

**Annual Report**  
**2021 - 2022**



The Document provided you with detailed and comprehensive information about the overall performance of BDCOM Online Ltd. as on 30th June 2022.

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A Printable version is also available at the BDCOM website: [www.bdcom.com](http://www.bdcom.com)

## Letter of Transmittal

Honorable Shareholders  
Bangladesh Telecommunication Regulatory Commission  
Registrar of Joint Stock Companies and Firms  
Bangladesh Securities And Exchange Commission  
Dhaka Stock Exchange Limited  
Chittagong Stock Exchange PLC.  
Central Depository Bangladesh Ltd.

Dear Sir/Madam,

ANNUAL REPORT FOR THE YEAR ENDED ON JUNE 30, 2022

We are pleased to enclose a copy of Annual Report for the year ended on 30th June 2022 together with the Audited Financial Statements including Statements of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and notes to the Financial Statements for the above mentioned period of the Company for your kind information and record.

Thanking you,

Sincerely yours,



A.K.M. Kutub Uddin  
Executive Director  
&  
Company Secretary

## NOTICE OF THE 26<sup>th</sup> ANNUAL GENERAL MEETING

Notice is hereby given that, the 26<sup>th</sup> Annual General Meeting of the shareholders of BDCOM Online Ltd. will be held on Wednesday, the December 14, 2022 at 10:30am (Dhaka time) by using Digital Platform (<https://bdcom.virtualagm2022.com>) in accordance with the Bangladesh Securities and Exchange Commission (BSEC) directive BSEC/CMRRCD/2009-198/08- dated March 10, 2021 to transact the following business:

### ORDINARY BUSINESS:

1. To receive and adopt the Directors' Report, Auditor's Report and the Audited Financial Statements for the year ended June 30, 2022.
2. To declare 10% Cash Dividend for the year ended June 30, 2022.
3. To elect Directors in place of retiring Directors in accordance with the provision of Articles of Association of the Company.
4. To consider and to approve the appointment of Statutory Auditors for the year ended June 30, 2023 and to fix their fees.
5. To consider and to approve the appointment of Compliance Professionals and to fix their fees.

By order of the Board



(A.K.M. Kutub Uddin)  
Executive Director  
&  
Company Secretary  
October 27, 2022

### Notes:

Members whose names appeared in the Members/Depository Register on Record date i.e. November 17, 2022 will be eligible to attend/participate and vote in the Annual General Meeting through Digital Platform and to receive Dividend.

Member entitled to attend/participate and vote in the Annual General Meeting, may appoint a proxy in his/her stead. The proxy form, duly stamped, must be mailed to the email at [bdcomshare@office.bdcom.com](mailto:bdcomshare@office.bdcom.com) not later than 48 hours before the time fixed for the meeting. Proxy form available @ [www.bdcom.com](http://www.bdcom.com).

Pursuant to the BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018, soft copy of the Annual Report 2021-2022 will be sent to the Members respective email addresses as available with us. The Annual Report 2021-2022 will also be available in the Company's website at [www.bdcom.com](http://www.bdcom.com).

AGM Notice, link for joining in the Digital Platform (audio visual meeting) and detail login process will be mailed/sms to the respective Member's email or cell phone available with us.

Members, whose email addresses updated/subsequently, are requested to email us to get the digital platform meeting invitation at [bdcomshare@office.bdcom.com](mailto:bdcomshare@office.bdcom.com).

No benefit in cash or kind other than in the form of cash/stock dividend shall be paid to the holders of equity securities in terms of Clause (c) of the BSEC Notification No. SEC/SRMI/2000-953/1950 dated 24th October 2000 for joining/attending the Annual General Meeting of the Company.



## CORPORATE INFORMATION

<p><b>REGISTERED OFFICE</b> RANGS Nilu Square (5th Floor), Satmosjid Road House No-75, Road-5/A Dhanmondi R/A, Dhaka-1209</p> <p><b>CORPORATE OFFIC</b> JL Bhaban (5th floor), House # 01, Road # 01 Gulshan Avenue, Gulshan # 01, Dhaka-1212 Bangladesh</p> <p><b>LEGAL STATUS</b> Public Limited Company Registered with the Joint Stock Companies &amp; Firm Bangladesh</p> <p><b>DATE OF INCORPORATION</b> Certificate of Incorporation No. C-32328(1449)/97 Dated: February 12, 1997</p> <p><b>DATE OF COMMERCIAL OPERATION</b> February 12, 1997</p> <p><b>REGULATORY AUTHORITY</b></p> <ul style="list-style-type: none"> <li>• Registrar of Joint Stock Companies and Firms (RJSC)</li> <li>• National Board of Revenue (NBR)</li> <li>• Bangladesh Telecommunication Regulatory Commission (BTRC)</li> <li>• Bangladesh Securities And Exchange Commission (BSEC)</li> </ul> <p><b>LISTED IN STOCK MARKET</b></p> <ul style="list-style-type: none"> <li>• Dhaka Stock Exchange Ltd.</li> <li>• Chittagong Stock Exchange PLC.</li> </ul> <p><b>AUTHORIZED CAPITAL</b> Taka 1000m</p> <p><b>PAID-UP CAPITAL</b> Taka 570m</p> <p><b>NUMBER OF SHAREHOLDERS</b> 6859</p> <p><b>NUMBER OF EMPLOYEES</b> 488</p>	<p><b>ISO</b> ISO 9001:2015 Certified Certificate No. 10609, BQSR May 29, 2021 Upto May 28, 2024</p> <p><b>CREDIT RATING</b> by EMERGING Credit Rating Ltd. Bangladesh On Dec 30, 2021 Upto Dec 29, 2022 Long Term Rating: AA Short Term Rating: ECRL-2, Outlook: Stable</p> <p><b>SHARE OFFICE</b> JL Bhaban (5th floor), House # 01, Road # 01 Gulshan Avenue, Gulshan # 01 Dhaka-1212, Bangladesh Phone : +88 09666333666, 01755 521290 +88 09666333697, 01713 339850 +88 09666333610, 01741 896081 Fax : +88 029124849 Email : bdcshare@office.bdc.com</p> <p><b>AUDITORS</b> M/S. Ahmed Zaker &amp; Co. Chartered Accountants</p> <p><b>BANKERS &amp; FINANCIAL INSTITUTIONS</b></p> <ul style="list-style-type: none"> <li>• Al-Arafa Islami Bank Ltd. • MidLand Bank Ltd.</li> <li>• Bank Asia Ltd. • Dutch Bangla Bank Ltd.</li> <li>• Prime Bank Ltd. • Eastern Bank Ltd.</li> <li>• Pubali Bank Ltd. • Exim Bank Ltd.</li> <li>• Rupali Bank Ltd. • First Securities Bank Ltd.</li> <li>• Sonali Bank Ltd. • IFIC Bank Ltd. • United Commercial Bank Ltd. • Shahjalal Islami Bank Ltd.</li> <li>• Islami Bank Bangladesh Ltd. • Lanka Bangla Finance Ltd. • Delta Brac Housing Finance Corporation Ltd. • IDLC Finance Ltd. • Uttara Finance &amp; Investment Ltd. • IPDC Finance Ltd.</li> <li>• IIDFC Ltd.</li> </ul> <p><b>INSURER</b></p> <ul style="list-style-type: none"> <li>• Asia Pacific General Insurance Co. Ltd.</li> <li>• Delta Life Insurance Co. Ltd.</li> </ul>
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## MAJOR POINT OF PRESENCE (POP) OFFICES

### **Gulshan, Dhaka Head Office**

JL Bhaban (5th Floor)  
House# 1, Road # 1  
Gulshan Avenue  
Gulshan-1, Dhaka-1212

### **Chattagram POP Office**

1646, Sheak Mujib Road  
Pathantuli, Chattagram

### **Sylhet POP Office**

Ananda Tower & Shopping  
Complex (6th Floor), Flat-7/A  
Jail Road, Sylhet

### **Khulna POP Office**

Mollick Shopping Complex  
99, Khan A Sabur Road (5th  
floor) Khulna

### **Barishal POP Office**

5 No. Parara Road  
Barishal

### **Rangpur POP Office**

House # 16/1, Road # 2  
Kotwali, Rangpur

### **Kustia POP Office**

43/1 (Ground Floor)  
Khodad Road, Thanapara  
Kushtia Sadar, Kushtia

### **Jessore POP Office**

House # 23, Munshi  
Minhazuddin Road  
Post Office area  
Jessore

### **Narayangonj POP Office**

Alam Khan Lane 1/1 (4th Floor)  
BB Road, Narayangonj

### **Lalmatia POP Office**

i/A/9 Kazi Nazrul Islam Avenue  
Block# E, Mohammadpur  
Dhaka-1207

### **Rajshahi POP Office**

Jed's Plate (4th Floor)  
131/1 Rampur, Kumarpara  
Rajshahi

### **Bogra POP Office**

Sharif Monjil, Holding #1640  
Coronation Sachool Road  
Katherpara Bogra

### **Tangail POP Office**

House # 388 (Ground Floor)  
Choyani Pukurpar  
Tangail

### **Mymensingh POP Office**

96/A Bramna Palli  
Mymensingh

### **Voirab POP Office**

Holding # 0882-02  
Voirab Ferry Ghat Road  
Moddopara, Voirab

### **Dhanmondi POP Office**

Rangs Nilu Square, Level -5  
House # 75, Road # 5/A  
Satmasjid Road, Dhanmondi  
Dhaka

### **Paltan POP Office**

AL Sultan Ahmed Plaza (6th Floor)  
Suite: 605,32 Purana Paltan  
Dhaka- 1000

### **Bonosree POP Office**

House # 32, Road # 2  
Block # A, Bonosree  
Rampura, Dhaka-1219

### **Panthapath POP Office**

Firoz Tower (15th Floor)  
Panthapath, Dhaka-1205

### **Mirpur POP Office**

Road # 2, Block- D, Sec: # 2  
Mirpure # 2, Dhaka-1216

### **Mirpur DOHS POP Office**

House # 1252, Road # 9  
Mirpur, Dhaka-1216

### **Uttara POP Office, Dhaka**

House # 04, Road # 19  
Sector # 11, Uttara  
Dhaka-1230

### **Comilla POP Office**

Artisan Nasir Center  
Holding No. # 491  
Nazrul Avenue, Kandirpar  
Comilla

### **Bashabo POP Office**

Holding 94/3/1  
Wasa Road, East Basabo  
Thana-Sabujbagh, Dhaka-1219

### **Jamalpur POP Office**

Firuja Villa  
735 South Kacharipara  
Jamalpur

### **Cox's Bazar POP Office**

Green Valley Business Center  
(4th floor) Cox's Bazar Sadar  
Cox's Bazar

### **Faridpur POP Office**

House # 1/10, Abdul Karim Road  
Jhiltuli, Faridpur Sadar, Faridpur

### **Dinajpur POP Office**

F/H Kalitola (2nd floor)  
Dinajpur

## VISION, MISSION AND CORE VALUE

Make digital lifestyle possible in every aspect of daily personal and corporate lifestyle, we believe the Internet i.e. Digital Services should be available in every corner of the country with sustainable, cost-effective, reliable network infrastructure, highly integrated services and solutions.

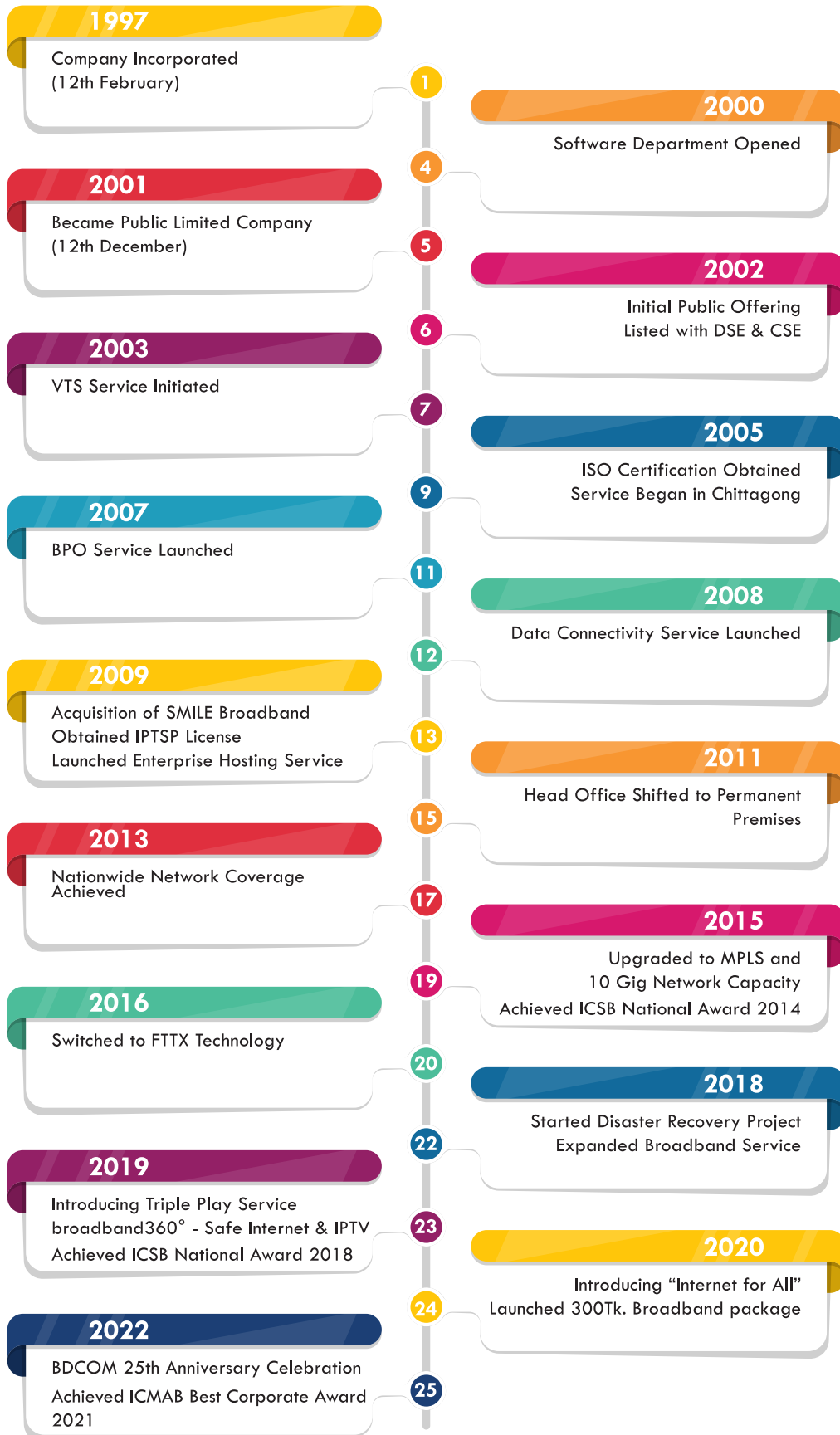
BDCOM Online Ltd., a business house with a framework of ethics, focus on customer insights and priorities, compliant with rules, transparent on policies, and with a target on achieving the highest standard and quality of services that we provide with the underpinning values;

Never compromise with our promises, to provide highly integrated solutions, inherit and follow best business practices, on-time delivery of products & services.

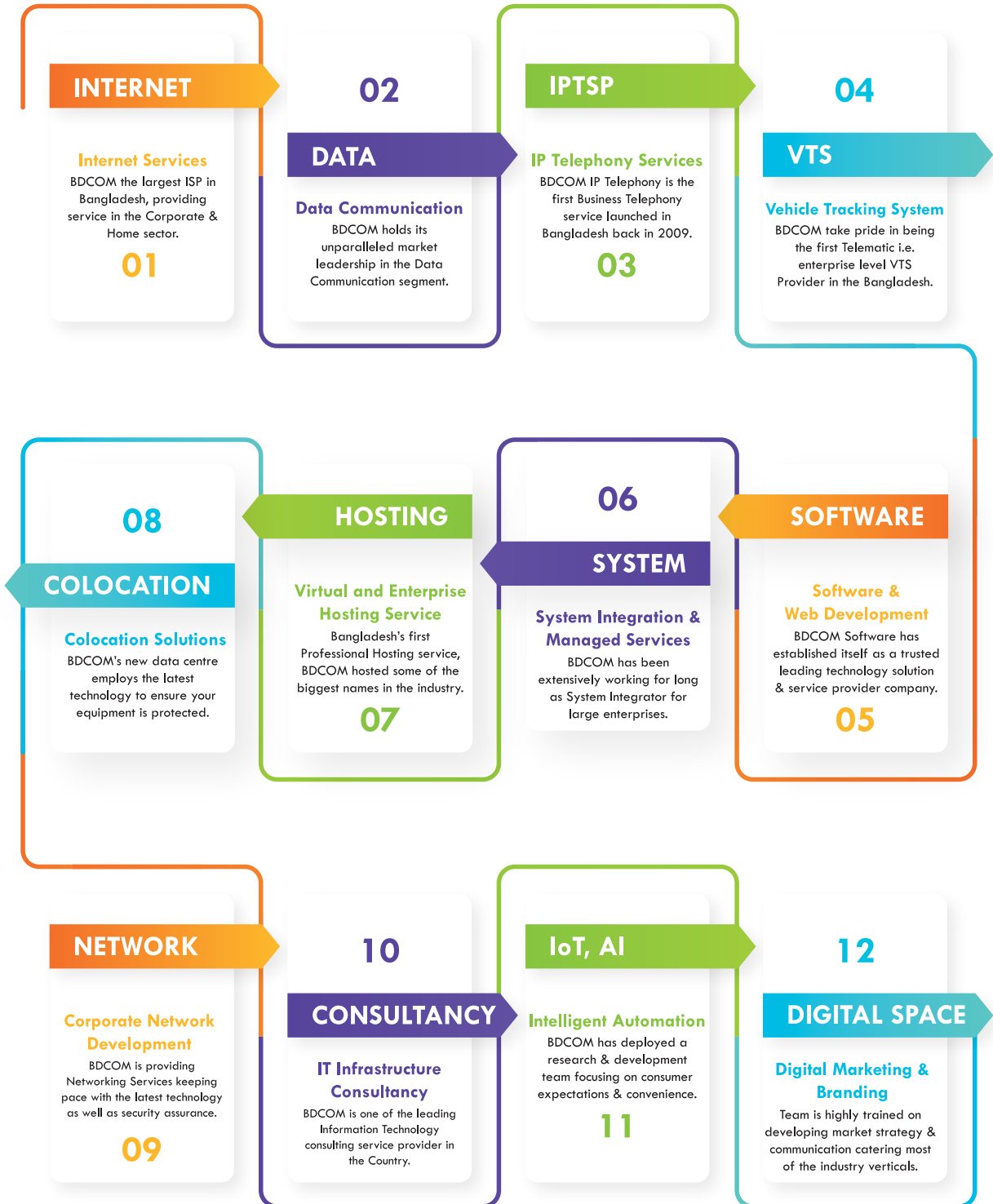
## STRATEGIC APPROACH & OBJECTIVES

Deliver our services in a secure and sustainable way ensuring Commitments and Compliances with Ethical Business Practices and Social Responsibility.

## HISTORY & MILESTONES



## PRODUCTS & SERVICES



AWARD ACHIEVED

# ICSB NATIONAL AWARDS

for Corporate Governance Excellence

2018



2014



BDCOM Online Ltd. won the prestigious ICSB National award Two Times in 2014 and 2018. This award strengthen the position of BDCOM in the ICT industry in Bangladesh as a high performing and strong value adding company.



## PROFILE OF BDCOM

### BACKGROUND AND HISTORY

BDCOM Online Ltd. is a Public Limited Company and listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE), having its successful journey of 25 Years as Internet Service Provider (ISP) and ICT Service & Solution Provider. BDCOM Online Ltd. was incorporated as a private limited company under the Companies Act, 1994 on 12th February, 1997 with an authorized capital of Tk. 10,000,000.00 consisting of 100,000 ordinary shares of Tk. 100.00 each. On 12th December 2001, BDCOM was converted into a Public Limited Company with an authorized capital of Tk. 250,000,000.00 consisting of 25,000,000 ordinary shares of Tk. 10.00 each. At present the authorized capital is Tk.1,000,000,000.00 consisting of 100,000,000 ordinary shares of Tk.10.00 each increased as on 29th June 2010 and the paid-up capital of the Company is Tk. 570,864,990.00 consisting of 57,086,499 ordinary shares of Tk. 10 each and market capitalization as on 30th June, 2022 is Tk.1,884 million. As on 30th June, 2022 annual turnover is Tk. 727.37 million.

Since its incorporation back in 1997, BDCOM has always been a trusted and forward-looking ICT service & solution provider focused on building nationwide ICT services and solutions that are compatible with the 21st century, under the licensing authority of the Bangladesh Telecommunication Regulatory Commission (BTRC).

BDCOM is the fastest growing ICT company in Bangladesh, with its diversified business policies and experienced strong management capacity, BDCOM has been leading and holding significant market leadership in ISP, IPTelephony, Vehicle Tracking and Software industry. BDCOM has built its robust countrywide MPLS network covering 672 Upazila out of 692 in the country.

### PRODUCT & SERVICES

BDCOM provides superior IT Infrastructure and Professional Service, Solutions and Products to businesses and organizations throughout Bangladesh and Overseas.

The major business lines of BDCOM are as follows:

- Nationwide Business Internet Services
- Nationwide Home Broadband Internet Services
- Nationwide Data Communication Services
- IP Telephony & IPPBX Services
- Vehicle Tracking & Fleet Management Services
- Software & Web Development
- System Integration (SI) and Managed Services
- Virtual and Corporate/Enterprise Hosting services
- Colocation Services
- Corporate Network Development
- IT Infrastructure Consultancy
- Intelligent Automation
- Digital Marketing & Branding

The majority of BDCOM's clients are Banks, NBFI, Corporate, Telecom and Home users. Having 488 employees with 300+ of them being highly qualified, skilled and experienced in providing technical expertise. BDCOM aims to provide high quality and efficient service throughout Bangladesh.

## BOARD OF DIRECTORS

Name	Position
Mr. Wahidul Haque Siddiqui	Chairman
Ms. Qurrattul Ann Siddiqui	Director
Ms. Quamrun Nahar Begum	Director (Representative of Hornbil Apparel Limited)
Mr. Md. Shafiqul Alom (Sumon)	Director (Representative of Norban Fashion Ltd.)
Mr. Md. Khalid Hussain, FCA	Independent Director
Mr. S M Golam Faruk Alamgir	Managing Director
Mr. A.K.M. Kutub Uddin	Company Secretary

## EXECUTIVE COMMITTEE

Name and Designation	Committee Position
Mr. Wahidul Haque Siddiqui Chairman	Chairman
Ms. Qurrattul Ann Siddiqui Director	Member
Mr. S M Golam Faruk Alamgir Managing Director	Member

## AUDIT COMMITTEE

Name and Designation	Committee Position
Mr. Md. Khalid Hussain, FCA Independent Director	Chairman
Ms. Qurrattul Ann Siddiqui Director	Member
Ms. Quamrun Nahar Begum Director (Representative of Hornbil Apparel Limited)	Member

## NRC COMMITTEE

Name and Designation	Committee Position
Mr. Md. Khalid Hussain, FCA Independent Director	Chairman
Ms. Qurrattul Ann Siddiqui Director	Member
Ms. Quamrun Nahar Begum Director (Representative of Hornbil Apparel Limited)	Member

## MANAGEMENT COMMITTEE

Name and Designation	Committee Position
<b>Mr. S M Golam Faruk Alamgir</b> Managing Director	<b>Chairman</b>
<b>Mr. A.K.M. Kutub Uddin</b> Executive Director & Company Secretary	<b>Member Secretary</b>
<b>Mr. Faker Ahmed, FCA</b> Chief Financial Officer	<b>Member</b>
<b>Mr. S.M. Kamruzzaman</b> Chief Technology Officer	<b>Member</b>
<b>Mr. Gazi Zehadul Kabir</b> Chief Strategy Officer	<b>Member</b>
<b>Mr. Anowar Hasan Sabir</b> Chief Information Officer	<b>Member</b>
<b>Mr. Kazi Md. Abdullah</b> General Manager	<b>Member</b>
<b>Mr. Bipul Ranjan Saha</b> General Manager	<b>Member</b>
<b>Mr. Sharif Shabbirul Alam</b> General Manager	<b>Member</b>

## PURCHASE COMMITTEE

Name and Designation	Committee Position
<b>Mr. A.K.M. Kutub Uddin</b> Executive Director & Company Secretary	<b>Chairman</b>
<b>Mr. S.M. Kamruzzaman</b> Chief Technology Officer	<b>Member Secretary</b>
<b>Mr. Faker Ahmed, FCA</b> Chief Financial Officer	<b>Member</b>

## HUMAN RESOURCES

We believe that our human resources are our finest asset which significantly contributes to the company's growth and success in both the short run as well as the long run. Dynamism in a corporate body has a close relationship with the development of human resources. In line with this perception, we have sharpened our focus on recruiting, training and developing our human resources by a series of development activities throughout the year. We have also created a sense of community among the employees, encouraging them to interact with each other in numerous Management Committee meetings across all departments. These discussions have helped the employees to learn each other's responsibility, grow their individual skill and develop a deep understanding about the company's culture as a whole through interpersonal communication. This in turn, has led to a development of mutual respect among the employees and a positive atmosphere in the workplace.

The company also provides festival bonus, incentive bonus, provident fund and Worker's Profit Participation & Welfare Fund (as per Labor Law by transferring 5% of the Net Profit before tax) to all the employees. All employees are under coverage of "Group Term Life Insurance" and employees and their dependents are under coverage of "Hospitalization Insurance Scheme". Transportation facilities are provided to the top executives of the company. Adequate allowances are also given to the employees. Lunch and refreshments are also provided to the employees at a subsidized rate. The company has nine major departments and 300+ highly qualified, trained and skilled personnel and 200+ non-officer staffs. We also have specialized internship programs which helps to groom the younger generation and helps them take their first step towards a prosperous and successful corporate career. Many of the interns are retained by the company and are trained to tackle and deal with challenges.

BDCOM strongly values the importance of human resources and the significance it has not just on the company itself, but also from the individual perspective as well as from the economy's perspective.

## **KEYS TO SUCCESS**

- Skill Matrix
- Domain Expertise
- Service Innovation
- Company Financial Stability
- International Standard Quality Policy
- Effective Communication
- High Value Customer Profile
- Skilled and Efficient Workforce
- Long Service Experience Portfolio
- Quality Service & Customer Satisfaction

## **INITIATIVES OF BDCOM TO DRIVE SOCIAL IMPACT**

Achieving success and growth is a team effort and BDCOM know it. The company always welcome collective efforts from the stakeholders and support from every segment of the society in pursuit of achieving its goals. BDCOM believes that the society, which enabled the company to flourish, deserve to get back from the company. Sustainable initiatives are an intrinsic way of working that goes beyond simple financial results of returns.

One of the key activities that BDCOM do is to invest in the development of the youth in the country. BDCOM strongly believe that the youth hold the key to the future, not just of this company, but also of the ICT sector of Bangladesh.

To better equip the youth of our country, BDCOM initiated the internship program. The interns are an integral part of the future plans of the company. The internship opportunity provides them with a solid platform to kick launch their professional careers in the ICT sector of Bangladesh. The skills they develop during their internship period helps them tackle everyday challenges in the corporate world. It also equips them with better decision making ability and leadership qualities. The corporate culture itself is such in BDCOM that the employees themselves help out the interns by training them, sharing their knowledge and experience and making them aware of the future challenges which lie ahead. Under the guidance and supervision of the highly qualified employees, the interns flourish. The ones who leave the company are well equipped to tackle any kind of challenges and thus end up getting quality jobs in the competitive ICT job market.

## **EMPLOYEE BENEFITS AND RESOURCE DEVELOPMENT**

### **EMPLOYEE PROVIDENT FUND**

BDCOM Online Ltd. has a contributory provident fund scheme for its permanent employees. This fund is administered by the Board of Trustees and it is funded by contributions from employees and BDCOM under a predetermined rate. These amount then duly deposited to a separate bank account and invested under prescribed guideline of Bangladesh Labor Law.

### **INSURANCE**

Employees of BDCOM Online Ltd. are covered under the Group Term Life Insurance scheme and Hospitalization Insurance scheme.

### **WORKERS' PROFIT PARTICIPATION & WELFARE FUND (WPP & WF)**

Provision for Workers Profit Participation & Welfare Fund has been made at 5% of net profit as per provision of Bangladesh Labor Law, 2006 and is paid to workers as per law dictates.

### **TRAINING AND DEVELOPMENT PROGRAMS**

Employees of BDCOM Online Ltd. are enrolled in several training and certificate programs as the company deem necessary. These trainings enhance the knowledge and skills of individual employees and are funded by the company. Employees are also encouraged to participate in many Government funded training programs. Apart from this, several employees achieved individual awards by participating many National and International training programs.

For Workers and technical people, BDCOM has separate manager to ensure proper skills are developed.

## **ENTERPRISE RISK MANAGEMENT**

Every company faces a lot of risks during its operation. Risks arrive from all aspects both internal and external. In a developing country and in a fiercely competitive industry, risks come in significant numbers. BDCOM Online Ltd. faces different type of risks due to the complexity of the business and the nature of industry it operates in. But to mitigate these risks is an essential part of becoming a successful company by achieving business, financial, customer-centric and social goals as well as meeting the legal and compliance responsibilities.

### **OPERATIONAL RISK**

The management has overall responsibility for the establishment and oversight of the company's risk management framework. Risk management policies, procedures and systems are reviewed regularly to adjust with the changes in market conditions and the company's activities. To operate successfully and in pursuit of maximizing the opportunities and minimizing the impacts faced by the company, senior management of BDCOM has established a team consisting of several experienced and well versed personnel. This team operates internally and free from any other influences. The team identifies particular events or circumstances relevant to the Company's objectives, both risks and opportunities, and assess them in terms of likelihood and magnitude of impact, determine a solid strategy of actions and monitor progress. This team is headed by the honorable Chairman of BDCOM and consist of the Managing Director, Head of departments and concerned senior managers.

**CREDIT RISK**

Credit risk is the risk of financial loss to the company if a customer or a financial instrument fails to meet its contractual obligation and arises principally from the company's receivables from customers. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Risk exposures from other financial assets, i.e. cash at bank and other external receivable are nominal.

**LIQUIDITY RISK**

Liquidity risk is the risk that the company will not be able to meet its short term financial obligations as they fall 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 assets to meet its liabilities when due, under both nominal and stressed conditions, without incurring unacceptable losses or risking damage to a company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparations 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.

**MARKET RISK**

Market risk is the risk that any change in market prices such as foreign exchange rates and interest that 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**

As at June 30, 2022 there was little exposure to currency risk as there were very few foreign currency transactions made during the reviews.

**b) Interest Risk**

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. Interest rate fluctuation probability is very minimal and within tolerable range. The company has been not entered into any type of derivation instrument in order to hedge interest rate risk as at the reporting date.

**OTHER RISKS**

Some of the other risks which might affect the company are competitor risk, strategic risks, etc. The IT sector of Bangladesh is very competitive and there are new entrants the market every day. Hence it is important for BDCOM Online Ltd. to be aware of its competition. Strategic risk is defined as the risk associated with existing strategy, future business plans and strategies, including plans on entering new business lines, expanding existing services through organic business growth, mergers and acquisitions or exposure loss resulting from a strategy that turned out to be defective or inappropriate.





Message From The

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## Chairman

Dear Shareholders,

Assalamu Alaikum Warahmatullahi Wabarakatuh.

I would like to welcome you to the 26th Annual General Meeting of BDCOM Online Ltd. I am ever grateful to you all for gracing this occasion with your presence.

BDCOM has been consistent in providing unparalleled ICT service to this country for the last 26 years. The conviction and faith of the shareholders has always been the strongest pillars of growth of BDCOM. We still aim on focusing on upgrading the digital ecosystem and enhance the quality of ICT services which will surpass the industry standard.

BDCOM started their journey by providing only IT services to clients. In the past years, we have diversified products and services portfolio. As of today, we have successfully widened our horizon established a some of the leading brand of the country such as 'SMILE Broadband', 'Broadband360', 'KOTHA', 'Smarttracker'. These brands define the success of BDCOM and the commitment to our clients.

The economy still recovering from challenges caused by the COVID-19 pandemic. The rising tension in the geopolitical arena is bringing a new host of trials for the economy of Bangladesh. The already disrupted global supply chain and economic shocks needs to be addressed with proper policy backing. The business houses need to be resilient in these times. The government has immensely supported this ICT industry which assisted us to steer through the pandemic. In the upcoming years we hope the government encourages us in comprehending our collective goal of Digital Bangladesh with appropriate policies that will ensure efficient allotment of resources.

I would like to take this opportunity to thank all the shareholders for their trust and support that has made BDCOM one of the leading ICT companies of this nation. I would also like to acknowledge all colleagues in BDCOM for their effort and hard work in delivering robust ICT services across the country. The management team has been successful in guiding the company according to the vision of the shareholders. At BDCOM we remain committed in integrating ICT services to create a sustainable future for the coming generation. As it is in our ethos that in all circumstances **'Progress is Possible'**.

I want to thank you all from the bottom of my heart and pray all of us are blessed with good health.



**Wahidul Haque Siddiqui**

Chairman

BDCOM Online Ltd.



Review From The

---

## Managing Director

Dear Shareholders,

I am happy to welcome you all to the 26th Annual General Meeting of BDCOM Online Ltd. On behalf of the Board of Directors, I thank you for joining us today. Your presence here is a testimony to your interest in and support for the company. Although I wish that we could have greeted each other in person, I am very pleased to be able to connect with you like this today.

The official brand tagline “Connecting Progress” is not just a distinctive motto! It’s a process; and we, here in BDCOM, have been consistently & decisively practicing this process for more than two decades. Today, we secure our place as one of the most reliable ICT Service Providers in the Country. As a recognition of our corporate practice, we just won another national level very prestigious award “**ICMAB Best Corporate Award - 2021**”.

We received this recognition because of our firm belief - “Progress is Possible with the Power of Working Together as Partners, Keeping Promises, and Inspiring through Innovation”. We always treat our valued clients and stakeholders as our partners and always keep our brand promises. PROGRESS would never have been POSSIBLE without the enormous support and tremendous inspiration from all our valued & delighted shareholders.

As I look back to 2021, I would like to express my deepest appreciation and gratitude to all our colleagues for delivering such a remarkable performance despite our challenging environment, from geopolitical uncertainty to the pandemic. Our frontline colleagues worked hard to ensure our country-wide operations with the safety of our people and communities at all times. As an essential service provider, I am proud of how they kept our operations running to play our part in driving society’s progress, making the way to Digital Bangladesh.

While our progress over the last 26 years has been consistent growth positive, the next question is 'where to from here'. The simple answer is, more of the same. We must continue to do the things that got us here: identify great opportunities; get the most from our existing service ecosystem; identify efficiency opportunities; and deliver our projects with utmost commitment.

The creation of the internet and its multi-faceted uses resulted in a major shift, The Fourth Industrial Revolution (4IR), which will change not only what we do, but also who we are. The advent of information and technology is bringing about major changes to how people live their lives and it's affecting the lives of the Bangladeshi people as well.

BDCOM is gearing up for the Fourth Industrial Revolution (4IR) along with the country. There are many challenges and opportunities for us as we embrace this major global movement which, if handled adroitly, could lead to major transformation, growth, and improvement.

Would like to extend our deepest thanks to all of you, our esteemed shareholders. Your trust makes everything possible for us and thanks to your continued support we are delivering continued record performance.

Also like to thank to our great people, established crisis management and technological expertise, we were able to keep most of our operations up and running, thereby, like to congratulate our colleagues and the Management Committee for these remarkable accomplishments. They led the company through challenging times while creating lasting value for our stakeholders.

In our daily work, we are guided by our strong commitment to our people and communities: being respectful, humble, thankful, transparent, and open to dialogue. That is how we create value for all our stakeholders across our business around the country, from our people and clients to our shareholders.

The company is now well positioned to continue creating value for all our stakeholders, despite the environment, which remains challenging. Our commitment to sustainability in every sense and our values will guide us on our way forward.

Thanking you once again for being with us all these years!!!



**S M Golam Faruk Alamgir**

Managing Director  
BDCOM Online Ltd.

## CODE OF CONDUCT

Our Code of Conduct is based on our values and the purpose of these codes is to ensure that all the employees, managers and executives within BDCOM Online Ltd. act in accordance with these values and principals respecting the core value of the company. These codes are designed in a way as to give a clear perception about what is expected from the people inside the company. We are always committed to conduct our business in an ethical, legal and responsible way.

The codes are as follows:

### 1. Legal Compliances

BDCOM Online Ltd. ensures that all its business actives adhere to all applicable National Legal requirement and are well maintained within the set policies by the Government. BDCOM also comply with the applicable anti bribery/anti-corruption rules and regulations in its business activities.

### 2. Confidentiality in Work

BDCOM works with multiple clients from multiple industries and it is very important to maintain confidentiality while dealing with sensitive issues within each company. BDCOM always ensures that client's data and other information is well protected and are not disclosed to any third party. BDCOM achieved the trust of hundreds of clients with these strict rules of confidentiality in every deal.

### 3. Employee Participation

BDCOM Online Ltd. is always striving to move forward and value each employee as their contribution is what is driving the company ahead. The company encourages its employees to share ideas and knowledge with management as well as between themselves. This enables a great culture of idea sharing inside the company which brought forward many new business activities.

### 4. Health & Safety at Work

The company ensures that the workplace and its environment do not endanger the physical integrity or health of the employees. Training programs to reduce accidents and improving working conditions with additional safety gears is an ongoing process. Employees have access to drinking water, sanitary equipment social rooms, built and maintained in accordance with applicable legal requirements.

### 5. Work Environment

BDCOM ensure an exciting and progressive working environment for its employees which is free from all type of discriminations and harassments. The company ensures that all the employees acts professionally and refrain from frauds, dishonesty, deceit or any act that violates the core value of the company.

### 6. Restrictions on dealings in BDCOM shares by insiders

BDCOM has restricted trading of its shares by Sponsors/Directors, Employees and other insiders. The Securities Laws also impose restrictions on similar transactions. All the insiders are prohibited from trading in the Company's shares, while in possession of unpublished price sensitive information in relation to the Company during prescribed restricted trading period. Sponsors/Directors and Employees are also restricted to notify their intention to trade in the BDCOM shares prior to initiating the same.

## Brief Resume of the Director:

### **Mr. Wahidul Haque Siddiqui**

Wahidul Haque Siddiqui an eminent and visionary entrepreneur of this country. A native of Chittagong and raised in Dhaka, he completed his education from Adamjee Cantonment College and later on pursued his Bachelor's degree in Commerce from the University of Dhaka.

Wahidul Haque Siddiqui commenced his entrepreneurial career 1990 with buying house 'Norban Fashion Ltd.' In a few years time he garnered ample of expertise and knowledge about the Ready-Made Garments (RMG) sector and established two factories 'Hornbill Apparels Ltd.' and 'Norban Comtex Ltd.' Mr. Siddiqui's bold and strategic leadership made Norban, one of the leading RMG factories in Bangladesh. His knowledge on all the aspects of RMG is unparalleled.

Wahidul Haque Siddiqui being a visionary witnessed the emergence of ICT globally. He anticipated this change Bangladesh in late 1990s. Hence took the initiative of establishing one of the first ISP of this country BDCOM Online Ltd. in 1998. Under Mr. Siddiqui's well steered direction BDCOM has won several accolades including the prestigious National award. He is currently serving as the Chairman of the board at BDCOM Online Ltd.

Mr. Siddiqui a serial entrepreneur has a strong presence in number of industries. He occupies position in the board of Norban Group, Daulatunnessa Equities Ltd., Asia Pacific General Insurance Company Ltd., and several others. His resourceful mindset and goodwill are appreciated at home and abroad. He is actively associated with several charity organizations.

### **Mrs. Qurrattul Ann Siddiqui**

Mrs. Qurrattul Ann Siddiqui is one of the founding directors of BDCOM Online Ltd. She has been actively associated with several business organizations. Mrs. Siddiqui born and raised in Dhaka completed her graduation from University of Dhaka.

Mrs. Siddiqui holds a management position in Norban Group, a leading RMG conglomerate in the country. She has been involved in the creating new strategies and devises new business ideas. Her diversified knowledge and insight has helped BDCOM to flourish in the IT sector. As a mindful well-wisher and director, the company's grave success has been the top of her priorities.

She has an active presence in several social and charity organizations across the country. She runs a charitable school for underprivileged children in the capital. Her charitable appreciation is only one of her many insightful traits.

### **Hornbill Apparel Ltd.**

Hornbill Apparel Ltd. is the corporate sponsor and director of the company. They have been successfully engaged with apparel business in Bangladesh for a long period of time.



**Norban Fashion Ltd.**

Norban Fashion Ltd. represented by Md. Shafiqul Alom (Sumon) has been successfully engaged with RMG sector for a long period of time.

**Mr. Md. Khalid Hussain, FCA**

Mr. Md. Khalid Hussain son of late Mohammed Hussain is a Chartered Accountant and a Fellow Member of the Institute of Chartered Accountants of Bangladesh. Mr. Hussain has more than 21 years' experience in dealing with various financial, operational and commercial matters in MNC and Local Corporate. Mr. Hussain hold various senior positions in MNC and renowned local conglomerate like New Zealand Dairy Board, Beximco Group, Esquire Group. Mr. Hussain did his CA Article ship from one of renowned CA Firm. Mr. Hussain has vast experience in dealing with Board Meeting in both public and private companies.

**Mr. S M Golam Faruk Alamgir**

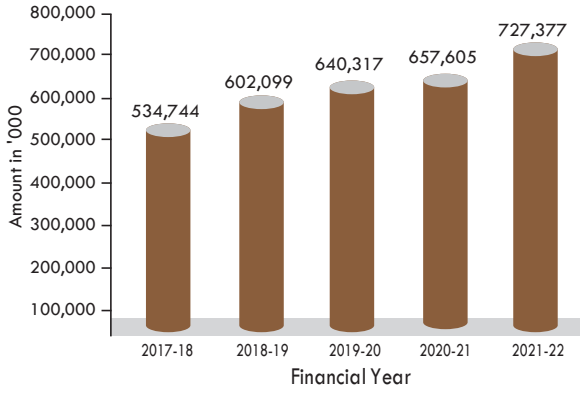
Mr. Alamgir has obtained his MBA degree in Marketing and is the Managing Director of BDCOM Online Ltd. The Commander in chief of BDCOM is well experienced in ICT Business and has been engaged with this sector for more than 32 years. He has participated in many local and international events, trainings and workshops.

## FINANCIAL HISTORY OF FIVE YEARS

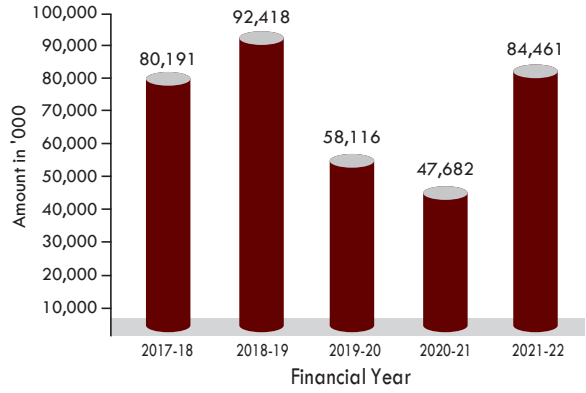
Particulars	Figure in Thousand Taka				
	2021-2022	2020-2021	2020-2019	2018-2019	2017-2018
Authorized Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Paid-up Capital	570,865	543,680	517,791	488,482	465,221
Tax holiday reserve	21,556	21,556	21,556	21,556	21,556
Retained Earnings	214,653	161,658	153,406	152,665	124,642
Shareholders' equity	899,394	846,399	812,257	778,162	723,608
Current Liabilities	250,253	297,363	263,076	197,334	165,558
Deferred Tax Liabilities	15,426	16,185	15,728	14,443	13,156
Cash Dividend	57,086	27,184	25,890	29,309	32,565
Dividend (Stock)	-	27,184	25,890	29,309	23,261
Revenue from Sales and Services	727,377	657,605	640,317	602,099	534,744
Non-Operating Income	26,925	27,438	32,352	31,456	19,629
Cost of Sales & Service	334,108	309,633	307,549	258,383	238,126
Administrative & Marketing Expenses	253,166	247,145	220,409	199,039	162,856
Depreciation on fixed assets	51,882	49,225	49,892	48,888	46,521
Provision for Income Tax	22,297	31,333	18,153	25,940	12,994
Property Plant & Equipment	337,111	357,415	352,797	361,786	345,868
Long Term Security	108,009	54,408	54,049	28,923	3,926
Inventories	15,257	18,843	18,107	19,766	14,389
Advance, Deposits & Prepayment	37,055	38,687	27,997	20,636	15,003
Trade & Others Receivable	144,316	204,306	210,864	171,631	163,108
Cash & Cash Equivalent	69,438	92,693	66,143	43,571	32,571
Gross Profit	393,269	347,972	332,768	343,716	296,618
Net Profit after Tax	80,179	60,031	59,359	83,849	79,726

**Graphical View of Selected Growth Indicators for the Last 5 Years**

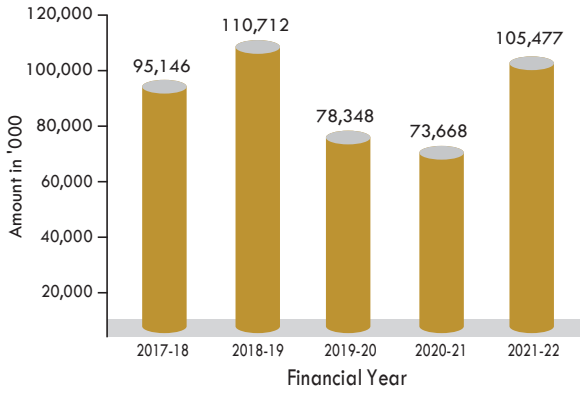
**Revenue (Net of VAT)**



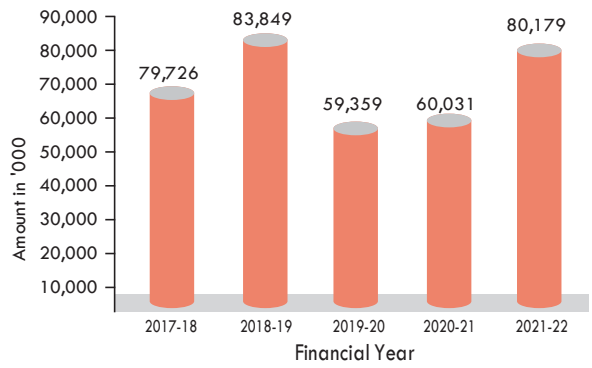
**Operating Profit**



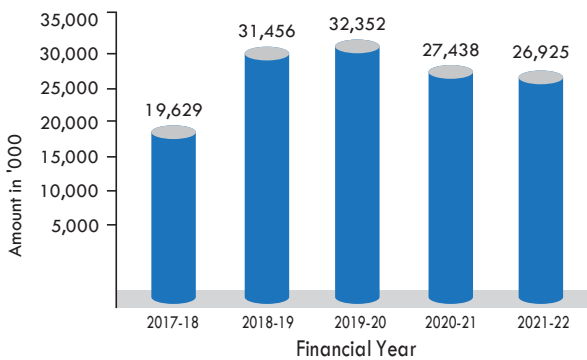
**Net Profit Before Tax**



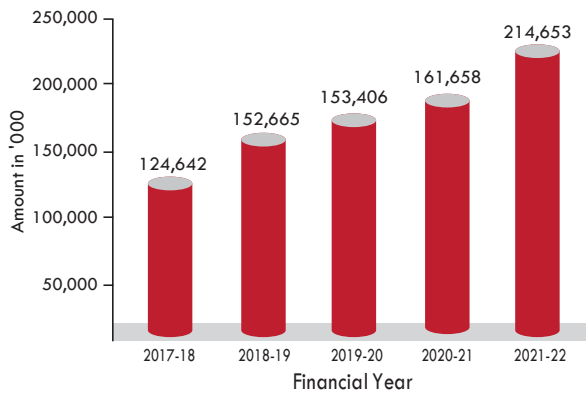
**Net Profit After Tax**



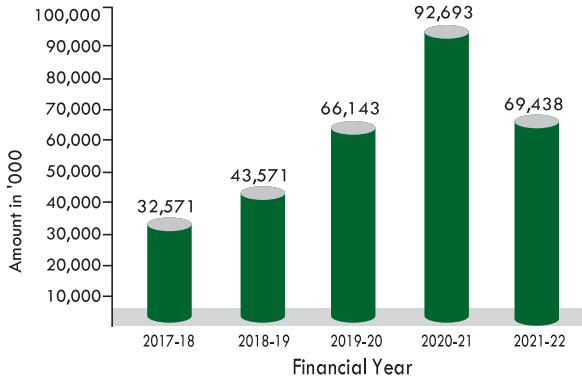
**Non Operating Income**



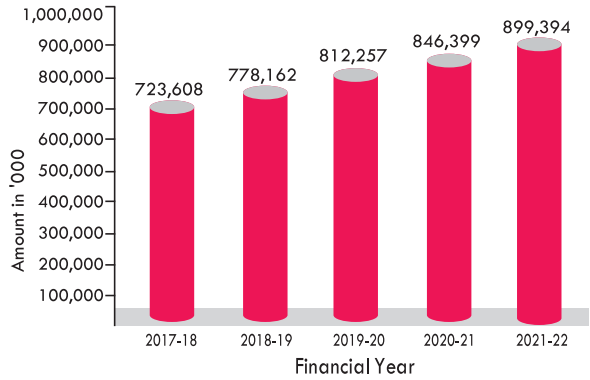
**Retained Earnings**



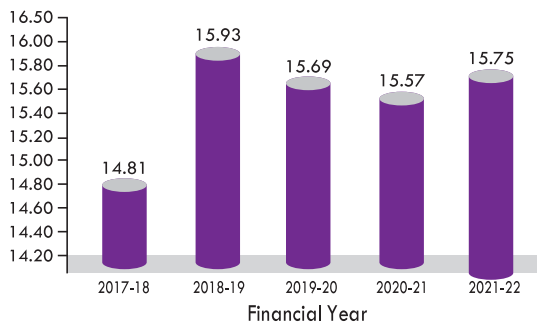
**Cash & Cash Equivalent**



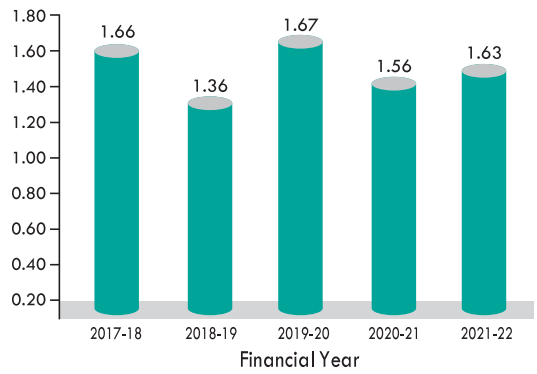
**Shareholders' Equity**



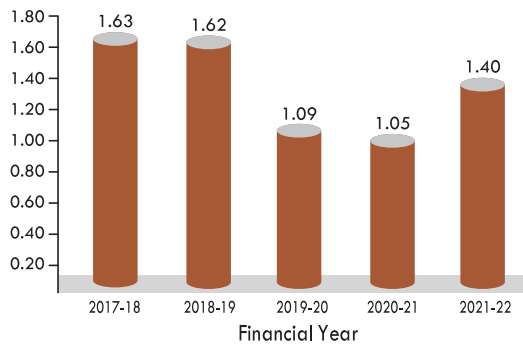
**NAV Per Share**



**NOCF Per Share**



**Basic Earnings Per Share (Adjusted)**



## DIRECTORS' REPORT TO THE SHAREHOLDERS FOR THE YEAR ENDED JUNE 30, 2022

Dear Fellow Shareholders,

The Board of Directors of BDCOM Online Ltd. with immense pleasure takes this opportunity of presenting the Annual Report and the Audited Financial Statements for the year ended June 30, 2022 together with the Report of the Auditors to the shareholders on the occasion of 26th Annual General Meeting of the Company for valued consideration, approval and adoption.

### Enhanced value of Shareholder's Investment:

During the year under review, net revenue was Tk. 727.38 Million with 10.61% increase compared to the revenue of previous year.

The Directors take pleasure in reporting the financial results of the Company for the year ended June 30, 2022 (as mentioned in the Statement of Profit or Loss and Other Comprehensive Income). Details of the same are given below:

Description	June 30, 2022	June 30, 2021
Gross Profit	393,268,964	347,972,299
Operating Profit	84,460,762	47,681,631
Non-Operating Income	26,924,902	27,437,633
Net Profit before WPPF & WF	110,751,362	77,351,919
Provision for WPPF & WF	(5,273,874)	(3,683,426)
Provision for Income Tax	(26,057,174)	(13,180,259)
Provision for Deferred Tax	758,930	(457,576)
<b>Net Profit after Tax</b>	<b>80,179,244</b>	<b>60,030,658</b>
Less: Dividend Distribution of Previous Year	(27,184,040)	(51,779,140)
Add: Profit brought forward	161,657,697	153,406,179
<b>Surplus Available for Appropriation</b>	<b>214,652,901</b>	<b>161,657,697</b>

**Dividend recommendation of 10% Cash Dividend:**

The Board of Directors pleased to recommend 10% Cash Dividend for the year ended 30th June, 2022 which will be confirmed in the 26th Annual General Meeting to be held on 14th Dec 2022.

**Disclosure on Dividend Distribution:**

BDCOM pay off the dividend to the shareholders within 30 days of approval and submit a compliance report to the Exchanges and to the Commission in respect of dividend payment within 7(seven) working days.

**Interim Dividend**

No bonus share or stock dividend has been declared by the Board as interim dividend and there was no effect of such in the Company's financial position.

**Retirement and Re-election of Directors:**

As per Companies Act, 1994, each year one-third of the Directors retire from office at the Annual General Meeting and if eligible, may offer themselves for re-election by shareholders at the Annual General Meeting. In line with the Companies Act, 1994, the following Directors will retire at the 26th Annual General Meeting:

1. Mrs. Quamrun Nahar Begum - (Rep: Hornbill Apparel Ltd.)
2. Mr. Shafiqul Alam (Sumon) - (Rep: Norban Fashion Ltd.)

The above Directors are eligible, offer themselves for re-election for the next term.

**Appointment of Auditors:**

The office of the present Auditor M/S. Ahmed Zaker & Co., Chartered Accountants will expire with the completion of 26th Annual General Meeting. The Audit Committee scrutinized and reviewed the proposal of M/S. Islam Quazi Shafique & Co., Chartered Accountants and recommended to the Board to appoint as the Statutory Auditors of the Company for the year 2022-2023 and the Board of Directors placed this before the general body of shareholders for approval with a remuneration of BDT 1,30,000.00 excluding applicable VAT & TAX .

**Appointment of Compliance Professionals for the certificate on compliance with the Corporate Governance Code of BSEC:**

As per notification no. BSEC/CMRRCD/2006-158/207/Admin/80: dated June 03, 2018, The Board recommended the appointment of M/S. Atik Khaled Chowdhury, Chartered Accountants, to issue "Corporate Governance Compliance Certificate" of the Company for the year 2022-2023 and to fix their remuneration BDT 25,000.00 excluding applicable VAT & TAX for approval of the shareholders in the 26th Annual General Meeting.



### Directors Responsibilities for Financial Statements:

The Board is responsible to present a fair, balanced and understandable assessment of the Company's position and prospect as a part of good governance and to that end the Directors' confirm to the best of their knowledge that:

The Financial statements prepared by the management for the year ended 30 June 2022 give a true and fair view of the state of the company about the result of its operation, cash flows and changes of equity.

Proper books of accounts as required by the prevailing laws have been maintained.

Appropriate accounting policies have been consistently applied in preparing the financial statement and that the accounting estimates are based on reasonable prudent judgment.

The financial statements have been prepared in accordance with applicable IAS/IFRS.

The system of internal control and check are in effect and maintained properly.

The company has sound and strong operational strengths and ability to continue as a going concern. As such, there is no doubt of its continuity.

There is no deviation from last year operating results.

**The key operating and financial data for the proceeding five years have been shown in the Financial History of Five years: Annexed herewith. (Page-22)**

### Corporate Governance Code:

BDCOM Online Ltd. is pledge bound to adopt necessary measures of good governance abiding by all prevailing Rules and Regulations. Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of Securities and Exchange Ordinance, 1969 is annexed herewith. (Page-41)

### Board of Directors Meeting and attendance:

The Company conducts its Board meetings and record the minutes of the meetings as well as keep required books and record in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB).

During the year twenty-four (24) Board of Directors meeting were held and the attendance by each director is given bellow

Mr. Wahidul Haque Siddiqui	-	Chairman	-	24
Mrs. Qurrattul Ann Siddiqui	-	Director	-	24
Mrs. Quamrun Nahar Begum (Rep: Hornbill Apparel Ltd.)	-	Director	-	19
Mr. Shafiqul Alam (Sumon) (Rep: Norban Fashion Ltd.)	-	Director	-	18
Mr. Md. Khalid Hussain, FCA	-	Independent Director	-	05
Mr. S M Golam Faruk Alamgir	-	Managing Director	-	24

**Directors remuneration and fees:** Given separately. (Page-87)

**The pattern of shareholding:**

		Shares Qty as At 30 June 22	Shares Qty as at 30 June 21	% 2022	% 2021
(a) Parent or Subsidiary or Associate Companies or other related parties:		-	-	-	-
(b) Sponsor, Directors, Managing Director, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children:					
01) Mr. Wahidul Haque Siddiqui	Chairman	- 3,037,623	2,892,975	5.32	5.32
02) Mrs. Qurratul Ann Siddiqui	Director	- 5,487,245	5,225,948	9.61	9.61
03) Mrs. Quamrun Nahar Begum	Director	- 2,724,753	2,595,004	4.77	4.77
	(Rep: M/S. Hornbill Apparel Ltd.)				
04) Mr. Md. Shafiqul Alam (Sumon)	Shareholders Director	- 3,939,519	3,751,923	6.90	6.90
	(Rep: M/S. Norban Fashion Ltd.)				
05) Mr. Md. Khalid Hussain FCA	Independent Director	- -	-	-	-
06) Mr. S M Golam Faruk Alamgir	Managing Director	- -	-	-	-
07) Mr. Sumon Ahmed Sabir	Sponsor	- 843,305	803,149	1.48	1.48
08) Mr. Mohd. Zulfiquar Hafiz	Sponsor	- 626,145	596,330	1.10	1.10
09) Mr. A.T.M Sayeeduzzaman	Sponsor	- 469,354	447,004	0.82	0.82
10) Mr. A. K. M. Kutub Uddin	ED & Company Secretary	- -	-	-	-
11) Mr. Faker Ahmed FCA	Chief Financial Officer	- -	-	-	-
12) Mr. Mohammad Ali ACCA	Head of Internal Audit	- -	-	-	-
(c) Executives:					
01) Mr. S. M. Kamruzzaman	Chief Technology Officer-	-	-	-	-
02) Mr. Gazi Zehadul Kabir	Chief Strategy Officer	-	-	-	-
03) Mr. Anowar Hasan Sabir	Chief Information Officer	-	-	-	-
04) Mr. Bipul Ranjan Saha	General Manager	-	-	-	-
05) Mr. Sharif Shabbirul Alam	General Manager	-	-	-	-
d) Shareholders holding 10% or more voting interest in the company		-	-	-	-

**Management Discussion and Analysis:**

Management's discussion and analysis has been highlighted in the Managing Director's review and in Directors' Report.

**Duties of Managing Director and Chief Financial Officer:**

As per condition 3(3) of the Corporate Governance Code, the Managing Director and Chief Financial Officer has certified to the Board that-

to the best of their knowledge and belief, they have reviewed financial statements for the year ended 30th June 2022 and that to the best of their knowledge and belief:

- (a) the financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- (b) the 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 were, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.

#### **Related party transactions:**

We as IT Sector Company, for IT related services and data connectivity we have to purchase Bandwidth and use NTTN (Nationwide Telecommunication Transmission Network) transmission line as rental basis from service provider companies. Regarding Bandwidth a few and for NTTN transmission line only few companies in Bangladesh. Fiber@home Global Ltd., and Fiber@Home Ltd. is our related party. We have transactions with these companies regarding Bandwidth purchase & NTTN transmission line rent as a part of normal course of regular business operation. All transactions involving related parties arising are conducted on an arm's length basis at commercial rates on the same terms and conditions as applicable to the third parties. Details of transactions with related parties and balances with them as at 30 June 2022 has been provided in note no. 37.00 (Page-89).

In the 25th AGM held on 17 December 2021 the general body of Company's Shareholder approved the matter for that year and onward for smooth and uninterrupted transmission/operations of the Company in line with BSEC Notification No. BSEC/CMRRCD/2009-193/10/Admin/118 dated 22 March 2021 clause (1) (b).

#### **Sponsor and Directors all the time jointly holding of minimum 30% (thirty percent) shares of the paid-up capital of the Company:**

In compliance with the Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2009-193/217/Admin/90 dated 21st May 2019, jointly shareholdings of the Sponsor and Directors of the Company is 30% of the paid-up capital.

#### **Achievement & Future Plan:**

As we celebrate what's been achieved over the last quarter century, we also look towards the next 25 years of Technology impacts - and an even brighter golden anniversary! Our future impact on future technology adoption and global Internet Ecology will be shaped by our dedicated employees and the local community - and we are excited by what BDCOM has to offer in the coming days.

BDCOM has secured Bronze Award under the Telecommunication and IT Category in the ICMAB Best Corporate Award – 2021 Competition after a thorough evaluation of performance on the 2021 Annual Report of BDCOM Online Ltd. This remains as a recognition of our efforts and dedication. This is 3rd time BDCOM has secured this prestigious national level award.

Without endorsing the ever changing modern technology, it is utterly difficult to play a meaningful role in a digital ecosystem — at least, any successful one. Digital ecosystems are built for innovation, learning and advancement. In BDCOM we are always committed in learning and adopting the latest digital capabilities and thus be agile and adaptive at the highest levels which are comprised of companies, people, data, processes and things that are connected by the shared use of digital platforms. Last few years BDCOM is creating these partnering ecosystems to enable collaboration and provide mutually beneficial results to all parties involved. The idea is to create a collection of flexible services that can shift around and quickly be adapted to the ever-changing needs of the business in Bangladesh.

The enhancement and upgrade of our MPLS backbone from 10G to 40G was almost hindered due to the pandemic and still stagnant as the trailing effects of the endemic. But the work was already accomplished in Metro areas with utmost success. Our focus and time investment on countrywide data network expansion was hampered due to scarcity of essential accessories like Fiber cables, routers, etc., during the local and global halt of the supply chain. Moreover, the regular aerial cable cut in Dhaka, Sylhet, Chattogram, Mymensingh, etc. districts tremendously impaired the expansion and development of the robust network of BDCOM. The BDCOM MPLS network is now available in all the districts of the country, also, the last mile is mostly converted to FTTx technology adopting the most successful GPON technology. Our specialty with the GPON technology is that we can connect any last-mile endpoint up to 10Gbps max which is still very much rare in the Bangladesh ISP industry.

Our Software department is turning back. Their developed HRMS is now Smart and Intelligent Management Process that, Legitimate the Information along with Futuristic Innovation which is Empowered Digitally. The successful deployment of the software in an industrial sector is the starting of a new era for BDCOM.

The government in their mandate has promised in ensuring internet facilities to the marginalized people. They had announced a special tariff – Ek Desh Ek Rate (one country one rate) – to ensure broadband internet supply to the marginal level. At BDCOM we were more than ready for the announcement. The initiative “Internet for All” was announced last year in our success story. Thus we were completely compliant at the zero hours of the announcement as we already rationalized the package “Internet for All” as a Smile Broadband package which echoed the promise of the current Government. With the “Internet for All” package SMILE Broadband is thinking beyond closing the digital divide to investing in the development of a robust digital ecosystem that can facilitate participation in the Fourth Industrial Revolution — intelligent automation ensuring every individual participation in the Internet World.

We have launched “Broadband360” in 2020 as the most significant outcome of our commitment to the nation and to the vision 2041 of the Digital Bangladesh Government. As the product was designed in accordance with our Social Responsibility, Ethical Business Practices and for the greater protection of the next generation from the vicious effects of abuse, violence & pornography in digital media, our journey has seen bright promise in the society in last one year and now is recognized in the industry as a milestone for safe Internet experience through ultrafast connectivity.

Safe Internet was the mandate from our society for the last few years and BDCOM is now cognizant of the knowledge of maximizing the user's personal safety and security risks to private information and property associated with using the internet, and the self-protection from computer crime in general. The market is ready; the product is ready – BDCOM is ready to roll out the service in the market.

BDCOM is the first ISP in the country to deploy a DR for its entire network resources. We are working relentlessly so that our existing network does not feel any bumps or spikes during business hours. Not only that all Point-to-Point connectivity and existing EPON networks are changing to GPON.

As mentioned last year, BDCOM was more focused on the home segment, prioritizing corporate sectors services side by side – this year the focus will remain the same. After lots of hurdles, networks and other infrastructure are now readier than before for earning Market Leadership. BDCOM is committed to bringing disruptive technologies including safe, stable and eco-friendly Internet, Phone, and other related services to the community; also is ensuring round-the-clock more efficient helpdesk to leverage the trust and faith of our valued customers towards our services. We highly appreciate Government's initiative in this regard.

At this age of globalization, the window of opportunity remains vast because we still believe that our capacity to solve problems and adopt New-Normal technologies are boundless. BDCOM is planning on creating innovative technological advanced products and services in the industrial plot that has been awarded in the Mirsarai Economic Zone, the largest economic zone of the country. The true emphasis remains on the continuation of business development activities and identifying new opportunities to secure a sustainable growth of the company.

### **Corporate Social Responsibility:**

Corporate Social Responsibility (CSR) has become a vital activity for any business. We at BDCOM, strongly believe in the CSR activities in which we engage in. One of the key activities we do is that we invest in the development of the youth in our country. The youth hold the key to the future, not just of our company, but also of the ICT sector of Bangladesh. The interns who work in our organization are an integral part of our future plans. The internship opportunity provides them with a solid platform to kick launch their professional careers in the ICT sector of Bangladesh. The skills they develop during their internship period helps them tackle everyday challenges in the corporate world. It also helps them in their decision making process. The corporate culture itself is such in BDCOM that the employees themselves help out the interns by training them, sharing their knowledge and experience and making them aware of the future potential challenges which lie ahead. Under the guidance and supervision of our highly qualified employees, the interns flourish. The ones who leave are well equipped to tackle any kind of challenges and thus end up getting quality jobs in the competitive ICT job market. Hence, if we look at the bigger picture, this eventually goes on to help in developing the labor force of our country in the ICT sector.

BDCOM also financially help several NGOs and they all work for a noble cause.

**Acknowledgement:**

Finally the members of the Board of Directors like to express their thanks and gratitude to all honorable shareholders, valued clients, Bankers, Suppliers, Vendors, Insurance Companies, Registrar of Joint Stock Companies & Firms (RJSC), Bangladesh Telecommunication And Regulatory Commission (BTRC), Bangladesh Securities And Exchange Commission (BSEC), Dhaka Stock Exchange Ltd. (DSE), Chittagong Stock Exchange PLC and Central Depository of Bangladesh Limited (CDBL) for their patronage and immense support and co-operation received. The Board of Directors pleased to put on record their appreciation for the teamwork, prompt and prudent decision making, efficient and cordial service and contribution made by the management as well as the employees towards the growth and progress of the Company.

Thanks & regards

For and on behalf of the Board of Directors



**Wahidul Haque Siddiqui**  
Chairman



[As per condition No. 1(5)(xxvi)]

## Declaration by Managing Director and Chief Financial Officer

Date : October 27, 2022

The Board of Directors  
BDCOM Online Ltd.  
JL Bhaban (5th floor), House # 01  
Road # 01, Gulshan Avenue  
Gulshan # 01, Dhaka-1212

### Subject: Declaration on Financial Statements for the year ended June 30, 2022

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) impose vide the Commission's Notification No. BSEC/CMR-RCD /2006-158/207/Admin/80. Dated June 03, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of BDCOM Online Ltd. for the year ended June 30, 2022 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonable and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regards, we also certify that:-

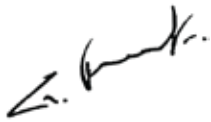
- i) We have received the financial statements for the year ended on June 30, 2022 and that to the best of our knowledge and belief:
  - (a) these statements do not contain any material untrue statements or omit any material fact or contain statements that might be misleading;



(b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

- ii) There are, to the best of knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



(S M Golam Faruk Alamgir)  
Managing Director



(Faker Ahmed FCA)  
Chief Financial Officer

## Dividend Distribution Policy

### BDCOM Online Ltd.

#### Introduction

The Dividend Distribution Policy is set to ensure proper dividend payment by the Company to its Shareholders. Bangladesh Securities and Exchange Commission (BSEC) has made mandatory for the listed Company to have a dividend distribution policy and also to disclose it in the Company's website and in the Annual Report.

#### Objective

The objectives of this Policy is to facilitate the process of dividend recommendation or declaration and its pay-out by the Company which ensure a regular dividend income for the shareholders and long term capital appreciation for all stakeholders of the Company. Dividend is the payment made by the Company to its shareholders, usually in the form of distribution of its profit. The profits earned by the Company can either be retained in business or used for acquisitions, expansion or diversification, or it can be distributed the balance among its shareholders as dividend. The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profit retained in the business. The Board will refer to the Policy while declare/recommending dividends on behalf of the Company.

#### The factors to be considered before dividend proposal and recommendation:

Internal factor:

- i) Statutory and Regulatory Compliances;
- ii) Existing and expected financial performance;
- iii) Cash flow and liquidity position;
- iv) Capital expenditure and investment plans;
- v) Acquisitions and Disposals;
- vi) Restructuring activities;
- vii) Future requirement of funds;

External factor:

- i) Macro-Economic environment in Bangladesh;
- ii) Consistency in dividend payment trend;
- iii) Shareholder expectation including minority Shareholders;
- iv) Changes in regulatory requirements.

#### Entitlement of Dividend

The Shareholders whose names would appear in the Register of Members of the Company on the Record Date are entitled for dividend.

#### Per Share Basis

The dividend will be declared on per share basis only.

**Payment of Dividend**

The Company shall distribute declared and duly approved dividend to shareholders in a timely manner and is in line with Bangladesh Securities and Exchange Commission directions and any other applicable laws, rules and regulations.

The combination of cash and stock dividend will be determined based on the capital retention requirement and tax implication on the combination of dividend.

**Income tax on Dividend**

The withholding tax applicable at source on dividend will be deducted and deposited to Government Exchequer as per the applicable laws.

**Unclaimed dividend**

The Company shall follow the Rules and Regulations of the Bangladesh Securities And Exchange Commission to pay the unclaimed dividend.

**Provisions in regard to various classes of shares**

Currently, the Company does not have different classes of shares and follows the “one share one vote” principal. If the Company has more than one class of shares in future, dividend for each class would be subject to prescribed statutory guidelines as well as terms of offer of each class to the investors of that class of shares.

**Review & Amendment**

This policy may be reviewed and amended periodically as and when required by the Board to ensure that it meets the objectives of the relevant legislation and needs of the Company and remains effective. The Board has the right to change/amend the policy as may be expedient taking into account the law for time being in force.

In the event of any amendments(s), clarification(s), circular(d), directive(s), notification(s) etc issued by the regulatory authority(s), not being consistent with the provisions laid down under this policy, then the same shall prevail upon the provisions hereunder and this Policy shall amended accordingly.

## AUDIT COMMITTEE REPORT

For the year ended 30 June 2022

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 (03) members. The Company Secretary acts as the Secretary of the Audit Committee.

The Audit Committee of BDCOM Online Ltd. 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 BDCOM is as follows

The Audit Committee consists of the following members of the Board of Directors:

Chairman	: Mr. Md. Khalid Hussain, FCA, Independent Director;
Member	: Mrs. Qurrattul Ann Siddiqui, Director;
Member	: Mrs. Quamrun Nahar Begum, Director; (Representative of Hornbill Apparel Limited)
Secretary	: Mr. A.K.M. Kutub Uddin, Executive Director & Company Secretary.

### Meeting of the Audit Committee

The Committee had 4(four) meetings during the years 2021-2022. Attendance of the Members was as follows:

Name of the Member	No. of Meeting Held	No. of Meeting Attendance
Mr. Md. Khalid Hussain, FCA	4	4
Mrs. Qurrattul Ann Siddiqui	4	4
Mrs. Quamrun Nahar Begum	4	4

### Minutes of the Committee Meeting properly recorded.

- To review the annual, half-yearly and quarterly financial statements and other financial results, and upon its satisfaction recommend the same to the Board of Directors 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 oversee the activities of Internal Audit and Compliance departments function;
- To review the effectiveness of internal audit function including performance, structure, adequacy of resources, and compliance with professional standards;
- To review the audit finding and material weaknesses and monitor implementation of audit action plans.

**Major Activities of the Audit Committee in 2021-2022:**

The Committee held 4 (Four) meeting during the financial year 2021-2022. The Managing Director, Chief Financial Officer and Head of Internal Audit and Compliance attended meeting on invitation. The major activities of the Audit Committee in 2021-2022 are stated below-

- Reviewed the internal Control System and the financial statements of first quarter, half year, third quarter and annual financial statements for the year ended June 30, 2022 and subsequently recommended to the Board for consideration and approval.
- Reviewed the integrity of the financial statements of the company to ensure that, these reflect a true and fair view of the company's state of affairs for the year ended 30th June 2022.
- While reviewing the financial statements ensured that proper disclosure required under International Accounting Standards as adopted in Bangladesh have been made and also complied with the Companies Act and various other rules and regulations applicable to the Company.
- Discoursed with the statutory auditors about the nature and scope of audit as well as had post-audit discussions to areas of concern;
- Approved the internal audit plan and directed the Internal Audit and Compliance where appropriate for carrying out in depth audit to ensure that the Company or its assets are not exposed to un due risk;
- Reviewed the work of Internal Audit and Compliance department and made suggestions for improvement;
- Recognized the observations of the Internal Audit and Compliance department regarding internal control and suggestions made to improve operation systems and procedures and their implementation;
- Reviewed the Internal Auditors' reports and suggested appropriate action where needed. Internal Auditors were also advised to carryout audit of all the branches in each year. Branch audit reports are required to ensure their effectiveness and suggest appropriate information where required;
- Reviewed the management report submitted by the statutory auditors and suggested corrective measures and fixed time frame for their implantation; and
- The office of the present Auditor M/S. Ahmed Zaker & Co., Chartered Accountants will expire with the completion of 26th Annual General Meeting and the Audit Committee scrutinized and reviewed the proposal of M/S. Islam Quazi Shafique & Co., Chartered Accountants (BSEC Penal Auditors) and recommended to the Board to appoint as the Statutory Auditors of the Company for the year 2022-2023.

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

**Reporting**

- Pursuant to Condition # 5.6(a) of the Corporate Governance Code issued by BSEC, the Committee reports that it did not find any conflict of interest or any fraud, irregularity, material defect in the Internal Control System. There are no infringement of laws, rules and regulations also.
- The Committee is of the view that risk management associated with the business of the Company is adequately controlled.

On behalf of the Audit Committee



**Md. Khalid Hussain, FCA**  
Chairman, Audit Committee  
27 October, 2022

## Nomination and Remuneration Committee Report for the year ended June 30, 2022

The Board of BDCOM Online Ltd., has duly constituted a Nomination and Remuneration Committee (NRC) as per the requirements of the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC).

### A. The NRC Committee of BDCOM comprises of the following Members:

Mr. Md. Khalid Hussain, FCA	Independent Director	- Chairman
Mrs. Qurrattul Ann Siddiqui	Director	- Member
Mrs. Quamrun Nahar Begum	Director	- Member
(Representative of Hornbill Apparel Ltd.)		

Company Secretary acts as the Member Secretary to the Committee.

### B. Meetings and attendance during the year:

Name	Position	No. of meeting Held	No. of meeting attended
Mr. Md. Khalid Hussain, FCA	Chairman	2	2
Mrs. Qurrattul Ann Siddiqui	Member	2	2
Mrs. Quamrun Nahar Begum	Member	2	2

### C. Terms of references:

Terms of reference of the Nomination and Remuneration Committee includes:

- (i) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors and top level executives considering the following:
  - (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
  - (b) The relationship of remuneration to performance is clear and meets appropriate benchmarks;
  - (c) Remuneration to directors, top level executives involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- (iii) Identifying persons who are qualified to become directors and who may be appointed in top level executive Position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;
- (iv) Formulating the criteria for evaluation of performance of independent directors and the Board;
- (v) Identifying the Company's need for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
- (vi) Developing, recommending and reviewing annually the company's human resources and training policies.

### D. Nomination and Remuneration Policy:

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a Policy for selection, appointment and remuneration of Directors and Key Managerial Personnel in accordance with the guidelines of BSEC Corporate Governance Code. The Nomination and Remuneration Policy

for members of the Board of Directors, Key Managerial Personnel and Senior Management of the Company is designed to attract, motivate and retain and promote talent and to ensure long term sustainability of talented top level Executive and also to create competitive advantage. The policy reflects the Company's objectives for good governance as well as sustained long-term value creation for shareholders.

#### **E. Evaluation Policy:**

In accordance with the corporate governance code, Nomination and Remuneration Committee duly formulated evaluation criteria for evaluation of performance of the Board of Directors and Independent Director which have been adopted by the Board. The Board evaluation criteria framed through questionnaire designed with qualitative parameters and feedback based on ratings. Evaluation of the Board was based on criteria such as composition and role of the Board, Board communication and relationships, functioning of Board Committees, Meaningful participation, succession planning, strategic planning, etc.

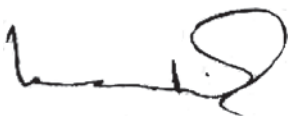
The Independent Directors to be evaluated on parameters like Director's contributions at Board/Committee meetings, willingness to devote time and effort to understand the Company and its business, ability to understand governance, regulatory, financial, fiduciary and ethical requirements of the Board/Committee, adherence to Code of Conduct and how the independent director is able to bring independent judgment during board deliberations on strategy, performance, risk management etc. in addition to the criteria for evaluation of Non-Executive Directors.

The Key objective of the Board evaluation is to achieve persistent and consistent improvement in the governance of the Company at the Board level with the participation of all concerned in an environment of harmony. The Board acknowledges its intention to establish and follow "best practices" in Board governance in order to fulfill its fiduciary obligation to the Company. The Board believes the evaluation will lead to a closer working relationship among the Board members, greater efficiency in the use of the Board's time and increased effectiveness of the Board as a governing body.

#### **F. Activities during the Year:**

- i. Reviewed criteria for selection, transfer or replacement and promotion at different levels.
- ii. Reviewed and recommended annual salary increment proposal for 2021.
- iii. Reviewed the human resources position and training policies of the company.
- iv. Reviewed the remuneration policy of the Board of Directors and top level executives.

On behalf of the NRC Committee



**Md. Khalid Hussain, FCA**

Chairman

Nomination and Remuneration Committee

27 October, 2022



[As per condition No. 1(5)(xxvii)]

### Status of compliance with the Corporate Governance Code

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

#### (Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put "√" in appropriate column)		Remarks (if any)
		Complied	Not Complied	
<b>1</b>	<b>BOARD OF DIRECTORS:</b>			
1(1)	<b>Board's Size:</b> The number of the board member shall not be less than 5(five) and more than 20 (twenty).	√		
<b>1(2)</b>	<b>Independent Directors:</b>			
1(2) (a)	At least one-fifth (1/5) of the total of the directors in the company's Board shall be independent directors; any fractional shall be considered to the next integer or whole number for calculating number of independent director(s);	√		
<b>1(2) (b)</b>	<b>For the purpose of this clause "Independent Directors" means a director-</b>			
1(2) (b) (i)	Independent Director does not hold any share in the company or holds less than 1% shares of the total paid-up capital;	√		
1(2) (b) (ii)	Non-connectivity with the company's any sponsor or director or shareholder who holds 1% shares on the basis of family relationship;	√		
1(2) (b) (iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1(2) (b) (iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	√		
1(2) (b) (v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		
1(2) (b) (vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of capital market;	√		
1(2) (b) (vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3(three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this code;	√		
1(2) (b) (viii)	Who is not Independent Director in more than 5 (five) listed companies;	√		



Condition No.	Title	Compliance Status (Put “√” in appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(2) (b) (ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	√		
1.(2) (b) (x)	Who has not been convicted for a criminal offence involving moral turpitude;	√		
1(2)(c)	The Independent Director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 days; and	√		No vacancy occurred in the FY: 2021-22
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only.	√		
<b>1(3)</b>	<b>Qualification of Independent Directors:</b>			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	√		
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having at least paid-up Tk. 100 million or any listed company’s member or a local/international chamber of commerce or business associate;	--	--	N/A
1(3)(b)(ii)	Corporate leader who is or was a top level executive at least CEO/MD/AMD/DMD/CFO/CS/HF/HFA/HIAC/HAHR or equivalent position of an unlisted Company having minimum Paid-up Tk. 100 million or a listed Company.	--	--	N/A
1(3)(b)(iii)	Former Official of Government or statutory or autonomous or regulatory body in the position not below 5th grade of the national pay scale, who has at least educational background of bachelor degree in economic /commerce /business or law;	--	--	N/A
1(3)(b)(iv)	University Teacher who has educational background in Economic or Commerce or Business Studies or law;	--	--	N/A
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a CA/ ICMA/ CFA/ CCA/ CPA/CMA /CS or equivalent qualification;	√	--	--

Condition No.	Title	Compliance Status (Put "√" in appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(3)(c)	The independent director shall have at least 10 (Ten) years' experience in any mention field mentioned in clause (b);	√		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	--	--	N/A
<b>1(4)</b>	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.</b>			
1(4)(a)	The position of the Chairperson of the Board and the Managing Directors (MD) and /or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold same position in another listed company;	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of Chairperson and The Managing Director and/or Chief Executive Officer;	√		
1(4)(e)	In absence of chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as chairperson for that particular Board's; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	--	--	No such case during the year
<b>1(5)</b>	<b>The Directors' Reports to Shareholders:</b>			
1(5)(i)	An industry outlook and possible future developments in the industry;	√		
1(5)(ii)	The segment-wise or product-wise performance	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	A Discussion on Cost of Goods Sold, Gross Profit and Net Profit Margins, where applicable;	√		
1(5)(v)	A discussion on continuity of any extra-ordinary activities and their implications (gain or loss);	--	--	N/A

Condition No.	Title	Compliance Status (Put “√” in appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(vi)	A details discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any others instruments;	--	--	N/A
1(5)(viii)	An explanation, if the financial results deteriorate after the company goes for Initial Public Offer (IPO), Repeat Public Offering (RPO), Right Offer, Direct Listing, etc;	--	--	N/A
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performance and Annual Financial Statements;	--	--	N/A
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	√		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of controlling shareholders acting either directly or indirectly and have effective means of redress;	√		

Condition No.	Title	Compliance Status (Put “√” in appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1(5)(xviii)	An explanation that significant deviations from last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		No such case during the year
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	√		No such case during the year
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		No such case during the year
1(5)(xxii)	The total number of Board meeting held during the year and attendance by each director.	√		
<b>1(5)(xxiii)</b>	<b>A report on the Pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-</b>			
1(5)(xxiii)(a)	Parent or Subsidiary or Associate Companies and other related parties (name-wise details);	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	√		
1(5)(xxiii)(c)	Executives (Top 5 salaried employees other than above); and	√		
1(5)(xxiii)(d)	Shareholders holding 10% or more voting interest in the company (name-wise details);	√	--	No one holding 10% or more
<b>1(5)(xxiv)</b>	<b>In case of the appointment or reappointment of a directors, a disclosure on the following information to the shareholders:-</b>			
1(5)(xxiv)(a)	A brief resume of the director;	√		
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas; and	√		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committee of the Board;	√		

Condition No.	Title	Compliance Status (Put “√” in appropriate column)		Remarks (if any)
		Complied	Not Complied	
<b>1(5)(xxv)</b>	<b>A Management’s Discussion and Analysis signed by CEO or MD presenting details analysis of the company’s position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:</b>			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	--	--	N/A
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediately preceding 5 (five) years explaining reasons thereof;	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		
1(5)(xxv)(g)	Future plan or projection or forecast for company’s operation performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the MD or CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed.	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of condition of this Code as required under condition No. 9 shall be disclosed.	√		
1(6)	<b>Meeting of the Board of Directors:</b> The company shall conduct its Board meeting and record the minutes of the meeting as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB).	√		
<b>1(7)</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer:</b>			

Condition No.	Title	Compliance Status (Put “√” in appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading ; relationship with environment , employees, customers and suppliers; and independency.	√		
<b>2</b>	<b>Governance of Board of Directors of Subsidiary Company:-</b>			
2(a)	Provision relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	N/A	--	There is no subsidiary Company of BDCOM Online Ltd.
2(b)	At least 1(one) independent director on the board of the holding company shall be a director on the Board of the subsidiary company;	N/A	--	--
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	N/A	--	--
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	N/A	--	--
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particulars the investments made by the subsidiary company.	N/A	--	--
<b>3</b>	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO) , Head of Internal Audit Compliance (HIAC) and Company Secretary :-</b>			
<b>3(1)</b>	<b>Appointment</b>			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC);	√		
3(1)(b)	The position of the Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		

Condition No.	Title	Compliance Status (Put "√" in appropriate column)		Remarks (if any)
		Complied	Not Complied	
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in other company at the same time;	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of Board as well as immediate disseminated to the Commission and stock exchange(s)	√		In Practice (No such case in the FY: 2021-22)
<b>3(2)</b>	<b>Requirement to attend Board of Director's Meeting:</b>			
3(2)	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Boards: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	√		In Practice
<b>3(3)</b>	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO):</b>			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief;	√		
3(3)(a)(i)	these statements do not contain any materiality untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
<b>4</b>	<b>Board of Directors' Committee (The Board shall have at least following sub-committees):</b>			
4(i)	Audit Committee; and	√		
4(ii)	Nomination and Remuneration Committee.	√		
<b>5</b>	<b>Audit Committee :</b>			
<b>5(1)</b>	<b>Responsibilities to the Board of Directors:</b>			



Condition No.	Title	Compliance Status (Put “√” in appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	√		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
<b>5(2)</b>	<b>Constitution of the Audit Committee:</b>			
5(2)(a)	The Audit Committee shall be composed of at least 3(three) members;	√		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		
5(2)(c)	All the members of the Audit Committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		No such case in the FY: 2021-22
5(2)(e)	The Company Secretary shall act as the Secretary of the Committee;	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent directors.	√		
<b>5(3)</b>	<b>Chairperson of the Audit Committee</b>			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		



Condition No.	Title	Compliance Status (Put “√” in appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(3)(b)	In absence of the chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be dully recorded in the minutes.	√		No such case in the FY: 2021-22
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM);	√		Will present in the 26 <sup>th</sup> AGM to be held on 14 <sup>th</sup> Dec 2022
<b>5(4)</b>	<b>Meeting of the Audit Committee</b>			
5(4)(a)	The Audit Committee shall conduct at least its 4 (Four) meetings in a financial year;	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two member or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
<b>5(5)</b>	<b>Role of Audit Committee: The Audit Committee shall:-</b>			
5(5)(a)	Oversee the financial reporting process;	√		
5(5)(b)	Monitor choice of accounting policies and principles;	√		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5(5)(d)	Oversee hiring and performance of external auditors;	√		
5(5)(e)	Hold meeting with external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	√		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		
5(5)(h)	Review the adequacy of internal audit function;	√		
5(5)(i)	Review the Management’s Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	Review statement of all related party transactions submitted by the management;	√		
5(5)(k)	Review Management Letter or Letter of Internal Control weakness issued by statutory auditors;	√		No such case in the FY: 2021-22

Condition No.	Title	Compliance Status (Put "√" in appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		
5(5)(m)	Oversee where the proceeds raise through Initial Public Offer (IPO) or Repeat Public Offer (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission.	--	--	N/A
<b>5(6)</b>	<b>Reporting of the Audit Committee:</b>			
<b>5(6)(a)</b>	<b>Reporting to the Board of Directors:</b>			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		
<b>5(6)(a)(ii)</b>	<b>The Audit Committee shall immediately report to the Board on the following findings, if any:-</b>			
5(6)(a)(ii)(a)	Report on conflicts of interests;	--	--	N/A
5(6)(a)(ii)(b)	Reporting on suspected/presumed fraud or irregularity or material defect identified in internal audit and compliance process or in the financial statements ;	--	--	N/A
5(6)(a)(ii)(c)	Reporting on suspected infringement of laws;	--	--	N/A
5(6)(a)(ii)(d)	Reporting on any other matter to disclose immediately;	--	--	N/A
5(6)(b)	Reporting to the Authorities.	--	--	N/A
5(7))	Reporting to the Shareholders and General Investors.	--	--	N/A
<b>6</b>	<b>Nomination and Remuneration Committee (NRC) :</b>			
<b>6(1)</b>	<b>Responsibility to the Board of Directors:</b>			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	√		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	√		
<b>6(2)</b>	<b>Constitution of the NRC:</b>			
6(2)(a)	The Committee shall composed of at least 3 (three) members including an independent directors;	√		
6(2)(b)	All members of the committee shall be non-executive director;	√		
6(2)(c)	Members of the committee shall be nominated and appointed by the Board;	√		

Condition No.	Title	Compliance Status (Put “√” in appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	√		
6(2)(e)	In case of death, resignation, disqualification or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the committee;	√	--	No such case in the FY: 2021-22
6(2)(f)	The chairperson of the committee may appoint or co-opt any external expert to the committee as advisor;	√	--	No such case in the FY: 2021-22
6(2)(g)	The Company Secretary shall act as secretary of the Committee;	√		In practice
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an Independent Director;	√		In practice
6(2)(i)	No member of the NRC shall receive, either directly or indirectly any remuneration for any advisory or consultancy role or otherwise, other than Director’s fees or honorarium from the company.	√		In practice
<b>6(3)</b>	<b>Chairperson of the NRC:</b>			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		
6(3)(b)	In absence of the chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	N/A	--	No such case in the FY: 2021-22
6(3)(c)	The Chairperson of the NRC shall attend the AGM to answer the queries of the shareholders.	√		Will present in the 26 <sup>th</sup> AGM to be held on 14 <sup>th</sup> Dec 2022
<b>6(4)</b>	<b>Meeting of the NRC:</b>			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	√	--	No such case in the FY: 2021-22
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two member or two third of the members of the committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	√		In practice
6(4)(d)	The proceeding of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be conformed in the next meeting of the NRC.	√		

Condition No.	Title	Compliance Status (Put "√" in appropriate column)		Remarks (if any)
		Complied	Not Complied	
<b>6(5)</b>	<b>Role of the NRC:</b>			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		
<b>6(5)(b)</b>	<b>NRC shall oversee, among others, the following matters and report with recommendation to the Board:</b>			
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	√		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		No such case during the year
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	√		
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	√		
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	√		
6(5)(c)	The company shall disclose the nomination and remuneration policy and evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		
<b>7</b>	<b>External or Statutory Auditors</b>			
7(1)(i)	Appraisal or valuation services or fairness opinions;	√		
7(1)(ii)	Financial information system design and implementation;	√		
7(1)(iii)	Book-Keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	Broker-Dealer services;	√		
7(1)(v)	Actuarial services;	√		
7(1)(vi)	Internal Audit Services or Special Audit Services;	√		
7(1)(vii)	Any services that the Audit Committee determined;	√		

Condition No.	Title	Compliance Status (Put “√” in appropriate column)		Remarks (if any)
		Complied	Not Complied	
7(1)(viii)	Audit or Certification Services on compliance of Corporate Governance as required under condition No. 9(1); and	√		
7(1)(ix)	Any other service that creates conflict of interest.	√		
7(2)	No partner or employees and his/her family members of the external audit firms shall not hold any shares in the said company during the tenure of assignment.	√		
7(3)	Representative of external auditors or statutory auditors present in the shareholders’ meeting (AGM or EGM).	√		
<b>8</b>	<b>Maintaining a website by the Company:</b>			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The company shall keep the website functional from the data of listing.	√		
8(3)	The company shall make available the details disclosures on its website as per listing regulation of the concerned stock exchange(s).	√		
<b>9</b>	<b>Reporting and Compliance of Corporate Governance:</b>			
9(1)	The company shall obtain a certificate from a practicing Professional Accountants or secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its salutatory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by shareholders in the Annual General Meeting (AGM)	√		A separate agenda in the 26 <sup>th</sup> AGM to be held on 14 <sup>th</sup> Dec 2022
9(3)	The directors of the company shall state, in the directors’ report whether the company has complied with these conditions or not.	√		

[Certificate as per condition No. 1(5)(xxvii)]

## **Report to the Shareholders of BDCOM Online Ltd. on compliance on the Corporate Governance Code.**

We have examined the compliance status to the Corporate Governance Code by BDCOM Online Ltd. for the year ended on 30th June, 2022. This Code related to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibilities of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the Condition of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanation, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission;
- (b) The company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the Company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The governance of the company is satisfactory.

Place: Dhaka  
Dated: 10 November, 2022



Atik Khaled Chowdhury  
Chartered Accountants

## **Independent Auditor's Report**

### **To the Shareholders of BDCOM ONLINE LTD.**

#### **Report on the Audit of the Financial Statements**

##### **Opinion**

We have audited the financial statements of BDCOM ONLINE LTD. ("the Company"), which comprise the statement of financial position as at 30 June 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

##### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



<b>Key audit matter</b>	
<b>Appropriateness of revenue recognition and disclosures on the impact of the initial application of IFRS 15.</b>	<b>How the matter was addressed in our audit</b>
See Notes-27.00 to the financial statements	
<p>Revenue upon transfer of control as per the newly adopted IFRS 15 – Revenue from Contracts with Customers. The Group has reported total revenue of BDT 727,376,946.</p> <p>The Company's primary customers are its corporate customers who are entitled to get competitive rates for goods and services invoiced.</p> <p>Given the significance and complexities involved in the accounting of Revenue, appropriate recognition of revenue has been considered as a key audit matter.</p>	<p>We assessed the Company's process to identify the impact of the revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>• Assessed the environment of the measurement as well as other relevant systems supporting the accounting of revenue.</li> <li>• Assessed manual as well as application controls supporting revenue recognition.</li> <li>• Assessed the invoicing and measurement systems up to entries in the general ledger.</li> <li>• Examined customer invoices and receipts of payment on a test basis.</li> <li>• Assessed the design of the processes set up to account for the transactions in accordance with the new standard.</li> <li>• Assessed whether any adjustments are required to be made to opening balances due to the adoption of the new standard.</li> </ul>
<b>Key audit matter</b>	
<b>Recoverability of trade receivables</b>	<b>How the matter was addressed in our audit</b>
<p>Refer to notes- 9.00 to the financial statements of the related accounting policies, judgments and estimates.</p> <p>As at 30 June, 2022 the total receivables balance in note- 9.00 was Taka 139,027,729 (2021: Taka 176,440,688).</p> <p>The recoverability of trade receivables is considered to be a key risk due to the significance of these balances to the financial statements, and the judgments required in making appropriate provisions.</p>	<p>In order to test the recoverability of trade receivables, we performed the following procedures:</p> <ul style="list-style-type: none"> <li>• We evaluated the company's credit control procedures and assessed and validated the ageing profile of trade receivables;</li> <li>• We assessed recoverability on a sample basis by reference to cash received subsequent to year-end, agreement to the terms of the contract in place, and issue of credit notes post year-end, as necessary;</li> </ul>



	<p>We communicate management as to the recoverability of the older, un provided amounts, corroborating management’s explanations with underlying documentation and correspondence with the customer.</p> <p>Based upon the above, we satisfied ourselves that management had taken reasonable judgments that were materially supported by the available evidence in respect of the relevant receivable balances.</p>
<b>Key audit matter</b>	
<b>Property, plant and equipment (PPE)</b>	<b>How the matter was addressed in our audit</b>
See Notes-03.00 to the financial statements	
<p>PPE includes the Company’s long-term assets, which flow economic benefits to the entities more than one year. PPE is measured at cost less accumulated depreciation. The carrying value of PPE represents significant portion of total assets, which is amounting to Tk. 337,110,832 for the Company at the reporting date.</p> <p>The carrying value of PPE is Include Asset Addition during the year is Tk. 31,576,870 the function of depreciation charges on cost that involved estimation. Therefore, it has been considered as significant area of auditor’s judgment and require special attention.</p>	<p>We have tested the design and operating effectiveness of key controls over PPE. Our audit procedures included, among others, considering the impairment risk of the assets.</p> <p>Followings are our audit procedures on the carrying value and impairment risk of PPE:</p> <ul style="list-style-type: none"> <li>- Reviewing basis of recognition, measurement of assets;</li> <li>- Observing procedures of assets acquisition, depreciation and disposal;</li> <li>- Checking ownership of the asset’s addition;</li> <li>- Performing due physical asset verification on sample basis at the year-end;</li> <li>- Checking estimated rates of depreciation being used and assessed its fairness;</li> <li>- Evaluating the Company’s assumptions in relation to recoverable amounts of the major PPE to identify if there is any requirement of recognition of impairment; and</li> </ul>

	<ul style="list-style-type: none"> <li>- Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards.</li> </ul> <p>Our testing did not identify any issues with regard to Carrying Value of PPE.</p>
<b>Key audit matter</b>	
<b>Deferred Tax</b>	<b>How the matter was addressed in our audit</b>
<p>The Company's reports net Deferred Tax Liability (DTL) totaling Taka 15,426,313 as at 30 June, 2022.</p> <p>Significant judgment is required in relation to deferred tax liabilities as their recoverability is dependent on forecasts of future profitability over a number of years.</p> <p>The disclosures relating to Deferred Tax are included in note 20.00 to the financial statements</p>	<ul style="list-style-type: none"> <li>• We obtained an understanding, evaluated the design and tested the operational effectiveness of the Institution's key controls over the recognition and measurement of DTLs and the assumptions used in estimating the Company's future taxable income.</li> <li>• We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</li> <li>• We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTLs.</li> <li>• Finally assessed the appropriateness and presentation of disclosures against "IAS-12" Income Tax</li> </ul>

**Other Matter**

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

**Other Information**

Management is responsible for the other information. The other information comprises the information included in the Annual report but does not include the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- a) 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;
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) The statements of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) The expenditure incurred was for the purposes of the Company's business.



**AKM Mohitul Haq, FCA**

Senior Partner

Enrollment No: 458

**Ahmed Zaker & Co.**

Chartered Accountants

Location: Dhaka

Date: October 27, 2022

DVC - 2210300458AS167825

**BDCOM ONLINE LTD.**  
Statement of Financial Position  
As at June 30, 2022

Particulars	Notes	Amount in Taka	
		30.06.2022	30.06.2021
<b>ASSETS:</b>			
<b>A. Non-Current Assets</b>		<b>472,800,972</b>	<b>449,507,450</b>
Property, Plant and Equipment	3.00	337,110,832	357,415,900
Right-of-Use Assets	4.00	27,681,350	37,684,020
Long Term Deposit & Prepayment	5.00	108,008,790	54,407,530
<b>B. Current Assets</b>		<b>724,327,827</b>	<b>757,112,498</b>
Inventories	6.00	15,256,944	18,843,273
Advances, Deposits & Prepayments	7.00	37,055,369	38,686,521
Advance Income Tax	8.00	74,598,161	62,376,866
Trade Receivables	9.00	139,027,729	176,440,688
Other Receivables	10.00	5,288,211	27,864,812
Investment in Shares (at Market Value)	11.00	5,121,104	5,755,405
Investment in FDR	12.00	378,542,573	334,451,542
Cash and Cash Equivalents	13.00	69,437,736	92,693,391
<b>TOTAL ASSETS (A+B)</b>		<b>1,197,128,799</b>	<b>1,206,619,948</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES:</b>			
<b>C. Shareholders' Equity</b>		<b>899,393,729</b>	<b>846,398,525</b>
Share Capital	14.00	570,864,990	543,680,950
Share Premium	15.00	92,319,960	119,504,000
Tax Holiday Reserve	16.00	21,555,878	21,555,878
Retained Earnings	17.00	214,652,901	161,657,697
<b>D. Non-Current Liabilities</b>		<b>47,481,769</b>	<b>62,858,530</b>
Long Term Bank Loan	18.00	3,262,687	7,937,939
Lease Liabilities	19.00	28,792,769	38,735,348
Deferred Tax Liabilities	20.00	15,426,313	16,185,243
<b>E. Current Liabilities</b>		<b>250,253,301</b>	<b>297,362,893</b>
Trade Payables	21.00	120,983,352	157,917,145
Other Payables	22.00	62,653,849	59,413,348
Unclaimed Dividend	23.00	2,107,303	6,215,927
Provision for Income Tax	24.00	22,296,794	31,333,711
Current Portion of Long-Term Loan	25.00	4,688,454	3,795,483
Short Term Bank Loan	26.00	37,523,549	38,687,279
<b>TOTAL EQUITY &amp; LIABILITIES (C+D+E)</b>		<b>1,197,128,799</b>	<b>1,206,619,948</b>
<b>Net Assets Value (NAV) Per Share</b>	<b>36.00</b>	<b>15.75</b>	<b>14.83</b>

The accompanying policies and explanatory notes 1-37 form an integral part of these Financial Statements.



Chief Financial Officer



Company Secretary



Managing Director



Director



Chairman

Signed in terms of our separate report on same date



**AKM Mohitul Haq, FCA**  
Senior Partner  
Enrolment No.- 458  
**Ahmed Zaker & Co.**  
Chartered Accountants

Dhaka  
Date: October 27, 2022

DVC - 2210300458AS167825

**BDCOM ONLINE LTD.**  
Statement of Profit or Loss and Other Comprehensive Income  
For the year ended June 30, 2022

Particulars	Notes	Unit-1 ISP	Unit-2 SDP	Unit-3 IPTSP	Amount in Taka	
					2021-2022	2020-2021
Revenue	27	631,451,726	40,775,925	55,149,295	727,376,946	657,605,369
Cost of Sales & Services	28	(300,525,110)	(18,652,236)	(14,930,636)	(334,107,982)	(309,633,070)
<b>Gross Profit : A</b>		<b>330,926,616</b>	<b>22,123,689</b>	<b>40,218,659</b>	<b>393,268,964</b>	<b>347,972,299</b>
Administrative and Marketing Expenses	29	(217,851,868)	(18,174,076)	(17,139,761)	(253,165,705)	(247,145,196)
Depreciation	3	(48,476,180)	(757,715)	(2,648,043)	(51,881,938)	(49,225,187)
Financial Charges	30	(3,760,559)	-	-	(3,760,559)	(3,920,285)
<b>Total Expenses : B</b>		<b>(270,088,607)</b>	<b>(18,931,791)</b>	<b>(19,787,804)</b>	<b>(308,808,202)</b>	<b>(300,290,668)</b>
<b>Operating Profit : A-B</b>		<b>60,838,009</b>	<b>3,191,898</b>	<b>20,430,855</b>	<b>84,460,762</b>	<b>47,681,631</b>
Non-Operating Income	31	26,594,043	329,535	1,324	26,924,902	27,437,633
Net Unrealized Gain/(Loss) on Marketable Securities	32	(634,302)	-	-	(634,302)	2,232,655
<b>Net Profit Before WPPF &amp; WF</b>		<b>86,797,750</b>	<b>3,521,433</b>	<b>20,432,179</b>	<b>110,751,362</b>	<b>77,351,919</b>
Contribution to WPPF & WF @ 5%		(4,133,226)	(167,687)	(972,961)	(5,273,874)	(3,683,426)
<b>Net Profit before Tax</b>		<b>82,664,524</b>	<b>3,353,746</b>	<b>19,459,218</b>	<b>105,477,488</b>	<b>73,668,494</b>
Income Tax Expense	24.01	(22,131,521)	(491,235)	(3,434,418)	(26,057,174)	(13,180,259)
Deferred Tax (Expenses)/Income	20	758,930	-	-	758,930	(457,576)
<b>Net Profit After Tax</b>		<b>61,291,933</b>	<b>2,862,511</b>	<b>16,024,800</b>	<b>80,179,244</b>	<b>60,030,658</b>
<b>Retained Earnings Carried Forward</b>		<b>61,291,933</b>	<b>2,862,511</b>	<b>16,024,800</b>	<b>80,179,244</b>	<b>60,030,658</b>
<b>Basic Earnings Per Share</b>	<b>33</b>				<b>1.40</b>	<b>1.05</b>

The accompanying policies and explanatory notes 1-37 form an integral part of these Financial Statements.



Chief Financial Officer



Company Secretary



Managing Director



Director



Chairman

Signed in terms of our separate report on same date

Dhaka

Date: October 27, 2022

DVC - 2210300458AS167825


**AKM Mohitul Haq, FCA**

Senior Partner

Enrolment No.- 458

**Ahmed Zaker & Co.**

Chartered Accountants



**BDCOM ONLINE LTD.**

 Statement of Changes in Equity  
 For the year ended June 30, 2022

Particulars	Share Capital	Tax Holiday Reserve	Share Premium	Retained Earning	Amount in Taka	
					30.06.2021	30.06.2022
<b>Balance as on 01.07.2021</b>	<b>543,680,950</b>	<b>21,555,878</b>	<b>119,504,000</b>	<b>161,657,697</b>	<b>846,398,525</b>	
Net Profit after Tax for the period	-	-	-	80,179,244	80,179,244	
Cash Dividend (5%)	-	-	-	(27,184,040)	(27,184,040)	
Stock Dividend (5%)	27,184,040	-	(27,184,040)	-	-	
<b>Balance as on 30.06.2022</b>	<b>570,864,990</b>	<b>21,555,878</b>	<b>92,319,960</b>	<b>214,652,901</b>	<b>899,393,729</b>	

For the year ended June 30, 2021

Particulars	Share Capital	Tax Holiday Reserve	Share Premium	Retained Earning	Amount in Taka	
					30.06.2021	30.06.2021
<b>Balance as on 01.07.2020</b>	<b>517,791,380</b>	<b>21,555,878</b>	<b>119,504,000</b>	<b>153,406,179</b>	<b>812,257,437</b>	
Net Profit after Tax for the period	-	-	-	60,030,658	60,030,658	
Cash Dividend (5%)	-	-	-	(25,889,570)	(25,889,570)	
Stock Dividend (5%)	25,889,570	-	-	(25,889,570)	-	
<b>Balance as on 30.06.2021</b>	<b>543,680,950</b>	<b>21,555,878</b>	<b>119,504,000</b>	<b>161,657,697</b>	<b>846,398,525</b>	


**Chief Financial Officer**

**Company Secretary**

**Managing Director**

**Director**

**Chairman**

Signed in terms of our separate report on same date

Dhaka

Date: October 27, 2021

DVC- 2210300458AS167825


**AKM Mohitul Haq, FCA**

Senior Partner

Enrolment No.- 458

**Ahmed Zaker & Co.**

Chartered Accountants



**BDCOM ONLINE LTD.**  
Statement Of Cash Flows  
For the year ended June 30, 2022

Particulars	Amount in Taka	
	2021-2022	2020-2021
<b>A. Cash Flows from Operating Activities:</b>		
Receipts from Sales, Services & Others	764,789,905	675,248,661
Bank Interest - STD & Others	163,182	535,748
WPP & WF Payment	(3,683,426)	(3,917,413)
Payment of Income Tax & VAT	(47,258,225)	(29,915,512)
Cash Payment to Suppliers & Others	(621,097,575)	(557,194,324)
<b>Net Cash Provided by/(used in) Operating Activities</b>	<b>92,913,862</b>	<b>84,757,160</b>
<b>B. Cash Flows from Investing Activities:</b>		
Acquisition of Property, Plant & Equipment	(31,576,870)	(53,843,815)
FDR Interest Received	49,248,226	15,348,940
Dividend on Marketable Securities	74,052	70,400
Investment in Fixed Deposit Receipt (FDR)	(44,091,031)	(5,399,749)
Investment in Marketable Securities	-	1,282,933
Long Term Security Deposit	(53,601,260)	(358,400)
<b>Net Cash Provided by/(used in) Investing Activities</b>	<b>(79,946,884)</b>	<b>(42,899,691)</b>
<b>C. Cash Flows from Financing Activities:</b>		
Cash Dividend	(31,292,664)	(25,379,676)
Long Term Loan	(4,675,252)	1,057,416
Current Portion of Long-Term Loan	892,971	1,489,870
Short Term Loan	(1,163,730)	7,523,979
<b>Net Cash Provided by/(used in) Financing Activities</b>	<b>(36,238,676)</b>	<b>(15,308,411)</b>
<b>D. Effect of Exchange Rate Changes in Cash and Cash Equivalents</b>	<b>16,042</b>	<b>958</b>
	<b>16,042</b>	<b>958</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents (A+B+C+D)</b>	<b>(23,255,655)</b>	<b>26,550,016</b>
<b>Cash &amp; Cash Equivalents at the Beginning of the Year</b>	<b>92,693,391</b>	<b>66,143,375</b>
<b>Cash &amp; Cash Equivalents at the End of the Year</b>	<b>69,437,736</b>	<b>92,693,391</b>
<b>Net Operating Cash Flows Per Share (NOCFPS)</b>	<b>Note 35</b>	<b>1.63</b>
		<b>1.48</b>

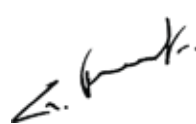
The accompanying policies and explanatory notes 1-37 form an integral part of these Financial Statements.



**Chife Financial Officer**



**Company Secretary**



**Managing Director**



**Director**



**Chairman**

Signed in terms of our separate report on same date.

Dhaka

Date: October 27, 2022

DVC- DVC- 2210300458AS167825



**AKM Mohitul Haq, FCA**  
Senior Partner  
Enrolment No.- 458

**Ahmed Zaker & Co.**  
Chartered Accountants

**BDCOM ONLINE LTD.**  
**Notes to the Financial Statements**  
For the year ended June 30, 2022

**1.00 Status and Nature of the company:**

**1.01 Legal Form:**

**BDCOM ONLINE LTD.** was incorporated in Bangladesh on 12 February 1997 as a Private Limited Company vide certificate of incorporation No:C-32328 (1449/97) dated 12 February 1997 by the Registrar of Joint Stock Companies & Firms and was converted into a Public Limited Company on 12 December 2001. The shares of the Company are traded with the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd.

**1.02 Registered office:**

Registered office of the company is situated at Rangs Nilu Square (5th Floor), House # 75, Road # 5/A, Satmosjid Road, Dhanmondi R/A, Dhaka-1209.

**Corporate Office:**

JL Bhaban (5th Floor), House # 01, Road # 01, Gulshan Avenue, Gulshan-1, Dhaka-1212.

**1.03 Nature of business:**

The Company is primarily engaged as an Internet Service Provider (ISP) in Bangladesh which includes Leased Port Internet Access, Total Network Solutions and Nationwide Data Services. In addition, the Company is conducting Customized Software Development, Broadband Internet, Vehicle Tracking Services (VTS), Business Process Outsourcing, Web Page Software Design & Hosting, IP Telephony Services (IPTSP), IPPBX Solutions, Hosted Conference Bridge, Short Code Parking, Fiber Optic, Machinery and Hardware Sales.

**2.00 Basis of Preparation:**

**2.01 Statement of Compliance:**

These Financial Statements of the Company have been prepared on going concern basis under the historical cost convention and in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other relevant laws and rules applicable in Bangladesh for this company.

**2.02 Going Concern:**

These financial statement have been prepared on the assumption that the entity is a going concern and will continue its business for the foreseeable future. Hence it is assumed that the entity has neither the intention nor the need to liquidate or curtail materially the scale of its operation.

**2.03 Cash Flows Statement:**

Cash Flows Statement is prepared in accordance with IAS 7 "Cash Flows Statement" and the cash flows from the operating activities has been presented under direct method.

**2.04 Reporting period and date of approval:**

These financial statements cover a period of one year from July 01, 2021 to June 30, 2022. The Board of Directors has approved these financial statements on October 27, 2022.

**2.05 Functional and presentational currency:**

These financial statements are presented in Bangladesh Taka (BDT), which is both functional and presentational currency of the Company.

**2.06 Revenue Recognition:**

Under IFRS-15, The entity should recognize revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

IFRS 15 is a 5-steps approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Revenue is recognized when control over the goods or services is transferred to the customer and the company satisfies a performance obligation by transferring a promised goods or service to a customer over time or a point in time.

**2.07 Assets and basis of their valuation:****Cash and cash equivalents**

Cash and cash equivalents include notes and coins in hand, unrestricted balances held with various banks and those are used by the company for its short-term commitments.

**Property, Plant and Equipment****Recognition and Measurement**

Property, Plant and Equipment are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation and the capital work in progress (when arises) is stated at cost in compliance with the requirements of IAS 16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

**Maintenance activities**

The company incurs maintenance cost for all major items of property, plant and equipment. Repair and Maintenance costs are charged as expenses when incurred.

**Subsequent Expenditure**

Expenditure incurred after putting any asset into operation such as repair and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the asset such expenditure is capitalized as an additional cost of assets. All up-generation/enhancement are generally charged off as expenditure unless they bring similar significant additional benefits.

**Disposal of Property, Plant and Equipment**

On disposal of property, plant & equipment, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the Statement of Profit or Loss and Other comprehensive income, when it is determined with reference to the net book value of the assets and net sales proceeds.

Depreciation is charged on Property, Plant & Equipment at the following rates on reducing balance method.

Particulars	Rate of Depreciation		
	Unit - 1 ISP	Unit - 2 SDP	Unit - 3 IPTSP
Land	-	-	-
Building (Floor Space)	2.5%	-	-
Internet & System Hardware	18%	18%	18%
Furniture and Fixture	10%	10%	10%
Office Renovation	18%	18%	-
Sundry Assets	10%	10%	-
Crockeries & Cutleries	10%	15%	-
AC Installation	18%	18%	-
PABX Installation	18%	-	-
Office Equipment	15%	-	-
V-Sat Tower	15%	-	-
Telephone & Cable Installation	15%	15%	15%
Motor Vehicle	15%	-	15%
Generator/ Online UPS	15%	15%	-
Cable Installation	15%	-	-
Broad Band Equipment	18%	-	-
Radio Equipment	18%	-	18%
Electric Installation	15%	18%	15%
Optical Fiber Deployment	15%	-	-
Neon Sign & Others	20%	-	-
Base Tower & Installation	10%	-	-
WIFI Base Station	20%	-	-
Books & Periodicals	-	10%	-
Peripheral Equipment	-	15%	-
Software Development	-	15%	15%

Details of Property, Plant and Equipment are stated in "**Schedule-A**" annexed hereto. (Page No-90)

### **Long Term Security Deposit & Prepayment**

These amounts (Note No-05) were deposited with BTCL, BEZA and others in connection with telephone lines, bandwidth, E1, land lease and others.

### **Valuation of Inventories**

Inventories are carried at the lower of cost and net realizable value as prescribed by the IAS - 2 : Inventories. Cost is determined on weighted average cost basis. The cost of Inventories comprises of expenditure incurred in the normal course of business in bringing the inventories to their present location and condition. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale.

### **Trade Receivable**

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

### **Trade Payable**

Trade Payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

**2.08 Provision for Current & Deferred Tax :**

Provision for current tax has been made in compliance with the Income Tax Ordinance 1984, IAS-12 "Income Taxes" and as per rates prescribed in the Finance Act 2019 on the taxable profit made by the company after considering necessary taxable add or backs of income and disallowances or allowances of expenditure.

The Company has recognized deferred tax using balance sheet method in compliance with the provisions of IAS 12 : Income Taxes. The Company's policy of recognition of deferred tax assets/liabilities is based on temporary differences (Taxable or Deductible) between the carrying amount (Book Value) of assets and liabilities for financial reporting purpose and its tax base, and accordingly, deferred tax income/expenses has been considered to determine net profit after tax and earning per shares (EPS). A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that is no longer probable that the related tax benefit will be realized. The deferred tax liability/asset or deferred tax expense/income does not create a legal liability/ recoverability to and from the income tax authority. This is recognized for book purpose as equalization item presented in the financial statements to show the retained earnings as a consistent reflection of the business events.

**2.09 Dividend Payments**

Final dividend is recognized after the approval of the shareholders in the Annual General Meeting (AGM) of the company.

**2.10 Earnings per share:**

Earning per Share (EPS) is calculated in accordance with IAS-33 "Earning Per Share" which has been shown at the bottom of the Statement of Profit or Loss and Other Comprehensive Income.

**Basic earnings per share**

This represents earnings for the period attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered to be fully attributable to the ordinary shareholders.

Sl. No.	Particulars	30.06.2022	30.06.2021
a)	Earnings attributable to the ordinary shareholders	80,179,244	60,030,658
b)	Number of Ordinary Shares.	57,086,499	54,368,095
c)	Earning Per Share	1.40	1.10
d)	Re-stated Earning per Share	-	1.05

**Diluted earnings per share**

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

**2.11 Tax Holiday Reserve**

Software Development Project (SDP), Unit-2 of the Company has enjoyed tax holiday for 5 (five) years commencing from January 01, 2002 to December 31, 2006.

Tax holiday reserve had been provided @ 40% of net income of the respective years up to December 31, 2006 in line with the approval from the NBR to invest in the same undertaking or in any new industrial or in stocks and shares of listed Companies or in Government bonds or Securities or for other purposes as specified in the Income Tax Ordinance 1984.

#### **2.12 Foreign Currency Transactions:**

According to IAS-21 "The Effect of Changes in Foreign Exchange Rates" transactions in foreign currencies are recorded in the functional currency at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange prevailing at the reporting date. Any resulting exchange differences are included in the Statement of Profit or Loss Account.

#### **2.13 Information about business segments:**

Business segment is a distinguishable component of a company that is engaged in providing an individual product or service or a group of related product or service and that is subject to risk and return that are different from those of other business segment. The company has 3 business segments namely Unit-1 for internet, data connectivity, hardware and other IT enabled services, Unit-2 for software development, graphic design, AVLS support and service, web development, domain registration, domain hosting and finally Unit-3 for IP telephony services and goods.

#### **2.14 Impairment:**

An impairment loss is the amount by which the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset or a CGU is the higher of its fair value less costs to sell and its value in use. Impairment loss of non-financial assets as mentioned in the IAS-36 "Impairment of Assets" is recognized and charged as an expense (unless it relates to a revalued asset where the impairment loss is treated as a revaluation decrease) whenever recoverable amount is below carrying amount.

#### **2.15 Financial Instruments:**

Non-derivative financial instruments comprise of accounts and other receivables, cash and cash equivalents, borrowings and other payables and are shown at transaction cost.

#### **2.16 Related Parties Transactions:**

The party is related to the company if any party casts significant influence over the day to day affairs/matters and also holds the controlling power of the management affairs of the company and any transaction made during the year with the party related therewith is termed as related party transaction as per IAS-24 "Related Party Disclosure". Related party are fully disclosed in **note-37**.

#### **2.17 Events after the Reporting date:**

IAS-10, Events After the Reporting Period stipulates the accounting and disclosure requirements concerning transactions and events that occur between the reporting date and the date of approval of the financial statements. Among other things, IAS-10 determines when an event that occurs after the reporting date will result in the financial statements being adjusted, or where such events merely require disclosure within the financial statements. Such events are referred to in IAS-10 as 'adjusting' or 'non-adjusting' events.



- A) Adjusting Event is an event after the reporting period that provides further evidence of conditions that existed at the end of the reporting period
- B) Non-adjusting events are those which are indicative of conditions that arose after the reporting period.
- C) The Board of Directors of BDCOM Online Ltd. has recommended 10% cash dividend for the year 2021-2022 in their meeting held at the Company's head office on October 27, 2022 which may be confirmed in the next 26th Annual General Meeting (AGM) by the shareholders. The 26th Annual General Meeting (AGM) will be held on Wednesday the December 14, 2022 at 10.30 AM through Digital Platform.

## 2.18 Components of the Financial Statements

- a) Statement of Financial Position as at June 30, 2022;
- b) Statement of Profit or Loss and Other Comprehensive Income for the year ended June 30, 2022;
- c) Statement of Changes in Equities for the year ended June 30, 2022;
- d) Statement of Cash Flows for the year ended June 30, 2022;
- e) Accounting policies and explanatory Notes to the Financial Statements for the year ended June 30, 2022.

## 2.19 Employee Summary

Sl.	Particulars	June 30, 2022	June 30, 2021
a)	Managers & Officers	224	235
b)	Office Assistant, Cableman & Others	264	240
	<b>Total</b>	<b>488</b>	<b>475</b>

## 2.20 Employee Benefits

### A) Employee's Provident Fund

The Company operates a contributory provident fund scheme for its permanent employees. Provident fund is administered by a board of Trustees and is funded by contributions from both employees and employer. These contributions are duly deposited to separate bank account and invested according to prescribed guide line of Bangladesh Labor Law.

### B) Insurance

Employees are covered under the Group Insurance Scheme and Hospitalization Insurance Scheme.

### C) Workers' Profit Participation Fund & Welfare Fund (WPPF & WF)

Provision for Workers Profit Participation Fund has been made @ 5% of net profit as per provision of the Bangladesh Labor Act, 2006 and Bangladesh Labor Amendment Act, 2013 and is payable to workers as defined in these Laws.

## 2.21 Financial risk management

The management has overall responsibility for the establishment and oversight of the company's risk management framework. Risk management policies, procedures and systems are reviewed regularly to adjust with the changes in market conditions and the company's Activities. The company has exposure to the following risks with regard to financial instruments.



- a) Credit risk
- b) Liquidity risk
- c) Market risk

**Credit risk**

Credit risk is the risk of financial loss to the company if a customer or a counterpart to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables from customers. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Risk exposures from other financial assets, i.e. Cash at bank and other external receivables are nominal.

**Liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall 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 nominal 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 based on time line of payment of the financial obligation and accordingly arrange sufficient liquidity/fund to make the expected payment within due date.

**Market risk**

Market risk is the risk that any change in market prices such as foreign exchange rates and interest that 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**

As at June 30, 2022 there was little exposure to currency risk as there were very few foreign currency transactions made during the review.

**b) Interest rate risk**

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. Interest rate fluctuation probability is very minimal and within tolerable range. The company has been not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

**2.22 Comparative Information:**

Comparative data/information have been disclosed in respect of the previous year for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements.

**2.23 General**

- i) Previous year's figure has been re-arranged whenever considered necessary to ensure comparability with the current year's presentation as per IAS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".
- ii) Figures appearing in the Financial Statements have been rounded off to the nearest Taka.

**3.00 Property Plant and Equipment :**

The break up of the amount is as follows:

Particulars	Unit-1 Taka	Unit-2 Taka	Unit-3 Taka	Amount in Taka	
				30.06.2022	30.06.2021

**A) Cost:**

Opening Balance	839,134,013	51,159,756	32,758,434	923,052,203	869,208,388
Addition during the year	27,660,632	-	3,916,238	31,576,870	53,843,815
Less: Adjustment during the year	18,767	77,306	-	96,073	-
<b>Closing Balance</b>	<b>866,775,878</b>	<b>51,082,450</b>	<b>36,674,672</b>	<b>954,533,000</b>	<b>923,052,203</b>

**B) Accumulated Depreciation:**

Opening Balance	498,267,661	46,489,295	20,879,347	565,636,303	516,411,116
Add: Charged during the year	48,476,180	757,715	2,648,043	51,881,938	49,225,187
Less: Adjustment during the year	18,767	77,306	-	96,073	-
<b>Closing Balance</b>	<b>546,725,074</b>	<b>47,169,704</b>	<b>23,527,390</b>	<b>617,422,168</b>	<b>565,636,303</b>
<b>WDV 30.06.2022(A-B)</b>	<b>320,050,804</b>	<b>3,912,746</b>	<b>13,147,282</b>	<b>337,110,832</b>	<b>-</b>
<b>WDV 30.06.2021(A-B)</b>	<b>340,866,352</b>	<b>4,670,461</b>	<b>11,879,087</b>	<b>-</b>	<b>357,415,900</b>

[Details are shown in the Schedule-A/1, A/2 &amp; A/3]

**4.00 Right-of-Use Assets**

Right-of-Use Assets

27,681,350	37,684,020
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**Total Taka**

<b>27,681,350</b>	<b>37,684,020</b>
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**5.00 Long Term Deposit & Prepayment**

The break up of the amount is as follows:

**Particulars**

BTCL for Telephone Line

5,000	5,000
-------	-------

Security Against Bandwidth (BTCL &amp; Others)

142,065	142,065
---------	---------

Security Against E1 &amp; Others (BTCL)

35,084	35,084
--------	--------

Prepayment to BEZA

102,770,010	51,202,981
-------------	------------

Others Deposit

5,056,631	3,022,400
-----------	-----------

**Total Taka**

<b>108,008,790</b>	<b>54,407,530</b>
--------------------	-------------------

**6.00 Inventories**

The break up of the amount is as follows:

**Particulars**

Accessories

Note- 6.01

304,238	145,743
---------	---------

GLP &amp; GPRS Modem &amp; Accessories

Note- 6.02

5,618,726	4,614,644
-----------	-----------

IP Telephony Hardware

Note- 6.03

1,437,679	2,338,625
-----------	-----------

Modem, Media Converter &amp; Concentrators

455,984	731,746
---------	---------

Switch, Router, Equipment &amp; Others

5,107,486	5,300,672
-----------	-----------

Stationary

81,508	80,968
--------	--------

Fiber Optic Cable

727,361	2,818,476
---------	-----------

Radio Equipment

1,523,962	2,812,399
-----------	-----------

**Total Taka**

<b>15,256,944</b>	<b>18,843,273</b>
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Amount in Taka	
30.06.2022	30.06.2021

**6.01 Accessories**

The break up of the amount is as follows:

**Particulars**

Broadband Accessories

UTP Cable

**Total Taka**

178,647	114,353
125,591	31,390
<b>304,238</b>	<b>145,743</b>

**6.02 GLP, GPRS Modem & Accessories :**

The break up of the amount is as follows:

**Particulars**

Geographical Location Platform (GLP)

**Total Taka**

5,618,726	4,614,644
<b>5,618,726</b>	<b>4,614,644</b>

**6.03 IP telephony hardware :**

The break up of the amount is as follows:

**Particulars**

IP Telephone Set

IP Telephony Equipment

**Total Taka**

1,303,099	1,909,822
134,580	428,803
<b>1,437,679</b>	<b>2,338,625</b>

**7.00 Advances, Deposits & Pre-payments**

The break up of the amount is as follows:

**Particulars**
**A) Advances :**

Against Salary

Advance to Suppliers and Others

Advance VAT

Advance for Material

**Total**

7,424,989	7,882,248
5,034,344	5,254,362
3,030,129	5,473,922
5,078,780	9,543,863
<b>20,568,242</b>	<b>28,154,395</b>

**B) Deposits :**

Security Deposit / Earnest Money

**Total**

15,770,097	9,902,960
<b>15,770,097</b>	<b>9,902,960</b>

**C) Pre-Payments**

**Total (A+B+C)**

717,030	629,166
<b>37,055,369</b>	<b>38,686,521</b>

The sum of total advances are unsecured but realizable and in the sub-head advance against salary includes amount which are recoverable from Managing Director (Paid) of the company.

Amount in Taka	
30.06.2022	30.06.2021

### 8.00 Advance Income Tax

The break up of the amount is as follows:

#### Particulars

Opening Balance		62,376,866	32,461,354
Add: Addition during the year	Note- 8.01	47,258,225	29,915,512
		<b>109,635,091</b>	<b>62,376,866</b>
Less: Adjustment for the year IY 2019-2020 & 2020-2021		(35,036,930)	-
<b>Total Taka</b>		<b>74,598,161</b>	<b>62,376,866</b>

### 8.01 Addition during the year

The break up of the amount is as follows:

#### Particulars

Tax Deducted on Interest Income		6,181,337	1,634,923
Tax Deducted on Supply & Sales and Others		41,076,888	28,280,589
<b>Total Taka</b>		<b>47,258,225</b>	<b>29,915,512</b>

### 9.00 Trade Receivables

The break up of the amount is as follows:

#### Particulars

Internet & Data Service	Note- 9.01	95,402,681	126,839,344
IP Telephone Service	Note- 9.02	15,419,847	16,558,858
Web page, Software & Data Transmit	Note- 9.03	26,821,590	32,330,011
Hardware, Switch & Others		1,383,611	712,475
<b>Total Taka</b>		<b>139,027,729</b>	<b>176,440,688</b>

The sum of Accounts Receivable are unsecured but realizable. It includes no such amount which are recoverable from Directors of the company. Ageing details are available in Schedule-B

### 9.01 Internet & Data Services

The break up of the amount is as follows:

#### Particulars

Corporate Internet		24,065,656	27,387,307
Broad Band Internet		5,894,344	8,904,308
Data Connectivity		65,442,681	90,547,729
<b>Total Taka</b>		<b>95,402,681</b>	<b>126,839,344</b>

### 9.02 IP Telephone Service

The break up of the amount is as follows:

#### Particulars

Monthly Rent & Others		11,158,791	13,611,954
Inter-Connectivity		4,261,056	2,946,904
<b>Total Taka</b>		<b>15,419,847</b>	<b>16,558,858</b>

**9.03 Web page, Software & Data Transmit**

The break up of the amount is as follows:

**Particulars**

Software Development

Domain Hosting &amp; Registration

AVLS

Graphics Design

**Total Taka**

Amount in Taka	
30.06.2022	30.06.2021

128,714	288,714
2,632,610	3,637,642
23,414,877	27,755,485
645,389	648,170
<b>26,821,590</b>	<b>32,330,011</b>

**10.00 Other Receivables**

The break up of the amount is as follows:

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	Amount in Taka	
				30.06.2022	30.06.2021
FDR Interest Receivables	5,237,181	51,030	-	5,288,211	27,864,812
<b>Total Taka</b>	<b>5,237,181</b>	<b>51,030</b>	<b>-</b>	<b>5,288,211</b>	<b>27,864,812</b>

**11.00 Investment In Shares**

The break up of the amount is as follows:

Particulars	No. Shares	Rate	Cost Value	Market Value	
				30.06.2022	30.06.2021
AB Bank Limited	163,947	19.78	3,243,317	1,721,444	2,355,745
IFADAUTOS	67,320	116.64	7,852,332	3,399,660	3,399,660
<b>Total Taka</b>	<b>231,267</b>		<b>11,095,649</b>	<b>5,121,104</b>	<b>5,755,405</b>

**12.00 Investment in FDR :**

The break up of the amount is as follows:

**Particulars**

Prime Bank Ltd	2127418012614	2,942,914	2,884,067
Prime Bank Ltd	2127419010187	2,704,875	2,633,764
Prime Bank Ltd	2127416004761	11,659,332	11,426,189
Bank Asia Ltd.	02155008365	17,490,756	16,967,364
IDLC Finance Ltd.	11252217203702	6,193,219	5,878,766
IDLC Finance Ltd.	11252217203703	28,978,912	27,508,455
IDLC Finance Ltd.	10252217203701	16,623,670	-
IFIC Bank Ltd.	1001-509038-200	32,344,200	25,200,000
IFIC Bank Ltd.	1025-509038-203	37,468,648	33,544,000
IFIC Bank Ltd.	1025-509038-202	-	10,685,918
IFIC Bank Ltd.	1025-509038-204	-	15,394,116
IFIC Bank Ltd.	1025-509038-205	17,311,034	16,438,362
Exim Bank Ltd.	02860100371355	7,630,939	7,239,980
IPDC Finance Ltd.	1001211000001761	54,949,954	52,172,631

		Amount in Taka	
		30.06.2022	30.06.2021
IPDC Finance Ltd.	1001211000001866	17,870,438	16,969,106
IPDC Finance Ltd.	1001251000029475	11,200,000	-
Uttara Finance & Investment Ltd.	0100120059314	10,034,522	7,557,491
Uttara Finance & Investment Ltd.	0100120019615	9,141,058	6,877,135
Uttara Finance & Investment Ltd.	0100120019815	36,540,244	27,498,780
Uttara Finance & Investment Ltd.	0100360000515	8,194,007	6,481,500
Delta Brac Housing & Finance Ltd.	71000182218	8,520,414	7,694,862
Delta Brac Housing & Finance Ltd.	71000190626	-	7,500,000
Lanka Bangla Finance Ltd.	001022800000127	8,250,986	6,785,350
Lanka Bangla Finance Ltd.	001029400000001	8,875,068	7,303,099
Lanka Bangla Finance Ltd.	001022800000670	15,617,383	11,810,607
IIDFC Limited	9499	8,000,000	-
<b>Total Taka</b>		<b>378,542,573</b>	<b>334,451,542</b>

### 13.00 Cash and Cash Equivalents

The break up of the amount is as follows:

#### Particulars

Cash in Hand		970,555	861,471
Cash at Bank	Note- 13.01	66,699,749	90,258,820
Cash Available in BD-Smartpay		-	32,167
Cash Available in SSL		174,744	64,901
Cash Available in bKash		208,452	103,517
Cash Available in Nagad		11,721	-
Cash Available in BO Account		1,372,515	1,372,515
<b>Total Taka</b>		<b>69,437,736</b>	<b>92,693,391</b>

### 13.01 Cash at Bank :

The break up of the amount is as follows:

#### Particulars

CD Accounts	Account Numbers		
Eastern Bank Ltd.	1061060000757	4,049,824	2,386,733
First Security Bank Ltd.	010811100001575	1,588	142,428
Sonali Bank Ltd.	001017833	25,984	357,171
Bank Asia Ltd.	06933000002	35,414	36,104
Bank Asia Ltd.	02136000331	2,107,303	48,342
Bank Asia Ltd.	02133001275	689,211	1,523,713

**STD Accounts**

		Amount in Taka	
		30.06.2022	30.06.2021
Prime Bank Ltd.	2127314011828	3,042,310	52,240,256
Prime Bank Ltd.	2127315012783	17,392	2,311,443
Prime Bank Ltd.	2127311000238	102,530	103,137
Prime Bank Ltd.	2127119013716	252,384	899,053
Prime Bank Ltd. (ERQ)	2127501001092	8,828,876	9,422,259
United Commercial Bank Ltd.	0841301000000255	283,566	119,245
United Commercial Bank Ltd.	0841301000000266	161,979	139,050
United Commercial Bank Ltd.	0841301000000277	17,075	(144,002)
United Commercial Bank Ltd.	0841301000000244	122,087	427,504
Rupali Bank Ltd.	0588024000033	23,923,756	696,631
Pubali Bank Ltd.	3478102001001	19,406,371	9,221,063
Dutch-Bangla Bank Ltd.	1711200000344	1,907,890	6,194,465
Dutch-Bangla Bank Ltd.	1711200002011	612,334	3,251,920
Dutch-Bangla Bank Ltd.	1000000000130	26,795	213,541
Islami Bank BD. Ltd.	20502050900011812	465,709	24,313
IFIC Bank Ltd.	0000509038041	30,476	23,623
Shahjalal Islami Bank Ltd.	400113100002817	45,325	27,666
Al-Arafah Bank Ltd.	0311220001107	17,313	96,259
Midland Bank Ltd.	0081090000066	526,257	496,903
<b>Total Taka</b>		<b>66,699,749</b>	<b>90,258,820</b>

**14.00 Share Capital**
**Authorized Capital : Taka 1000,000,000**

100,000,000 Ordinary shares of Taka. 10 each

1,000,000,000

1,000,000,000

**Issued, Subscribed and Paid-up Capital :**

57,086,499 Ordinary shares of Taka. 10 each

570,864,990

543,680,950

**14.01 Compositions of Shareholdings**

The break up of the amount is as follows:

Particulars	As on 30.06.2022		As on 30.06.2021	
	No. of Shares	% of holdings	No. of Shares	% of holdings
Sponsor/Director	17,127,944	30.00	16,310,428	30.00
Institutions	2,832,780	4.96	14,016,095	25.78
General Public	37,125,775	65.04	24,041,572	44.22
<b>Total Taka</b>	<b>57,086,499</b>	<b>100.00</b>	<b>54,368,095</b>	<b>100.00</b>



**14.02 Distribution Schedule-Disclosure under the Listing Regulations of Stock Exchange**

This distribution schedule showing the number of Shareholders and their Shareholdings in percentage has been disclosed:

"Shareholders Range (in number of Shares)"	As on 30.06.2022		As on 30.06.2021	
	Shareholders	No. of Shares	Shareholders	No. of Shares
Less than 500 shares	2,538	373,797	2,148	296,983
500 to 5,000 Shares	3,115	5,481,519	2,992	4,850,217
5001 to 10,000 shares	512	3,866,808	370	2,846,591
10,001 to 20,000 shares	331	4,905,226	237	3,443,455
20,001 to 30,000 shares	131	3,275,858	111	2,721,780
30,001 to 40,000 shares	56	1,963,032	32	1,116,637
40,001 to 50,000 shares	38	1,787,275	33	1,530,038
50,001 to 100,000 shares	75	5,486,864	50	3,588,753
100,001 to 1,000,000 shares	57	12,491,999	50	12,112,656
Over 1,000,000 shares	6	17,454,121	8	21,860,985
<b>Total Taka</b>	<b>6,859</b>	<b>57,086,499</b>	<b>6,031</b>	<b>54,368,095</b>

**14.03 Option on Un-Issued Shares**

The existing unissued shares of the company can be issued as subscribed and paid-up capital through the issuance of new shares upon contribution of cash, bonus or right shares.

**14.04 Market Price**

The shares of the Company are listed in the Dhaka and Chittagong Stock Exchanges and quoted at Taka 33.40 (High-Taka. 33.90, Low-Taka. 33.20) per share and Taka 33.50 (High-Taka. 33.70 Low-Taka. 33.30) per share in the Dhaka and Chittagong Stock Exchange respectively as of June 30, 2022.

**14.05 Voting Rights**

The rights and privileges of the shareholders are stated in the Articles of Association of the Company.

**15.00 Share Premium :**

The break up of the amount is as follows:

**Particulars**

Opening Balance

Less: Stock dividend (FY: 2020-21) @ 5%

**Total Taka**

Amount in Taka	
30.06.2022	30.06.2021

119,504,000	119,504,000
(27,184,040)	-
<b>92,319,960</b>	<b>119,504,000</b>

Amount in Taka	
30.06.2022	30.06.2021

**16.00 Tax Holiday Reserve**

Tax Holiday Reserve

**Total Taka**

21,555,878	21,555,878
<b>21,555,878</b>	<b>21,555,878</b>

Software Development Project (SDP), Unit-2 of the Company has enjoyed tax holiday for 5 (five) years commencing from January 01, 2002 to December 31, 2006. Tax holiday reserve had been provided @ 40% of net income of the respective years up to December 31, 2006 in line with the approval from the NBR to invest in the same undertaking or in any new industrial or in stocks and shares of listed Companies or in Government bonds or Securities or for other purposes as specified in the Income Tax Ordinance 1984.

**17.00 Retained Earnings**

The break up of the amount is as follows:

**Particulars**

Opening Balance

Add: Net Profit After Tax During the Year

Less: Stock Dividend (FY: 2019-20) @ 5%

Less: Cash Dividend (FY : 2020-21) @ 5%

161,657,697	153,406,179
80,179,244	60,030,658
<b>241,836,941</b>	<b>213,436,837</b>
-	(25,889,570)
(27,184,040)	(25,889,570)
<b>214,652,901</b>	<b>161,657,697</b>

**18.00 Long Term Loan**

The break up of the amount is as follows:

**Particulars**
**Account Numbers**

A) Shahjalal Islami Bank Ltd.(Motor Vehicle) 4001 36400000423

**Less: Current Portion of Long Term Loan**
**Total Taka (A)**

3,468,858	5,750,705
(2,708,400)	(2,290,046)
<b>760,458</b>	<b>3,460,659</b>

B) Shahjalal Islami Bank Ltd.(Motor Vehicle) 4001 36400000435

**Less: Current Portion of Long Term Loan**
**Total Taka (B)**

819,011	1,089,321
(358,200)	(272,745)
<b>460,811</b>	<b>816,576</b>

C) Bank Asia Ltd.(Motor Vehicle) 02135001478

**Less: Current Portion of Long Term Loan**
**Total Taka (C)**

1,233,491	1,522,468
(415,992)	(291,806)
<b>817,499</b>	<b>1,230,662</b>

D) Bank Asia Ltd.(Motor Vehicle) 02135001490

**Less: Current Portion of Long-Term Loan**
**Total Taka (D)**

1,864,733	2,397,550
(728,640)	(534,545)
<b>1,136,093</b>	<b>1,863,005</b>

E) Prime Bank Ltd.(Motor Vehicle) 2025392404

**Less: Current Portion of Long-Term Loan**
**Total Taka (E)**

565,047	973,378
(477,222)	(406,341)
<b>87,825</b>	<b>567,037</b>

**Total Taka (A+B+C+D+E)**

<b>3,262,687</b>	<b>7,937,939</b>
------------------	------------------

		Amount in Taka	
		30.06.2022	30.06.2021
<b>19.00</b>	<b>Lease Liabilities</b>		
	Lease Liabilities	28,792,769	38,735,348
		<b>28,792,769</b>	<b>38,735,348</b>

**20.00** **Deferred Tax Liabilities :**  
The break up of the amount is as follows:

Particulars	Carrying Amount (Tk.)	Tax Base (Tk.)	Taxable/ (Deductible)
<b>As at June 30, 2022</b>			
Property, Plant & Equipment (Excluding Land)	310,110,832	240,915,137	69,195,695
Temporary Taxable Difference for PPE			69,195,695
Less: Unrealized Loss on Marketable Securities			(634,302)
<b>Net Temporary Taxable Difference</b>			<b>68,561,393</b>
Applicable Tax Rate			22.50%
<b>Deferred Tax Liability as at June 30, 2022 (A)</b>			<b>15,426,313</b>
<b>As at June 30, 2021</b>			
Property, Plant & Equipment (Excluding Land)	330,415,900	259,473,777	70,942,123
Net Temporary Taxable Difference			70,942,123
Applicable Tax Rate			22.50%
			<b>15,961,978</b>
Add: Deferred Tax Provision on Realization Loss on Shares			223,266
<b>Deferred Tax Liability as at June 30, 2021 (B)</b>			<b>16,185,243</b>
<b>Deferred Tax (Income)/Expenses (A-B) as at June 30, 2022</b>			<b>(758,930)</b>

**21.00** **Trade Payable :**  
The break up of the amount is as follows:

**Particulars**

Sundry Creditors	120,983,352	157,917,145
<b>Total Taka</b>	<b>120,983,352</b>	<b>157,917,145</b>

**22.00** **Other Payables :**  
The break up of the amount is as follows:

**Particulars**

Liability for Expenses	Note- 22.01	15,554,254	13,376,927
Liability for Other Finance	Note- 22.02	47,099,595	46,036,421
<b>Total Taka</b>		<b>62,653,849</b>	<b>59,413,348</b>

**22.01** **Liability for Expenses :**  
The break up of the amount is as follows:

**Particulars**

Salaries & Allowances	14,547,521	12,355,055
Outstanding Expenses	880,233	906,872
Audit Fee Payable	126,500	115,000
<b>Total Taka</b>	<b>15,554,254</b>	<b>13,376,927</b>

**22.02 Liability for Other Finance :**

The break up of the amount is as follows:

**Particulars**

Tax Deducted on Employee Salaries  
 Employees Provident Fund  
 Tax Deducted at Source  
 Security Deposit -Broadband  
 Security Deposit & Others  
 Contribution to WPPWF @ 5%  
 VAT Deducted at Source & Others  
 Advance Agst. Sales (Broadband & Others)  
 Advance Agst. Sales (Data Connectivity)  
 Advance Agst. Sales (Corporate Internet)  
 Advance Agst. Sales (Domain & Web Hosting)  
 Advance Agst. Sales (Graphic Design & Others)  
 Advance Agst. Sales (AVLS)  
 Advance Agst. Sales (Monthly Rent/ Tel Call)

**Total Taka**

Amount in Taka	
30.06.2022	30.06.2021
1,417,002	591,432
26,806,503	20,606,521
412,239	4,908,465
10,350	10,350
518,959	1,276,277
5,273,874	3,695,287
1,658,962	1,916,858
327,091	321,007
1,014,332	5,263,589
1,520,786	2,127,155
338,798	378,478
30,594	15,069
753,678	554,852
7,016,428	4,371,081
<b>47,099,595</b>	<b>46,036,421</b>

**23.00 Unclaimed Dividend:**

The summary of unclaimed dividend is as follows:

**For the financial year**

4 Years above  
 2017-2018  
 2018-2019  
 2019-2020  
 2020-2021  
 Bank Interest Received Net of AIT & Charges (30.12.21)  
 Bank Interest Received Net of AIT & Charges (30.06.22)

**Total Taka**

-	3,309,894
-	1,549,989
819,083	823,979
532,065	532,065
620,755	-
75,283	-
60,116	-
<b>2,107,303</b>	<b>6,215,927</b>

As per BSEC directive no. BSEC/CMRRCD/2021-386/03 dated 14<sup>th</sup> January 2021 and the Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) Rules, 2021 we have transferred a total Taka 4,253,243.22 (3 years above) to Capital Market Stabilization Fund (CMSF) Account No. SND A/C-0010311521301.

**24.00 Provision for Income Tax:**
**Current Tax**

Opening Balance  
 Add : Provision made during the year ( Note:24.01)  
  
 Less: Adjustment for the year IY 2019-2020 & 2020-2021  
**Closing Balance**

31,333,711	18,153,452
26,057,174	13,180,259
57,390,886	31,333,711
(35,094,092)	-
<b>22,296,794</b>	<b>31,333,711</b>

**24.01 Current Tax:**

The break up of the amount is as follows:

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	Amount in Taka	
				30.06.2022	30.06.2021
Net Profit Before WPPF & WF	86,797,750	3,521,433	20,432,179	110,751,362	77,351,919
Less : Contribution to WPPF & WF @ 5%	4,133,226	167,687	972,961	5,273,874	3,683,426
<b>Profit Before Tax</b>	<b>82,664,524</b>	<b>3,353,746</b>	<b>19,459,218</b>	<b>105,477,488</b>	<b>73,668,493</b>
Less : Tax Exempted Profit (Note-24.01.01)	3,144,310	1,289,549	4,327,495	8,761,354	8,106,401
<b>Net Profit Before Tax</b>	<b>79,520,214</b>	<b>2,064,197</b>	<b>15,131,723</b>	<b>96,716,134</b>	<b>65,562,093</b>
Add: Accounting Depreciation	48,476,180	757,715	2,648,043	51,881,938	49,225,187
Less: Tax Depreciation	(46,981,180)	(638,645)	(2,515,685)	(50,135,510)	(53,975,694)
Add: Net Unrealized (Gain)/ Loss on Marketable Securities	634,302	-	-	634,302	(2,232,655)
<b>Taxable Profit</b>	<b>81,649,516</b>	<b>2,183,267</b>	<b>15,264,081</b>	<b>99,096,864</b>	<b>58,578,931</b>
Applicable Tax Rate	22.50%	22.50%	22.50%	22.50%	22.50%
<b>Provision for Income Tax (FY 2021-22)</b>	<b>18,371,141</b>	<b>491,235</b>	<b>3,434,418</b>	<b>22,296,794</b>	<b>13,180,259</b>
Add: Tax Expense FY 2019-20 & FY 2020-21 adj. by AIT	3,703,218	-	-	3,703,218	-
Add: Tax Expense FY 2019-20 & FY 2020-21 paid by Cash	57,162	-	-	57,162	-
<b>Tax Expenses for the Year FY 2021-22</b>	<b>22,131,521</b>	<b>491,235</b>	<b>3,434,418</b>	<b>26,057,174</b>	<b>13,180,259</b>

**24.01.01 Tax Exempted Profit:**

The break up of the amount is as follows:

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	Amount in Taka	
				30.06.2022	30.06.2021
Tax exempted revenue during the year	24,018,526	1,906,277	12,264,538	38,189,341	22,984,905
Less : Expense of tax exempted profit	(20,874,216)	(616,728)	(7,937,043)	(29,427,987)	(14,878,504)
<b>Tax Exempted Profit</b>	<b>3,144,310</b>	<b>1,289,549</b>	<b>4,327,495</b>	<b>8,761,354</b>	<b>8,106,401</b>

As per Sixth Schedule, Part-A, Para -33 of Income Tax Ordinance, 1984 income from software development &amp; ITES are exempted up to June 30, 2024.

**25.00 Current Portion of Long-Term Loan :**

The break up of the amount is as follows:

Particulars	Account Number	Amount in Taka	
		30.06.2022	30.06.2021
Shahjalal Islami Bank Ltd. (Motor Vehicle)	4001 36400000423	2,708,400	2,290,046
Shahjalal Islami Bank Ltd. (Motor Vehicle)	4001 36400000435	358,200	272,745
Bank Asia Ltd. (Motor Vehicle)	02135001478	415,992	291,806
Bank Asia Ltd. (Motor Vehicle)	02135001490	728,640	534,545
Prime Bank Ltd. (Motor Vehicle)	2025392404	477,222	406,341
<b>Total Taka</b>		<b>4,688,454</b>	<b>3,795,483</b>

Amount in Taka	
30.06.2022	30.06.2021

**26.00 Short Term Loan :**

The break up of the amount is as follows:

<u>Particulars</u>	<u>Account Number</u>		
Prime Bank Ltd.-SOD A/C	2127714002810	12,557,511	13,119,426
Prime Bank Ltd.-SOD A/C	2127725016503	24,966,038	25,380,328
Bank Asia Ltd. (Motor Vehicle)	02135001339	-	187,525
<b>Total Taka</b>		<b>37,523,549</b>	<b>38,687,279</b>

**27.00 Revenue From Sales, Services & Others**

The break up of the amount is as follows:

<u>Particulars</u>			
Revenue from Unit -1	Notes-27.01	631,451,726	568,567,431
Revenue from Unit -2	Notes-27.02	40,775,925	38,682,530
Revenue from Unit -3	Notes-27.03	55,149,295	50,355,408
<b>Total Taka</b>		<b>727,376,946</b>	<b>657,605,369</b>

**27.01 Revenue From Unit -1**

The break up of the amount is as follows:

<u>Particulars</u>			
Revenue from Internet/Data Connectivity Services		597,551,046	552,979,391
Revenue from IT Enable Services		24,018,526	9,331,280
Revenue from Sale of Hardware		2,755,699	1,243,113
Revenue from Internet (Educational Institutions)		7,126,455	5,013,647
<b>Total Taka</b>		<b>631,451,726</b>	<b>568,567,431</b>

**27.02 Revenue From Unit -2**

The break up of the amount is as follows:

<u>Particulars</u>			
Revenue from Software & Graphic Design		1,906,277	3,494,221
Revenue from AVLS Support & Service		13,741,436	15,717,148
Revenue from Web Development, Hosting & Domain Reg.		6,711,242	11,593,682
Revenue from AVLS Supply		18,416,970	7,877,479
<b>Total Taka</b>		<b>40,775,925</b>	<b>38,682,530</b>

**27.03 Revenue From Unit -3**

The break up of the amount is as follows:

<u>Particulars</u>			
Revenue from IP Telephony Monthly Rent		4,706,771	3,817,749
Revenue from IP Telephony Outgoing NWD Call		21,412,722	21,193,193
Revenue from IP Telephony Outgoing ISD Call		4,794,324	6,283,355
Revenue from IP Telephony Incoming NWD Call		11,243,835	8,422,152
Revenue from IT Enable Services		12,264,538	10,159,404
Revenue from Sale of Hardware & Equipment		727,105	479,555
<b>Total Taka</b>		<b>55,149,295</b>	<b>50,355,408</b>

**28.00 Cost of Sales & Services :**

The break up of the amount is as follows:

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	For the year ended (in Taka)	
				30.06.2022	30.06.2021
Services & Others (Notes- 28.01)	298,427,080	5,389,860	14,427,567	318,244,507	302,494,026
Hardware & Others (Notes-28.02)	2,098,030	13,262,377	503,069	15,863,475	7,139,044
<b>Total Taka</b>	<b>300,525,110</b>	<b>18,652,236</b>	<b>14,930,636</b>	<b>334,107,982</b>	<b>309,633,070</b>

**28.01 Services & Others:**

The break up of the amount is as follows:

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	For the year ended (in Taka)	
				30.06.2022	30.06.2021
Bandwidth Charges	54,952,522	181,440	226,800	55,360,762	56,025,242
Data Connectivity (NTTN)	111,792,345	-	-	111,792,345	103,011,922
Data Connectivity (Site Sharing)	25,408,554	-	-	25,408,554	30,270,208
IT Support & Service	45,794,673	1,511,375	1,892,369	49,198,417	45,700,233
Cost of Software (GLP & Others)	-	616,728	-	616,728	1,550,918
Electricity Charges	4,580,441	404,157	808,313	5,792,912	7,648,572
Telephone Charges	1,184,396	890,578	890,578	2,965,552	4,951,851
Domain Registration & Hosting	-	619,938	-	619,938	1,355,381
E1, Inter Connectivity Charge	-	-	10,178,137	10,178,137	10,980,236
Electrical Goods & Installation	557,859	3,170	1,890	562,919	398,861
Direct Salary & Allowances	54,156,289	1,162,473	429,480	55,748,242	40,600,602
<b>Total Taka</b>	<b>298,427,080</b>	<b>5,389,860</b>	<b>14,427,567</b>	<b>318,244,507</b>	<b>302,494,026</b>

**28.02 Hardware & Others:**

The break up of the amount is as follows:

Particulars	UNIT-1 ISP	UNIT-II SDP	UNIT-3 IPTSP	For the year ended (in Taka)	
				30.06.2022	30.06.2021
Broadband Modem Concentrator & Others	710,541	-	-	710,541	34,712
Cost of Sales of Hardware & Others	1,387,489	13,262,377	503,069	15,152,934	7,104,332
<b>Total Taka</b>	<b>2,098,030</b>	<b>13,262,377</b>	<b>503,069</b>	<b>15,863,475</b>	<b>7,139,044</b>



**29.00 Administrative and Marketing Expenses :**

The break up of the amount is as follows:

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	For the year ended (in Taka)	
				30.06.2022	30.06.2021
Directors Remuneration (Note-29.01)	2,302,500	460,500	1,842,000	4,605,000	4,209,374
Salary and Allowances	121,448,586	13,559,723	8,160,129	143,168,438	142,646,513
Contribution to Employee PF	4,730,015	438,613	230,917	5,399,545	5,649,327
Office Rent	16,944,985	1,059,061	3,177,185	21,181,231	24,783,783
Traveling and Conveyance	9,389,276	284,852	103,254	9,777,382	9,013,810
Electricity Charges	3,053,628	44,906	89,813	3,188,347	849,841
Telephone Charges	789,598	593,719	593,718	1,977,035	480,314
Installation & Maintenance	28,058,384	-	-	28,058,384	27,788,253
Printing and Stationaries	1,251,988	76,762	148,635	1,477,385	1,135,651
Courier & Postage Charges	927,494	6,390	-	933,884	926,540
Income Tax	-	-	-	-	10,175
Advertisement Expenses	1,559,047	71,427	115,488	1,745,962	1,331,997
Entertainment	5,331,708	135,915	9,310	5,476,933	4,593,897
Security Charges	417,120	-	-	417,120	667,920
Repair & Maintenance	1,050,682	140,091	212,206	1,402,979	1,133,021
Product Purchase for Repairing	1,408,464	-	-	1,408,464	724,390
Utility Charges	2,750,585	171,856	324,716	3,247,157	3,007,716
Car Rent & Maintenance	8,097,732	-	60,000	8,157,732	7,372,648
Annual Listing Fee (DSE, CSE, CDBL , BAPLC)	1,321,448	240,182	250,290	1,811,920	873,313
License Registration & Renewal Fees	441,561	350,060	770,000	1,561,621	1,593,766
Municipal Tax	137,858	-	-	137,858	137,858
Insurance Premium	1,777,051	98,725	98,725	1,974,501	1,654,491
Fees & Professional Charges	235,637	50,494	50,494	336,625	362,625
Robotic Expenses	52,692	-	-	52,692	25,591
AGM Expenses	104,054	22,298	22,298	148,650	626,573
Promotional Expenses	75,000	-	-	75,000	546,170
Audit Fee	111,900	37,300	37,300	186,500	275,750
Training Expenses	-	-	-	-	13,440
Tender Participation	208,205	5,000	5,500	218,705	116,260
Bank Commission & Charges	2,673,886	183,692	21,395	2,878,974	2,146,035
Revenue Sharing with BTRC	-	142,509	816,388	958,897	1,088,322
General Expenses	1,163,565	-	-	1,163,565	1,323,022
Uniform & Others	37,220	-	-	37,220	36,810
<b>Total Taka</b>	<b>217,851,868</b>	<b>18,174,076</b>	<b>17,139,761</b>	<b>253,165,705</b>	<b>247,145,196</b>

The number of employees (both casual and permanent of the company as at 30 June 2022 was 488 and all of them received salary and allowances above Taka. 120,000 per year.

**29.01 Directors Remuneration (Under Para 4 of Sch. XI Part II of the Companies Act, 1994).**

The break up of the amount is as follows:

Name	Designation	Yearly Remuneration	Festival Bonus	30.06.2022	30.06.2021
S M Golam Faruk Alamgir	Managing Director	4,065,000	540,000	4,605,000	4,209,374
<b>Total Taka</b>		<b>4,065,000</b>	<b>540,000</b>	<b>4,605,000</b>	<b>4,209,374</b>

**30.00 Financial Charges :**

The break up of the amount is as follows:

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	For the year ended (in Taka)	
				30.06.2022	30.06.2021
Bank Interest	3,760,559	-	-	3,760,559	3,920,285
<b>Total Taka</b>	<b>3,760,559</b>	<b>-</b>	<b>-</b>	<b>3,760,559</b>	<b>3,920,285</b>

**31.00 Non Operating Income :**

The break up of the amount is as follows:

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	For the year ended (in Taka)	
				30.06.2022	30.06.2021
Bank Interest ( FDR A/C.)	26,374,593	297,033	-	26,671,625	26,433,419
Bank Interest (SND A/C)	145,398	16,461	1,324	163,182	535,748
Foreign Currency Gain/(Loss)	-	16,042	-	16,042	958
Dividend on Marketable Security	74,052	-	-	74,052	70,400
Realized Gain from Sale of Shares	-	-	-	-	397,108
<b>Total Taka</b>	<b>26,594,043</b>	<b>329,535</b>	<b>1,324</b>	<b>26,924,902</b>	<b>27,437,633</b>

**32.00 Sustainable Estimated Gain/(Loss) on Marketable Securities :**

The break up of the amount is as follows:

Particulars	30.06.2022	30.06.2021
IFADAUTOS	3,399,660	2,541,000
AB Bank Ltd.	2,355,745	981,750
<b>Fair Market Value of Investment in Shares as at June 30, 2021</b>	<b>5,755,405</b>	<b>3,522,750</b>
Less: Fair Market Value of Investment in Shares as at June 30, 2022 (Note 11)	5,121,104	5,755,405
<b>Total Estimated Profit/(Loss) on Marketable Securities</b>	<b>(634,302)</b>	<b>2,232,655</b>
Adjustment up to June 30, 2022	-	-
<b>Total Estimated Profit/(Loss) on Marketable Securities</b>	<b>(634,302)</b>	<b>2,232,655</b>

**33.00 Earning Per Share (EPS) :**

The break up of the amount is as follows:

**Particulars**

Profit from continuing operation attributable to the ordinary equity holders

**Profit attributable to the ordinary equity holders**

Number of Shares

**Earning Per Share (Reported)**
**Earning Per Share (Re-Stated)**
**Diluted Earning Per Share:**

No diluted earning per share is required to be calculated for the year as there has no dilutive potential ordinary shares.

Amount in Taka	
30.06.2022	30.06.2021
80,179,244	60,030,658
<b>80,179,244</b>	<b>60,030,658</b>
57,086,499	54,368,095
<b>1.40</b>	<b>1.10</b>
	<b>1.05</b>

**34.00 Cash Flows from Operating Activities :**

Statement of Cash Flows have been prepared in accordance with IAS 7 "Statement of Cash Flows" and the cash flows from the operating activities are shown under indirect method as activities.

**Reconciliation of Cash Flows from Operating Activities**

Net Profit Before Tax

Add/Less : Unrealized Loss/(Gain) on Marketable Securities

Less: Non-Operating Income

Less: Tax Payment

Add: Non-Cash Expense (Lease Rent)

Add: Depreciation

**Add/(Less) : Changes in working Capital :**

Inventory

Trade Receivables

Advance Deposit Prepayments

Liability for Expenses

Liability for Other Finance

Trade Payable

**Net Cash Provided by/(used in) Operating Activities**

30.06.2022	30.06.2021
105,477,488	73,668,494
634,302	(2,232,655)
(26,761,719)	(26,901,885)
(47,315,387)	(29,915,512)
60,091	3,112,885
51,881,938	49,225,187
3,586,329	(736,058)
37,412,959	17,643,292
1,631,152	(10,689,695)
2,177,327	1,253,883
1,063,175	14,054,934
(36,933,793)	(3,725,709)
<b>92,913,862</b>	<b>84,757,160</b>

**35.00 Net Operating Cash Flows Per Share (NOCFPS):**

The break up of the amount is as follows:

**Particulars**

Net Cash Generated from Operating Activities

**Number of Shares**
**Net Operating Cash Flows Per Share (Reported)**
**Net Operating Cash Flows Per Share (Re-Stated)**

92,913,862	84,757,160
<b>92,913,862</b>	<b>84,757,160</b>
57,086,499	54,368,095
<b>1.63</b>	<b>1.56</b>
	<b>1.48</b>

36.00

**Net Asset Value Per Share (NAVPS):**

The break up of the amount is as follows:

**Particulars**

Total Assets

Total Liabilities

**Net Asset Value (NAV)**

Number of Shares

**Net Asset Value Per Share (Reported)**
**Net Asset Value Per Share (Re-Stated)**

Amount in Taka	
30.06.2022	30.06.2021

1,197,128,799	1,206,619,948
(297,735,070)	(360,221,423)
<b>899,393,729</b>	<b>846,398,525</b>
57,086,499	54,368,095
<b>15.75</b>	<b>15.57</b>
	<b>14.83</b>

**37.00 Related Party Disclosures :**

37.01 The details of Related Party Transaction during the period along with the relationship is illustrated below in accordance with IAS 24 ;

Name of the Related Party	Relationship with company	Nature of Transaction	Total Transaction during the year	Total Paid during the year	Balance 30.06.2022 (Tk.)	Remarks
Fiber @ Home Global Ltd.	Concern Under Common Mgt.	IIG Bandwidth	35,574,942	34,241,866	7,051,913	Trade Creditors
Fiber @ Home Ltd.	Concern Under Common Mgt.	NTTN Service	89,259,206	111,553,943	19,031,045	Trade Creditors

We as IT Sector Company, for IT related services and data connectivity we have to purchase Bandwidth and use NTTN (Nationwide Telecommunication Transmission Network) line as rental basis from service provider companies. Regarding Bandwidth and NTTN, only few companies operate in Bangladesh. For Bandwidth, Fiber @ Home Global Ltd. and for NTTN, Fiber @ Home Ltd. is our service provider and also our related party. We have transactions with those companies regarding Bandwidth purchase & NTTN line rent as a part of our normal course of regular business operation with arm's length price.

In the 25th AGM held on 17 December 2021 the general body of Company's Shareholder approved the matter for that year and onward for smooth and uninterrupted transaction/ operation of the Company in line with BSEC notification no: BSEC/CMRRCD/2009-193/10/Admin/118 dated 22 March 2021 clause (1) (b).

**37.02 Disclosure of Managerial Remuneration:**

The total amount of remuneration and benefits paid to the top five (05) salaried officers of the company during the year is as follows:

Name	Designation	June 30, 2022 (Tk.)
Mr. S M Golam Faruk Alamgir	Managing Director (MD)	4,605,000
Mr. A.K.M. Kutub Uddin	Executive Director & Company Secretary	3,057,750
Mr. Faker Ahmed FCA	Chief Financial Officer (CFO)	3,330,000
Mr. S.M. Kamruzzaman	Chief Technology Officer (CTO)	3,350,430
Mr. Gazi Zehadul Kabir	Chief Strategy Officer (CSO)	2,496,000



**BDCOM ONLINE LTD.**  
Property, Plant & Equipment  
For the year ended June 30, 2022

(Amount in BDT)  
Schedule-A/2

**Unit-2 (SDP)**

Particulars	Cost			Rate of Dep. %	Depreciation			W.D.V. as at 30.06.22	W.D.V. as at 30.06.21
	Opening Balance as at 01.07.21	Additions during the year	Adjustment during the year		Total as at 30.06.22	Charged during the year	Adjustment during the year		
System Hardware	12,775,095	-	-	18%	302,823	--	11,395,568	1,379,527	1,682,350
Software Development	28,355,296	-	-	15%	333,214	-	26,467,082	1,888,214	2,221,428
Peripheral Equipment	4,756,988	-	-	15%	60,323	-	4,415,156	341,832	402,155
Furniture & Fixture	637,019	-	-	10%	9,061	-	555,473	81,546	90,607
Office Renovation	1,656,570	-	-	18%	18,050	-	1,574,341	82,229	100,279
Sundry Assets	86,212	-	-	10%	1,625	-	71,584	14,628	16,253
A. C. Installation	256,790	-	-	18%	1,051	-	252,004	4,786	5,837
Electric Installation	150,494	-	-	18%	572	-	147,888	2,606	3,178
Telephone & Installation	1,800,785	-	-	15%	16,410	-	1,707,793	92,992	109,402
Books & Periodicals	73,226	-	73,226	10%	9,923	73,226	-	-	9,923
Auto Generator	607,201	-	-	15%	4,304	-	582,815	24,387	28,690
Crockeries & Cutleries	4,080	-	4,080	15%	359	4,080	-	-	359
<b>Sub Total- 30 June, 2022</b>	<b>51,159,756</b>	<b>-</b>	<b>77,306</b>		<b>757,715</b>	<b>77,306</b>	<b>47,169,704</b>	<b>3,912,746</b>	<b>-</b>
<b>Sub Total- 30 June, 2021</b>	<b>51,128,556</b>	<b>31,200</b>	<b>-</b>		<b>886,869</b>	<b>-</b>	<b>46,489,295</b>	<b>-</b>	<b>4,670,461</b>



**BDCOM ONLINE LTD.**  
Property, Plant & Equipment  
For the year ended June 30, 2022

(Amount in BDT)  
Schedule-A/3

**Unit-3 (IPTSP)**

Particulars	Cost			Depreciation			W.D.V. as at 30.06.22	W.D.V. as at 30.06.21			
	Opening Balance as at 01.07.21	Additions during the year	Adjustment during the year	Total as at 30.06.22	Rate of Dep. %	Opening Balance as at 01.07.21			Charged during the year	Adjustment during the year	Total as at 30.06.22
System Hardware	21,648,899	2,659,300	-	24,308,199	18%	15,002,759	1,674,979	-	16,677,738	7,630,461	6,646,140
Telephone Installation-IP	3,505,932	351,471	-	3,857,403	15%	1,341,968	377,315	-	1,719,283	2,138,120	2,163,964
Software Development	4,153,435	816,667	-	4,970,102	15%	3,370,221	239,982	-	3,610,203	1,359,899	783,214
Motor Vehicles	3,376,500	-	-	3,376,500	15%	1,112,117	339,657	-	1,451,774	1,924,726	2,264,383
Furniture & Fixture	22,850	-	-	22,850	10%	11,085	1,177	-	12,262	10,589	11,765
Electric Installation	21,180	88,800	-	109,980	15%	17,218	13,914	-	31,132	78,848	3,962
Radio Equipment	29,638	-	-	29,638	18%	23,979	1,019	-	24,998	4,640	5,659
<b>Sub Total- 30 June, 2022</b>	<b>32,758,434</b>	<b>3,916,238</b>	<b>-</b>	<b>36,674,672</b>		<b>20,879,347</b>	<b>2,648,043</b>	<b>-</b>	<b>23,527,390</b>	<b>13,147,282</b>	<b>-</b>
<b>Sub Total- 30 June, 2021</b>	<b>32,046,217</b>	<b>712,217</b>	<b>-</b>	<b>32,758,434</b>		<b>18,568,407</b>	<b>2,310,940</b>	<b>-</b>	<b>20,879,347</b>	<b>-</b>	<b>11,879,087</b>
<b>Grand Total as at June 30, 2022</b>	<b>923,052,203</b>	<b>31,576,870</b>	<b>96,073</b>	<b>954,533,000</b>		<b>565,636,303</b>	<b>51,881,938</b>	<b>96,073</b>	<b>617,422,168</b>	<b>337,110,832</b>	<b>-</b>
<b>Grand Total as at June 30, 2021</b>	<b>869,208,388</b>	<b>53,843,815</b>	<b>-</b>	<b>923,052,203</b>		<b>516,411,116</b>	<b>49,225,187</b>	<b>-</b>	<b>565,636,303</b>	<b>-</b>	<b>357,415,900</b>



**BDCOM ONLINE LTD.**  
**Ageing Summary of Trade Receivable**  
**As at June 30, 2022**

**Ageing Summary of Trade Receivable**

**Schedule - B**

	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	Above 150 Days	Total
<b>Internet &amp; Data Services :</b>							
Broad Band Internet & Others	3,069,928	3,155,804	2,462,082	3,609,674	9,126,676	8,535,837	29,960,000
Data Connectivity	30,750,438	2,860,174	2,717,377	4,917,965	4,858,379	19,338,349	65,442,681
<b>Sub Total-A</b>	<b>33,820,365</b>	<b>6,015,978</b>	<b>5,179,459</b>	<b>8,527,638</b>	<b>13,985,055</b>	<b>27,874,186</b>	<b>95,402,681</b>
<b>Hardware/ Switch :</b>							
Switch, Router, Hardware etc.						1,280,490	1,280,490
Fiber Optic						103,121	103,121
<b>Sub Total-B</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,383,611</b>	<b>1,383,611</b>
<b>IP Telephone Service :</b>							
Monthly Rent	2,478,264	1,140,238	1,041,940	755,626	246,648	5,496,075	11,158,791
Inter Connectivity Charges	815,679	272,027	680,668	436,987	1,025,879	1,029,816	4,261,056
<b>Sub Total-C</b>	<b>3,293,943</b>	<b>1,412,265</b>	<b>1,722,608</b>	<b>1,192,613</b>	<b>1,272,527</b>	<b>6,525,891</b>	<b>15,419,847</b>
<b>Web Page, Software &amp; Data Transmit :</b>							
Software Development	-	-	-	-	75,236	53,478	128,714
Domain Hosting & Registration	412,777	149,075	444,944	618,350	618,350	389,115	2,632,611
AVLS	3,963,931	875,282	725,934	841,660	1,302,565	15,705,504	23,414,876
Graphics Design						645,389	645,389
<b>Sub Total-D</b>	<b>4,376,708</b>	<b>1,024,357</b>	<b>1,170,878</b>	<b>1,460,010</b>	<b>1,996,151</b>	<b>16,793,485</b>	<b>26,821,590</b>
<b>Grand Total (A+B+C+D)</b>	<b>41,491,017</b>	<b>8,452,600</b>	<b>8,072,945</b>	<b>11,180,261</b>	<b>17,253,733</b>	<b>52,577,173</b>	<b>139,027,729</b>

N.B. : The Above Schedule of Trade Receivable is excluded of Other Receivable (FDR Interest Receivable).

### Compliance of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS)

Name of the IAS	IAS no	Status
Presentation of Financial Statements	1	Applied
Inventories	2	Applied
Statement of Cash Flows	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Balance Sheet Date	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rate	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefits Plans	26	Applied
Separate Financial Statements	27	N/A
Investment in Associates and Joint Venture	28	N/A
Financial Instruments Presentation	32	Applied
Earnings Per Share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Applied
Investment Property	40	N/A
Agriculture	41	N/A
Name of the IFRS	IFRS no	Status
First Time Adaption of International Financial Reporting Standards	1	Applied
Share Based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contracts	4	N/A
Non-current Assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	Applied
Operating Segments	8	Applied
Financial Instruments	9	Applied
Consolidated Financial Statements	10	N/A
Joint Arrangements	11	N/A
Disclosure of Interests in Other Entities	12	N/A
Fair Value Measurement	13	Applied
Regulatory Deferral Accounts	14	N/A
Revenue from Contracts with Customers	15	Applied
Leases	16	Applied

