**3rd Quarter Report 2020** RANGS Nilu Square (5th fl), Satmosjid Road, House # 7 Road # 5/A, Dhanmondi R/A, Dhaka-1209, Bangladesh Connecting Progress E-mail: office@bdcom.com; Web: www.bdcom.com Un-Audited Statement of Profit or Loss and Other Comprehensive Income (3rd Quarter) Un-Audited Statement of Financial Position (3rd Quarter) As at March 31, 2020 For the period from July 01, 2019 to March 31, 2020 Notes Particulars ASSETS:
A. Non-Current Assets
Property, Plant and Equipment
Long Term Deposit & Prepayment 390,709,147 410,632,543 356,148,213 Revenue Cost of Sales & Services 33,349,07 405,162,315 35,193,76 (228,781,380) (206,968,700) (207,476,698) (76,211,746) 54,484,330 (9,093,028) (69,887,446) Gross Profit : A 198,193,615 24,256,050 244,923,782 240,399,766 87,256,426 22,474,117 88,269,912 B. Current Assets 19.766.333 22,334,808 B. CUTTER ASSECS
Inventories
Advances, Deposits & Prepayments
Advance Income Tax & VAT
Trade Receivables
Other Receivables
Investment in FDR
Cash and Cash Equivalents (13,246,88) Administrative and Marketing Expens (14,843,178 21,855,785 59,313,172 Depreciation (34,284,258 (767,489 (1,706,806 (36,758,553 (35,636,705 (12,788,49 (12,671,528 nancial Charge Total Expenses : B (14,984,828) (211,181,396) (160,412,566) (180,497,860) (15,698,708) (73,284,159) (53,561,590) 6,775,409 33,742,386 79,987,200 14,985,753 Operating Profit : A-B 17,695,755 9,271,222 23,598,118 947,329 24,547,645 23,437,397 8,152,723 7,226,206 Non-Operating Income Net unrealized Gain/(Loss) on Sales of 2,198 TOTAL ASSETS (A+B) (7,579,713) (7,626,488) (591,842) Shares SHAREHOLDERS' EQUITY AND LIABILITIES: Net Profit Before WPP & WF 33,714,160 7,722,738 95,798,109 22,546,634 C. Share holders' Equity: Share Capital Share Premium Tax Holiday Reserve 9,273,420 50,710,318 40,957,035 789,046,789 778,162,472 488,482,430 Contribution to WPP & WF @ 5% (1,605,436) (367,749) (441,592) (2,414,777) (4,561,815) (1,073,649) (1,950,335) Net Profit before Tax 32,108,724 8,831,828 48,295,541 91,236,295 21,472,985 7,354,989 39,006,700 (9,323,178) (11,214,761) (4,616,217) Income Tax Expense (28,976)(1,862,607) (18,146,152) (9,022,161) Retained Earnings Deferred Tax (Expenses)/Income (932,180) (932,180) (292,159) (188,390) (486,090) D. Non- Current Liabilities: Net Profit After Tax 16,668,378 22,863,305 21,407,84 21,853,366 7,326,013 6,969,221 36,148,600 72,797,984 29,498,449 Long Term Bank Loan Deferred Tax Liabilities Other Comprehensive Income/(Expense): 15,374,897 6.45 14,442,716 4,192,961 (1,708,667) E. Current Liabilities: 266,543,142 197,333,632 35.07 Related Deferred Tax (419,296 170,867 50,152,061 37,154,535 36,660,78 Retained Earnings Carried Forward 76,571,649 16,668,378 Provision for Income Tax Short Term Bank Loan 21,853,366 7,326,013 6,969,221 36,148,600 27,960,649 31,246,392 9.44 TOTAL EQUITY & LIABILITIES (C+D+E) 1,078,453,236 996,903,950 8.18 Basic Earnings Per Share 0.70 0.32 0.57 Net Assets Value (NAV) Per Share Un-Audited Statement of Changes in Equity (3rd Quarter) For the period from July 01, 2019 to March 31, 2020 For the period from July 01, 2019 to March 31, 2020 Tax Holiday Amount in Tak Share Capital Particulars March 2020 March 2019 Earnings Reserve Pre mium Reserve 31.03.2020 488,482,430 A. Cash flows from operating activities: Balance as on 01.07.2019 21,555,878 119,504,000 (4,044,667) 152,664,831 778,162,472 Cash nows from operang activities:
Receipts from sales, services & others
Bank Interest - STD & Others
Payment of Income Tax & VAT
Cash payment to suppliers & others
Net cash provided by/(used in) operating activities Net Profit after Tax for the period 36,148,600 36,148,600 Adjustment with un-realised loss or 4,044,667 4,044,667 sale of security Cash Dividend (6%) (29,308,950) (29,308,950) 29,308,950 Stock Dividend (6%) B. Cash flows from investing activities (29,308,950) Acquisition of Property, plant & equipment FDR Interest received Dividend on Marketable Securities Investment in Fixed Deposit Receipt (FDR) Investment in Marketable Securities (51,045,87 8,777,27 Balance as on 31.03.2020 789,046,789 30,80 (8,193,86 Amount in Tak Tax Holiday AFS Retained Share Capital Particulars 31.03.2019 Balance as on 01.07.2018 465,221,361 (7.314.903)21,555,878 119,504,000 124,642,157 723,608,493 Net cash provided by/(used in) investing activities (30,026,060) (24,696,864 21.58 72,797,984 72,797,984 Net Comprehensive Income after ta C. Cash flows from financing activities: Adjustment against unrealized loss 4,192,961 Cash Dividend (30,989,23-(8.46 4,192,961 523,278 on investment in shares Related Deferred Tax (419,296) (419,296) Sustainable Estimated Profit/(Loss) on Marketable Securities D. Effect of exchange rate changes in cash and cash equivalents 47,878 39,188 22.18 Cash Dividend (7%) (32,565,495) (32,565,495) Net increase/ (decrease) in cash & cash equivalents (A+B+C+D) Cash & Cash Equivalents at the beginning of the period Cash & Cash Equivalents at the end of the period 23 261 069 72,971 1,997,946 Stock Dividend (5%) (23,261,069) (96.35) Balance as on 31.03.2019 488,482,430 21,555,878 119,504,000 (3,541,238) 141,613,577 767,614,647 Dated: Dhaka; June 07, 2020 Net Operating Cash Flows Per Share (NOCFPS) Sd/-Sd/ **CFO (Current Charge) 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 Registrar 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 Ltd.and Chittagong Stock Exchange Ltd. 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. **Property Plant and Equipment:** The break up of the amount is as follows: Amount in Taka Unit-1 Unit-2 Unit-3 01.07.2018 to **Particulars** 01.07.2019 to Taka Taka Taka 31.03.2020 <u>30.6.2019</u> A) Cost: 748,879,638 50,789,256 28,636,540 828,305,434 763,499,306 Opening Balance Addition during the period 27,565,784 339,300 3,215,447 31,120,531 64,806,128 Less: Adjustment during the period **Closing Balance** 776,445,422 51,128,556 31,851,987 859,425,965 828,305,434 B) Accumulated Depreciation: 405,751,738 466,519,199 Opening Balance 44,568,090 16,199,371 417,631,081 Add: Charged during the period 34,284,258 767,489 1,706,806 36,758,553 48,888,118 Less: Adjustment during the period **Closing Balance** 440,035,996 45,335,579 466,519,199 17,906,177 503,277,752 WDV 31/03/2020(A-B) 356,148,213 336,409,426 5,792,977 13,945,810 WDV 30/06/2019(A-B) 361,786,235 343,127,900 6,221,166 12,437,169 Amount in Taka 5.00 Long term deposit & prepayment: 31.03.2020 30.06.2019 The break up of the amount is as follows: **Particulars** 5,000 BTCL for telephone line 5,000 Security against bandwidth (BTCL & others) 142,065 142,065 35,084 35,084 Security against E1 & others (BTCL) Prepayment to BEZA 51,202,981 25,555,963 3,099,200 Others deposit 3,184,800 **Total Taka** 54,484,330 28,922,912 6.00 Inventories: The break up of the amount is as follows: **Particulars** Accessories 719,289 291,247 GLP & GPRS Modem & Accessories 4,374,269 4,587,513 2,930,420 3,177,014 IP telephony hardware Modem, Media converter & Concentrators 1,580,115 1,128,380 8,565,363 7,424,800 Switch, Router, Equipment & Others 174,094 27,292 Stationery Stock of fiber optic 545,682 278,422 Radio equipment 3,445,576 2,851,665 **Total Taka** 22,334,808 19,766,333 7.00 Advances, Deposits & Pre-payments: Amount in Taka The break up of the amount is as follows: 30.06.2019 31.03.2020 **Particulars** A) Advances: 3,712,700 2,236,641 Against Salary 3,947,080 Advance to suppliers and others 5,186,613 Advance for Material 2,931,257 2,643,006 **Total Taka** 11,830,570 8,826,727 B) Deposits: Security deposit / Earnest money 8,993,019 8,296,709 8,993,019 8,296,709 **Total Taka** 1,032,196 440,340 C) Pre-payments Total Taka (A+B+C) 21,855,785 17,563,776 8.00 Trade Receivables: The break up of the amount is as follows: **Particulars** 115,134,898 Internet & Data Service 124,376,063 IP Telephone Service 15,318,849 13,323,106 35,420,568 30,218,289 Web page, Software & Data Transmit Hardware, Switch & Others 1,677,630 752,310 175,867,790 **Total Taka** 160,353,923 The sum of Trade Receivable are unsecured but realizable. It includes no such amount which are recoverable from Director & Managing Director of the company. 9.00 Others Receivables: The break up of the amount is as follows: **UNIT-3** Amount in Taka UNIT-1 UNIT-2 **Particulars** 30.06.2019 **ISP SDP IPTSP** 31.03.2020 FDR Interest Receivables 26,127,931 97,928 26,225,859 11,278,193 Total Taka 26,127,931 97,928 26,225,859 11,278,193 10.00 Investment In Share (At market value): The break up of the amount is as follows: **Particulars** 1,443,750 AB Bank Limited 1,155,000 **IFADAUTOS** 2,541,000 5,352,600 AGISYSL 737,000 1,111,000 Saif Powertec Limited 148,824 209,520 4,581,824 8,116,870 Total Taka 11.00 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: 51,779,138 Ordinary shares of Taka. 10 each 488,482,430 517,791,380 12.00 Retained Earnings The break up of the amount is as follows: **Particulars** 124,642,157 152,664,831 Opening balance Add: Net profit after tax during the period 36,148,600 83,849,238 208,491,395 188,813,431 (29,308,950)(23.261.069)**Less:** Stock dividend (FY: 2018-19) @ 6% Less: Cash dividend (FY: 2018-19) @ 6% (29,308,950)(32,565,495)130,195,531 152,664,831 **Total Taka** 13.00 Long Term Loan: **Amount in Taka** 31.03.2020 30.06.2019 The break up of the amount is as follows: Account Numbers **Particulars** A) Shahjalal Islami Bank Ltd.(Motor Vehicle) 4001 36400000423 8,341,653 9,718,770 Less: Short term loan (2,018,027)(2,753,640)Total Taka (A) 6,323,626 6,965,130 B) Shahjalal Islami Bank Ltd.(Motor Vehicle) 4001 36400000435 1,394,536 (229,754)Less: Short term loan Total Taka (B) 1,164,782 7,488,408 6,965,130 Total Taka (A+B) 14.00 Deferred Tax Liabilities: The break up of the amount is as follows: Taxable/(Deductib Carrying le) temporary Tax Base (Tk.) **Particulars** Amount (Tk.) differencesAs at March 31, 2020 Property, Plant & Equipment (Excluding Land) 329,148,213 264,616,741 64,531,472 Net Taxable Temporary Difference 64,531,472 Applicable Tax Rate 25% 16,132,868 Add: Deferred Tax Provision on Unrealized Loss on Shares (757,971)Deferred Tax Liability (A) 15,374,897 Deferred Tax Liability as at March 31, 2020 15,374,897 As at June 30, 2019 Property, Plant & Equipment (Excluding Land) 334,786,235 272,167,144 62,619,091 Net Taxable Temporary Difference 62,619,091 Applicable Tax Rate 25% 15,654,773 Add: Deferred Tax Provision on Realization Loss on Shares (762.649)Deferred Tax Liability (B) 14,892,124 Unrealized (Loss)/Gain on Inv stment in shares during the year (449 407 Deferred Tax Liability as at June 30,2019 14,442,717 Deferred Tax (Income)/Expenses (A-B) 932,180 15.00 Trade Payable: Amount in Taka 30.06.2019 The break up of the amount is as follows: 31.03.2020 **Particulars** Sundry Creditors 145,039,270 103,486,683 Total Taka 145,039,270 103,486,683 16.00 Others Payable: The break up of the amount is as follows: **Particulars** Liability for Expenses 12,895,943 10,330,653 Liability for Other Finance 31,367,970 21,353,128 Audit Fee Payable 86,250 115,000 Unpaid Dividend 5,801,898 4,862,002 Total Taka 50,152,061 36,660,783 **Provision for Income Tax:** 17.00 **Current Tax** Opening Balance 25,939,774 12,994,040 Add: Provision made during the period 11,214,761 24,062,458 Add: Short Provision made 2017-18 1,877,316 38,933,814 37,154,535 Less: Adjustment for the AY-2018-19 12,994,040 25,939,774 **Closing Balance** 37,154,535 17.01 Current Tax: The break up of the amount is as follows: Amount in Taka **UNIT-1 UNIT-2** UNIT-3 **Particulars** 01.07.2019 to 01.07.2018 to **ISP SDP IPTSP** 31.03.2020 31.03.2019 Net Profit Before WPPWF 33,714,160 7,722,738 50,710,318 95,798,109 9,273,420 1,605,436 2,414,777 Less: Contribution to WPPWF @ 5% 367,749 441,592 4,561,815 **Profit Before Tax** 32,108,724 7,354,989 8,831,828 48,295,541 91,236,295 Less: Tax Exempted Profit (Note-563,388 7,297,785 1,242,652 9,103,824 22,058,945 17.01.01) <del>39,1</del>91,716 31,545,336 57,204 7,589,176 69,177,350 Net Profit Before Tax 34,284,258 767,489 1,706,806 36,758,553 Add: Accounting Depreciation 35,636,705 (708,790)(1,845,553)(38,670,934) Less: Tax Depreciation (36,116,591)(39,855,934)Add: Net unrealized Loss/(Gain) on 7,626,488 7,579,713 7,579,713 sale of shares 37,292,716 7,450,429 44,859,048 72,584,609 Taxable Profit 115,903 11,214,761 18,146,152 Provision for Income Tax @ 25% 9,323,178 28,976 1,862,607 Total provision for Income Tax 9,323,178 28,976 1,862,607 11,214,761 18,146,152 17.01.01 Tax Exempted Profit: The break up of the amount is as follows: **Amount in Taka UNIT-1** UNIT-2 UNIT-3 **Particulars** 01.07.2019 to 01.07.2018 to **ISP SDP IPTSP** 31.03.2020 31.03.2019 7,297,785 7,109,081 4,692,266 19,099,132 Tax exempted revenue during the period 22,058,945 (3,449,614) (9,995<u>,308</u>) Less: Expense of tax exempted profit (6,545,693)7,297,785 9,103,824 563,388 1,242,652 Tax Exempted Profit 22,058,945 Provision for Income Tax has been charged on Non-operating income of Unit-2, Software Development Project of BDCOM Online Ltd., As per Sixth Schedule, Part-A, Para -33 of Income Tax Ordinance, 1984 income from software development & ITES are exempted up to June 30, 2024. Amount in Taka 18.00 Short Term Loan: 31.03.2020 30.06.2019 The break up of the amount is as follows: **Account Number Particulars** Prime Bank Ltd.-SOD A/C 12777590042804 18,060,026 16,974,637 Prime Bank Ltd.-SOD A/C 13,106,696 2127725016503 8,137,041 4001 36400000423 Shahjalal Islami Bank Ltd.(Motor Vehicle) 2,018,027 2,753,640 Shahjalal Islami Bank Ltd.(Motor Vehicle) 4001 36400000435 229,754 1,854,800 Bank Asia Ltd. (Machinery) 02135001282 Bank Asia Ltd. (Motor Vehicle) 02135001299 177,370 585,500 Bank Asia Ltd. (Motor Vehicle) 02135001339 605,403 940,774 34,197,276 31,246,392 Total Taka 19.00 AFS Reserve Opening balance (4,044,667)(7,314,903)Add: Adjustment with unrealised (loss)/gain on sale of securities 4,044,667 (7,314,903)Less: Adjustment against unrealized Gain/(loss) on investment in share 3,633,596 Less: Related Deferred Tax (363,360)**Total Taka** (4,044,667)20.00 Net Unrealized Gain/(Loss) on Sales of Shares: The break up of the amount is as follows: 01.07.2019 to 01.07.2018 to **Particulars** 31.03.2020 31.03.2019 **IFADAUTOS** 7,852,332 7,852,332 Saif Powertec Limited 244,093 244,093 AGISYSL 1,271,203 1,271,203 AB Bank Ltd. 3,243,316 3,243,316 Total Cost Value as at March 31, 2020 12,610,944 12,610,944 Less:Fair market value of investment in shares as on March 31, 2020 4,581,824 8,676,235 (8,029,120)(3,934,709)Total Unrealized Profit/(Loss) on Sales of Shares Adjustment up to March 31, 2020 4,494,074 8,127,670 (4,044,667)Adjustment with AFS Reserve Net Unrealized Profit/(Loss) on Sales of Shares (7,579,713)4,192,961 21.00 Earning Per Share (EPS): The break up of the amount is as follows: **Particulars** 72,797,984 Profit From Continuing Operation attributable to the ordinary Equity holders 36,148,600 36,148,600 72,797,984 Profit attributable to the ordinary equity holders 48,848,243 Number of Shares 51,779,138 Earning Per Share (Reported) 0.70 1.49 0.70 1.41 **Earning Per Share (Re-Stated)** Revenue of Q3 2019-20 is Tk. 25.83 million higher than that of Q3 2018-19. EPS has declined mainly due to un-realized loss on investment in share of listed companies, increase cost of sales & services and administrative & marketing expenses to the tune of Tk. 7.58 million, Tk. 21.30 million and Tk. 48.70 million respectively. Due to this reason the EPS in the Q3 of 2019-20 has dropped to 0.71 compared to the EPS of 1.41 in the Q3 of 2018-19. **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 01.07.2019 to 01.07.2018 to 22.00 Cash flows from operating activities: 31.03.2019 31.03.2020 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 48,295,541 91,236,295 Net profit before tax Add/Less: Realized Loss/(gain) on sale of security instrument 7,579,713 7,626,488 Less: Non-operating income (24,198,275)(23,083,958)Less: Tax and VAT payment (18,401,413)(19,572,088)Add: Depreciation 36,758,553 35,636,705 Add/(Less): Changes in working Capital: (2,568,475)Inventory (6,614,080)Trade receivables (15,513,867)(33,020,010)Advance deposit prepayments (29,939,027)(28,614,443)Liability for expenses 2,536,540 600,555 Liability for other finance 10,014,843 7,425,492 Trade payable 41,552,587 15,175,645 54,946,045 Net cash provided by/(used in) operation activities 47,967,275 23.00 Net Operation Cash Flows Per Share (NOCFPS): The break up of the amount is as follows: 54,946,045 47.967.275 Net cash generated from operating activities 54,946,045 47,967,275 Number of Shares 51,779,138 46,522,136 **Net Operation Cash Flows Per Share (Reported)** 1.06 1.03 **Net Operation Cash Flows Per Share (Re-Stated)** 0.93 24.00 Net Asset Value Per Share (NAVPS): Amount in Taka The break up of the amount is as follows: 31.03.2020 30.06.2019 **Particulars** Total Assets 1,078,453,236 996,903,950 Total Liabilities (289,406,447) (218,741,478) 789,046,789 778,162,472 Net Asset Value (NAV) Number of Shares 51,779,138 48,848,243 Net Asset Value Per Share (Reported) 15.24 15.93 **Net Asset Value (NAV)** 778,162,472 Number of Shares 51,779,138 **Net Asset Value Per Share (Re-Stated)** 15.03 25.00 Related Party Disclosures: 25.01 The details of Related Party Transaction during the year along with the relationship is illustrated below in accordance with IAS 24; Total Nature of Relationship Balance Name of the company Transaction Remarks with company 31.03.2020 (Tk.) Transaction <u>Amount in Taka</u> Concern Under 4,501,534 Fiber @ Home Ltd. IIG Bandwidth 6,552,627 Trade Creditors Common Mgt.

Concern Under

Common Mgt. Concern Under

Common Mgt. Concern Under

Common Mgt.

NTTN Service

Internet & others

Internet & others

Designation

Managing Director (MD)

Chief Financial Officer

ED Admin & CS

Chief Technical Officer (CTO)

General Manager, Sys. Integation

27,753,055

88,322

276,739

Trade Creditors

Trade Debtors

Trade Debtors

March 31,

2020(Taka)

3,072,500

973,750

2,074,436

2,244,460 1,695,250

13,145,956

543,256

705,974

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

www.bdcom.com

Fiber @ Home Ltd.

Norban Fashion Ltd.

Norban Comtex Ltd.

Name

25.02 Disclosure of Managerial Remuneration:

Mr.S.M Golam Faruk Alamgir

Mr. Shibli Noman FCA Mr.A.K.M Kutub Uddin

Mr.S.M Kamruzzaman

Mr. Gazi Zehadul Kabir