

Abridged Version of Prospectus

Bangladesh Submarine Cable Company Limited

37/E, Eskaton Garden, Telejogajog Bhaban (6th Floor), Dhaka-1000. Phone: 880-2-9353885, Fax: 880-2-9333125, Website: www.bscc.com.bd

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

SUBSCRIPTION FOR GENERAL PUBLIC

Opening date:
March 18, 2012

Closing date:
March 22, 2012

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

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

SUBSCRIPTION FOR NRB APPLICANTS

Opening date:
March 18, 2012

Closing date:
March 31, 2012

Please read the prospectus carefully which includes 'Risk Factors' before taking your investment decision.

Manager to the Issue



ICB CAPITAL MANAGEMENT LIMITED

(A SUBSIDIARY OF ICB)

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

Phone: 7160326-7, Fax: 880-2-9555707, e-mail: cecmcl@accessel.net Website: www.icbcm.com.bd

"CONSENT OF THE SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1989, AND THE SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2006. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PRODUCTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER, ISSUE MANAGER, UNDERWRITER AND/OR AUDITOR."

SPECIAL NOTE

Please read the prospectus carefully which includes "Risk Factors" before taking your investment decision. An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the commission and the balance amount will be refunded to the applicant. The applicant shall provide with the same bank account number in the application form as it is in the BO account of the application.

CORPORATE STATUS AND BACKGROUND

Bangladesh Submarine Cable Company Limited (BSCC) (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 10,000,000.00 divided into 10,000,000 ordinary shares of Taka 100 each. The Company obtained the Certificate of Commencement of Business from the Registrar of Joint Stock Companies and Firms on 24 June 2008. The Company is substantially owned by the Government of the Peoples' Republic of Bangladesh and represented by various Ministries of the Government. Commercial operation was started from 1st January, 2009.

The Company was originated after separating from Bangladesh Telecommunications Company Limited (BTCL) (previously BTB) with all assets and liabilities situated at Jhlongia Cox's-Bazar, the Landing Station. Before separation a project named "Establishment of International Telecommunication System through Submarine Cable" was undertaken by BTCL participating in an international agreement with an International Consortium named SEA-ME-WE 4 (South East Asia Middle East Western Europe).

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

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

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

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

NATURE OF BUSINESS

The principal activities of the Company are to provide high capacity voice and data bandwidth to all-important places in Bangladesh to get benefit of all the IT related services.

AUDITOR

Hoda Vasi Chowdhury & Co.
BTMC Building (8th level) 7-9, Kawran Bazar, Dhaka-1215.
Telephone Number: 9120090, 8121114, Fax : 8119298

AVAILABILITY OF PROSPECTUS

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

Company	Contact Person	Contact Number
Bangladesh Submarine Cable Company Limited Telejogajog Bhaban (6th Floor), 37/E, Eskaton Garden, Dhaka-1000.	Md. Abdus Salam Khan, FCS Company Secretary & Chief Financial Officer	Phone: 88-02-9362764 Fax: 880-2-9333125 E-mail: salam_bscc@yahoo.com Website: www.bscc.com.bd
Issue Manager	Contact Person	Contact Number
ICB Capital Management Ltd. BDBL Bhaban (Level-16), 8 DIT Avenue, Dhaka-1000.	Md. Moshur Rahman Chief Executive Officer	Tel : 02-7160422, 7160326-27, 9563455, Ext: 198 E-mail: cecmcl@accessel.net Website : www.icbcm.com.bd
Underwriters	Contact Person	Telephone Number
ICB Capital Management Limited BDBL Bhaban (Level-16), 8 DIT Avenue, Dhaka-1000.	Md. Moshur Rahman Chief Executive Officer	7160326-7160327
GSP Finance Company (Bangladesh) Limited 1, Paribagh Mymensingh Rd Dhaka-1000.	Toaha Muhammad DGM & Chief Operating Officer	01817-127708
Banco Finance and Investment Limited Baitul View Tower (11th Floor) 56/1 Purana Palan, Dhaka-1000.	Kazi Salfur Rahman FCA Managing Director & CEO	7125703, 7124438, 7125634
Prime Finance Capital Management Limited 63, Dilkusha C/A (3rd floor) Dhaka-1000.	M. Mosharrar Hossain, PhD, FCA	9563883
Stock Exchanges	Available At	Telephone Number
Dhaka Stock Exchange Ltd. 9/F Motijheel C/A Dhaka-1000.	DSE Library	9564601-7
Chittagong Stock Exchange Ltd. 1080 Sheikh Mujib Road, Agrabad Chittagong-4100.	CSE Library	(031) 714632-3 (031) 720871-3

Prospectus would also be available on the web site www.secd.org, www.dsebd.org, www.cseb.com.bd, www.bscc.com.bd, www.icbcm.com.bd and Public Reference work of the Securities and Exchange Commission (SEC) for reading and study.

REFUND OF SUBSCRIPTION MONEY

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

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

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

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

	30 June 2011	2009-2010	2008-2009
Liquidity Ratios			
Current ratio	1.19	1.31	0.55
Quick ratio	1.17	1.31	0.55
Times interest earned ratio	20.13	10.37	2.80
Debt to equity ratio	0.51	0.78	1.23
Operating Ratios			
Accounts receivable turnover (in times)	4.71	3.32	3.85
Asset turnover (in times)	0.36	0.30	0.23
Profitability Ratios			
Gross margin ratio (%)	0.84	0.76	0.64
Net income ratio (%)	0.36	0.57	0.27
Return on assets (%)	0.13	0.17	0.06
Return on equity (%)	0.20	0.28	0.12
Earnings per share (weighted average number of shares outstanding 6,731,478 for 2009-2010 and 14 for 2008-2009 of Taka 100 each as shown in audited financial statements)		51.49	8,253,305
Earnings per share (weighted average number of shares outstanding 8,750,917 of Taka 100 each including issuance of bonus shares at 38:10 ratio for the year 2009-2010)	3.49	3.96	1.32

Dhaka, 20 August 2011
Sd/-
Hoda Vasi Chowdhury And Co.
Chartered Accountants

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

FINANCIAL STATEMENTS IN ACCORDANCE WITH SECTION 135 OF THE COMPANIES ACT 1994

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

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

	30-June-2011	30-June-2010	30-June-2009
Figures in Taka			
Sources of fund			
Shareholders' equity:			
Share capital	875,091,700	673,147,800	1,400
Government equity	—	—	673,146,412
Tax holiday reserve	235,490,031	154,661,914	16,027,883
Retention reserve	164,654,032	164,654,032	164,654,032
Revalued earnings	262,487,328	240,154,654	99,518,387
	1,537,723,091	1,232,618,400	953,348,113
Long term liabilities:			
Lease obligation - net of current portion	562,419,691	746,883,158	956,147,942
Deferred tax liabilities	200,684,585	—	—
Security deposits received from clients	18,571,376	16,876,446	4,419,954
Employees' pension fund	15,158,836	15,158,836	15,158,836
	796,834,488	778,918,440	975,726,732
	2,334,557,579	2,011,536,840	1,929,074,845
Application of fund			
Property, plant and equipment	2,588,985,740	2,588,280,601	2,578,379,716
Cost	806,048,167	806,048,167	517,703,879
Less: Accumulated depreciation	1,782,937,573	1,820,274,950	2,060,675,837
Work in progress	487,551,230	—	—
Preliminary expenses	1,809,690	2,714,535	3,619,380
Current assets:			
Trade debtors	181,733,838	189,222,704	113,262,498
Advances and deposit	5,710,405	219,688	250,000
Investment in shares	12,479,676	5,653,568	—
Cash and cash equivalents	191,836,691	174,708,953	51,180,372
	391,760,610	369,804,912	164,662,870
Current liabilities:			
Lease obligation - current portion	224,968,689	213,395,750	212,477,321
Provision for income tax	39,372,121	35,848,029	24,897,789
VAT payable	44,838,104	2,029,024	—
Provision for investment in shares	2,523,270	26,894,367	60,968,310
Provision for expenses	17,798,338	2,866,326	1,569,822
	329,501,523	281,257,559	299,913,242
Net current assets	62,259,087	88,547,353	(135,220,372)
Net assets	2,334,557,579	2,011,536,840	1,929,074,845
B. Statement of operating results			
Income	2010-2011	2009-2010	2008-2009
IPLC (International Private Lease Circuit) rent	827,806,048	601,892,651	434,337,816
Circuit activation charge	9,980,000	1,480,000	1,610,000
	837,786,048	603,372,651	435,947,816
Direct operational cost	2,015,717	2,344,230	1,004,958
Electricity and generator fuel	1,909,596	948,749	422,788
Landing station and route repair	129,858,259	141,150,281	153,424,219
Depreciation of core machinery	133,783,572	144,443,260	154,851,985
	704,002,476	458,929,391	281,095,851
Gross profit	133,783,572	144,443,260	154,851,985
Other operating expenses:			
Operation and maintenance expenses	58,196,580	37,081,242	70,322,310
General and administrative expenses	10,209,227	25,373,068	10,971,781
Depreciation on property, plant and equipment	8,194,258	9,151,490	8,080,254
Amortization on preliminary expenses	904,265	904,845	904,845
	90,293,910	72,510,645	90,279,190
	613,708,566	386,418,746	190,816,661
Operating profit	224,074,506	71,924,515	64,575,324
Non operating (expenses)/income			
Financial charges for lease	(28,480,435)	(37,266,421)	(68,224,682)
Exchange loss	(50,516,822)	(5,051,729)	(7,960,245)
Provision for investment in shares	(2,332,593)	(234,063)	—
Other income	12,410,560	4,752,570	914,515
	(68,919,290)	(37,799,643)	(75,270,392)
Net profit before tax	155,155,216	34,124,872	(10,695,358)
Less: Income tax expenses	39,000,000	2,034,024	—
Current tax expenses	200,684,585	—	—
Deferred tax expenses	239,684,585	2,034,024	—
	305,104,691	346,585,079	115,546,269
	80,286,117	138,634,031	16,027,883
Net profit transfer to retained earnings	224,276,574	207,951,047	99,518,386
C. Statement of cash flows			
Cash Flows from operating activities	2010-2011	2009-2010*	2008-2009*
Cash received from clients	847,611,348	527,962,758	322,685,318
Payment for cost and expenses	(87,575,359)	(74,629,627)	(75,421,674)
Payment employees	(16,823,255)	(12,849,631)	(6,068,719)
Financial charge on lease payments	(14,824,830)	(37,266,421)	(68,224,682)
Tax paid	(4,539,396)	(5,000)	—
Other receipts	10,074,126	4,107,329	86,798,414
	733,922,634	407,339,408	259,768,677
Cash flows from investing activities			
Acquisition of property, plant and equipment	(705,139)	(9,900,885)	(530,937)
Work in progress	(487,551,230)	—	—
Investment in shares	(6,826,108)	(5,653,568)	—
	(495,062,477)	(15,554,453)	(530,937)
Cash flows from financing activities			
Dividend paid	—	(67,314,781)	—
Lease obligation	(223,407,350)	(213,398,048)	(212,477,322)
Security deposit from clients	1,694,931	12,586,491	4,419,954
	(221,712,419)	(268,256,374)	(208,057,368)
Net cash flow for the year	17,127,738	123,258,581	51,180,372
Cash and cash equivalents at the beginning of the year	174,708,953	51,180,372	—
Cash and cash equivalents at the end of the year	191,836,691	174,708,953	51,180,372

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

	2010-2011	2009-2010	2008-2009
Earnings per share (weighted average number of shares outstanding 6,731,478 for 2009-2010 and 14 for 2008-2009 of Taka 100 each as shown in			