

Auditors' Report and Financial Statements of

"BDCOM ONLINE LIMITED"

Rangs Nilu Square (5th Floor),
House # 75 , Road # 5/A , Satmosjid Road,
Dhanmondi R/A, Dhaka-1209.

For the year ended June 30, 2017

Audited By :



AHMED ZAKER & Co.
CHARTERED ACCOUNTANTS



A MEMBER FIRM OF Morison KSi, UK.

Private & Confidential

“BDCOM ONLINE LIMITED”

Rangs Nilu Square (5th Floor),
House # 75 , Road # 5/A , Satmosjid Road,
Dhanmondi R/A, Dhaka-1209.

For the year ended June 30, 2017

AUDITORS:

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Ahmed Zaker & Co. Chartered Accountants

Green City Edge (Level-10), 89 Kakrail, Dhaka-1000 Tel: 88-2-8300504-3, Fax: 88-2-8300509, E-mail:azcbangladesh@gmail.com.



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AHMED ZAKER & CO.
Chartered Accountants

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Auditors' Report To The Shareholders of BDCOM ONLINE LIMITED

We have audited the accompanying financial statements of **BDCOM ONLINE LIMITED**, which comprise the Statement of Financial position as at June 30, 2017 along with 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 a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards, Companies Act 1994, The Securities and Exchange rules 1987 & other applicable rules & Regulations. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing, those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS) present fairly in all material respect the financial position of **BDCOM ONLINE LIMITED** as at June 30, 2017 and the result of its operation and cash flows for the year then ended and comply with the The Securities and Exchange rules 1987, Companies Act 1994 and other applicable laws and regulations.

We also report that;

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- in our opinion proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- the company's Statement of Financial position, Statement of Profit or Loss and other comprehensive Income and Statement of Cash flows dealt with by the report are in agreement with the books of accounts; and
- the expenditure incurred and payments made were for the purposes of the company's business.

Place: Dhaka
Dated: October 28, 2017


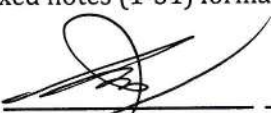
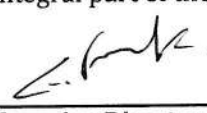
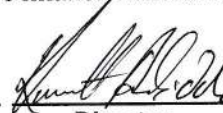


Ahmed Zaker & Co.
Chartered Accountants



BDCOM ONLINE LIMITED
STATEMENT OF FINANCIAL POSITION
As at June 30, 2017


Particulars	Notes	Amount in Taka	
		30.06.2017	30.06.2016
Assets:			
A. Non-Current Assets:		347,772,542	350,555,743
Goodwill	3.00	-	228,000
Property, Plant and Equipments	4.00	343,921,683	346,361,884
Long Term Security Deposit	5.00	3,850,859	3,965,859
B. Current Assets:		515,409,288	415,934,605
Inventories	6.00	15,818,882	15,380,948
Advances, Deposits & Prepayments	7.00	12,903,123	17,242,582
Advance Income Tax & VAT	8.00	26,620,547	20,963,669
Bills Receivable	9.00	142,044,907	88,504,972
Accounts Receivable	10.00	5,764,799	6,779,148
Investment In Shares (at Market Value)	11.00	48,808,687	6,676,500
Investment In FDR	12.00	223,349,969	241,531,915
Cash and Cash Equivalents	13.00	40,098,374	18,854,872
Total Assets (A+B)		863,181,830	766,490,348
Shareholders' Equity & Liabilities:			
C. Shareholders' Equity:		677,301,184	623,388,321
Share Capital	14.00	443,067,963	414,082,213
Share Premium	15.00	119,504,000	119,504,000
Tax Holiday Reserve		21,555,878	21,555,878
AFS Reserve		(5,467,014)	(15,791,315)
Retained Earnings		98,640,357	84,037,545
D. Non- Current Liabilities:		10,935,291	4,628,890
Deferred Tax Liabilities	16.00	10,935,291	4,628,890
E. Current Liabilities:		174,945,354	138,473,137
Bills Payables	17.00	107,948,168	75,946,613
Accounts Payables	18.00	29,339,609	19,376,788
Provision for Income Tax	19.00	14,491,146	12,191,478
Provision for Bad & Doubtful Debts	20.00	9,957,090	3,729,202
Short Term Bank Loan	21.00	13,209,341	27,229,056
Total Equity & Liabilities (C+D+E)		863,181,830	766,490,348
Net Assets Value Per Share (NAV)		15.29	15.05

The annexed notes (1-31) form an integral part of these financial statements.

				
Chief Financial Officer	Company Secretary	Managing Director	Director	Chairman

Signed as per our separate report on same date.

Place: Dhaka
Date: October 28, 2017




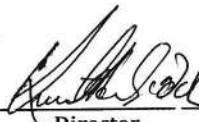


Ahmed Zaker & Co.
Chartered Accountants



BDCOM ONLINE LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended June 30, 2017

Particulars	Notes	Unit-1 ISP	Unit-2 SDP	Unit-3 IPTSP	Amount in Taka	
					Total 30.06.2017	Total 30.06.2016
Revenue from Sales & Services	22.00	425,583,973	57,030,661	38,344,411	520,959,045	444,680,318
Operating Expenses	23.00	(191,725,345)	(20,492,832)	(17,670,020)	(229,888,197)	(184,273,754)
Gross Profit: A		233,858,629	36,537,829	20,674,391	291,070,848	260,406,564
Administrative and Marketing Expenses	24.00	(120,653,408)	(15,138,691)	(16,377,589)	(152,169,688)	(148,825,329)
Depreciation on Property, Plant and Equipment	4.00	(44,210,794)	(1,508,520)	(1,710,459)	(47,429,773)	(41,532,075)
Provision for Bad & Doubtful Debts	20.00	(3,531,685)	(2,022,440)	(673,763)	(6,227,888)	(2,240,072)
Financial Charges	25.00	(2,497,181)	(53,733)	(32,475)	(2,583,389)	(2,427,398)
Total Expenses: B		(170,893,068)	(18,723,385)	(18,794,285)	(208,410,738)	(195,024,874)
Operating Profit: A-B		62,965,561	17,814,444	1,880,105	82,660,111	65,381,690
Non-Operating Income	26.00	14,737,192	1,355,162	8,662	16,101,017	18,938,504
Net Realized Loss on Sale of Shares	27.00	(8,778,578)	-	-	(8,778,578)	-
Net Profit Before WPPWF		68,924,175	19,169,607	1,888,767	89,982,549	84,320,194
Contribution to WPPWF @ 5%		(3,282,104)	(912,838)	(89,941)	(4,284,883)	(4,216,010)
Net Profit before Tax		65,642,072	18,256,768	1,798,826	85,697,666	80,104,184
Income Tax Expenses	19.00	(14,083,172)	(321,342)	(86,632)	(14,491,146)	(12,191,478)
Deffered Tax Expenses	16.00	(6,913,847)	-	-	(6,913,847)	(827,908)
Net Profit After Tax		44,645,052	17,935,426	1,712,194	64,292,672	67,084,798
Other Comprehensive Loss :						
Unrealized (loss)/Gain on investment in shares	28.00	9,716,855	-	-	9,716,855	54,517
Related Deferred Tax		-	-	-	(971,686)	-
Net Comprehensive Income		54,361,907	17,935,426	1,712,194	73,037,842	67,139,315
Basic Earning Per Share (EPS)	29.00				1.45	1.51

The annexed notes (1-31) form an integral part of these financial statements.

				
Chief Financial Officer	Company Secretary	Managing Director	Director	Chairman

Signed as per our separate report on same date.

Place: Dhaka
Date: October 28, 2017


Ahmed Zaker & Co.
Chartered Accountants



BDCOM ONLINE LIMITED
STATEMENT OF CHANGES IN EQUITIES

For the year ended June 30, 2017

Particulars	Share Capital	Tax Holiday Reserve	Share Premium	AFS Reserve	Retained Earnings	Amount in Taka	
						Total Equity 30.06.2017	Total Equity 30.06.2016
Balance as on 01.07.2016	414,082,213	21,555,878	119,504,000	(15,791,315)	84,037,545	623,388,321	585,893,438
Net Profit After Tax during the year	-	-	-	-	64,292,672	64,292,672	67,084,798
Adjustment against unrealized loss on investment in shares	-	-	-	9,716,855	-	9,716,855	-
Related Deferred Tax	-	-	-	(971,686)	-	(971,686)	-
Prior Year Adjustment for Tax on unrealized loss on investment in shares	-	-	-	1,579,132	-	1,579,132	54,517
Stock Dividend (FY: 2015-16) @ 7%	28,985,750	-	-	-	(28,985,750)	-	-
Cash Dividend (FY : 2015-16) @ 5%	-	-	-	-	(20,704,110)	(20,704,110)	(26,838,662)
Prior Year Adjustment (Note-26.00)	-	-	-	-	-	-	(2,805,770)
Balance as on 30.06.2017	443,067,963	21,555,878	119,504,000	(5,467,014)	98,640,357	677,301,184	623,388,321

Chief Financial Officer

Company Secretary

Managing Director

Director

Chairman

Ahmed Zaker & Co.
Chartered Accountants

Signed in terms of our separate report on same date.

Place: Dhaka

Date: October 28, 2017



BDCOM ONLINE LIMITED
STATEMENT OF CASH FLOWS
For the year ended June 30, 2017

Particulars	Amount in Taka	
	30.06.2017	30.06.2016
A. Cash Flows from Operating Activities :		
Receipts from sales, service & others	471,986,569	447,440,041
Purchase of Materials	(17,385,315)	(4,231,930)
Bank Interest - STD & Others	325,581	520,668
WPPF payment	(4,192,288)	(3,667,670)
Payment of Income Tax	(18,111,193)	(14,926,667)
Payment of VAT	262,837	712,141
Cash payment to creditors & others	(327,061,491)	(287,111,652)
Net Cash provided/used in Operating Activities	105,824,699	138,734,931
B. Cash Flows from Investing Activities:		
Acquisition of Tangible Assets	(44,989,572)	(91,769,196)
Receive From FDR Interest	16,555,485	11,638,688
Dividend from Investment in Shares	234,300	-
Investment in Marketable Securities	(40,876,459)	(2,556,000)
Sale of Shares		
Investment in FDR	18,181,946	(241,531,915)
Profit/(Loss) on Marketable Securities	-	54,517
Long Term Security Deposit	115,000	914,091
Net Cash used in Investing activities:	(50,779,300)	(323,249,815)
C. Cash Flows from Financing Activities:		
Cash Dividend	(19,782,183)	(26,132,939)
Short Term Loan	(14,019,715)	14,335,689
Tax on Share Premium	-	-
Net Cash Provided by Financing Activities	(33,801,898)	(11,797,250)
Net Cash Out Flow during the Year :(A+B+C)	21,243,502	(196,312,134)
Cash & Cash Equivalent at the beginning of the year	18,854,872	215,167,006
Cash & Cash Equivalent at the closing of the year	40,098,374	18,854,872
Net Operating Cash Flow Per Share (NOCF)	2.39	3.35

Chief Financial Officer

Company Secretary

Managing Director

Director

Chairman

Signed in terms of our separate report on same date.

Place: Dhaka
Date: October 28, 2017

Ahmed Zaker & Co.
Chartered Accountants

BDCOM ONLINE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended June 30, 2017

1.00 Status and Nature of the company:

1.01 Legal Form:

BDCOM ONLINE LIMITED 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.

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.

1.03 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.

2.00 Significant Accounting Policies:

2.01 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 Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other laws and rules applicable in Bangladesh.

2.02 Going Concern:

This financial statement has 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 Flow Statement:

Cash Flow Statement is prepared in accordance with BAS 7 "Cash Flow Statement" and the cash flow from the operating activities has been presented under direct method.

2.04 Reporting period

These financial statements cover a period of one year from July 01, 2016 to June 30, 2017.

2.05 Revenue Recognition:

Service income

Service income arises on services provided by the Company are recognized on an accrual basis. Service charges charged to customers on services provided by the company are credited to income at the time of effecting the transactions in accordance with BAS-18 "Revenue".

Interest income

In terms of the provisions of the BAS-18 "Revenue Recognition", the interest income is recognized on accrual basis.

Other income

Other income is recognized in the financial statements on cash basis when the sum of income is actually received during the year as per BAS-18 "Revenue".

2.06 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 such as cash balances with bank as well as FDR and are used by the Company management for its short-term commitments.

Property, Plant and Equipment:

01. Recognition and Measurement

Property, Plant and equipment are capitalized at cost 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 BAS 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 on inward freight, duties and non-refundable taxes.

02. Maintenance activities

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

03. Subsequent Expenditure

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred, it is probable that the future economic benefits embodied with the item will flow of the company and the cost of the item can be measured reliably. Expenditure incurred after the asset have been put 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 can be clearly demonstrated that the expenditure has resulted in an increases in the future economic benefit expected to be obtained from the use of fixed assets, the expenditure is capitalized as an additional cost of assets. All other cost are recognized to the statement of comprehensive income as expenses if incurred. All up-generation/enhancement are generally charged off as expenditure unless they bring similar significant additional benefits.

04. Disposal of Property, Plant and Equipment

On disposal of Property, Plant and 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 is determined with reference to the net book value of the assets and net sales proceeds.

05. Depreciation is charged on Property, Plant and 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 & Fixture	10%	10%	10%
Office Renovation	18%	18%	-
Sundry Assets	10%	10%	-
Crockeries & Cutleries	10%	15%	-
A. C. Installation	18%	18%	-
PBX Installation	18%	-	-
Office Equipments	15%	-	-
V-Sat Tower	15%	-	-
Telephone & Installation	15%	15%	15%
Motor Vehicles	15%	-	-
Generator/Online UPS	15%	15%	-
Cable Installation	15%	-	-
Broad Band Equipments	18%	-	-
Radio Equipments	18%	-	18%
Electrical 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.

6. Long Term Security Deposit

These amounts were deposited with BTCL and others in connection with telephone lines, bandwidth, E1 and others.

7. Valuation of Inventories

Inventories are carried at the lower of cost and net realizable value as prescribed by the BAS - 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.

8. Bills Receivable

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

9. Accounts Payable

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

2.07 Provision for Current & Deferred Tax :

Provision for current tax has been made as per rates prescribed in the Financial Act 2017 and Section : 82 of the ITO 1984 on the taxable profit made by the company after considering taxable add or backs of income and disallowances or allowances of expenditure as per income tax laws in compliance with BAS-12 "Income Taxes".

The Company has recognized deferred tax using balance sheet method in compliance with the provisions of BAS 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.

Dividend Payments

Final dividend is recognized after the approval of the shareholders in the 21st Annual General Meeting (AGM).

2.08 Earnings per share:

Earning per Share (EPS) is calculated in accordance with BAS-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 year 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-Jun-17	30-Jun-16
a)	Earnings attributable to the ordinary shareholders	64,292,672	67,084,798
b)	Number of Ordinary Shares.	44,306,796	44,306,796
c)	Earning Per Share	1.45	1.51

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.

2.09 Tax Holiday Reserve

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

2.10 Foreign Currency Transactions:

Foreign Currency Transactions are converted into equivalent BD Taka applying the rate of exchange prevailing at the date of such transactions as per BAS-21 "The Effects of Changes in Foreign Exchange Rates".

2.11 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 had no operational segment either business or geographical segments during the year under review.

2.12 Impairment:

In accordance with the provisions of BAS 36 "Impairment of Assets", the carrying amount of non-financial assets other than inventories of the company involved in the manufacturing of the products. If any such indication exists, then the asset's recoverable amount is estimated and impairment losses are recognized in profit and loss account. Goodwill is amortize during the year we test intangible assets for impairment when events or changes in circumstances indicate their carrying value may not be recoverable. In view of the business diversification and versatility in information technology the license is run with the current technology. Hence, the management or as per the board approval has decided to write off this amount of goodwill. During the year as the amount is immaterial value in comparison of its net assets value.

2.13 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.

2.14 Borrowing Cost:

The borrowing cost are capitalized unless active development of related assets are interrupted or ceased when the active development are ceased the borrowing cost is directly charged to the Statement of Profit or Loss and Other Comprehensive Income as per BAS-23 "Borrowing Cost".

2.15 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 BAS-24 "Related Party Disclosure". Related party are fully disclosed in **note - 30**.

2.16 Events after the Reporting date:

As per BAS-10 "Events after the Balance Sheet Date" are those events which may be favorable and unfavorable, and occur between the end of the reporting year and the date when the financial statements are authorized for issue. Two types of events can be identified:

a) Those that provide evidence of conditions that existed at the end of the reporting year (adjusting events after balance sheet date); and

b) Those that are indicative of conditions that arose after the reporting year (Non-adjusting events after balance sheet date).

The company has declared 5% Stock Dividend and 5% Cash Dividend, which is recommended by the Board of Directors in their meeting held at the company's head office on Oct 28, 2017 which would be confirmed in the next Annul General Meeting (AGM) by the shareholders.

2.17 Components of the Financial Statements

- Statement of Financial Position (Balance Sheet) as at June 30, 2017;
- Statement of Profit or Loss and Other Comprehensive Income for the year ended June 30, 2017;
- Statement of changes in equities for the year ended June 30, 2017;
- Statement of Cash Flows for the year ended June 30, 2017;
- Accounting policies and explanatory Notes to the Financial Statements for the year ended June 30, 2017;

2.18 Employee Summary

Sl	Particulars	30-Jun-17	30-Jun-16
a)	Managers & Officers	191	185
b)	Office Assistant, Cableman & Others	156	147
	Total	347	332

2.19 Employee Benefits
A) Employee's Provident Fund

The Company continuing 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 under a pre-determined rate. These contributions are duly deposited to separate bank account and invested under prescribed guide line of Bangladesh Labor Law.

C) Insurance

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

D) Workers' Profit Participation & Welfare Fund (WPP & WF)

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

2.20 Financial risk management

The company 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 reflect changes in market conditions and the company's Activities. The company has exposure to the following risks from use of financial instruments.

- Ø Credit risk
- Ø Liquidity risk
- Ø Market risk



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 obligations and arises principally from the company's receivables. 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 and 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 normal and stressed conditions, without incurring unacceptable losses or meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

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 30 June 2017 there was no exposure to currency risk as there were no 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. There was no loan which is subject to interest. The company has not entered into any type of derivative instrument in order to hedge interest. The company has been not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

2.21 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.

Previous year's figure has been re-arranged whenever considered necessary to ensure comparability with the current year's presentation as per BAS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

2.22 General

- i) Wherever considered necessary, previous year's figures have been rearranged for the purpose of comparison;
- ii) Figures appearing in the Financial Statements have been rounded off to the nearest Taka.





Amount in Taka	
30.06.2017	30.06.2016

3.00 Goodwill:

This is made up as follows:

Particulars

Opening Balance	228,000	228,000
Less: Amortization during the year	(228,000)	-
Closing Balance	-	228,000

4.00 Property, Plant and Equipments:

This is made up as follows:

Particulars	Unit-1 Taka	Unit-2 Taka	Unit-3 Taka	Amount in Taka	
				30.06.2017	30.06.2016
A. Cost:					
Opening Balance	601,352,835	49,718,490	18,971,019	670,042,344	578,273,148
Addition during the year	41,693,589	673,190	2,622,793	44,989,572	91,769,196
Less: Adjustment during the year	-	-	-	-	-
Closing Balance	643,046,424	50,391,680	21,593,812	715,031,916	670,042,344
B. Accumulated Depreciation:					
Opening Balance	272,954,508	40,558,634	10,167,318	323,680,460	282,148,385
Add: Charged during the year	44,210,794	1,508,520	1,710,459	47,429,773	41,532,075
Less: Adjustment during the year	-	-	-	-	-
Closing Balance	317,165,302	42,067,154	11,877,777	371,110,233	323,680,460
Written Down Value (A-B)	325,881,122	8,324,526	9,716,035	343,921,683	346,361,884

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

5.00 Long Term Security Deposit:

This is made up as follows:

Particulars

BTCL for Telephone Line	5,000	5,000
Security Agst. Bandwidth (BTCL & Others)	1,078,975	1,078,975
Security Agst. E1 & Others (BTCL)	35,084	35,084
Security Deposit-Others	2,731,800	2,846,800
Total	3,850,859	3,965,859

6.00 Inventories:

This is made up as follows:

Particulars

Accessories	Note: 6.01	275,951	545,609
GLP & GPRS Modem & Accessories	Note: 6.02	4,562,385	2,425,758
IP Telephony Hardware	Note: 6.03	1,968,870	3,846,154
Modem, Media Converter & Concentrators		871,105	1,077,596
Switch, Router, Equipments & Others		4,187,928	3,110,938
Stationery		25,059	21,015
Stock of Fiber Optic		933,914	1,410,610
Radio Equipment		2,993,670	2,943,268
Total		15,818,882	15,380,948

6.01 Accessories:

This is made up as follows:

Particulars

Broadband Accessories	194,169	369,592
UTP Cable	81,782	176,017
Total	275,951	545,609

6.02 GLP, GPRS Modem & Accessories:

This is made up as follows:

Particulars

Geographical Location Platform (GLP) & Others	4,562,385	2,425,758
Total	4,562,385	2,425,758





Amount in Taka	
30.06.2017	30.06.2016

6.03 IP Telephony Hardware:

This is made up as follows:

Particulars

IP Telephone set
IP Telephony Equipment
Total

1,511,863	3,381,772
457,007	464,382
1,968,870	3,846,154

7.00 Advances, Deposits & Pre-payments:

This is made up as follows:

Particulars

a) Advances:
Against Salary
Advance to suppliers and others
Material In Transit (L/C Margin)
Total

2,039,305	2,227,983
5,986,130	5,147,716
5,058	5,157,756
8,030,493	12,533,455

b) Deposits:
Security Deposit / Earnest Money
Total

4,523,216	2,814,806
4,523,216	2,814,806

c) Pre-payments
Total (a+b+c)

349,414	1,894,320
12,903,123	17,242,582

The sum of advances are unsecured but realizable. It includes no such amount which are recoverable from Director & Managing Director of the company.

8.00 Advance Income Tax and VAT:

This is made up as follows:

Particulars

Advance VAT
Advance Income Tax
Total

Note: 8.01
Note: 8.02

-	262,837
26,620,547	20,700,832
26,620,547	20,963,669

8.01 Advance VAT:

This is made up as follows:

Particulars

VAT Treasury Account
VAT Procurement Account
VAT Against Supply & Sales
Total

-	262,837
-	-
-	-
-	262,837

8.02 Advance Income Tax:

This is made up as follows:

Particulars

Tax Deducted On Interest Income
Tax Deducted On Supply & Sales
Advance Tax Paid
Total

3,485,199	1,801,110
23,135,348	10,197,191
-	8,702,531
26,620,547	20,700,832

9.00 Bills Receivable:

This is made up as follows:

Particulars

Internet & Data Services
IP Telephone Service
Web page, Software & Data Transmit
Hardware, Switch & Others
Total

Note: 9.01
Note: 9.02
Note: 9.03

98,538,259	62,551,986
19,412,862	11,574,096
23,189,361	13,678,485
904,425	700,406
142,044,907	88,504,972

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





Amount in Taka	
30.06.2017	30.06.2016

9.01 Internet & Data Services:

This is made up as follows:

Particulars

Internet & Fax
Installation (Radio & Others)
Corporate Internet
Prepaid dist.
Broad Band Internet
Data Connectivity
Total

1,489,130	1,489,130
250	204,270
24,310,976	18,679,439
821	821
1,918,919	974,472
70,818,163	41,203,854
98,538,259	62,551,986

9.02 IP Telephone:

This is made up as follows:

Particulars

Monthly rent & Others
Inter-Connectivity
Total

14,552,485	9,221,558
4,860,377	2,352,538
19,412,862	11,574,096

9.03 Web page, Software & Data Transmit:

This is made up as follows:

Particulars

Software Development
Domain Hosting & Registration
AVLS
Graphics Design
Total

1,378,150	2,154,435
3,404,734	2,096,516
15,729,303	7,057,558
2,677,174	2,369,977
23,189,361	13,678,485

10.00 Accounts Receivable:

This is made up as follows:

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	Amount in Taka	
				30.06.2017	30.06.2016
FDR Interest Receivable	5,328,996	435,803	-	5,764,799	6,779,148
Total	5,328,996	435,803	-	5,764,799	6,779,148

11.00 Investment In Shares (at Market Value):

This is made up as follows:

Particulars

ICB Islami Bank Ltd.
The City Bank Ltd.
AB Bank Ltd.
Jamuna Oil Ltd.
GBB Power Ltd.
Saif Powertec Ltd.
Total

-	4,120,500
-	2,556,000
24,558,187	-
1,035,500	-
14,950,000	-
8,265,000	-
48,808,687	6,676,500

12.00 Investment in FDR:

This is made up as follows:

Particulars

Prime Bank Ltd 1274106000996-7
Prime Bank Ltd 12741020010005
Prime Bank Ltd 12741040027175
Prime Bank Ltd 12741070010994
UCBL 084140300000134
UCBL 0171404000000208
Bank Asia Ltd. 02155008688
Bank Asia Ltd. 02155008710
Bank Asia Ltd. 2155008365
IDLC Finance td. 11252217203701
IDLC Finance td. 10452217203701
IDLC Finance td. 11253117203701

2,379,630	2,288,195
2,121,068	2,029,730
9,282,958	8,880,373
9,448,722	9,080,600
7,785,750	7,368,482
7,049,953	6,646,197
2,589,544	2,474,847
5,161,519	4,922,072
13,490,559	12,882,379
15,370,715	14,270,164
-	6,956,752
6,195,312	6,195,312





IDLC Finance td.	11254717203701
IFIC Bank Ltd.	1025-509038-200
IFIC Bank Ltd.	1025-509038-201
IFIC Bank Ltd.	1006-522930-200
DBH	7102019005
Exim Bank Ltd.	02860100286686
Exim Bank Ltd.	028-601-00-37135-5
Al-Arafa Bank Ltd.	0311330261359
Bank Al-Falah Ltd.	05900293
Meghna Bank Ltd.	250000050
Meghna Bank Ltd.	250000068
Uttara Finance & Invest.Ltd.	0100120059314
Uttara Finance & Invest.Ltd.	0100120019615
Uttara Finance & Invest.Ltd.	0100120019815
Uttara Finance & Invest.Ltd.	0100120025615
Uttara Finance & Invest.Ltd.	0100360000515
NRB Commercial Bank Ltd.	011171200000036
NRB Commercial Bank Ltd.	011171200000024
NRB Commercial Bank Ltd.	011171200000037
NRB Commercial Bank Ltd.	011171200000022
NRB Commercial Bank Ltd.	011171200000052
NRB Commercial Bank Ltd.	011171200000050
NRB Commercial Bank Ltd.	011148000000025
NRB Commercial Bank Ltd.	011148000000029
Midland Bank Ltd.	1100004477
Midland Bank Ltd.	1100004486
SBAC Bank Ltd.	01244000065784
Lanka Bangla Finance Ltd.	001022800000127
Lanka Bangla Finance Ltd.	0010228000000610
Lanka Bangla Finance Ltd.	0010228000000670
Peoples Leasing & Finance	868/2016
Total	

Amount in Taka	
30.06.2017	30.06.2016
5,599,625	5,000,000
-	1,417,780
-	5,973,157
6,270,720	5,925,574
3,160,352	2,974,932
-	7,157,301
5,684,354	5,416,250
3,152,635	2,979,756
2,836,438	2,696,875
7,762,537	7,273,126
5,120,256	4,818,254
6,420,069	5,990,270
5,842,508	5,451,500
23,365,316	21,803,000
5,447,000	5,000,000
5,000,000	5,000,000
5,960,608	5,492,500
3,574,680	3,294,500
5,960,608	5,492,500
5,927,625	5,000,000
1,154,200	1,087,250
-	5,436,250
-	2,183,000
-	6,523,537
-	2,712,250
-	2,712,250
2,899,708	2,725,000
5,000,000	5,000,000
16,335,000	-
10,000,000	-
-	15,000,000
223,349,969	241,531,915

13.00 Cash & Cash Equivalent:

This is made up as follows:

Particulars

Cash in Hand	
Cash at Bank	Note: 13.01
Cash Available in BO Account (Daulatunnessa Equities Ltd.)	
Total	

369,824	345,550
39,368,272	18,479,637
360,278	29,685
40,098,374	18,854,872

13.01 Cash at Bank:

This is made up as follows:

Particulars

CD Accounts

Eastern Bank Ltd.	1061060000757
First Security Bank Ltd.	010811100001575
Sonali Bank Ltd.	001017833
Bank Asia Ltd.	06933000002
Bank Asia Ltd.	02133001275

STD Accounts

Prime Bank Ltd	12732030003986
Prime Bank Ltd	12732080003998
Prime Bank Ltd	12731080017622
Prime Bank Ltd	12711020027776
NCC Bank Ltd.	100210004661
Prime Bank Ltd	12751050019650
UCBL	0841301000000255
UCBL	0841301000000266
UCBL	0841301000000277
UCBL	0841301000000244
Rupali Bank Ltd.	240000338
Pubali Bank Ltd.	3478102001001

1,452,354	202,023
147,628	142,271
294,811	234,251
278,370	85,688
1,460,895	1,186,142
1,381,316	(33,962)
7,653,080	2,068,529
101,542	101,369
1,940,815	2,486,327
3,208	3,208
4,715,866	6,324,551
552,425	39,858
1,008,776	766,648
337,090	120,964
115,537	114,326
4,081,490	1,065,090
2,493,203	179,136





		Amount in Taka	
		30.06.2017	30.06.2016
Dutch-Bangla Bank Ltd	171120344	3,827,487	2,505,674
Dutch-Bangla Bank Ltd	1711200002011	3,101,918	736,973
Dutch-Bangla Bank Ltd	1000000000130	432,279	14,170
Islami Bank BD. Ltd.	20502050900011812	2,854,686	21,445
Al-Arafah Bank Ltd.	0311220001107	831,763	79,111
Midland Bank Ltd.	0081090000066	301,733	35,848
Total		39,368,272	18,479,637

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:

44,306,796 Ordinary shares of Taka. 10 each

443,067,963	414,082,213
-------------	-------------

14.01 Compositions of Shareholdings

This is made up as follows:

Particulars	As on 30.06.2017		As on 30.06.2016	
	No. of Shares	% of holdings	No. of Shares	% of holdings
Sponsor/Director	10,236,010	23.10	9,566,370	23.10
Institutions	8,086,518	18.25	14,117,141	34.09
General Public	25,984,268	58.65	17,724,710	42.80
Total	44,306,796	100.00	41,408,221	100.00

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 30.06.2017		As on 30.06.2016	
	Shareholders	No. of Shares	Shareholders	No. of Shares
Less than 500 shares	2,349	311,055	3,668	615,074
500 to 5,000 Shares	1,667	2,605,625	2,883	4,702,944
5001 to 10,000 shares	188	1,415,270	293	2,156,742
10,001 to 20,000 shares	117	1,738,237	147	2,117,194
20,001 to 30,000 shares	52	1,317,263	38	918,641
30,001 to 40,000 shares	29	1,040,958	25	879,534
40,001 to 50,000 shares	41	1,884,557	17	784,033
50,001 to 100,000 shares	48	3,696,396	38	2,727,088
100,001 to 1,000,000 shares	60	18,174,821	25	7,569,532
Over 1,000,000 shares	5	12,122,614	7	18,937,439
Total	4,556	44,306,796	7,141	41,408,221

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 45.50 (High-Taka. 46.90, Low-Taka. 45.10) per share and Taka 45.90 (High-Taka. 46.10 Low-Taka. 45.50) per share in the Dhaka and Chittagong Stock Exchange respectively as of June 30, 2017.

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:

This is made up as follows:

Particulars

Share Premium

Total

119,504,000	119,504,000
119,504,000	119,504,000





Amount in Taka	
30.06.2017	30.06.2016

16.00 Deferred Tax Liabilities:

This is made up as follows:

Particulars	Carrying Amount (Tk.)	Tax Base (Tk.)	Taxable/(Deductible) temporary differences
As at June 30, 2017			
Property, Plant & Equipment (Excluding Land)	316,921,683	267,239,302	49,682,381
Net Taxable Temporary Difference			49,682,381
Applicable Tax Rate			25%
			12,420,595
Less: Deferred Tax Provision on Realization Loss on Shares			(877,858)
Deferred Tax Liability (A)			11,542,737
Add: Unrealized (loss)/Gain on investment in shares during the year			971,686
Less: Prior year adjustments on Unrealized loss on investment in shares			(1,579,132)
Deferred Tax Liabilities as at June 30, 2017			10,935,291
As at June 30, 2016			
Property, Plant & Equipment (Excluding Land)	319,361,884	300,846,323	18,515,561
Net Taxable Temporary Difference			18,515,561
Applicable Tax Rate			25%
Deferred Tax Liability (B)			4,628,890
Deferred Tax (Income)/Expenses (A-B)			6,913,847

17.00 Bills Payables:

This is made up as follows:

Particulars

Sundry Creditors
Unpaid Dividend
Total

105,235,064	74,155,436
2,713,104	1,791,177
107,948,168	75,946,613

18.00 Accounts Payables:

This is made up as follows:

Particulars

Liability for Expenses
Liability for Other Finance
Total

Note: 18.01
Note: 18.02

11,781,292	1,820,281
17,558,317	17,556,507
29,339,609	19,376,788

18.01 Liabilities for Expenses:

This is made up as follows:

Particulars

Salaries & Allowances
Outstanding Expenses
Audit Fee Payable
Total

11,037,906	906,286
639,886	821,995
103,500	92,000
11,781,292	1,820,281

18.02 Liability for Other Finance:

This is made up as follows:

Particulars

Tax deducted on Employees Salaries
Employees Provident Fund
Tax deducted on Suppliers
Security Deposit -Broadband
Security Deposit -Others
Contribution to WPPWF @ 5%
VAT at Source & Others
Advance Agst. Sales (Reseller-Internet)
Advance Agst. Sales (Data Bandwidth)
Advance Agst. Sales (Corporate Bandwidth)
Advance Agst. Sales (Domain & Hosting)
Advance Agst. Sales (AVLS)
Advance Agst. Sales (Monthly Rent/ Tel Call)
Total

2,703,630	1,287,460
1,385,846	616,918
465,243	1,714,987
10,350	88,554
335,204	250,500
4,308,605	4,216,010
3,714,675	857,879
973,630	333,053
118,566	6,590,909
1,105,126	841,859
320,221	23,316
714,995	622,834
1,402,226	112,228
17,558,317	17,556,507





Amount in Taka	
30.06.2017	30.06.2016

19.00 Provision For Income Tax:

This is made up as follows:

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	Amount in Taka	
				30.06.2017	30.06.2016
Net Profit Before WPPWF	68,924,175	19,169,607	1,888,767	89,982,549	84,320,196
Less: Contribution to WPPWF @ 5%	(3,282,104)	(912,838)	(89,941)	(4,284,883)	4,216,009
Profit Before Tax	65,642,072	18,256,768	1,798,826	85,697,666	80,104,187
Less: Tax Exempted Profit **	(13,086,337)	(16,901,606)	(1,168,514)	(31,156,457)	31,338,272
Net Profit Before Tax	52,555,735	1,355,162	630,312	54,541,209	48,765,915
Add: Accounting Depreciation	44,210,794	1,508,520	1,710,459	47,429,773	-
Less: Tax Depreciation	(49,212,417)	(1,578,313)	(1,994,244)	(52,784,974)	-
Add: Net Realized Loss on Sale of Shares	8,778,578	-	-	8,778,578	-
Taxable Profit	56,332,689	1,285,369	346,527	57,964,586	48,765,915
Provision for Income Tax @ 25%	14,083,172	321,342	86,632	14,491,146	12,191,478

[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 upto June 30, 2024]

20.00 Provision for Bad & Doubtful Debts:

This is made up as follows:

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	Total 30.06.2017	Total 30.06.2016
Opening Balance	2,638,470	812,470	278,262	3,729,202	1,489,130
Add: Made during the year	3,531,685	2,022,440	673,763	6,227,888	2,240,072
Total	6,170,155	2,834,910	952,025	9,957,090	3,729,202

21.00 Short Term Bank Loan:

This is made up as follows:

Particulars	Account Numbers		
Prime Bank Ltd. (SOD A/C)	12777590042804	2,629,629	12,916,990
Bank Asia Ltd. (Motor Vehicle)	02135001177	528,306	1,024,749
Bank Asia Ltd. (Motor Vehicle)	02135001252	575,017	947,378
Bank Asia Ltd. (Machinery)	02135001282	6,394,098	8,607,187
Bank Asia Ltd. (Motor Vehicle)	02135001299	1,377,089	1,721,641
Bank Asia Ltd. (Motor Vehicle)	02135001339	1,705,202	2,011,111
Total		13,209,341	27,229,056

22.00 Revenue From Sales, Services & Others:

This is made up as follows:

Particulars	Note:		
Revenue from Unit -I	Note: 22.01	425,583,973	350,403,499
Revenue from Unit -II	Note: 22.02	57,030,661	48,341,793
Revenue from Unit -III	Note: 22.03	38,344,411	45,935,026
Total		520,959,045	444,680,318

22.01 Revenue From Unit -I:

This is made up as follows:

Particulars	Note:		
Revenue from Internet/Data Connectivity Services	Note: 22.01.01	405,111,141	327,398,372
Revenue from IT Enable Services	Note: 22.01.02	13,086,337	12,491,924
Revenue from Sale of Hardware	Note: 22.01.03	27,690	1,397,538
Revenue from Internet (Educational Institutions)		7,358,805	9,115,665
Total		425,583,973	350,403,499

22.01.01 Revenue from Internet/Data Connectivity Services:

This is made up as follows:

Particulars		
Internet/ Data Connectivity Services	465,877,812	376,508,127
Less: VAT 15%	60,766,671	49,109,755
Total	405,111,141	327,398,372





Amount in Taka	
30.06.2017	30.06.2016

22.01.02 Revenue from IT Enable Services:

This is made up as follows:

Particulars

IT Enable Services

Less: VAT 4.5%

Total

13,675,222	13,054,061
588,885	562,137
13,086,337	12,491,924

22.01.03 Revenue from Sale of Hardware:

This is made up as follows:

Particulars

Sale of Hardware

Less: VAT 5%

Total

29,075	1,467,415
1,385	69,877
27,690	1,397,538

22.02 Revenue From Unit -II:

This is made up as follows:

Particulars

Revenue from Software & Graphic Design

Revenue from Web Development, Hosting & Domain Reg.

Revenue from AVLS Software & Support

Revenue from AVLS Supply & Services

Total

Note: 22.02.01

13,774,685	19,150,913
11,440,795	4,863,646
20,787,461	13,637,834
11,027,720	10,689,400
57,030,661	48,341,793

22.02.01 Revenue from AVLS Supply & Services:

This is made up as follows:

Particulars

Sale of AVLS Tracker

Less: VAT 5%

Total

11,579,106	11,223,870
551,386	534,470
11,027,720	10,689,400

22.03 Revenue From Unit -III:

This is made up as follows:

Particulars

Revenue from IP Telephony Monthly Rent

Revenue from IP Telephony Outgoing NWD Call

Revenue from IP Telephony Outgoing ISD Call

Revenue from IP Telephony Incoming NWD Call

Revenue from IT Enable Services

Revenue from Sale of Hardware & Equipments

Total

Note: 22.03.01

Note: 22.03.02

Note: 22.03.03

Note: 22.03.04

Note: 22.03.05

Note: 22.03.06

290,200	291,825
15,293,075	17,819,083
8,574,204	5,274,381
6,312,653	4,993,056
1,168,514	6,669,545
6,705,765	10,887,136
38,344,411	45,935,026

22.03.01 Revenue from IP Telephony Monthly Rent:

This is made up as follows:

Particulars

Revenue From Monthly Rent

Less: VAT 15%

Total

333,730	335,599
43,530	43,774
290,200	291,825

22.03.02 Revenue from IP Telephony Outgoing NWD Call:

This is made up as follows:

Particulars

Revenue From Outgoing NWD Call

Less: VAT 15%

Total

17,587,036	20,491,945
2,293,961	2,672,862
15,293,075	17,819,083

22.03.03 Revenue from IP Telephony Outgoing ISD Call:

This is made up as follows:

Particulars

Revenue From Outgoing ISD Call

Less: VAT 15%

Total

9,860,335	6,065,538
1,286,131	791,157
8,574,204	5,274,381





Amount in Taka	
30.06.2017	30.06.2016

22.03.04 Revenue from IP Telephony Incoming NWD Call:

This is made up as follows:

Particulars

Revenue From Incoming NWD Call

Less: VAT 15%

Total

7,259,551	5,742,014
946,898	748,958
6,312,653	4,993,056

22.03.05 Revenue from IPTSP IT Enable Services:

This is made up as follows:

Particulars

Revenue From IT Enable Services

Less: VAT 4.5%

Total

1,221,097	6,969,675
52,583	300,130
1,168,514	6,669,545

22.03.06 Revenue from Sales of IPTSP Hardware & Equipments:

This is made up as follows:

Particulars

Revenue From Hardware & Equipments

Less: VAT 5%

Total

7,041,053	11,431,493
335,288	544,357
6,705,765	10,887,136

23.00 Operating Expenses:

This is made up as follows:

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	Total 30.06.2017	Total 30.06.2016
Services & Others (Notes- 23.01)	186,070,767	12,042,825	14,827,224	212,940,816	165,778,233
Hardware & Others (Notes- 23.02)	5,654,578	8,450,007	2,842,796	16,947,381	18,495,521
Total	191,725,345	20,492,832	17,670,020	229,888,197	184,273,754

23.01 Services & Others:

This is made up as follows:

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	Total 30.06.2017	Total 30.06.2016
Bandwidth Charges	28,798,463	118,800	118,800	29,036,063	24,015,879
Electricity Charges	3,835,284	551,771	562,368	4,949,423	4,376,808
Telephone Charges	1,457,254	3,639,107	-	5,096,361	4,153,526
Domain Registration Exp.	-	225,201	-	225,201	128,354
Data Connectivity, Fiber Rent & Deployment	138,219,185	-	-	138,219,185	120,899,624
E1, Server Rent and Inter connectivity	1,111,125	2,452,823	14,139,706	17,703,654	10,086,742
Cost of Software (GLP & Others)	450,000	4,515,756	6,350	4,972,106	1,770,391
Electrical Goods & Installation	189,832	23,000	-	212,832	346,909
Direct Salary & Allowances	12,009,624	516,367	-	12,525,991	-
Total	186,070,767	12,042,825	14,827,224	212,940,816	165,778,233

23.02 Hardware & Others:

This is made up as follows:

Particulars	UNIT-I ISP	UNIT-II SDP	UNIT-3 IPTSP	Total 30.06.2017	Total 30.06.2016
Broadband Modem Concentrator & others	-	-	-	-	98,428
Cost on sales of Hardware & Others	5,599,144	8,450,007	2,842,796	16,891,947	18,136,242
Cost of Sales of Optical Fiber/Cable	-	-	-	-	260,851
Internet & Telecommunications	55,434	-	-	55,434	-
Total	5,654,578	8,450,007	2,842,796	16,947,381	18,495,521



Amount in Taka	
30.06.2017	30.06.2016

24.00 Administrative and Marketing Expenses:

This is made up as follows:

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	Total 30.06.2017	Total 30.06.2016
Directors Remuneration (Note-24.01)	3,250,000	-	-	3,250,000	3,250,000
Salary and Allowances	83,276,878	10,357,810	10,092,191	103,726,879	98,878,066
Traveling and Conveyance	5,874,799	225,171	56,805	6,156,775	7,074,523
Uniform & Others	3,580	-	-	3,580	63,984
Office Rent	6,260,676	1,926,362	1,444,772	9,631,810	8,475,568
VAT on Office Rent	649,345	223,491	167,618	1,040,454	570,317
Electricity Charges	426,143	61,308	62,485	549,936	486,313
Telephone Charges	161,917	-	-	161,917	461,407
Printing and stationeries	731,489	-	450	731,939	868,772
Courier & Postage Charges	486,734	-	-	486,734	710,838
CSR Expenses	80,000	-	-	80,000	-
Advertisement Expenses	255,137	39,325	33,025	327,487	366,435
News Papers & Periodicals	14,561	2,242	2,242	19,045	14,157
Entertainment	1,842,388	187,149	3,045	2,032,582	2,085,700
Security charges	360,525	-	-	360,525	365,055
Repair & Maintenance	3,697,077	390,954	232,074	4,320,105	3,976,943
Utility Charges	476,738	68,133	56,359	601,230	1,741,963
Car Rent & Maintenance	4,303,166	10,550	560,793	4,874,509	5,592,826
Annual Listing Fee (DSE, CSE, CDBL, BAPLC)	1,251,558	179,218	179,218	1,609,994	830,778
License Registration & Renewal Fees	681,024	246,084	575,000	1,502,108	1,092,082
Municipal Tax	313,896	-	-	313,896	-
Insurance Premium	899,164	64,746	24,534	988,444	1,078,929
Fees & Professional Charges	257,800	33,750	33,750	325,300	255,000
Consultancy & Legal Fee	-	-	550,000	550,000	250,000
AGM Expenses	740,049	146,785	151,785	1,038,619	962,261
Business Promotional	865,287	106,414	5,000	976,701	2,422,682
Audit Fee	51,750	25,875	25,875	103,500	92,000
Contribution to Employees PF	2,501,027	388,315	391,170	3,280,512	3,426,741
Training Expenses	91,100	-	24,300	115,400	149,155
Tender Participation	64,175	-	1,000	65,175	82,679
Annual Refreshment Expenses	484,686	103,862	103,862	692,410	609,415
Revenue Sharing with BTRC	-	207,907	1,469,736	1,677,643	1,318,641
Amortization of Goodwill	228,000	-	-	228,000	-
General Expenses	72,739	143,240	130,500	346,479	1,272,099
Total	120,653,408	15,138,691	16,377,589	152,169,688	148,825,329

Total number of employees in the pay role of the Company as at June 30, 2017 was 347 And all of them received salary and allowances above Tk. 60,000 per year.

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

This is made up as follows:

Particulars

Name	Designation	Yearly remuneration	Festival Bonus	Total 30.06.2017	Total 30.06.2016
S.M. Golam Faruk Alamgir	Managing Director	3,000,000	250,000	3,250,000	3,250,000
Total		3,000,000	250,000	3,250,000	3,250,000

25.00 Financial Charges:

This is made up as follows:

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	Total 30.06.2017	Total 30.06.2016
Bank Interest	2,161,114	3,305	24,578	2,188,997	1,954,985
Bank Charges & Others	336,067	50,428	7,897	394,392	472,413
Total	2,497,181	53,733	32,475	2,583,389	2,427,398





Amount in Taka	
30.06.2017	30.06.2016

26.00 Non Operating Income:

This is made up as follows:

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	Total 30.06.2017	Total 30.06.2016
Bank Interest (FDR A/C.)	14,250,701	1,290,435	-	15,541,136	18,417,836
Bank Interest (SND A/C)	252,191	64,727	8,662	325,581	365,668
Other Income	-	-	-	-	155,000
Dividend on Marketable Security	234,300	-	-	234,300	-
Total	14,737,192	1,355,162	8,662	16,101,017	18,938,504

27.00 Net Realized Loss on Sale of Securities (Share)

This represents the sum of loss (Difference of cost and present market value) on investment made in the share of ICB Islami Bank Ltd. in September 2010. The make-up whereof is as under:

Particulars	Total 30.06.2017	Total 30.06.2016
Cost Value of Investment in Shares:		
ICB Islami Bank Ltd.	19,966,332	-
City Bank Ltd.	2,501,483	-
Lanka Bangla Finance Ltd.	15,803,615	-
One Bank Ltd.	11,167,216	-
Saif Power Ltd.	1,775,384	-
Zahin Textile Ltd.	3,993,616	-
DESCO	8,371,503	-
Total Price of Investment in shares	63,579,149	-
Less: Realized Value from sale of shares	54,800,571	-
Net Realized Profit/(Loss) from Sale of Shares	(8,778,578)	-

28.00 Sustainable Estimated Profit/(Loss) on Marketable Securities:

This is made up as follows:

Particulars	Total 30.06.2017	Total 30.06.2016
Saif Power Ltd.	8,491,748	-
Jamuna Oil Ltd.	972,327	-
GBB Power Ltd.	16,229,604	-
AB Bank Ltd.	29,189,468	-
ICB Islami Bank Ltd.	-	19,966,332
The City Bank Ltd.	-	2,501,483
Total Cost Value as on 30.06.2017	54,883,147	22,467,815
Less: Fair Market Value of Investment in Shares as on 30.06.2017	48,808,687	6,676,500
Total Estimated Loss on Marketable Securities	(6,074,460)	(15,791,315)
Adjustment upto 30.06.2017	15,791,315	15,845,832
Sustainable Estimated Gain on Marketable Securities	9,716,855	54,517

29.00 Earning Per Share (EPS)

This is made up as follows:

Particulars

Profit From Continuing Operation attributable to the ordinary Equity holders	64,292,672	67,084,798
Less: Preference Share Dividend	-	-
Profit attributable to the ordinary equity holders	64,292,672	67,084,798
Total outstanding shares as at June 30, 2017	44,306,796	44,306,796
Earning Per Share (EPS)	1.45	1.51

30.00 Related Party Disclosures:

30.01 The details of Related Party Transaction during the year along with the relationship is illustrated below in accordance with BAS 24:

Name of the company	Total Transaction (Tk.)	Relationship with company	Nature of Transaction	Balance 30.06.2017 (Tk.)	Remarks
Fiber @ Home Ltd.	2,231,000	Concern Under Common Mgt.	IIG Bandwidth	997,626	Trade Creditors
Fiber @ Home Ltd.	67,929,793	Concern Under Common Mgt.	NTTN & Others Service	13,078,986	Trade Creditors
Norban Fashion Ltd.	95,000	Concern Under Common Mgt.	Internet & others	240,693	Trade Debtors
Norban Comtex Ltd.	155,173	Concern Under Common Mgt.	Internet & others	437,204	Trade Debtors



Amount in Taka	
30.06.2017	30.06.2016

30.02 Disclosure of Managerial Remuneration:

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

Name	Designation	Amount (Tk.) as on 30.06.2017
Mr. S. M. Golam Faruk Alamgir	Managing Director (MD)	3,250,000
Md. Robiul Alam Chowdhury	Chief Financial Officer (CFO)	2,464,000
Mr. A. K. M Kutub Uddin	ED, Admin & CS	2,412,000
Mr. S.M. Kamruzzaman	Chief Technical Officer (CTO)	2,388,700
Mr. Gazi Zehadul Kabir	General Manager, Sys. Integration	1,939,750

31.00 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



BDCOM ONLINE LIMITED
Schedule of Property, Plant and Equipments
For the year ended June 30, 2017

Particulars	Cost			Rate of Dep.	Depreciation			W.D.V. as at 30.06.17
	Opening Balance as at 01.07.16	Additions during the year	Adjustment during the year		Total as at 30.06.17	Charged during the year	Adjustment during the year	
Land	27,000,000	-	-	0%	-	-	-	27,000,000
Building (Floor Space)	67,101,909	-	-	2.5%	1,478,080	-	9,456,787	57,645,122
Internet System Hardware	177,169,765	14,444,673	-	18%	13,539,019	-	122,913,474	68,700,964
Furniture & Fixture	3,423,645	194,290	-	10%	181,316	-	1,882,014	1,735,921
Office Renovation	10,954,249	407,666	-	18%	913,437	-	6,963,081	4,398,834
Sundry Assets	845,535	-	-	10%	26,981	-	602,706	242,829
Crockeries & Cutleries	147,473	31,270	-	10%	9,213	-	65,270	113,473
A. C. Installation	3,951,163	155,400	-	18%	287,422	-	2,680,995	1,425,568
PABX Installation	342,783	-	-	18%	4,156	-	323,849	18,934
Office Equipments	15,523,005	1,509,573	-	15%	913,755	-	10,807,040	6,225,538
V-Sat Tower	3,919,414	-	-	15%	75,799	-	3,489,888	429,526
Telephone & Installation	10,576,534	-	-	15%	165,578	-	9,638,262	938,272
Motor Vehicles	15,433,200	348,920	-	15%	1,434,350	-	7,309,250	8,472,870
Generator/Online UPS	11,304,458	3,000,787	-	15%	1,255,862	-	5,559,678	8,745,567
Cable Installation	14,605,424	2,405,848	-	15%	1,623,919	-	6,603,683	10,407,589
Broad Band Equipments	53,470,164	1,740,851	-	18%	3,352,056	-	39,276,976	15,934,039
Radio Equipments	41,237,012	5,158,206	-	18%	5,129,072	-	20,508,809	25,886,409
Electrical Installation	1,772,527	169,883	-	15%	132,003	-	1,151,309	791,101
Optical Fiber Deployment	115,923,512	8,670,474	-	15%	11,333,093	-	57,590,275	67,003,711
Neon Sign & Others	18,767	-	-	20%	732	-	15,839	2,928
Base Tower & Installation	19,454,318	3,455,748	-	10%	1,779,221	-	5,451,057	17,459,009
WiFi Base Station	7,177,978	-	-	20%	575,730	-	4,875,059	2,302,919
Sub Total	601,352,835	41,693,589	-		44,210,794	-	317,165,301	325,881,123



BDCOM ONLINE LIMITED
Schedule of Property, Plant and Equipments
For the year ended June 30, 2017

Particulars	Cost			Rate of Dep.	Opening Balance as at 01.07.16	Charged during the year	Adjustment during the year	Total as at 30.06.17	W.D.V. as at 30.06.17
	Opening Balance as at 01.07.16	Additions during the year	Adjustment during the year						
System Hardware	11,727,974	672,110	-	18%	8,668,707	596,973	-	9,265,680	3,134,404
Furniture & Fixture	637,019	-	-	10%	483,574	15,345	-	498,919	138,100
Office Renovation	1,625,370	-	-	18%	1,439,043	33,539	-	1,472,582	152,788
Sundry Assets	86,212	-	-	10%	58,686	2,753	-	61,439	24,773
Books & Periodicals	73,226	-	-	10%	56,422	1,680	-	58,102	15,124
A. C. Installation	256,790	-	-	18%	241,048	2,834	-	243,882	12,908
Electric Installation	150,494	-	-	18%	141,920	1,543	-	143,463	7,031
Peripheral Equipment	4,753,108	1,080	-	15%	3,852,751	135,081	-	3,987,832	766,356
Software Development	28,002,242	-	-	15%	23,515,233	673,051	-	24,188,284	3,813,958
Telephone & Installation	1,800,785	-	-	15%	1,554,221	36,985	-	1,591,206	209,579
Auto Generator	601,190	-	-	15%	543,756	8,615	-	552,371	48,819
Crockeries & Cutlaries	4,080	-	-	15%	3,272	121	-	3,393	687
Sub Total	49,718,490	673,190	-		40,558,633	1,508,520	-	42,067,153	8,324,527

BDCOM ONLINE LIMITED
Schedule of Property, Plant and Equipments
For the year ended June 30, 2017

Particulars	Cost			Rate of Dep.	Opening Balance as at 01.07.16	Charged during the year	Adjustment during the year	Total as at 30.06.17	W.D.V. as at 30.06.17
	Opening Balance as at 01.07.16	Additions during the year	Adjustment during the year						
System Hardware	13,865,918	2,269,005	-	18%	7,499,185	1,316,172	-	8,815,357	7,319,566
Furniture & Fixture	16,650	6,200	-	10%	3,500	1,418	-	4,918	17,932
Telephone Installation-IP	1,029,128	246,788	-	15%	223,202	140,907	-	364,109	911,807
Software Development	4,008,505	100,800	-	15%	2,414,806	247,875	-	2,662,681	1,446,624
Electric Installation	21,180	-	-	15%	12,252	1,339	-	13,591	7,589
Radio Equipment	29,638	-	-	18%	14,373	2,748	-	17,121	12,517
Sub Total	18,971,019	2,622,793	-		10,167,318	1,710,459	-	11,877,777	9,716,035
Grand Total as at 30-06-2017	670,042,344	44,989,572	-		323,680,458	47,429,773	-	371,110,231	343,921,685
Grand Total as at 30-06-2016	578,273,148	91,769,196	-		282,148,386	41,532,074	-	323,680,460	346,361,884



Schedule-B

Aging Summary of Bill Receivable

Particulars	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	Above 150 Days	Total
Internet & Data Services :							
Broad Band, Internet & Others	5,275,895	5,033,018	3,883,958	3,442,043	3,432,710	6,652,473	27,720,097
Data Connectivity	42,474,390	4,778,785	5,455,490	4,333,633	5,116,917	8,658,948	70,818,163
Sub Total-A	47,750,284	9,811,803	9,339,448	7,775,676	8,549,627	15,311,421	98,538,259
Hardware / Switch :							
Switch, Router, Hardware etc	-	-	204,020	158,000	8,949	430,335	801,304
Fiber Optic	-	-	-	-	65,200	37,921	103,121
Sub Total- B	-	-	204,020	158,000	74,149	468,256	904,425
IP Telephone Service :							
Monthly Rent & Others	4,140,717	1,176,566	3,553,246	1,266,442	1,981,563	2,433,951	14,552,485
Inter Connectivity Charges	1,274,355	1,245,000	367,325	368,095	304,768	1,300,834	4,860,377
Sub Total- C	5,415,072	2,421,566	3,920,571	1,634,537	2,286,331	3,734,785	19,412,862
Web Page, Software & Data Transmit :							
Software Development	600,638	-	-	196,900	-	580,612	1,378,150
Domain Hosting & Registration	1,648,408	635,200	141,320	-	107,900	871,906	3,404,734
AVLS	4,427,081	3,495,234	1,118,639	1,346,515	1,604,393	3,737,440	15,729,302
Graphics Design	850,878	-	282,773	215,295	103,266	1,224,963	2,677,175
Sub Total-D	7,527,005	4,130,434	1,542,732	1,758,710	1,815,559	6,414,921	23,189,361
Grand Total (A+B+C+D)	60,692,361	16,363,803	15,006,771	11,326,923	12,725,666	25,929,383	142,044,907

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



A AHMED ZAKER & Co.
CHARTERED ACCOUNTANTS

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