BDCOM Online Ltd. BPC **3rd Quarter Report 2019 Connecting Progress** Phone: +8809666 333 666; Fax: +88 02 9124849 E-mail: office@bdcom.com; Web: www.bdcom.com **Un-Audited Statement of Financial Position (3rd Quarter)** Un-Audited Statement of Comprehensive Income and Appropriation Account (3rd Quarter) As at March 31, 2019 For the period from July 01, 2018 to March 31, 2019 | Amount in Taka | July 2018 to | July 2017 to | January 2019 | January 2018 | March 2019 | March 2018 | to March 2019 | to March 2018 | Particulars Particulars IPTSP A. Non-Current Assets 364,574,346 349,794,084 345,868,22 Revenue from Sa Operating Expens nue from Sales & Services 35,063,159 Property, Plant and Equipn Long Term Security Deposit 3,296,949 3,925,859 (16.02)(58,819,425) B. Current Assets 21,002,886 567,391,510 Gross Profit : A 193,241,599 25,253,285 21,904,882 240,399,766 208,595,417 87,256,426 81,907,969 5.00 6.00 Advances, Deposits & Prepayments Advance Income Tax & VAT Bills Receivable 43,617,855 15,003,412 190.72 (12,623.58 (43,342,075 (11,826,899 Administrative and Marketing Expens (12,424,02 22.49 21.29 (12,671,528 Depreciation on Fixed Assets Financial Charges 7.00 188,145,004 155,124,994 Accounts Receivable 7,983,313 (2,220,68) (54,270 (23,299 (2,298,250 (1,622,472) (993,518 (606,145)Investment in Shares (at Market Value) Investment In FDR 8,676,23 Total Expenses : B 289,221,471 306,928,806 (5.77 (132,772,952) (13,336,162) (14,303,452) (160,412,566) (152,203,793) (53,561,590) (55,775,119) Cash and Cash Equivalents 34,568,803 32,570,857 1,001,510,849 917,185,594 9.19 Operating Profit : A-B 60,468,647 7,601,430 26,132,850 Total Assets (A+B) Shareholders' Equity & Liabilities: 6,252 22,463,448 967,697 23,437,397 11,818,310 3,817,688 7,226,206 C. Shareholders' Equity 767,614,647 488,482,430 723,608,493 5.00 Share Capital 10.00 119.504.000 7,607,682 68,209,934 119,504,000 0.00 Net Profit Before WPPWF 75,305,607 12,884,820 95,798,109 40,957,035 29,950,538 Tax Holiday Reserve (613,563) (1,950,335) (3,541,238 (7.314.903 Contribution to WPPWF @ 5% (3,585,981)(362,271)(4,561,815) (3,248,092)(1,426,216)ned Farnings 71,719,626 7,245,412 91,236,295 D. Non- Current Liabili Net Profit before Tax 12,271,257 64,961,842 39,006,700 28,524,322 13,156,237 13,867,692 **5.41** 5.41 (17,603,088) (114,206) (428,858) E. Current Liabilities: 180,420,864 220,028,510 118,882,395 Deferred Tax (Expenses)/Income 12.00 (292,159) (292,159) (1,615,468) (486,090) (463,977) Accounts Payable 32,389,747 24,363,700 18,146,152 12,994,040 53,824,379 12,157,051 6,816,554 72,797,984 53,115,530 29,498,449 23,886,991 Net Profit After Tax Provision for Bad & Doubtful Debts 14,862,57 Short Term Bank Lo Total Equity & Liabilities (C+D+E) 1,001,510,849 917,185,594 Unrealized (Loss)/Gain on Invest Net Assets Value Per Share (NAV)(Restated) 15.71 83,590 (1,708,667) Related Deferred Tax (419,296) (419,296) 170,867 57,598,044 6,816,554 76,571,649 53,199,120 23,970,581 Retained Earnings Carried Forward 12,157,051 27,960,649 Basic Earing Per Share (EPS) Un-Audited Statement of Cash Flows (3rd Quarter) Un-Audited Statement of Changes in Equity (3rd Quarter) For the period from July 01, 2018 to March 31, 2019 For the period from July 01, 2018 to March 31, 2019 Amount in Taka Amount in Taka
July 2018 to July 2017 to Tax Holida 31.03.2019 Pre mium Reserve March 2019 March 2018 Balance as on 01.07.18 465,221,361 21,555,878 119.504.000 (7.314.903) 124,642,15 723,608,493 A. Cash flows from operation activities: Net Comprehensive Income after tax 72,797,984 72,797,984 Receipts from sales, service & others 414,856,454 367,370,55 Purchase of Materials
Bank Interest - STD & Oth (11,488,579 430,383 (9,253,924 Adjustment against unrealized loss on 4.192.961 4,192,961 98.85 investment in shares (18,401,413 Payment of Income Tax & VAT Related Deferred Tax (419,296) (419,296) Cash payment to creditors & other (336,363,416) Sustainable Estimated Profit/(Loss) on 47,967,2 Net cash provided/used in operation activities (32,565,495) Cash Dividend (7%) (32,565,495 Acquisition of Tangible Assets 23,261,069 (23,261,069 Stock Dividend (5%) Receive from FDR Interest 8,777,279 9,532,562 (7.92)Balance as on 31.03.2019 767,614,647 Dividend on Marketable Securities 325,000 (100.00) Investment in Fixed Deposit Receipt (FDR) Investment in Marketable Securities (21,458.835 17,707,335 (182.52) (764,511) 628,910 Amount in Taka ax Holiday Particulars Share Capital Long Term Security Depo (75,020)(938.32)31.03.2018 Net cash used in investing activities (8,164,179) (24,696,864) 202.50 Balance as on 01.07.17 21,555,878 119,504,00 (5,467,014 677,301,184 Net profit after tax during the period 53,115,530 53,115,530 Sustainable Estimated Profit/(Loss) or Cash Dividend 83,590 Short Term Loan 9,677,581 (5,317,131) (282.01) Marketable Securities Net cash provided by financing activities (21,311,653) (26,855,783) (22,153.398 (20.64)Cash Dividend (5%) (22,153,398) Stock Dividend (5%) 22.153.398 (22,153,398 D. Effect of exchange rate changes in cash and cash equivalents 39,188 (100.00)Balance as on 31.03.2018 21,555,878 119,504,000 (5,383,424)107,449,091 708,346,906 39,188 (100.00)Net cash inflow/ (out flow) during the period:(A+B+C+D) 1,997,946 15,765,605 (87.33) Dated: Dhaka April 30, 2019 Cash & Cash Equivalent at the closing of the period 34,568,803 55,863,979 (38.12)Sd/-Sd/-Sd/-Sd/-Net Operating Cash Flow Per Share (NOCF) **Chief Financial Officer Company Secretary Managing Director** Director Chairman Selected Explanatory Notes: This interim financial report includes only those selected explanatory notes as were deemed appropriate for better understanding of unaudited financial statements. 1.00 Reporting Entity: 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 Register of Joint Stock Companies & Firms and was converted into a Public Limited Company on 10 February 2002. The shares of the company are traded with the Dhaka Stock Exchange and Chittagong Stock Exchange. 2.00 Nature of Business: The Company is primarily engaged as an Internet Service Provider (ISP) in Bangladesh, which includes Web Page Software Design & Hosting, 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, IP Telephony Services (IPTSP), IPPBX Solutions, Hosted Conference Bridge, Short Code Parking, Fiber Optic, Machinery and Hardware Sales. 3.00 Basis of Preparation of Financial statements: The Financial Statements of the Company are prepared on a going concern basis under historical cost convention and in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other laws and rules applicable in Bangladesh. 4.00 Property, Plant and Equipment's: The breakup of the amount is as follows: Unit-1 Unit-2 Unit-3 **Amount in Taka Particulars** Taka Taka Taka 31.03.2019 30.06.2018 A) Cost: 686,279,654 50,480,745 26,738,907 763,499,306 **Opening Balance** 715,031,916 308,511 Addition during the period 50,374,429 362,937 51,045,877 48,467,390 Less: Adjustment during the period 27,101,844 **Closing Balance** 736,654,083 50,789,256 814,545,183 763,499,306 B) Accumulated Depreciation: 13,945,169 **Opening Balance** 360,270,843 43,415,069 417,631,081 371,110,231 Add: Charged during the period 33,122,272 857,864 1,656,569 35,636,705 46,520,850 Less: Adjustment during the period **Closing Balance** 453,267,786 393,393,115 44,272,933 15,601,738 417,631,081 11,500,106 Written down value 31/03/2019(A-B) 343,260,968 6,516,323 361,277,397 345,868,225 7,065,676 12,793,738 345,868,225 Written down value 30/06/2018 326,008,811 5.00 Inventories: The breakup of the amount is as follows: **Particulars** 325,059 305,158 Accessories 4,717,254 4,389,049 GLP & GPRS Modem & Accessories 2,306,688 IP telephony hardware 3,775,921 Modem, Media converter & Concentrators 1,204,200 806,893 Switch, Router, Equipment's & Others 6,684,223 2,702,804 Stationery 117,274 26,278 Stock of fiber optic 818,998 829,963 Radio equipment 3,359,957 3,021,973 **Total Taka** 21,002,886 14,388,806 **Amount in Taka** 6.00 Advances, Deposits & Pre-payments: 31.03.2019 30.06.2018 The breakup of the amount is as follows: **Particulars** A) Advances: **Against Salary** 1,486,668 2,125,160 Advance to suppliers and others 3,490,023 3,397,436 Advance for Material 4,559,527 3,661,251 **Total** 9,536,218 9,183,847 B) Deposits: Security deposit / Earnest money 7,557,672 5,574,717 **Total** 5,574,717 7,557,672 C) Pre-payments 26,523,965 244,848 Total (A+B+C) 43,617,855 15,003,412 The sum of advances are unsecured but realizable. It includes no such amount which are recoverable from Director & Managing Director of the company. 7.00 Bills Receivable: The breakup of the amount is as follows: <u>Particulars</u> 138,643,942 103,547,664 Internet & Data Service 13,253,644 18,280,097 IP Telephone Service 33,845,285 30,966,893 Web page, Software & Data Transmit Hardware, Switch & Others 2,402,133 2,330,340 188,145,004 **Total Taka** 155,124,994 8.00 Accounts Receivable: The break up of the amount is as follows: UNIT-3 UNIT-1 UNIT-2 **Amount in Taka Particulars** 31.03.2019 30.06.2018 <u>IPTSP</u> **SDP** <u>ISP</u> 21,882,972 367,832 FDR Interest Receivable 22,250,804 7,983,313 22,250,804 **Total Taka** 367,832 7,983,313 21,882,972 9.00 Investment in Share (At market value): The breakup of the amount is as follows: **Particulars** AB Bank Limited 1,645,875 1,790,250 5,695,800 **IFADAUTOS GBB Power Limited** 9,555,000 **AGISYSL** 1,111,000 Saif Powertec Limited 223,560 8,676,235 11,345,250 **Total Taka** 10.00 Share Capital Authorized Capital: Taka 1000,000,000 1,000,000,000 1,000,000,000 100,000,000 Ordinary shares of Taka. 10 each Issued, Subscribed and Paid-up Capital: 48,848,243 Ordinary shares of Taka. 10 each 488,482,430 465,221,361 **Amount in Taka** 31.03.2019 30.06.2018 11.00 Retained Earnings Opening balance 124,642,157 98,640,357 79,725,543 72,797,984 Add: Net profit after tax during the period 197,440,141 178,365,900 Less: Stock dividend (FY: 2017-18) @ 5% (23,261,069) (22,153,398)Less: Cash dividend (FY: 2017-18) @ 7% (32,565,495)(22,153,398)(9,416,947)Less: Previous year Tax adjustment 141,613,577 124,642,157 12.00 Deferred Tax Liabilities: The breakup of the amount is as follows: Carrying Taxable/(Deductible) **Particulars** Tax Base (Tk.) Amount (Tk.) temporary As at March 31, 2019 Property, Plant & Equipment (Excluding Land) 274,182,151 60,095,247 334,277,398 Net Taxable Temporary Difference 60,095,247 Applicable Tax Rate 25% 15,023,812 Add: Deferred Tax Provision on Realization Loss on Shares (762,649)Deferred Tax Liability (A) 14,261,163 Add: Unrealized (Loss)/Gain on Investment in shares during the period (393,471)Deferred Tax Liability as at March 31, 2019 13,867,692 As at June 30, 2018 262,992,208 Property, Plant & Equipment (Excluding Land) 318,868,225 55,876,017 Net Taxable Temporary Difference 55,876,017 Applicable Tax Rate 25% 13,969,004 Add: Deferred Tax Provision on Realization Loss on Shares Deferred Tax Liability (B) 13,969,004 Add: Unrealized (Loss)/Gain on Investment in shares during the year (812,767)13,156,237 Deferred Tax Liability as at June 30,2018 Deferred Tax (Income)/Expenses (A-B) 292,159 Deferred Tax Unrealized (Loss)/Gain on Investment in shares during the period (419,296) 13.00 Bills Payable: The breakup of the amount is as follows: **Particulars Sundry Creditors** 113,994,328 98,818,683 **Unpaid Dividend** 4,888,067 3,311,806 **Total Taka** 118,882,395 102,130,489 14.00 Accounts Payable: The breakup of the amount is as follows: <u>Particulars</u> **Liability for Expenses** 9,986,852 9,472,547 Liability for Other Finance 22,316,645 14,891,153 Audit Fee Payable 86,250 **Total Taka** 32,389,747 24,363,700 Amount in Taka 30.06.2018 31.03.2019 15.00 Provision for Current Tax **Current Tax Opening Balance** 12,994,040 14,491,146 Add: Provision made during the year (Note:15.01) 18,146,152 12,994,040 31,140,192 27,485,186 14,491,146 Less: Adjustment for the period 12,994,040 **Closing Balance** 18,146,152 12,994,040 15.01 Current Tax The breakup of the amount is as follows: UNIT-1 **UNIT-2** UNIT-3 **Amount in Taka Particulars ISP IPTSP** 31.03.2019 SDP 30.06.2018 95,798,109 75,305,607 12,884,820 99,903,143 Net Profit Before WPPWF 7,607,682 Less: Contribution to WPPWF @ 5% 4,561,815 4,757,293 3,585,981 613,563 362,271 **Profit Before Tax** 71,719,626 12,271,257 7,245,412 91,236,295 95,145,850 4,593,688 Less: Tax Exempted Profit 11,844,980 5,620,277 22,058,945 36,892,466 67,125,938 426,277 1,625,135 **Net Profit Before Tax** 69,177,350 58,253,384 Add: Accounting Depreciation 33,122,272 857,864 1,656,569 35,636,705 46,520,850 Less: Tax Depreciation (37,462,347) (827,316) (1,566,271)(39,855,934) (52,714,484)Add: Net realized (Loss)/Gain on sale of 7,626,488 7,626,488 (83,590)shares 70,412,351 **Taxable Profit** 456,825 1,715,433 72,584,609 51,976,160 Provision for Income Tax @ 25% 17,603,088 114,206 428,858 18,146,152 12,994,040 16.00 Short Term Loan: The break up of the amount is as follows: **Particulars** Account Numbers Prime Bank Ltd.-SOD A/C 11,704,709 19,218,380 12777590042804 Prime Bank Ltd.-SOD A/C 2127725016503 9,628,519 10,156,716 Shahjalal Islami Bank Ltd. (Motor Vehicle) 4001 36400000423 Bank Asia Ltd. (Motor Vehicle) 02135001252 226,026 02135001282 2,552,547 4,287,334 Bank Asia Ltd. (Machinery) Bank Asia Ltd. (Motor Vehicle) 991,996 02135001299 657,813 Bank Asia Ltd. (Motor Vehicle) 02135001339 1,047,341 1,346,328 35,747,645 26,070,064 **Total Taka** 17.00 AFS Reserve Opening balance (7,314,903)(5,467,014)Add: Adjustment against unrealized loss on investment in share Add: Addition during the year (7,314,903)(5,467,014)Less: Adjustment against unrealized loss on investment in share (Note: 18.00) 4,192,961 (2,053,210)Less: Related Deferred Tax (419, 296)205,321 (3,541,238)(7,314,903) **Amount in Taka** 18.00 Unrealized (Loss)/Gain on Investment in Shares: 31.03.2019 30.06.2018 The breakup of the amount is as follows: **Particulars Total Total** GBB Power Ltd. 16,229,604 **IFADAUTOS** 7,852,332 Saif Powertec Limited 244,093 **AGISYSL** 1,271,203 3,243,316 AB Bank Ltd. 3,243,316 Total Cost Value as no March 31, 2019 12,610,944 19,472,920 Less: Fair market value of investment in shares as on March 31, 2019 8,676,235 11,345,250 Total Unrealized (Loss)/Gain on Investment in Shares (3,934,709) (8,127,670) Adjustment up to March 31, 2019 6,074,460 8,127,670 Net Unrealized (Loss)/Gain on Investment in Shares 4,192,961 (2,053,210) 19.00 Earning Per Share (EPS) The breakup of the amount is as follows: **Particulars** 72,797,984 79,725,543 Profit From Continuing Operation attributable to the ordinary Equity holders Profit attributable to the ordinary equity holders 72,797,984 79,725,543 Total outstanding shares as on March 31, 2019 48,848,243 46,522,136 1.49 Earnings Per Share (EPS) 1.63 20.00 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 sales 447,876,464 534,743,947 Add: Opening Bill receivable 155,124,994 142,044,907 Less: Closing Bill receivable (188, 145, 004) (155, 124, 994)Add: Opening Advance, Deposits & Prepayment 15,003,412 12,903,123 Les: Opening Advance, Deposits & Prepayment (43,617,855) (15,003,412)(201,612,989) Less: Operating exp. (Service & Others) (226,463,369)Less: Administrative & marketing exp. (122,477,611) (162,856,302)Less: Financial charges (2,298,250)(2,144,993)Less: Opening Bill payable & Accounts payable (118,413,229) (130,277,929)118,425,090 Add: Closing Bill payable & Accounts payable 137,053,106 Less: Purchase of materials (12,477,789)(10,232,281)(17,425,696)Less: Income Tax payment (19,917,287) Less: Vat payment (975,717)(1,416,331)Less: WPPF paid (4,296,744)Add: Bank Interest income (STD A/C) 353,439 562,057 472,735 Add: Foreign currency gain/(loss) 47,967,275 81,418,217 21.00 Related Party Disclosures: 21.01 The details of Related Party Transaction during the period along with the relationship is illustrated below in accordance with IAS 24; **Balance** Total Relationship Nature of Name of the company Remarks Transaction 31.03.2019 with company Transaction Amount in (Tk.) **Trade Creditors** Fiber @ Home Ltd. 389,778 IIG Bandwidth 781,965 Common Mgt. Concern Under 10,169,847 NTTN Service 5,194,053 Trade Creditors Fiber @ Home Ltd. Common Mgt. Concern Under **Trade Debtors** Norban Fashion Ltd. 39,768 Internet & others 740,721 Common Mgt. Concern Under Norban Comtex Ltd. 14,038 1,356,554 **Trade Debtors** Internet & others Common Mgt.

21.02 Disclosure of Managerial Remuneration:

Mr. S.M. Golam Faruk Alamgir

Mr. Shibli Noman

Mr. A.K.M Kutub Uddin

Mr. S.M. Kamruzzaman

Mr. Gazi Zehadul Kabir

22.00 Diluted Earnings Per Share:

follows:

Name

shares.

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

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

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Designation

Managing Director (MD)

Chief Financial Officer

ED Admin & CS

Chief Technical Officer (CTO)

General Manager, Sys. Integration

Amount in Taka As on

31.03.2019

2,362,500

1,857,750

1,840,460

1,523,250

775,000