quarterly half yearly and annual financial statements for the year ended June 30, 2014.
- Considered and made recommendation to the Board on the appointment and remuneration of external auditors, ACNABIN, Chartered Accountants for the year 2013-2014.
- Prepared Report of the Audit Committee for the shareholders.
- Reviewed the Internal Control System of BSCCL.
- Advised preparation of Accounting and Financial Manual of the Company.
- Approved preparation MS Report on Monthly basis to enable the management to take appropriate decisions.
- Approved the Internal Audit Plan for 2013-2014, monitored progress and advised revision when necessary.

**Bangladesh Submarine Cable Company Ltd.**  
Five Years' Financial Summary

Operational Results - in thousands BDT	2013-14	2012-13	2011-12	2010-11	2009-10
Revenue	75,745	1,388,381	1,214,530	837,786	603,373
Gross Profit	517,829	1,058,807	1,031,808	704,002	458,529
Operating Profit	318,454	905,131	910,280	615,709	386,419
Profit before tax	488,147	1,056,994	831,232	544,789	348,019
Net Profit after tax	382,148	872,711	744,760	305,750	245,580
<b>Financial Position - in thousands BDT</b>					
Fixed-up Capital	1,499,141	1,303,601	1,085,002	875,002	673,148
Shareholders' equity	4,054,489	4,952,241	3,817,748	1,538,385	1,232,014
Total assets	4,765,770	4,872,285	4,443,920	2,665,400	2,292,794
Total liabilities	711,302	719,444	1,126,172	1,127,016	1,060,780
Current assets	1,999,223	2,554,771	2,146,001	386,237	368,805
Current liabilities	307,772	362,532	484,877	326,579	297,250
Non-current assets	2,766,447	2,192,508	2,297,019	2,276,253	1,022,589
Non-current liabilities	370,529	326,813	611,294	800,128	778,878
<b>Financial Ratios</b>					
Current Asset to Current Liability	6.49	6.28	4.34	1.19	1.21
Debt to Equity	18%	18%	34%	73%	86%
Gross Profit Margin	68.70%	84.88%	86.67%	84.03%	76.06%
Operating Profit Margin	42.27%	72.36%	74.93%	72.25%	64.04%
Net Profit Margin	48.07%	62.80%	61.23%	36.42%	37.44%
Return on Average Equity	9.55%	23.95%	30.27%	22.07%	33.73%
Return on Average Total Assets	7.58%	18.18%	20.55%	12.33%	11.31%
<b>Ordinary Shares Information</b>					
Ordinary Shares outstanding (in Thousands)	142,914	130,963	118,509	67,509	67,523
Face Value per share	Tk.30	Tk.10	Tk.30	Tk.30	Tk.100
Dividend	C-0%	S-15%-C-20%	S-10%-C-20%	C-20%	-
Cash Dividend on paid up capital	149,914	260,720	227,048	175,018	-
Dividend payout (Cash)	41.27%	29.90%	25.67%	57.30%	-
NAV per Share**	27.25	35.32	28.00	17.48	183.11
Net Operating Cash Flow per Share	0.95	6.11	4.11	8.38	58.78
Earnings Per Share*	2.42	9.93	7.81	3.49	23.49

\* EPS has been calculated using weighted average no. of shares and not Restated

\*\* NAV has been calculated using no. of shares outstanding at the end of Period.

- Discussed Internal Audit reports and findings in detail with auditors and members of Management and monitored the status of implementation of audit action plans and provided guidance to ensure timely completion of action plans.
- Reviewed and received report on the matters as per requirement from the Bangladesh Securities and Exchange Commission (BSEC).
- Reviewed new reporting requirements by BSEC on utilization of IPO proceeds and right proceed on specific intervals and submitted same to the regulatory authority.
- Reviewed status of all agreed decisions of the Audit Committee since 10th meeting of the Committee and advised immediate actions on unimplemented agreed decisions.

The above matters are significant for continuous improvement and therefore duly noted and taken care of by the Committee.

On behalf of the Audit Committee

**Nair Uddin Ahmed FCA, FCS**  
Chairman, Audit Committee  
14 August 2014



**ITRAT HUSAIN & ASSOCIATES**  
CERTIFIED PUBLIC ACCOUNTANTS IN BANGLADESH

**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

1. We have examined the compliance of provisions of Corporate Governance by **BANGLADESH SUBMARINE CABLE COMPANY LIMITED (BSCCL)** ("the Company") for the year ended 30 June, 2014 as per the Corporate Governance Guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC) vide Notification No. SEC/CMBRD/2009-156/154/Adm/44 dated: 7 August 2012.

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

3. In our opinion and to the best of our information and according to the explanation given to us and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance, as stipulated in the BSEC notification mentioned above.

4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Itrat Husain & Associates  
Chartered Secretaries & Practiser  
Signed by: Itrat Husain FCA, FCS  
Chief Executive

Dhaka, 28 August 2014

\* REGISTRATION: HOUSE 19, ROAD 19, LAKEBIDE, GULSHAN-2, DHAKA-1212, BANGLADESH  
(CELL: 0171199222 | WEBSITE: WWW.IHAC.COM | EMAIL: info@ihacbd.com)

**Statement on the Duties of Managing Director and Chief Financial Officer:**

In accordance with the notification of Bangladesh Securities and Exchange Commission No. SEC/CMBRD/2009-158/154/Adm/44, dated: 07th August 2012, we the undersigned hereby certify to the Board that:-

- I/we have reviewed the financial statements for the year and to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these financial statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;
  - c) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.

  
**Shukanta Kumar Deb, ACA**  
Chief Financial Officer

  
**Md. Mijan Hossain**  
Managing Director & CEO



Telephone: 08 82 814247 to 12  
Facsimile: 08 82 814213  
E-mail: info@acnabingda.com  
www.acnabingda.com

**Independent Auditor's 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 statement of financial position as at 30 June 2014, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management Responsibilities for the Financial Statements**  
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's 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 (BSA). 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 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.

**Opinion**

In our opinion, the financial statements referred to above give a true and fair view of the financial position of Bangladesh Submarine Cable Company Limited as at 30 June 2014, 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, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

**We also report that:**

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- 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;
- the statement of financial position and statement of comprehensive income together with the annexed notes from 1 to 48 filed with by the report are in agreement with the books of account; and
- the expenditure incurred was for the purpose of the company's business.

Dhaka,  
24 August 2014

  
**Itrat Husain**  
Chartered Accountants

**Bangladesh Submarine Cable Company Limited**  
Statement of Financial Position  
As at 30 June 2014

Assets	Notes	30 June 2014 Taka	30 June 2013 Taka	1 July 2012 Taka
<b>Non-current assets</b>				
Property, plant and equipment	5	2,316,953,181	2,116,865,439	2,370,131,971
Deferred expenditure	6	8,511,889	143,000	904,845
		2,325,465,070	2,116,908,439	2,297,988,756
<b>Current assets</b>				
Trade and other receivables, net	8	985,532,073	790,270,482	832,043,844
Advances and deposits	7	21,267,740	143,301,242	12,403,880
Advance income tax	9	139,008,225	89,609,024	88,338,275
Investment in shares	9	15,943,107	6,011,958	5,521,884
Cash and cash equivalents	10	143,392,819	1,522,095,873	1,474,003,950
		2,389,332,014	2,549,296,689	2,446,001,759
<b>Total Assets</b>		<b>4,714,797,084</b>	<b>4,676,205,127</b>	<b>4,743,990,515</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital	11	1,499,141,000	1,303,601,000	1,085,002,000
Share premium	12	723,239,799	723,239,799	723,239,799
Tax holiday reserve	13	543,233,850	523,533,079	585,382,213
Residual reserve	14	279,871,310	2,700,119,179	3,084,311,210
		3,045,485,959	3,049,793,658	3,498,965,422
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Lease Obligation-current maturity	15			375,798,727
Deferred tax liabilities	16	19,077,245	19,077,247	182,407,841
Security deposits received from clients	17	89,200,933	129,701,014	88,397,402
Employees' pension, gratuity & provident fund	18	10,450,617	16,407,760	14,956,296
		119,729,795	174,886,768	381,560,266
<b>Current liabilities</b>				
Lease Obligation-current maturity	19	11,241,545	764,703	750,32,489
Provision for income tax	20	188,380,878	230,479,717	238,789,294
Provision for WPPF and WPF	21	24,843,532	-	110,201,553
VAT payable	22	191,000,306	145,772,487	92,888,156
Liabilities for expenses	23	5,742,489	3,671,837	37,388,403
		451,712,755	387,117,937	488,877,595
<b>Total Liabilities and Equities</b>		<b>4,714,797,084</b>	<b>4,676,205,127</b>	<b>4,743,990,515</b>

The annexed notes from 1 to 48 form an integral part of these financial statements.

  
**Shukanta Kumar Deb**  
Chief Financial Officer

  
**Md. Mijan Hossain**  
Company Secretary

  
**Itrat Husain**  
Managing Director

  
**Itrat Husain**  
Director

Dhaka,  
24 August 2014

  
**ACNABIN**  
Chartered Accountants



**ACNABIN**  
Chartered Accountants

BDBL Bhaban (Level-13)  
12 Kawran Bazar Commercial Area  
Dhaka-1215, Bangladesh.

Telephone: +88 02 8144347 to 52  
Facsimile : +88 02 8144353  
e-mail: acnabin@bangla.net  
web : www.acnabin-bd.com

## Independent Auditor's 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 statement of financial position as at 30 June 2014, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management Responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's 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 (BSA). 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 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.

### Opinion

In our opinion, the financial statements referred to above give a true and fair view of the financial position of Bangladesh Submarine Cable Company Limited as at 30 June 2014, 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, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.





**We also report that:**

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii) 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 these books;
- iii) the statement of financial position and statement of comprehensive income together with the annexed notes from 1 to 48 dealt with by the report are in agreement with the books of account; and
- iv) the expenditure incurred was for the purpose of the company's business.

Dhaka,  
24 August 2014

**ACNABIN**  
Chartered Accountants

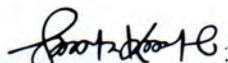
# Bangladesh Submarine Cable Company Limited

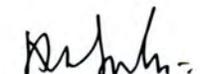
## Statement of Financial Position

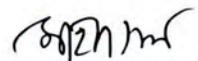
As at 30 June 2014

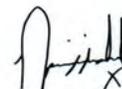
	Notes	30 June 2014 Taka	30 June 2013 Taka	1 July 2012 Taka
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	2,156,933,181	2,116,665,439	2,297,013,911
Deferred expenditure	5	9,513,969	1,403,000	904,845
		2,166,447,150	2,118,068,439	2,297,918,756
<b>Current assets</b>				
Trade and other receivables, net	6	965,502,073	790,070,492	631,914,144
Advances and deposits	7	21,126,710	143,301,242	12,693,890
Advance income tax	8	128,038,325	93,697,824	48,636,375
Investment in shares	9	33,263,107	5,051,255	5,352,884
Cash and cash equivalents	10	1,451,392,819	1,522,095,870	1,447,403,960
		2,599,323,034	2,554,216,683	2,146,001,253
<b>Total Assets</b>		<b>4,765,770,184</b>	<b>4,672,285,122</b>	<b>4,443,920,009</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital	11	1,499,141,000	1,303,600,870	1,185,091,700
Share premium	12	723,293,759	723,293,759	723,293,759
Tax holiday reserve	13	545,233,830	521,535,079	385,162,213
Revaluation reserve	14	339,631,310	339,631,310	339,631,310
Retained earnings	15	947,168,623	1,064,779,651	684,569,403
		4,054,468,522	3,952,840,668	3,317,748,384
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Lease Obligation-net off current maturity		-	-	375,798,737
Deferred tax liabilities	16	197,877,745	190,472,817	182,147,841
Security deposits received from clients	17	89,200,933	129,792,124	58,387,402
Employees' pension, gratuity & provident fund	18	23,450,617	16,547,760	14,960,286
		310,529,295	336,812,700	631,294,266
<b>Current liabilities</b>				
Lease Obligation- current maturity		-	-	250,532,492
Sundry creditors	19	11,241,545	764,703	7,318,756
Provision for income tax	20	168,380,676	230,476,717	110,201,553
Provision for WPPF and WF	21	24,407,352	-	-
VAT payable	22	191,000,306	145,772,497	92,838,156
Liabilities for expenses	23	5,742,489	5,617,837	33,986,402
		400,772,368	382,631,753	494,877,359
<b>Total Liabilities</b>		<b>711,301,663</b>	<b>719,444,453</b>	<b>1,126,171,625</b>
<b>Total Equity and Liabilities</b>		<b>4,765,770,184</b>	<b>4,672,285,122</b>	<b>4,443,920,009</b>

The annexed notes from 1 to 48 form an integral part of these financial statements.

  
Chief Financial Officer

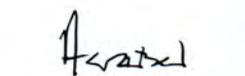
  
Company Secretary

  
Managing Director

  
Director

This is the statement of financial position referred to in our separate report of even date.

Dhaka,  
24 August 2014

  
ACNABIN  
Chartered Accountants



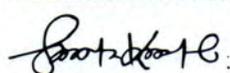
# Bangladesh Submarine Cable Company Limited

## Statement of Comprehensive Income

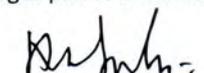
For the year ended 30 June 2014

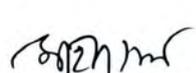
	Notes	2013-2014 Taka	2012-2013 Taka
<b>Revenue</b>			
IPLC (International Private Lease Circuit) rent	24	669,095,788	1,224,306,499
Circuit activation charge	25	3,295,750	24,074,560
IP Transit Service	26	79,589,919	-
Co-Location Charges	27	1,763,333	-
		753,744,790	1,248,381,059
<b>Direct cost of operation</b>			
Electricity and generator fuel	28	7,974,601	5,755,521
Landing station and cable route repair	29	1,646,176	773,826
Backhaul & Data connectivity Charge	30	39,096,898	-
IP Transit Cost	31	9,986,617	-
Depreciation of core machinery	32	177,211,747	182,244,751
		235,916,039	188,774,098
<b>Gross profit</b>		<b>517,828,751</b>	<b>1,059,606,961</b>
<b>Operating expenses</b>			
Operation and maintenance expenses	33	95,283,341	64,924,239
General and administrative expenses	34	80,809,796	56,580,199
Provision for bad & doubtful debts	35	13,428,310	23,802,427
Depreciation on property, plant and equipment	36	9,543,180	10,264,028
Amortization of deferred expenditure		280,600	904,845
		199,345,227	156,475,739
<b>Operating profit</b>		<b>318,483,525</b>	<b>903,131,222</b>
<b>Non-operating income</b>			
Bank interest and other income	37	190,846,713	193,103,915
Gain/(Loss) on investment in shares	38	3,224,160	(301,629)
		194,070,873	192,802,286
<b>Profit before WPPF &amp; WF</b>		<b>512,554,398</b>	<b>1,095,933,508</b>
Provision for contribution to WPPF & WF		24,407,352	-
<b>Profit before taxation</b>		<b>488,147,045</b>	<b>1,095,933,508</b>
Less: Current tax expense	39	118,394,089	215,497,909
Deferred tax (income)/expense	40	7,404,929	8,324,975
		125,799,018	223,822,884
<b>Net profit after tax</b>		<b>362,348,028</b>	<b>872,110,624</b>
<b>Other comprehensive income, net of tax</b>			
Gain on revaluation of property, plant and equipment		-	-
<b>Total comprehensive income</b>		<b>362,348,028</b>	<b>872,110,624</b>
<b>Earnings Per Share (EPS) - Basic</b>	41	<b>2.42</b>	<b>6.69</b>
<b>Earnings Per Share (EPS) - Restated</b>			<b>5.82</b>

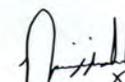
The annexed notes from 1 to 48 form an integral part of these financial statements



Chief Financial Officer

  
Company Secretary

  
Managing Director

  
Director

This is the statement of comprehensive income referred to in our separate report of even date.

Dhaka,  
24 August 2014

  
ACNABIN  
Chartered Accountants



## Bangladesh Submarine Cable Company Limited

### Statement of Changes in Equity

For the year ended 30 June 2014

Particulars	(Amount in Taka)					Total Equity
	Share capital	Share premium	Tax holiday reserve	Revaluation reserve	Retained earnings	
<b>Balance as at 30 June 2013</b>	1,303,600,870	723,293,759	521,535,079	339,631,310	1,064,779,651	3,952,840,668
Transactions with shareholders:						
Bonus shares issued	195,540,130	-	-	-	(195,540,130)	-
Dividend paid	-	-	-	-	(260,720,174)	(260,720,174)
Total comprehensive income for the year:						
Net profit after tax for the year	-	-	-	-	362,348,028	362,348,027
Tax holiday reserve	-	-	23,698,751	-	(23,698,751)	-
<b>Balance as at 30 June 2014</b>	<b>1,499,141,000</b>	<b>723,293,759</b>	<b>545,233,830</b>	<b>339,631,310</b>	<b>947,168,623</b>	<b>4,054,468,522</b>
<b>Balance at 01 July 2012, as previously reported</b>	<b>1,185,091,700</b>	<b>723,293,759</b>	<b>385,162,213</b>	<b>339,631,310</b>	<b>686,511,609</b>	<b>3,319,690,591</b>
Impact of correction of error (Note: 24)	-	-	-	-	(1,945,556)	(1,945,556)
Impact of correction of error (Note: 4)	-	-	-	-	3,350	3,350
<b>Restated balance at 01 July 2012</b>	<b>1,185,091,700</b>	<b>723,293,759</b>	<b>385,162,213</b>	<b>339,631,310</b>	<b>684,569,403</b>	<b>3,317,748,384</b>
Transactions with shareholders:						
Bonus shares issued	118,509,170	-	-	-	(118,509,170)	-
Dividend paid	-	-	-	-	(237,018,340)	(237,018,340)
Total comprehensive income for the year:						
Net profit after tax for the year	-	-	-	-	872,110,624	872,110,624
Tax holiday reserve	-	-	136,372,866	-	(136,372,866)	-
<b>Balance as at 30 June 2013</b>	<b>1,303,600,870</b>	<b>723,293,759</b>	<b>521,535,079</b>	<b>339,631,310</b>	<b>1,064,779,651</b>	<b>3,952,840,668</b>

The annexed notes from 1 to 48 form an integral part of these financial statements.

Dhaka,

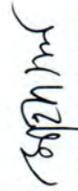
24 August 2014



Chief Financial Officer



Company Secretary



Managing Director



Director

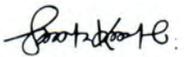
# Bangladesh Submarine Cable Company Limited

## Statement of Cash Flows For the year ended 30 June 2014

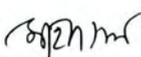
	Notes	2013-2014 Taka	2012-2013 Taka
<b>A. Cash flows from operating activities</b>			
Cash received from clients		584,859,294	1,201,459,897
Cash paid to suppliers and others		(234,916,606)	(240,076,659)
Payroll and other payments to employees		(41,901,800)	(25,128,043)
Income tax paid		(214,830,631)	(140,284,194)
Receipts from rest house rent and others		41,639,748	302,658
<b>Net cash flow from operating activities</b>		<b>134,850,005</b>	<b>796,273,659</b>
<b>B. Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(95,455,561)	(12,160,307)
Interest received		173,721,845	182,078,406
Investment in Share		(24,987,692)	-
Dividend received		738,534	24,300
<b>Net cash (used in)/flow from investing activities</b>		<b>54,017,126</b>	<b>169,942,399</b>
<b>C. Cash flows from financing activities</b>			
Dividend paid		(259,570,183)	(236,569,252)
Finance charge on lease payments		-	(28,623,668)
Payment of finance lease liabilities		-	(626,331,229)
<b>Net cash used in financing activities</b>		<b>(259,570,183)</b>	<b>(891,524,149)</b>
Net (deficit)/surplus in cash and cash equivalents during the year (A+B+C)		(70,703,051)	74,691,910
Cash and cash equivalents at beginning of the year		1,522,095,870	1,447,403,960
<b>Cash and cash equivalents at end of the year</b>		<b>1,451,392,819</b>	<b>1,522,095,870</b>
Net Operating Cash Flows Per Share (NOCFPS)	41.3	<b>0.90</b>	<b>6.11</b>
Net Operating Cash Flows Per Share (NOCFPS)-restated			<b>5.31</b>

The annexed notes from 1 to 48 form an integral part of these financial statements.

Dhaka,  
24 August 2014

  
Chief Financial Officer

  
Company Secretary

  
Managing Director

  
Director



# Bangladesh Submarine Cable Company Limited

## Notes to the financial statements

For the year ended 30 June 2014

### 1. Corporate information

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 1,000,000,000 ordinary shares of Taka 10 each. In the year 2010-2011, the Company converted denomination of its shares from Taka 100 to Taka 10 and accordingly, present authorized capital is Taka 10,000,000,000 divided into 1,000,000,000 ordinary shares of Taka 10 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).

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.

### 2. Basis of preparation of financial statements

#### 2.1 Statement of compliance

The financial statements have been prepared in accordance with the Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS), the Companies Act 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations in Bangladesh.

The financial statements have been authorised for issue by the Board of Directors of the Company on 24 August 2014.

#### 2.2 Basis of measurement

These financial statements have been prepared on going concern basis under historical cost convention in accordance with Bangladesh Financial Reporting Standards (BFRS) except for the following items in the statement of financial position:

- (a) Land and land development is measured at fair value.
- (b) Financial instruments at fair value through profit or loss are measured at fair value.

#### 2.3 Functional and presentation currency

These financial statements are presented in Bangladesh Taka which is also the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest Taka.

#### 2.4 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future periods if the revision affects both current and future periods.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note: 4 Property, plant and equipment (useful life of depreciable assets)
- Note: 16 Deferred tax liabilities (manner of recovery of temporary differences for determination of deferred tax liabilities)
- Note: 35 Provision for bad & doubtful debts
- Note: 39 Current tax expense
- Note: 40 Deferred tax (income)/expense



### 3. Significant accounting policies

Accounting policies set out below have been applied consistently for all periods for which the financial statements have been presented herein. Certain comparative amounts have been reclassified to conform to the current year's presentation.

#### 3.1 Property, plant and equipment

Property, plant and equipment comprise mainly land, building, core equipment, power system and vehicles. Land is shown at fair value, based on valuations by external independent valuers as per BAS 16: Property, Plant and Equipment. All other property plant and equipment are shown cost less accumulated depreciation. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All repairs and maintenance expenses are charged to the Statement of Comprehensive Income during the year when these are incurred.

#### 3.2 Depreciation on property, plant and equipment

Depreciation on all property, plant and equipment is charged on reducing balance method considering the economic and useful lives of such assets. Periodical depreciation has been charged during the year under audit. Depreciation method, useful lives and residual values are reviewed at each year-end and adjusted if appropriate.

<u>Name of Assets</u>	<u>Depreciation rate</u>
Core equipment-IPLC	10%
Core equipment-IIG	12%
Building	4%
Floor development	10%
Security barak & security wall	4%
Deep tube-well & pump house	10%
500 KV sub-station	15%
Power system	10%
Boundary wall	4%
Ducting from beach manhole	5%
Vehicles	20%
Office equipment and furniture	10%
Co-Location point	10%
Office decoration	10%

#### 3.3 Foreign currency transactions

The financial statements are presented in Taka/Tk./BDT, which is the company's functional currency. Transactions in foreign currencies are recorded in the books at the exchange rate prevailing on the date of the transaction. Assets and liabilities outstanding at 30 June 2014 denominated in foreign currencies have been shown in Taka at the rate in terms of foreign currencies ruling on the financial position date. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the statement of comprehensive income as per BAS 21: The Effects of Changes in Foreign Exchange Rates.

#### 3.4 Employee Benefit

BSCCL maintains defined benefit plan for its eligible permanent employees. A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Employee gratuity plan is considered as defined benefit plan as it meets the recognition criteria. The company's obligation is to provide the agreed benefits to employees as per condition of the fund. The eligibility is determined according to the terms and conditions set in the service rules of the company. The plan funded is not registered under Income Tax Ordinance 1984.

#### 3.5 Amortization

Amortization of deferred expenditure is recognised in statement of comprehensive income (profit or loss) on a straight line basis over 5 (five) years from the date of recognition.



### 3.6 Tax holiday reserve

Tax holiday reserve has been created using applicable exemption rate of income tax as prescribed 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%

Tax holiday reserve has also been created using applicable exemption rate of income tax as prescribed by the Income Tax Ordinance 1984 for IIG operation income (IP Transit service) as the Company has been granted tax holiday by the National Board of Revenue (NBR) (Ref: nothi no.08.01.0000.035.01.0021.2013 dated 12/02/2014) for a period of 10 years effective from 01 July 2013 to 30 June 2023 under section 46(c) of ITO 1984.

### 3.7 Income tax expense

Income tax expenses comprise current and deferred taxes. Income taxes are recognized in statement of comprehensive income except to the extent that relates to items recognized directly in equity or in other comprehensive income.

#### 3.7.1 Current tax

Provision for income tax is made as per Finance Act 2014. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. The Company has been granted 25% tax exemption for the period from 1 July 2013 to 31 December 2013 and 100% tax exemption for IIG operation income (IP Transit service). Required provision for income tax has been made in the accompanying financial statements based on proportionate income.

#### 3.7.2 Deferred tax

Deferred tax has been recognized in accordance with the provision of BAS 12: Income Taxes, based on the deductible or taxable temporary difference between the carrying amount of assets / liabilities 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 statement of comprehensive income. Deferred tax assets and liabilities are offsetted if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilised. Deferred tax assets are reviewed at each date of statement of financial position and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### 3.8 Revenue recognition

Revenues are recognised when products are delivered or services rendered, to the extent that it is probable that the economic benefits from the transactions will flow to the company and the revenues can be reliably measured. Revenues are measured at the fair value of the consideration received or receivable, net of discounts and sales related taxes. These taxes are regarded as collected on behalf of the authorities.

Revenues primarily comprise of:

1. IPLC Rent
2. Circuit Activation Charge
3. IP Transit Service
4. Co-location Charges



**3.8.1 IPLC rent**

IPLC (International Private Leased Circuit) rent is billed at 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.

**3.8.2 Circuit activation charge**

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

**3.8.3 IP Transit service**

IP Transit service charges for providing internet bandwidth to IIGs and ISPs.

**3.8.4 Co-location Charges**

Income from Co-location charges arise for using BSCCL's resources at Cox'sbazar and Dhaka.

**3.9 Dividend income**

Dividend income is recognised when the right to receive payment is established.

**3.10 Trade receivables**

Trade receivables are amounts due from customers for services provided in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at carrying amount less provision for impairment.

**3.11 Cash and cash equivalents**

In the statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

**3.12 Accounts payable**

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

**3.13 Contingencies**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company; or a present obligation that arises from past events.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group.

A contingent liability is recognised in the statement of financial position of the company because it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation of a bank guarantee given to custom authorities.

**3.14 Earning Per Share (EPS)**

The company presents basic and diluted (when dilution is applicable) earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period, adjusted for the effect of change in number of shares for bonus issue, share split and reverse split. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no dilutive potential ordinary shares during the relevant years.

**3.15 Investment in shares**

Investment in shares and securities are designated at fair value, classified as Held for Trading, with fair value changes recognized immediately in profit or loss.



### 3.16 Events after the reporting period

Events after the reporting period that provide additional information about the company's position at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

### 3.17 Compliance with Financial Reporting Standards as applicable in Bangladesh

Sl. No.	BAS No.	BAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied
2	2	Inventories	Not applicable
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	11	Construction Contracts	Not applicable
7	12	Income Taxes	Complied
8	16	Property, Plant & Equipment	Complied
9	17	Leases	Complied
10	18	Revenue	Complied
11	19	Employee Benefits	Complied
12	20	Accounting for Government Grants and Disclosure of Government Assistance	Not applicable
13	21	The Effects of Changes in Foreign Exchange Rates	Complied
14	23	Borrowing Costs	Not applicable
15	24	Related Party Disclosures	Complied
16	26	Accounting and Reporting by Retirement Benefit Plans	Not applicable
17	27	Consolidated and Separate Financial Statements	Not applicable
18	28	Investments in Associates	Not applicable
19	31	Interest in Joint Ventures	Not applicable
20	32	Financial Instruments: Presentation	Complied
21	33	Earnings per Share	Complied
22	34	Interim Financial Reporting	Complied
23	36	Impairment of Assets	Complied
24	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
25	38	Intangible Assets	Not complied*
26	39	Financial Instruments: Recognition and Measurement	Complied
27	40	Investment Property	Not applicable
28	41	Agriculture	Not applicable

\* As per BAS 38 paragraph 69 any pre-operational, preliminary expenses or start-up costs should be recognised as an expense when it is incurred. But the company recognised deferred expenses as an asset for the project SEA-ME-WE-4 and SEA-ME-WE-5 (Note-5) which is permitted as per Companies Act 1994.

Sl. No.	BFRS No.	BFRS Title	Compliance Status
1	1	First-time adoption of International Financial Reporting Standards	Not applicable
2	2	Share-based Payment	Not applicable
3	3	Business Combinations	Not applicable
4	4	Insurance Contracts	Not applicable
5	5	Non-current Assets Held for Sale and Discontinued Operations	Not applicable
6	6	Exploration for and Evaluation of Mineral Resources	Not applicable
7	7	Financial Instruments: Disclosures	Complied
8	8	Operating Segments	Not applicable
9	9	Financial Instruments	Not yet adopted in BD
10	10	Consolidated Financial Statements	Not applicable
11	11	Joint Arrangements	Not applicable
12	12	Disclosure of Interests in other Entities	Not applicable
13	13	Fair Value Measurement	Not applicable



	30.06.2014 Taka	30.06.2013 Taka	01.07.2012 Taka
<b>4. Property, plant and equipment</b>			
<b>Cost/ revaluation (A)</b>		Restated	Restated
Opening balance	3,277,116,511	3,264,956,204	2,588,985,740
Add: Purchased during the year	227,022,668	12,160,307	494,061,935
Increased due to revaluation	-	-	181,908,529
	<u>3,504,139,179</u>	<u>3,277,116,511</u>	<u>3,264,956,204</u>
<b>Accumulated Depreciation (B)</b>			
Opening balance as reported	1,160,451,072	967,942,293	802,093,638
Less: Impact of correction of error (Note:4.1)	-	-	3,350
Restated opening balance	1,160,451,072	967,942,293	802,090,288
Add: Charged during the year	186,754,927	192,508,779	165,852,005
	<u>1,347,205,998</u>	<u>1,160,451,072</u>	<u>967,942,293</u>
<b>Written Down Value (A-B)</b>	<u>2,156,933,181</u>	<u>2,116,665,439</u>	<u>2,297,013,911</u>

A schedule of property, plant & equipment is given in Annexure-A.

- 4.1 During the year 2011-12 purchase of office equipment and furniture was accounted for Tk.948,760 against the invoice of the suppliers. But in 2013-14 at the time of settlement of the bill/invoice an amount of Tk.33,500 had been less paid. As a result, the office equipment and furniture including the effect of depreciation (Tk.3,350) and sundry creditors which were over reported at 30 June 2012 by Tk.33,500 have been rectified and restated accordingly.

	30.06.2014 Taka	30.06.2013 Taka
<b>5. Deferred expenditure</b>		
Opening balance	1,403,000	1,403,000
Add: Addition during the year (Note: 5.1)	8,391,569	-
	<u>9,794,569</u>	<u>1,403,000</u>
Less: Amortization made during the year	280,600	-
	<u>9,513,969</u>	<u>1,403,000</u>

- 5.1 An amount of Tk.8,391,569 has been considered as deferred expenditure since this amount is identified as expenditure relating to Second Submarine Cable Project (SMW-5). As the project implementation has been in progress, these expenses are deferred as per Company Act, 1994.

	30.06.2014 Taka	30.06.2013 Taka	01.07.2012 Taka
<b>6. Trade and other receivables</b>		Restated	Restated
Trade receivables, net (Note:6.1)	954,659,190	753,974,194	606,516,397
Other receivables (Note:6.2)	10,842,883	36,096,298	25,397,747
	<u>965,502,073</u>	<u>790,070,492</u>	<u>631,914,144</u>
<b>6.1 Trade receivables, net</b>		Restated	Restated
Opening Balance	801,455,177	630,194,953	178,002,803
Add: Addition during the year (Note:6.1.1)	1,099,431,620	1,807,665,724	1,581,512,506
	<u>1,900,886,797</u>	<u>2,437,860,678</u>	<u>1,759,515,309</u>
Less: Collection during the year	885,318,314	1,636,405,500	1,129,320,356
Closing Balance	1,015,568,483	801,455,177	630,194,953
Less: Provision for bad and doubtful debts			
Opening Balance	47,480,983	23,678,556	-
Add: Addition during the year	13,428,310	23,802,427	23,678,556
	<u>60,909,293</u>	<u>47,480,983</u>	<u>23,678,556</u>
Trade receivables, net of provision	<u>954,659,190</u>	<u>753,974,194</u>	<u>606,516,397</u>

A detailed schedule of trade receivable is given in annexure - B.

Provision for bad and doubtful debts has been made as per company policy and as recommended by Audit Committee.

- 6.1.1 During the year 2009-2010, 2010-2011 and 2011-2012 revenue (IPLC rent) were over shown for an amount of Tk. 756,000, Tk.751,968 and Tk.437,588 respectively due to delay/non activation of circuits but invoices/bills were raised. Consequently corresponding receivables were also over recorded and excess reported by the said amount in the accounts. These errors have been rectified by restating the accounts for the year 2011-12. (Note-24.1).

	30.06.2014 Taka	30.06.2013 Taka
<b>6.2 Other receivables</b>		
Dividend receivable	3,150	15,750
Receivable from ICB Securities Trading Co. Ltd.	12,220	7,180
FDR interest receivable from different Banks	8,411,745	19,482,066
Receivable from TM Malaysia (Note: 6.2.1)	2,415,768	16,591,302
	<b>10,842,883</b>	<b>36,096,298</b>

- 6.2.1 Reimbursable meeting expenses was received during the year from TM Malaysia.

## 7. Advances and deposits

### Advances

	(Note:71)		
Advance for Office Rent	8,868,546		10,946,310
Advance to:			
Employees for foreign travelling	121,000		70,000
Employees against Expenses	216,164		96,825
Pragati Industries Ltd. for vehicle	6,926,000		-
Zibran & Associates	42,000		-
Civil Works Consultant Ltd.	990,000		-
Mr. Shahjalal (Office Rent Patuahkali)	246,000		-
Milky & Associates	12,000		-
Future Link Technology	20,000		-
Kamal Trading Agency	50,000		-
Southern Automobiles	250,000		-
Advance for:			
Land Purchase	-		900,000
Interior Decoration	-		586,764
against Investment in IIG	-		130,080,343
	<b>17,741,710</b>		<b>142,680,242</b>

### Deposits

Security deposit - Duncan Products Ltd.	5,000	5,000
BTCL - for phone line	19,000	16,000
CDBL - as security deposit	500,000	500,000
Security deposit - BTRC for International Internet Gateway (IIG) license	100,000	100,000
Patuahkali Palli Bidyut Samity	2,761,000	-
	<b>3,385,000</b>	<b>621,000</b>
	<b>21,126,710</b>	<b>143,301,242</b>

### 7.1 Advance for Office Rent

Opening balance	10,946,310	10,838,890
Add: Addition during the year	-	2,000,000
	10,946,310	12,838,890
Less: Adjustment during the year	2,077,764	1,892,580
	<b>8,868,546</b>	<b>10,946,310</b>

### 8. Advance Income Tax

Opening balance	93,697,824	48,636,375
Add: Payment made during the year	128,038,324	93,697,824
	221,736,147	142,334,199
Less: Settlement for previous year	93,697,822	48,636,375
	<b>128,038,325</b>	<b>93,697,824</b>

## 9. Investment in Shares

		30.06.2014 Taka		30.06.2013 Taka	
SL #	Ordinary shares of	Quantity	Cost price (Taka)	Market value	Market value
1	AB Bank Limited	68,593	2,657,646	1,742,262	737,352
2	ACI Limited	2,592	764,727	675,734	331,776
3	BEXIMCO Limited	101,062	9,731,786	3,264,303	2,203,500
4	Islami Bank BD Limited	39,091	950,773	989,002	1,346,890
5	NCC Bank Limited	158,504	2,353,520	1,695,993	431,737
6	BATASHOE	1,000	696,430	972,900	-
7	IFIC Bank Limited	40,250	1,246,849	986,125	-
8	Jamuna Oil Limited	21,560	4,392,420	4,585,812	-
9	MPetroleum	22,560	4,962,428	6,172,416	-
10	Padma Oil Limited	18,150	4,835,084	5,837,040	-
11	Square Pharma	14,600	2,633,585	4,120,120	-
12	Titas Gas	29,000	2,242,120	2,221,400	-
			<b>37,467,368</b>	<b>33,263,107</b>	<b>5,051,255</b>

The Company has invested the above-noted amount to fulfil the requirement of Tax Holiday Scheme. This amount represents the market value of shares as on 30 June 2014. Investment in shares is treated as held for trading financial assets as per BAS 39-Financial Instruments: Recognition and Measurement and any fluctuation in market price is accounted for through statement of comprehensive income.

## 10. Cash and cash equivalents

Cash in hand	(Note:10.1)	128,166	236,076
Cash at bank	(Note:10.2)	1,451,264,653	1,521,859,794
		<b>1,451,392,819</b>	<b>1,522,095,870</b>

## 10.1 Cash in hand

Head Office-Dhaka	88,189	191,230
Landing Station-Kuakata	255	-
Landing Station-Cox's Bazar	39,722	44,846
		<b>128,166</b>
		<b>236,076</b>

## 10.2 Cash at bank

## Savings and current deposits with:

Sonali Bank Limited	85,635,193	4,941,457
National Bank Limited	91,950	-
Mutual Trust Bank Limited	1,487,596	-
Farmers Bank Limited	1,496,233	-
Brac Bank Limited	669,618	666,176
IFIC Bank Limited	2,131,054	108,036
United Commercial Bank Limited	461,104,795	49,344,235
		552,616,439
		55,059,904

## Fixed deposits (FDR) with:

National Bank Limited	-	53,514,930
Basic Bank Limited	452,302,603	321,073,272
IFIC Bank Limited	-	75,618,682
Investment Corporation of Bangladesh	-	442,976,674
Bank Asia Limited	51,204,375	-
Sonali Bank Limited	116,441,080	204,218,750
Bangladesh Krishi Bank Limited	79,671,499	55,843,750
Bangladesh Commerce Bank Limited	-	21,753,122
United Commercial Bank Limited	10,000,000	67,440,505
Meghna Bank Limited	144,460,062	-
AB Bank Limited	-	126,645,000
Exim Bank Limited	-	33,162,653
Other Banks	44,568,594	64,552,551
		898,648,214
		1,466,799,890
		<b>1,451,264,653</b>
		<b>1,521,859,794</b>

The fixed deposits will be matured within 3 (three) months.

**11. Share capital****Authorized:**

1,000,000,000 ordinary shares of Taka 10 each

30.06.2014  
Taka30.06.2013  
Taka10,000,000,00010,000,000,000**Issued, subscribed and paid up capital:**

149,914,100 Ordinary Shares of Taka 10 each

1,499,141,0001,303,600,870

The company increased its Paid-up share capital from Tk.1,303,600,870 to Tk. 1,499,141,000 by issuing 19,554,013 bonus shares to the shareholders as approved in 5th Annual General Meeting 26 October 2013.

**11.1 Percentage of Shareholding****Shareholding position as at 30 June 2014**

Name of shareholders	Percentage of shareholding	No. of shares	Value in Taka
Ministry of Post & Telecommunications division, MoPT & IT	73.84%	110,698,922	1,106,989,220
Sponsor/Director	0.00%	175	1,750
Institute	9.81%	14,707,314	147,073,140
Public	15.80%	23,690,426	236,904,260
Foreign Investor	0.55%	817,263	8,172,630
	<b>100%</b>	<b>149,914,100</b>	<b>1,499,141,000</b>

**Shareholding position as at 30 June 2013**

Name of shareholders	Percentage of shareholding	No. of shares	Value in Taka
Ministry of Post & Telecommunications division, MoPT & IT	73.84%	96,259,933	962,599,330
Sponsor/Director	0.00%	154	1,540
Institute	12.46%	16,246,399	162,463,990
Public	13.17%	17,172,611	171,726,110
Foreign Investor	0.52%	680,990	6,809,900
	<b>100.00%</b>	<b>130,360,087</b>	<b>1,303,600,870</b>

**11.2 Classification of shareholders by range of number of shares held:**

Slabs wise number of shares	No. of share holders		No. of shares	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
Less than 500	25,703	22,126	2,954,871	2,089,589
500-5,000	7,690	3,324	10,605,481	4,953,707
5,001-10,000	471	257	3,363,289	1,906,022
10,001-20,000	216	186	2,975,293	2,638,963
20,001-30,000	74	60	1,821,077	1,479,450
30,001-40,000	27	31	962,750	1,094,480
40,001-50,000	11	24	493,610	1,102,400
50,001-100,000	39	55	2,699,485	3,812,700
100,001-1,000,000	30	39	5,877,304	9,715,038
1,000,001-1,000,000,000	4	5	118,160,940	101,567,738
	<b>34,265</b>	<b>26,107</b>	<b>149,914,100</b>	<b>130,360,087</b>

**12. Share premium**723,293,759723,293,759

In 2011-2012, total amount of Tk. 775,000,000 was received as share premium in respect of shares issued to shareholders. Net issue cost of Tk.51,706,241 was set off against share premium as per BAS 32: Financial Instruments: Presentation.



	30.06.2014 Taka	30.06.2013 Taka
<b>13. Tax holiday reserve</b>		
Opening balance	521,535,079	385,162,213
Add: Current year's reserve (Note: 3.6)	23,698,751	136,372,866
	<b>545,233,830</b>	<b>521,535,079</b>
<b>14. Revaluation reserve</b>	<b>339,631,310</b>	<b>339,631,310</b>
<b>15. Retained Earnings</b>		
Opening balance	1,064,779,651	684,569,403
Add: Profit for the year	362,348,028	872,110,624
	1,427,127,678	1,556,680,027
Less: Dividend paid during the Year	260,720,174	237,018,340
Appropriation for Stock Dividend	195,540,130	118,509,170
Transferred to Tax Holiday Reserve	23,698,751	136,372,866
	479,959,055	491,900,376
	<b>947,168,623</b>	<b>1,064,779,651</b>

**16. Deferred tax liabilities**

Deferred tax assets and liabilities have been recognized and measured in accordance with the provisions of BAS 12: Income Taxes. Related deferred tax expense/(income) have been disclosed in Note: 40. Deferred tax assets and liabilities are attributable to the following:

Deferred tax relating to profit & loss account components (Note: 16.1)	190,946,494	183,541,565
Deferred tax relating to components of other comprehensive income (Note: 16.2)	6,931,251	6,931,251
	<b>197,877,745</b>	<b>190,472,817</b>

**16.1 Deferred tax relating to profit & loss account components**

	Carrying amount Taka	Tax base Taka	Taxable/(deductible) temporary difference Taka
<b>As at 30 June 2014</b>			
Property, plant and equipment (excluding land)	1,725,634,553	946,923,757	778,710,796
Accounts receivable	954,659,190	1,015,568,483	(60,909,293)
Provision for pension and gratuity fund	(23,450,617)	-	(23,450,617)
Net Taxable Temporary Difference			694,350,886
Applicable tax rate			27.50%
<b>Deferred tax liability</b>			<b>190,946,494</b>
	Carrying amount Taka	Tax base Taka	Taxable/(deductible) temporary difference Taka
<b>As at 30 June 2013</b>			
Property, plant and equipment (excluding land)	1,760,441,060	1,027,549,501	732,891,559
Difference for vehicle (Note 16.1.1)	(1,438,942)	-	(1,438,942)
Accounts receivable	755,919,751	803,400,734	(47,480,983)
Provision for pension and gratuity fund	(16,547,760)	-	(16,547,760)
Net Taxable Temporary Difference			667,423,874
Applicable tax rate			27.50%
<b>Deferred tax liability</b>			<b>183,541,565</b>

**16.1.1 Difference for vehicle**

This represents the permanent difference related to sedan cars, not plying for hire, owned by BSCCL. As per the provisions of Income Tax Ordinance 1984, depreciation on such cars is allowed only up to certain limit of cost (currently Tk.2 million per car) of such cars for tax purpose. Difference for vehicle represents the amount of depreciated cost exceeding such limits.

**16.2 Deferred tax relating to components of other comprehensive income****As at 30 June 2014**

Revaluation reserve of property, plant and equipment

Carrying Amount

Tax Base

Taxable/(deductible) temporary difference

346,562,561

-

346,562,561

Applicable tax rate

2.00%

**Deferred tax liability****6,931,251****As at 30 June 2013**

Revaluation reserve of property, plant and equipment

Carrying Amount

Tax Base

Taxable/(deductible) temporary difference

346,562,561

-

346,562,561

Applicable tax rate

2.00%

**Deferred tax liability****6,931,251****30.06.2014  
Taka****30.06.2013  
Taka****17. Security deposits received from clients**

Opening Balance

129,792,124

58,387,402

Add: Addition during the year

26,116,051

96,654,804

155,908,175

155,042,206

Less: Adjustment during the year

66,707,242

25,250,083

**89,200,933****129,792,124**

A detailed schedule of security deposit received from clients is given in annexure - C.

**18. Employees' pension, gratuity and provident fund**

Employees' pension fund

(Note: 18.1)

13,808,952

13,808,952

Employees' gratuity fund

(Note: 18.2)

6,089,040

2,738,808

Employees' provident fund

(Note: 18.3)

3,552,625

-

**23,450,617****16,547,760****18.1 Employees' pension fund**

This represents amount payable to BTCL employees worked on deputation and the amount incorporated in the vendor agreement. The above noted amount is adequate to take care of the liabilities on account of the employees worked 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.

**18.2 Employees' gratuity fund**

Opening balance

2,738,808

1,151,334

Add: Provision made during the year

3,350,232

1,587,474

**6,089,040****2,738,808****18.3 Employees' provident fund**

Opening balance

-

-

Add: Employees' Contribution

1,776,312

-

Employer's Contribution

1,776,312

-

**3,552,625****-****30.06.2014  
Taka****30.06.2013  
Taka****01.07.2012  
Taka****19. Sundry creditors**

Share money deposit

119,622

Restated

123,122

Restated

301,499

M/S Care and Construction

-

-

915,260

Withholding tax payable

333,287

43,716

534,367

The Daily Janakantha

201,825

-

-

	30.06.2014 Taka	30.06.2013 Taka Restated	01.07.2012 Taka Restated
Sony Chocolate Industries Ltd.	291,657	-	-
Telecom Italia Sparkle	177,750	-	-
Best IT Solutions	115,000	-	-
Unclaimed dividend	1,599,079	449,088	-
Fibre @ Home	650,095	128,777	-
Execution	-	20,000	-
Spectrum Engineering Consortium Ltd.	184,500	-	-
White Product and Electronic Ltd. (Note:19.1)	-	-	1,049,630
ICB Securities Trading Co. Ltd.	1,257,165	-	627,000
Advance Received from BD REN/UGC	1,114,300	-	-
Bangla Phone Ltd.	358,703	-	-
Payable to BTCL	4,243,170	-	-
Others	595,392	-	3,891,000
	<b>11,241,545</b>	<b>764,703</b>	<b>7,318,756</b>

- 19.1 During the year 2011-12 purchase of office equipment and furniture was accounted for Tk.948,760 against the invoice of the suppliers. But in 2013-14 at the time of settlement of the bill/invoice an amount of Tk.33,500 had been less paid. As a result, the office equipment and furniture including the effect of depreciation (Tk.3,350) and sundry creditors which were over reported at 30 June 2012 by Tk.33,500 have been rectified and restated accordingly. (Note:4.1)

20. **Provision for income tax**

	30.06.2014 Taka	30.06.2013 Taka
Opening balance	230,476,717	110,201,553
Add: Provision made during the year (Note: 39)	118,394,089	215,497,909
	<b>348,870,806</b>	<b>325,699,462</b>
Less: Settlement for previous year	86,792,308	46,586,370
Tax paid directly from bank account through challan	93,697,822	48,636,375
Adjustment from advance income tax	180,490,130	95,222,745
	<b>168,380,676</b>	<b>230,476,717</b>
	<b>24,407,352</b>	-
	<b>191,000,306</b>	<b>145,772,497</b>

21. **Provision for WPPF and WF**

22. **VAT Payable**

This represents the amount received and deducted from clients arising from International Private Leased Circuit (IPLC) rentals, IP transit service, Circuit activation and Co-location charges. In addition to that this amount includes VAT receivable from clients against revenue receivable.

23. **Liabilities for expenses**

	30.06.2014 Taka	30.06.2013 Taka
Office rent (Note - 23.1)	4,923,000	4,800,000
Repair & Maintenance	6,900	-
Audit & other fees	189,750	218,500
Salary payable-Kuakata	201,275	-
Telephone bill	12,200	22,298
Electricity bill	400,000	474,781
Advertisement & publicity	-	88,494
Others	9,364	13,764
	<b>5,742,489</b>	<b>5,617,837</b>

- 23.1 Opening balance of provision for office rent payable to Bangladesh Telecommunication Company Limited (BTCL) is related to office space occupied by the Company at Telejogajog Bhaban owned by BTCL on the lump sum basis in the absence of any agreement and provision during the year is made for Kuakata office rent for the month of April to June 2014. This has been arrived at as follows:

Opening balance	4,800,000	4,800,000
Add: Provision made during the year	123,000	-
	<b>4,923,000</b>	<b>4,800,000</b>

		2013-2014 Taka	2012-2013 Taka	2011-2012 Taka
<b>24. IPLC (International Private Leased Circuit) Rent</b>				
IPLC (International Private Leased Circuit) rent is billed at the beginning of each month and recognized as income on delivery of the bills to clients. It includes the following:				
			Restated	Restated
IPLC rent- local	(Note: 24.1)	669,095,788	1,213,827,079	1,182,878,649
IPLC rent- export		-	10,479,420	29,705,762
		<b>669,095,788</b>	<b>1,224,306,499</b>	<b>1,212,584,411</b>

- 24.1** During the year 2009-2010, 2010-2011 and 2011-2012 revenue (IPLC rent) were over shown for an amount of Tk.756,000, Tk.751,968 and Tk.437,588 respectively due to delay/non activation of circuits but invoices/bills were raised. Consequently corresponding receivables were also over recorded and excess reported by the said amount in the accounts. These errors have been rectified by restating the accounts for the year 2011-12. (Note-6.1.1).

	2013-2014 Taka	2012-2013 Taka
<b>25. Circuit activation charge</b>	<b>3,295,750</b>	<b>24,074,560</b>
This represents charges imposed to clients for activation of new circuits.		
<b>26. IP Transit Service</b>	<b>79,589,919</b>	-
This represents the service charges for providing internet bandwidth to IIGs and ISPs.		
<b>27. Co-Location Charges</b>	<b>1,763,333</b>	-
This represents charges to customers for using BSCCL's resources at Cox's Bazar and Dhaka.		
<b>28. Electricity and generator fuel</b>		
This cost is directly related to cost of operation. The details of expenses are given below:		
Electricity bill	6,556,987	4,529,696
Fuel for generator	1,417,614	1,225,825
	<b>7,974,601</b>	<b>5,755,521</b>
<b>29. Landing station and cable route repair</b>	<b>1,646,176</b>	<b>773,826</b>
This cost is directly related to repair and maintenance for landing station and cable route.		
<b>30. Backhaul &amp; Data Connectivity Charge</b>		
Backhaul Charge	37,422,540	-
Data Connectivity & Fiber Core Charge	1,594,926	-
Membership & IP resource Allocation Fee	79,432	-
	<b>39,096,898</b>	-

This represents backhaul charges to BTCL for connection from Cox's Bazar to Dhaka for TK.37,063,837 and Tk.1,594,926 to Fiber@Home for data connectivity from Moghbazar to Tejgaon office. Tk.79,432 has been paid to APNIC as membership fee.

	2013-2014 Taka	2012-2013 Taka
<b>31. IP Transit Cost</b>	<b>9,986,617</b>	-
This cost represents the cost of purchasing IP bandwidth from Telecom Italia Sparkle.		
<b>32. Depreciation of core machinery</b>	<b>177,211,747</b>	<b>182,244,751</b>
This represents the depreciation charged on core machinery which are directly related to rent revenue. For further details Annexure-A is referred.		
<b>33. Operation and maintenance expenses</b>	<b>95,283,341</b>	<b>64,924,239</b>
This represents amount paid to SEA-ME-WE 4 during the year for expenses of cable operation and maintenance purpose after netting reimbursement of expenses from consortium received by the company.		
<b>34. General and administrative expenses</b>		

Salary and allowances	36,223,389	20,762,625
Managing Director's remuneration	3,187,524	2,852,550
Festival bonus	1,614,581	754,218
Incentive bonus	1,077,384	758,650
Gratuity provision	3,350,232	1,587,474
Office rent	8,138,900	7,349,512
Repair and maintenance	3,281,291	2,051,852
Business Development Expenses	1,585,090	995,829
Fees and Subscription	3,019,666	1,172,828
Vehicles Maintenance	1,440,274	872,618
Board and other meetings fees	2,054,768	1,311,840
Consultancy fees	1,590,514	525,750
Audit fees	189,750	172,500
Consortium meeting expenses	-	2,117,148
Advertisement and publicity expenses	1,720,908	1,151,128
Vehicles running expenses	2,021,817	1,449,275
Travelling & conveyance	1,611,882	1,188,842
Printing and Office stationery	3,047,449	1,865,506
Postage and courier expenses	124,375	120,245
Entertainment	1,181,662	712,872
AGM expenses	1,863,485	1,621,334
Bank charges and commission	552,872	373,642
Telephone Bill	148,796	79,287
CSR expenses	300,000	4,500,000
Rent, rates & taxes	1,320,132	-
Insurance premium	163,055	232,674
	<b>80,809,796</b>	<b>56,580,199</b>

<b>35. Provision for bad &amp; doubtful debts</b>		
Closing balance of provision for bad & doubtful debts (Note:6.1)	60,909,293	47,480,983
Opening balance of provision for bad & doubtful debts	47,480,983	23,678,556
	<b>13,428,310</b>	<b>23,802,427</b>

Provision for bad and doubtful debts has been made as per company policy and as recommended by Audit Committee.

<b>36. Depreciation on property, plant and equipment</b>	<b>9,543,180</b>	<b>10,264,028</b>
--	------------------	-------------------

This represents the depreciation charged on other than core machinery. For further details Annexure-A is referred.



		2013-2014 Taka	2012-2013 Taka
<b>37. Bank interest and other income</b>			
Rest house rent and others		570,791	302,658
Interest on FDR		162,651,524	192,776,957
Landing Station Cross connection Charges		25,783,296	-
Dividend income		725,934	24,300
Reimbursement from TM Malaysia		1,115,168	-
		<b>190,846,713</b>	<b>193,103,915</b>
<b>38. Gain/(loss) on investment in shares</b>			
Opening market value of investment		5,051,255	5,352,884
Add: Purchase During the Year		24,987,692	-
Less: Closing Market Value of Investment	(Note: 9)	33,263,107	5,051,255
		<b>3,224,160</b>	<b>(301,629)</b>
<b>39. Current tax expense</b>			
Current year		118,394,089	200,594,049
Tax liability for 2012-13	(Note: 39.1)	-	14,903,860
		<b>118,394,089</b>	<b>215,497,909</b>
<b>39.1</b>	BSCCL submitted its annual tax return under "Universal Self Assessment" method and paid tax accordingly but due to tax audit for assessment year 2011-2012 (income year 2010-11) excess tax liability of Tk. 14,903,860 arose which was accounted for the last year as per paragraph 80(b) of BAS - 12: Income Taxes. The company has appealed to the Commissioner, Appeal, the proceedings of the issue is going on.		
<b>40. Deferred tax (income)/expense</b>			
Closing balance of deferred tax liability	(Note: 16.1)	190,946,494	183,541,565
Opening balance of deferred tax liability		183,541,565	175,216,590
Deferred tax (income)/expense		<b>7,404,929</b>	<b>8,324,975</b>
<b>41. Basic Earning Per Share (EPS)</b>			
Profit attributable to ordinary shareholders (A)		362,348,028	872,110,624
Weighted average number of ordinary shares (B)	(Note: 41.1)	149,914,100	130,360,087
Basic earnings per share (A/B)*		<b>2.42</b>	<b>6.69</b>
Earning Per Share (EPS)-Restated			<b>5.82</b>
<b>41.1</b>	Weighted average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of year plus the number of shares issued during the year multiplied by a time-weighting factor. The time weighting factor is the total number of days that the specific number of shares are outstanding as a proportion of the total number of days in the year.		
<b>41.2 Diluted earning per share</b>			
No diluted earnings per share is required to be calculated for the year as there has no dilutive potential ordinary shares.			
<b>41.3 Net operating cash flows per share (NOCFPS)</b>			
Net cash flows from operating activities (A)		134,850,005	796,273,659
Weighted average number of ordinary shares (B) (Note: 41.1)		149,914,100	130,360,087
Net operating cash flows per share (NOCFPS)		<b>0.90</b>	<b>6.11</b>
Net operating cash flows per share (NOCFPS)-Restated			<b>5.31</b>



## 42. Financial risk management

The management of the company has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies have been established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company has exposure to the following risks from its use of financial instruments.

- \* Credit risk
- \* Liquidity risk
- \* Market risk

### 42.1 Credit risk

Credit risk is the risk of a financial loss to the company if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables.

As per terms and conditions of agreement with the clients, sale of Bandwidth is on prepaid basis. But for some unavoidable reasons a portion of sale remains outstanding and to make it acceptable management has made a credit recovery committee and the exposure to credit risk is monitored on an ongoing basis. As at 30 June 2014, substantial part of the receivables are those from BTCL and Mango Teleservices Limited and other clients and are subject to insignificant credit risk. Risk exposures from other financial assets, i.e. cash at bank and other external receivables are also nominal.

#### (a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

		30.06.2014 Taka	30.06.2013 Taka
Financial assets (HFT) - investment in shares	(Note: 9)	33,263,107	5,051,255
Trade receivables, net	(Note: 6.1)	954,659,190	753,974,194
Other receivables	(Note: 6.2)	10,842,883	36,096,298
Cash and cash equivalents	(Note: 10)	1,451,392,819	1,522,095,870
		<b>2,450,157,999</b>	<b>2,317,217,616</b>

The maximum exposure to credit risk for trade and other receivables as at the statement of financial position date by geographic regions was:

	30.06.2014 Taka	30.06.2013 Taka
Domestic	965,502,073	775,424,747
Foreign (Malaysia)	2,415,768	16,591,302
	<b>967,917,841</b>	<b>792,016,048</b>

#### b) Ageing of trade receivables

The ageing of gross trade receivables as at the statement of financial position date was:

	30.06.2014 Taka	30.06.2013 Taka
Past due 0-90 days	186,693,797	382,987,848
Past due 91-180 days	145,930,395	222,396,237
Past due 181 -365 days	383,124,307	155,195,293
Past due more than 365 days	299,819,984	42,955,946
	<b>1,015,568,483</b>	<b>803,535,324</b>

#### c) Impairment losses

Impairment losses on the above receivables were recognised as per the company policy and recommendation made by Audit Committee. Quantitative disclosure for such impairment losses has been given in Note 6.1 of these financial statements.

## 42.2 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they falls due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational

expenses, including financial obligations through preparation of the cash flow forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

The following are the contractual maturities of financial liabilities of the company:

<b>As at 30 June 2014</b>	<b>Contractual cash flows (Taka)</b>	<b>1 year or less Taka</b>	<b>More than 1 year Taka</b>
Security deposits received from clients	89,200,933	17,840,187	71,360,746
Employees' pension and gratuity fund	23,450,617	4,690,123	18,760,493
Sundry creditors	11,241,545	11,241,545	-
Income tax payable (provision less AIT)	40,342,351	40,342,351	-
VAT payable	191,000,306	191,000,306	-
Provision for WPPF and WF	24,407,352	24,407,352	-
Liabilities for expenses	5,742,489	5,742,489	-
	<b>385,385,592</b>	<b>295,264,353</b>	<b>90,121,240</b>

<b>As at 30 June 2013</b>	<b>Contractual cash flows (Taka)</b>	<b>1 year or less Taka</b>	<b>More than 1 year Taka</b>
Security deposits received from clients	129,792,124	25,958,425	103,833,699
Employees' pension and gratuity fund	16,547,760	3,309,552	13,238,208
Sundry creditors	764,703	764,703	-
Income tax payable (provision less AIT)	136,778,893	136,778,893	-
VAT payable	145,772,497	145,772,497	-
Liabilities for expenses	5,617,837	5,617,837	-
	<b>435,273,813</b>	<b>318,201,906</b>	<b>117,071,907</b>

#### 42.3 Market risk

Market risk is the risk that any change in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

##### a) Currency risk

The company is exposed to currency risk on payment of operation and maintenance expense and its reimbursement to and from consortium members and interest expense and repayments relating to borrowings incurred in foreign currencies. All of the company's foreign currency transactions are denominated in USD.

##### i) Exposure to currency risk

The company's exposure to foreign currency risk was as follows based on notional amounts:

	<b>30.06.2014 Taka</b>	<b>30.06.2013 Taka</b>
<b>Foreign currency denominated assets</b>		
Receivable from TM Malaysia	2,415,768	16,591,302
<b>Foreign currency denominated liabilities</b>		
Share money deposit payable	(119,622)	(123,122)
Net exposure	<b>2,296,146</b>	<b>16,468,180</b>
The following rate has been applied:	<b>Taka</b>	<b>Taka</b>
US Dollar (\$)	77.30	78.15

##### ii) Foreign exchange rate sensitivity analysis for foreign currency expenditures

A change of 10 basis points in foreign currencies would have increased/ (decreased) equity and profit or loss of the company by the amounts shown below. This analysis assumes that all other variables, in particular interest rates remain constant.



**2013-2014**

	Profit or loss		Equity	
	Increase	Decrease	Increase	Decrease
US Dollar (10% movement)	229,615	-	229,615	-

**2012-2013**

US Dollar (10% movement)	1,646,818	(1,646,818)	1,646,818	(1,646,818)
--------------------------	-----------	-------------	-----------	-------------

**b) Interest rate risk**

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. The company is not significantly exposed to fluctuation in interest rates as it has neither floating interest rate bearing financial liabilities nor entered into any type of derivative instrument in order to hedge interest rate risk as at 30 June 2014.

**Profile**

As at 30 June 2014, the interest rate profile of the company's interest bearing financial instruments was:

	Carrying amount as at	
	30.06.2014 Taka	30.06.2013 Taka
<b>Fixed rate instruments</b>		
Financial assets (short term investments-FDR)	898,648,214	1,466,799,890
Financial liabilities	-	-
	<b>898,648,214</b>	<b>1,466,799,890</b>

Fair value of financial assets and liabilities of the company together with carrying amount shown in the statement of financial position are as follows:

	As at 30 June 2014		As at 30 June 2013	
	Carrying amount Taka	Fair value Taka	Carrying amount Taka	Fair value Taka
<b>Financial assets</b>				
<b>Assets carried at fair value through profit or loss</b>				
Investment in shares	33,263,107	33,263,107	5,051,255	5,051,255
<b>Held to maturity assets</b>				
Short term investment-FDR	898,648,214	898,648,214	1,466,799,890	1,466,799,890
<b>Loans and receivables</b>				
Trade receivables, net	954,659,190	954,659,190	755,919,751	755,919,751
Other receivables	10,842,883	10,842,883	36,096,298	36,096,298
<b>Available for sale financial assets</b>	-	-	-	-
	<b>1,897,413,394</b>	<b>1,897,413,394</b>	<b>2,263,867,193</b>	<b>2,263,867,193</b>
<b>Financial liabilities</b>				
<b>Liabilities carried at fair value through profit or loss</b>	-	-	-	-
<b>Liabilities carried at amortised costs</b>				
Security deposits received from clients	(89,200,933)	(89,200,933)	(129,792,124)	(129,792,124)
Sundry creditors	(11,241,545)	(11,241,545)	(798,203)	(798,203)
VAT payable	(191,000,306)	(191,000,306)	(145,772,497)	(145,772,497)
Provision for WPPF and WF	(24,407,352)	(24,407,352)	-	-
Liabilities for expenses	(5,742,489)	(5,742,489)	(5,617,837)	(5,617,837)
	<b>(321,592,625)</b>	<b>(321,592,625)</b>	<b>(281,980,660)</b>	<b>(281,980,660)</b>

**43. Bandwidth capacity**

	Gbps	Gbps
Present Capacity	200.00	200.00
Utilization	22.50	38.75
Percentage of utilization	11.25%	19.38%

**44. Capital management**

Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of total equity of the company. The Board of Directors monitors the level of capital as well as the level of dividend to the ordinary shareholders. In order to maintain or adjust the capital structure, the company may adjust the amount of dividend, return capital to shareholders, issue new shares or obtain long-term debt. The company is not subject to any externally imposed capital requirement.

**45. Remittance of foreign currency****Purpose of payments:**

Lease principals

Operation and maintenance expenses

IP Transit &amp; Membership cost

Financial charge on lease

	30.06.2014 USD	30.06.2013 USD
Lease principals	-	-
Operation and maintenance expenses	1,403,063	605,696
IP Transit & Membership cost	121,107	-
Financial charge on lease	-	-
	<b>1,524,170</b>	<b>605,696</b>

**46. Contingent liabilities and commitments**

Bank guarantees given to customs authority

Office rent

(Note: 46.1)

Bank guarantees given to customs authority	-	528,000
Office rent	6,738,180	6,738,180
	<b>6,738,180</b>	<b>7,266,180</b>

**46.1** There is a dispute between BSCCL and BTCL regarding office rent for office space used by BSCCL up to 30 June 2012. BTCL claimed Tk.11,538,320 excluding VAT but BSCCL kept provision for Tk.4,800,000. So there is a dispute for Tk.6,738,180.

**47. Related party disclosures**

As per BAS 24 "Related Party Disclosures", a related party is a person or entity that is related to the entity (i.e. BSCCL) that is preparing its financial statements. Related party transaction is a transfer of resources, services, or obligations between a reporting entity and a related party, regardless of whether a price is charged as per BAS 24.

Related parties include the company's directors, key management personnel, associates, companies under common directorship etc. as per BAS 24 "Related Party Disclosures". All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible.



## 47.1 Name of the Directors along with all related Firms/ Companies/ Institutions/Parties as at 30 June 2014:

SI No.	Name of the Directors	Status with the company	Name of the related Ministries/ Companies/ Parties etc.	Remarks
1	Mr. Md. Abubakar Siddique	Chairman	Secretary-Ministry of Posts & Telecommunications division, MoPT & IT	Nominated by GOB
2	Mr. Jalal Ahmed	Director	Additional Secretary-MoF	Nominated by GOB
3	Mr. Feroz Salah Uddin	Director	Additional Secretary-Ministry of Posts & Telecommunications division, MoPT & IT	Nominated by GOB
4	Mr. Rabindra Nath Roy Chowdhury	Director	Joint Secretary-MSICT	Nominated by GOB
5	Col. Md.Arefin Talukder, PSC	Director	Colonel Staff, Army HQ. PS Directorate (PS-1) Dhaka Cantonment, Dhaka	Nominated by GOB
6	Dr. Md. Mahbulul Alam Joarder	Director	Professor -Institute of Information Technology, University of Dhaka	Nominated by GOB
7	Mr. Nasir Uddin Ahmed, FCA, FCS	Independent Director	Council Member-ICAB	Nominated by GOB
8	Mr.Mohammad Shahjahan Khan	Independent Director	President-DCCI	Nominated by GOB
9	Mr. Md. Monwar Hossain	Managing Director	Not applicable	

## 47.2 Related party transactions

a) The company has transacted with the following companies where the Directors of the company are related:

SI No.	Name of the company (Related party)	Name of the Director	Relationship of the Director with the company	Type of transaction	Sales (in Taka)	
					2013-2014	2012-2013
1	Bangladesh Telecommunications Company Limited	Mr. Md. Abubakar Siddique	Chairman	Bandwidth sale	460,315,848	767,270,910
2	Telephone Shilpha Sangtha Limited	Mr. Md. Abubakar Siddique	Chairman	Laptop purchase	115,386	210,000

2013-2014  
Taka2012-2013  
Taka

## b) Key management personnel compensation

Short term employee benefits (salary and other allowances)  
Provident Fund  
Post employment benefits (gratuity fund)

3,187,524	2,852,550
153,256	-
414,000	346,500
<u>3,754,780</u>	<u>3,199,050</u>

## 48. Other disclosures

## 48.1 Segment information

Business activities of BSCCL are not organized on the basis of differences in related services or differences in geographical areas of operations. It essentially provides similar services to clients across the country.



**48.2 Comparatives**

Comparative information in the following major areas has been rearranged to conform to current year's presentation:

**a) Investment in shares**

Investment in shares has been presented at fair market value (Note 9) as per BAS 39-Financial Instruments: Recognition and Measurement.

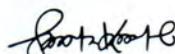
**48.3 Number of employees**

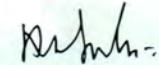
As at 30 June 2014 the number of regular employees receiving remuneration of Tk. 36,000 or above per annum was 74 (2013: 54).

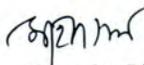
**48.4 Events after the reporting period**

The Board of Directors of BSCCL, at its 97th meeting held on 24 August 2014, proposed cash dividend 10% on the paid-up capital for the year 2013-2014. This dividend is subject to final approval by the shareholders at the forthcoming Annual General Meeting (AGM) of the company.

Dhaka,  
24 August 2014

  
**Chief Financial Officer**

  
**Company Secretary**

  
**Managing Director**

  
**Director**

BANGLADESH  
SUDMARINI  
CABLE  
COMPANY  
LIMITED



## Bangladesh Submarine Cable Company Limited

### Schedule of Property, Plant & Equipment

As at 30 June 2014

Name of assets	Cost		Accumulated depreciation			WDV as at 30 June 2014	
	As at 01 July 2013	Additions during the year	As at 30 June 2014	Rate	As at 01 July 2013		Charged during the year
<b>a. Freehold assets</b>							
Land and land development	9,692,968	75,044,099	84,737,067	-	-	-	84,737,067
Core equipment-IPLC	2,742,706,868	-	2,742,706,868	10%	1,102,504,109	164,020,276	1,266,524,385
Core equipment-IIG	-	145,550,586	145,550,586	12%	-	13,191,471	13,191,471
Building	58,488,364	-	58,488,364	4%	8,728,759	1,990,384	10,719,143
Floor development	2,654,065	-	2,654,065	10%	1,353,669	130,040	1,483,709
Security barak & security wall	7,827,297	-	7,827,297	4%	1,171,069	266,249	1,437,318
Deep tube-well & pump house	2,343,837	-	2,343,837	10%	1,223,652	112,019	1,335,671
500 KV sub-station	3,284,000	-	3,284,000	15%	2,233,274	157,609	2,390,883
Power system	34,737,942	893,864	35,631,806	10%	18,135,712	1,724,063	19,859,775
Boundary wall	8,255,575	-	8,255,575	4%	1,235,145	280,817	1,515,962
Ducting from beach manhole	18,088,759	-	18,088,759	5%	5,458,891	631,493	6,090,384
Vehicles	28,286,712	-	28,286,712	20%	14,034,839	2,850,375	16,885,214
Office equipment and furniture	11,228,918	4,089,044	15,317,962	10%	3,795,640	994,147	4,789,787
Co-Location point	171,554	-	171,554	10%	70,253	10,130	80,383
Office decoration	2,788,091	1,445,075	4,233,166	10%	506,059	395,854	901,913
<b>Sub-total</b>	<b>2,930,554,950</b>	<b>227,022,668</b>	<b>3,157,577,618</b>		<b>1,160,451,072</b>	<b>186,754,927</b>	<b>1,347,205,998</b>
<b>b. Revalued assets</b>							
Land and land development	346,561,561	-	346,561,561	-	-	-	346,561,561
<b>Sub-total</b>	<b>346,561,561</b>	<b>-</b>	<b>346,561,561</b>		<b>-</b>	<b>-</b>	<b>346,561,561</b>
<b>Total balance as at 30 June 2014 (a+b)</b>	<b>3,277,116,511</b>	<b>227,022,668</b>	<b>3,504,139,179</b>		<b>1,160,451,072</b>	<b>186,754,927</b>	<b>1,347,205,998</b>
<b>As at 30 June 2013</b>	<b>3,264,956,204</b>	<b>12,160,307</b>	<b>3,277,116,511</b>		<b>967,942,293</b>	<b>192,508,779</b>	<b>1,160,451,072</b>

## Bangladesh Submarine Cable Company Limited

### Schedule of Trade Receivable

As at 30 June 2014

(Amount in Taka)

SL #	Name of Customer	Opening balance	Addition during the Year	Collection during the Year	Closing Balance
1	Asia Alliance Communication Ltd.	6,054,605	6,962,402	2,972,298	10,044,709
2	Asia Alliance Gateway Ltd.	5,340,372	-	1,082,390	4,257,982
3	Aamra Technologies Ltd.	11,067,630	30,762,533	30,522,229	11,307,934
4	Apple Global Tel Communications Ltd.	6,132,429	8,772,112	11,321,455	3,583,087
5	Receivable From Bangla Phone Ltd	-	1,418,333	-	1,418,333
6	Bangla Tel Ltd.	3,217,712	17,773,860	15,018,472	5,973,100
7	Bangla Trac Communication Limited	16,137,264	17,681,552	25,783,975	8,034,842
8	BD Hub Ltd.	1,316,250	36,476,473	28,722,684	9,070,039
9	Receivable From BDREN/UGC-ISP	-	1,435,600	1,292,040	143,560
10	Receivable From BD Link Communication Ltd	-	7,319,573	6,075,377	1,244,196
11	BESTEC Telecom Ltd.	3,434,112	7,285,941	6,463,197	4,256,856
12	BG International Gateway Ltd.	9,507,600	7,565,090	4,385,559	12,687,131
13	BG Tel Ltd.	3,829,034	15,401,087	15,683,388	3,546,733
14	Bharti Airtel Limited (Airtel)	761,701	-	-	761,701
15	Bangladesh Telecommunications Company Limited	281,606,527	460,036,849	274,234,425	467,408,950
16	CEL Telecom Ltd.	4,456,711	13,970,980	13,014,096	5,413,595
17	Cybergate Ltd	4,854,492	58,531,381	43,898,536	19,487,337
18	DBL Telecom Ltd.	4,288,349	23,984,578	23,277,449	4,995,478
19	Delta Infocom Ltd.	8,535,826	1,219,404	2,628,787	7,126,443
20	Digicon Telcommunication Ltd.	5,054,805	14,936,980	16,580,379	3,411,405
21	Earth Telecommunications Pvt. Ltd.	6,009,919	-	2,120,702	3,889,216
22	Equitel Communication Ltd.-IIG	-	590,997	473,007	117,990
23	Fiber @Home	7,316,419	24,606,172	26,508,782	5,413,809
24	First Communication Ltd.	6,356,238	5,619,992	7,440,812	4,535,418
25	Global Fair Communication Ltd.	5,284,543	8,133,388	11,958,577	1,459,354
26	Global Voice Telecom Ltd.	7,549,679	3,894,858	11,444,529	8
27	Greenland Technologies Ltd.	1,280,349	6,451,154	6,096,847	1,634,656
28	HRC Telecommunication Ltd.	5,402,350	15,858,179	10,838,973	10,421,555
29	I-Tel Ltd.-IIG	-	763,214	475,640	287,574
30	Kay Telecommunication Ltd.	4,656,993	4,656,993	-	9,313,987
31	Level3 Carrier Ltd.	3,963,062	34,670,722	25,835,127	12,798,657
32	Mango Teleservices Limited	255,011,188	66,709,904	57,497,410	264,223,682
33	Maxnet Online	13,172,688	31,815,238	28,127,908	16,860,017
34	Mir Telecom Limited	6,277,863	29,633,040	32,543,268	3,367,636
35	Novocom Ltd.	2,593,413	14,632,845	15,996,253	1,230,005

36	Novotel Limited	10,145,692	14,566,262	21,424,853	3,287,100
37	Platinum Communications Ltd.	2,891,028	-	2,164,780	726,248
38	Radiant Communication Ltd.	8,122,593	-	1,060,351	7,062,242
39	Ranks Telecom Ltd.	5,844,242	13,993,980	14,702,653	5,135,569
40	Ratul Telecom Ltd.	8,624,101	5,433,159	2,024,779	12,032,480
41	REGO Communication Ltd.	6,962,401	8,023,899	7,647,149	7,339,152
42	Roots Communications Ltd.	6,223,742	14,959,980	14,959,980	6,223,742
43	Sky Tel Communication Ltd.	4,058,587	8,767,860	8,493,832	4,332,615
44	SM Communication Ltd.	9,386,900	5,588,392	3,187,722	11,787,570
45	Summit Communication Ltd.	3,575,618	15,113,182	13,962,961	4,725,839
46	Telex Ltd.	14,815,587	7,872,191	3,807,170	18,880,608
47	TIS Singapore Pte Ltd	3,683,296	-	3,683,296	-
48	Unique Infoway Ltd.	2,834,564	1,610,000	700,000	3,744,564
49	Venus Telecom Ltd.	8,837,712	14,936,980	18,633,341	5,141,351
50	Vision Tel Ltd.	4,978,992	8,994,310	8,550,877	5,422,425
	<b>Total</b>	<b>801,455,177</b>	<b>1,099,431,620</b>	<b>885,318,315</b>	<b>1,015,568,483</b>

BANGLADESH  
SUBMARINE  
CABLE  
COMPANY  
LIMITED



## Bangladesh Submarine Cable Company Limited

### Schedule of Security Deposits Received from Clients

As at 30 June 2014

(Amount in Taka)

SL #	Name of Customer	Opening balance	Addition during the year	Adjustment during the year	Closing balance
1	1Asia Alliance Communication Ltd.	2,120,702	-	2,120,702	-
2	1Asia Alliance Gateway Ltd.	1,082,390	-	1,082,390	-
3	Aamra Technologies Ltd.	4,822,012	-	-	4,822,012
4	Apple Network Ltd.	1,012,390	-	-	1,012,390
5	Apple Global Tel Communications	2,024,780	-	2,024,780	-
6	BESTEC Telecom Ltd.	2,024,780	-	2,024,780	-
7	BG International Gateway Ltd.	4,385,559	-	4,385,559	-
8	Bangla Tel Ltd.	2,024,780	2,328,497	-	4,353,276
9	BD Hub Ltd-IIG	1,573,200	2,936,640	-	4,509,840
10	Bangla Trac	3,038,931	-	-	3,038,931
11	BD Hub Ltd.	2,890,163	-	2,438,808	451,356
12	BD Link Communication Ltd.	-	1,658,928	-	1,658,928
13	BG Tel Ltd.	1,082,390	1,246,107	-	2,328,497
14	BTCL	6,913,200	-	-	6,913,200
15	CEL Telecom Ltd.	1,012,390	-	-	1,012,390
16	Cybergate Ltd.	8,884,318	-	-	8,884,318
17	Coronet Corporation Ltd.	-	-	-	-
18	Delta Infocom Ltd.	2,120,702	-	2,120,702	-
19	Digicon Telecommunication Ltd.	5,360,754	-	-	5,360,754
20	DBL Telecom Ltd.	3,737,170	-	2,724,780	1,012,390
21	Earth Telecommunications Pvt.Ltd.	2,120,702	-	2,120,702	-
22	Equitel Communication Ltd.-IIG	-	117,990	-	117,990
23	First Communication Ltd.	1,954,780	-	1,954,780	-
24	Fiber@Home Ltd.	3,181,053	690,000	2,120,702	1,750,351
25	Global Fair Communication Ltd.	3,926,128	-	3,926,128	-
26	Global Fair Communication Ltd-IIG	-	786,600	-	786,600
27	Global Voice Ltd.	2,164,780	-	2,164,780	-
28	Greenland Technologies Ltd.	2,120,702	-	2,120,702	-
29	HRC Technologies Ltd.	2,094,780	-	-	2,094,780
30	I-Tel Ltd. -IIG	-	209,760	-	209,760
31	Kay Telecommunication Ltd.	1,012,390	-	-	1,012,390
32	Level 3 Carrier Ltd.-IIG	1,321,488	3,146,400	-	4,467,888
33	Level 3 Carrier Ltd.	2,120,702	-	2,120,702	-
34	Maxnet Online Ltd.	6,763,616	-	6,763,616	-
35	Maxnet Online Ltd.-IIG	-	7,866,000	-	7,866,000
36	Mango	6,807,463	2,005,416	-	8,812,879
37	Mir Telecom	8,521,468	-	3,108,931	5,412,537
38	Novotel	5,451,908	-	4,438,931	1,012,977
39	Novocom Ltd.	2,120,702	-	-	2,120,702
40	Platinum Communications Ltd.	2,164,780	-	2,164,780	-
41	Radiant Communication Ltd.	1,060,352	-	1,060,352	-
42	Ranks Telecom Ltd.	1,012,390	-	-	1,012,390
43	Ratul Telecom Ltd.	2,024,780	-	2,024,780	-
44	REGO Communication Ltd.	2,120,702	829,464	2,950,166	-
45	Roots Communication Ltd.	1,082,390	-	-	1,082,390
46	Sky Tel Communication Ltd.	1,060,352	-	1,060,352	-
47	SM Communications Ltd.	1,012,390	-	1,012,390	-
48	Summit Communications Ltd.	1,623,986	-	-	1,623,986
49	Summit Communications Ltd.-IIG	-	2,294,250	-	2,294,250
50	Telex Ltd.	3,807,170	-	3,807,170	-
51	Unique Infoway Ltd.	700,000	-	700,000	-
52	Vision Tel Ltd.	1,082,390	-	1,082,390	-
53	Venus Telecom Ltd.	3,247,170	-	1,082,390	2,164,780
<b>Total</b>		<b>129,792,124</b>	<b>26,116,051</b>	<b>66,707,242</b>	<b>89,200,933</b>





**Bangladesh Submarine Cable Company Limited**  
 Rahmans' Regnum Center (7th & 8th Floor)  
 191, Tejgaon-Gulshan Link Road, Dhaka-1208, Bangladesh

**PROXY FORM**

I/We .....  
 of ..... being a Shareholder  
 of **Bangladesh Submarine Cable Company Limited** do hereby appoint  
 Mr./Ms. ....  
 of .....  
 (or failing his/her)  
 Mr./Ms. ....  
 of ..... as my/our Proxy

to attend and vote on my/our behalf at the 6th Annual General Meeting of the Company to be held on October 12, 2014, Sunday at 11a.m. at **Hotel Ocean Paradise, Cox'sbazer** or at any adjournment thereof or any ballot to be taken in consequence thereof.

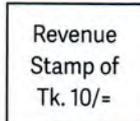
Signed this ..... day of October, 2014

.....  
 Signature of the Proxy

.....  
 Signature of the Shareholder(s)

BO ID No. ....

No of Shares being held .....



**Notes:**

- I). This Form of Proxy, duly completed must be deposited at least 48 hours before the meeting of the Company's Registered Office. Proxy is invalid if not signed and stamped as indicated above.
- II). Signature of the Shareholder should agree with the specimen signature registered with the Company.



**Bangladesh Submarine Cable Company Limited**  
 Rahmans' Regnum Center (7th & 8th Floor)  
 191, Tejgaon-Gulshan Link Road, Dhaka-1208, Bangladesh

**ATTENDANCE SLIP**

I/We hereby record my/our attendance at the 6th Annual General Meeting of the Company to be held on October 12, 2014, Sunday at 11a.m. at **Hotel Ocean Paradise, Cox'sbazer**.

Name of the Shareholder(s) / Proxy (in Block Letters) .....

BO ID No. .... No of shares being held .....

.....  
 Signature of the Shareholder(s)/Proxy Date: .....

N.B. : Shareholders attending the meeting in person or by proxy are requested to complete Attendance Slip and deposite the same at the entrance of the meeting hall.