

# Annual Report 2009 - 2010

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The document provided you with detailed and comprehensive information about the overall performance of BDCOM Online Limited as on June 30, 2010.

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

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## CORPORATE DIRECTORY

### BOARD OF DIRECTORS

CHAIRMAN	: MR. WAHIDUL HAQUE SIDDIQUI
MANAGING DIRECTOR	: MR. SUMON AHMED SABIR
DIRECTORS	: MRS. QURRATUL ANN SIDDIQUI MR. A.T.M. SAYEEDUZZAMAN MR. MOHD. ZULFIQUAR HAFIZ M/S. HORNBILL APPAREL LTD.
PUBLIC DIRECTOR	: MR. JASHIM UDDIN AHMED CHOWDHURY
INDEPENDENT DIRECTOR	: MR. RUHUL QUADER CHOWDHORY
COMPANY SECRETARY	: A.K.M. KUTUB UDDIN
REGISTERED OFFICE	: HOUSE # 43(4TH FLOOR), ROAD # 27(OLD) 16 (NEW), DHANMONDI R/A, DHAKA-1209
BRANCH OFFICES	: 1/B, DIT AVENUE, CAFEJHEEL BUILDING (10th Floor), MOTIJHEEL, DHAKA - 1000 TEL: 7162347-8  FIROZ TOWER, 152/3B-GREEN ROAD, PANTHOPATH, DHAKA, TEL: 8157920-21  HOUSE: 138 EASTERN NIBASH, ROAD-01, FLAT-01, GULSHAN-2, DHAKA-1212  1646 SK.MUJIB ROAD, LOKMAN TOWER (6TH FLOOR), PATHANTULI, CTG-4100  HOLLY VIEW COMPLEX (3RD FLOOR), 121/18 EAST DARGHA GATE, SYLHET
SHARE OFFICE	: HOUSE # 43(4TH FLOOR), ROAD # 27(OLD) 16 (NEW), DHANMONDI R/A, DHAKA-1209
AUDITOR	: M/S. AHMED ZAKER & CO. CHARTERED ACCOUNTANTS
BANKERS	: PRIME BANK LIMITED EASTERN BANK LIMITED FIRST SECURITY BANK LIMITED NATIONAL CREDIT AND COMMERCE BANK LTD. UNITED COMMERCIAL BANK LTD.
INSURER	: ASIA PACIFIC GENERAL INSURANCE CO. LTD.

**Registered Office**

House - 43 (4th floor), Road - 27 (Old) 16 (New)  
Dhanmondi R/A, Dhaka-1209

**Branch Office**

1) 1/B, DIT Avenue Cafejheel Building (10th floor)  
Motijheel C/A, Dhaka-1000, Tel: 8802-7162347-8

2) Firoz Tower, 152/3B Green Road, Panthppath  
Dhaka Tel: 880-2-8157921; 8157923

3) House: 138 Eastern Nibash, Road - 01, Flat-01  
Gulshan-2, Dhaka-1212

**Share Office**

House: 43 (4th floor), Road- 27 (Old) 16 (New)  
Dhanmondi R/A, Dhaka-1209

**Date of Incorporation**

February 12, 1997

**Date of Commercial Operation**

February 12, 1997

**ISO 9001:2000 Certification**

Received on 25th February, 2005

**Legal Status**

Public Limited Company Registered with the Joint  
Stock Company in Bangladesh

**Regulatory Authority**

Securities And Exchange Commission (SEC)

**Listed in Stock Market**

Dhaka Stock Exchange Limited (DSE)  
Chittagong Stock Exchange Limited (CSE)

**Authorized Capital**

Taka 100.00 Crore

**Paid up Capital**

Taka 12.32 Crore

**Number of Shareholders**

5,727

**Number of Employees**

210

## BDCOM'S PROFILE

**Nature of Business Activities**

Nationwide ISP Service

Nationwide data service

Software Development

Business Process Outsourcing

ICT Consultancy Service

Automatic Vehicle Location System (AVLS)

Network Product and Fiber Optic Cable sales

IPTSP Solutions

# NOTICE OF THE 14<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 14th Annual General Meeting of the shareholders of BDCOM Online Limited will be held on Wednesday, the December 22, 2010 at 11:30 a.m. at the TRUST MILONAYATON, 545 Old Airport Sarak, Dhaka Cantonment, Dhaka to transact the following business.

## **AGENDA:**

1. To receive, consider and adopt the audited accounts for the year ended June 30, 2010 together with the reports of the Auditors and the Directors thereon.
2. To declare a STOCK DIVIDEND @ 13%.
3. To elect Directors.
4. To appoint Auditors for the year ended June 30, 2011 and to fix their remuneration.
5. To transact any other business with the permission of the Chair.

By order of the Board

Sd/-  
(A.K.M. Kutub Uddin)  
Company Secretary

Dated: Oct 28, 2010

## **Notes:**

1. The Record Date in lieu of Book closer shall be on November 22, 2010.
2. A Member entitled to attend and vote at the annual general meeting and also may appoint a proxy to attend the meeting and vote in his/her stead. The proxy form with revenue stamp of tk.10/= must be deposited at the share office of the company at House # 43 (4th floor), Road # 27 (Old)/ 16 (New), Dhanmondi R/A, Dhaka-1209 not later than 48 hours before the time fixed for the meeting.
3. Members are requested to notify changes of address, if any to the company's share office mentioned above.
4. Admission into the meeting Hall will be strictly on production of the attendance slip attached with the proxy form.

## বিডিকম অনলাইন লিমিটেড

বাড়ি # ৪৩ (৫ম তলা), সড়ক # ২৭ (পুরাতন) ১৬ (নতুন)  
ধানমন্ডি আ/এ, ঢাকা-১২০৯

### ১৪তম বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

এই বিজ্ঞপ্তির মাধ্যমে জানানো যাচ্ছে যে, বিডিকম অনলাইন লিমিটেড এর ১৪তম বার্ষিক সাধারণ সভা নিম্নলিখিত বিষয়াদি সম্পাদনকল্পে আগামী ডিসেম্বর ২২, ২০১০ বুধবার সকাল ১১.৩০ ঘটিকায় ট্রাস্ট মিলনায়তন, ৫৪৫ পুরাতন এয়ারপোর্ট রোড, ঢাকা ক্যান্টনমেন্ট, ঢাকায় অনুষ্ঠিত হবে।

- ১। ২০১০ সালের ৩০ জুন তারিখে সমাপ্ত অর্থ বছরের নিরীক্ষিত হিসাব-নিকাশ এবং এ সম্পর্কে পরিচালনা পর্ষদ ও নিরীক্ষকের প্রতিবেদন গ্রহণ ও অনুমোদন।
- ২। ১৩% বোনাস শেয়ার ঘোষণা।
- ৩। পরিচালক নির্বাচন।
- ৪। ২০১১ সালের ৩০ জুন অর্থ-বছরের জন্য নিরীক্ষক নিয়োগ ও পারিতোষিক নির্ধারণ।
- ৫। সভাপতির অনুমতিক্রমে যে কোন বিষয়ের উপর আলোচনা।

পরিচালনা পর্ষদের নির্দেশক্রমে

স্বাক্ষর

(এ. কে. এম. কুতুব উদ্দিন)  
কোম্পানী সচিব

তারিখ: অক্টোবর ২৮, ২০১০

### দ্রষ্টব্য :

- ১। কোম্পানীর শেয়ার হস্তান্তর বই এর পরিবর্তে রেকর্ডভুক্ত করার তারিখ নভেম্বর ২২, ২০১০।
- ২। শেয়ার হোল্ডারবৃন্দ এই সাধারণ সভায় উপস্থিত থাকতে এবং ভোট প্রদান করতে পারেন অথবা স্বপক্ষে উপস্থিত হয়ে ভোট দিতে একজন প্রক্সি নিয়োগ করতে পারেন। প্রক্সি ফরম যথাযথভাবে পূরণ করে সভার নির্ধারিত সময়ের আটচলিশ ঘন্টা পূর্বে বাড়ি নং # ৪৩ (৫ম তলা), সড়ক # ২৭ (পুরাতন)/ ১৬ (নতুন) ধানমন্ডি-আ/এ, ঢাকা-১২০৯ এ অবস্থিত কোম্পানীর শেয়ার অফিসে জমা দিতে হবে।
- ৩। শেয়ারহোল্ডারগণের ঠিকানা পরিবর্তনের তথ্যাদি, যদি থাকে কোম্পানীকে লিখিতভাবে জানানোর জন্য অনুরোধ করা যাচ্ছে।
- ৪। প্রক্সি ফরমের সাথে প্রেরিত উপস্থিতপত্র জমাদান পূর্বক হলে প্রবেশ করতে শেয়ারহোল্ডারগণকে অনুরোধ করা যাচ্ছে।

# Directors' Report To The Shareholders For The Year Ended June 30, 2010

## **Honorable Shareholders**

The Board of Directors of BDCOM Online Limited welcomes you all to the 14th Annual General Meeting of the company. We are pleased to submit before you the audited financial statements of the company for the year ended June 30, 2010.

## **Financial Results and Appropriation:**

The Directors take pleasure in reporting the following financial results of the company for the ended June 30, 2010:

	<b>JUNE 30, 2010</b>	<b>JUNE 30, 2009</b>
Profit before tax	11,915,256	6,332,974
Less: provision for tax	(1,086,153)	(426,339)
Net profit after tax	10,829,103	5,906,635
Profit from Sale of Hardware (U/S 82C of ITO 1984)	5,298,343	4,679,848
Net Profit	16,127,446	10,586,483
Add: Un-appropriated profit brought forward	13,157,249	13,848,071
Adjustment in respect of previous year	95,810	(77,305)
Profit available for appropriation	29,380,505	24,357,249
<b>APPROPRIATION RECOMMENDED:</b>		
Bonus share @ 10%	-	(11,200,000)
Cash dividend @ 10%	(12,320,000)	-
<b>Un-appropriated profit carried forward</b>	<b>17,060,505</b>	<b>13,157,249</b>

## **Dividend**

The Board of directors pleased to recommend for declaration of a STOCK DIVIDEND at a rate of 13% on the basis of the approval by the shareholders at the 14th Annual General Meeting of the company.



## Directors

The directors retire by rotation in terms of Articles of Association of the company and being eligible offer themselves for re-election are Mr. ATM Sayeeduzzaman and Mr. Mohd Zulfiquar Hafiz.

Office of the public elected director Mr. Jashim Uddin Ahmed Chowdhury expire in this Annual General Meeting and his place one new director will be re-elected.

## Auditors

The company's Auditor M/s. Habib Sarwar & Co., Chartered Accountants, who have served as auditors of the company for three (03) consecutive years and are ineligible for re-appointment as per rules issued by Securities & Exchange Commission Act (SEC). A new auditor, M/S Ahmed Zaker & Co. Chartered Accountants therefore has been appointed for the year ended June 30, 2010 by the Board of Director of the company with the same remuneration as it was in the year: 2008-09 and Board of Director seek approval from the shareholders in this regard.

And as Auditor M/S Ahmed Zaker & Co. Chartered Accountants retire at the 14th Annual General Meeting and being eligible offer themselves for re-appointment for the year ended June 30, 2011 with re-fixation of their remuneration.

### Additional Statements

The directors are pleased to recount on the following additional statements in respect of report prepared under section 184 of the Companies Act, 1994:

- |                                                                                                                                                                                                                      |                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| a) The financial statements prepared by the management for the year ended 30 June 2010 give a true and fair view of the state of the company about the result of its operations, cash flows and changes of equities. | g) There is no deviation from last years operating results.                                                                               |
| b) Proper books of accounts of the company have been maintained.                                                                                                                                                     | h) The key operating and financial data for the proceeding five years have been shown in the Financial History of Five years (Annexure-I) |
| c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgement.                        | i) The directors have recommended a STOCK DIVIDEND @ 13%                                                                                  |
| d) In preparation of the financial statements the International Accounting standard, as applicable in Bangladesh have been followed and there has been no departure from the policies.                               | j) During the year Twelve (12) Board of Directors meeting were held and the attendance by each directors is given below:                  |
| e) The system of internal control and internal check are in effect and maintained properly.                                                                                                                          | 1) Mr. Wahidul Haque Siddiqui - 12                                                                                                        |
| f) The company has sound and strong operational strengths and ability to continue as a going concern. As such, there is no doubt of its continuity.                                                                  | 2) Mr. Sumon Ahmed Sabir - 12                                                                                                             |
|                                                                                                                                                                                                                      | 3) Mrs. Qurratul Ann Siddiqui - 12                                                                                                        |
|                                                                                                                                                                                                                      | 4) Mr. A.T.M. Sayeeduzzaman - 12                                                                                                          |
|                                                                                                                                                                                                                      | 5) Mr. Mohd. Zulfiquar Hafiz - 12                                                                                                         |
|                                                                                                                                                                                                                      | 6) M/s. Hornbill Apparel Ltd. - 02                                                                                                        |
|                                                                                                                                                                                                                      | 7) Mr. Jashim Uddin Ahmed Chowdhury- 08                                                                                                   |
|                                                                                                                                                                                                                      | 8) Mr. Ruhul Quader Chowdhury - 09                                                                                                        |

## k) The pattern of shareholding:

## i) Directors:

a) Mr. Wahidul Haque Siddiqui	-	523,600 shares
b) Mr. Sumon Ahmed Sabir	-	171,600 shares
c) Mrs. Qurratul Ann Siddiqui	-	630,300 shares
d) Mr. A.T.M. Sayeeduzzaman	-	116,600 shares
e) Mr. Mohd. Zulfiquar Hafiz	-	144,100 shares
f) M/S Hornbill Apparel Ltd.	-	55,000 shares
g) Mr. Jashim Uddin Ahmed Chowdhury	-	50,352 shares
h) Mr. Ruhul Quader Chowdhury	-	NIL

Company Secretary, Chief Financial Officer and their spouses and minor children: NIL

Head of Internal Audit: Mr. Mohd. Zulfiquar Hafiz-Director - 144,100 shares

iii) Executives - NIL

iv) Shares holders holding 10% or more voting interest in the company: NIL

### Achievement

Most notable achievement for BDCOM in the year 2009-2010 is inauguration of IP Telephony Service. All sort of Telecommunications are moving towards IP, Telephony is not an exception too. BDCOM is one of the proud licensed IP Telephony operator in Bangladesh launched its service this year. BDCOM IP Telephony Brand 'Kotha' now connected with all the local and International operators and offering Next Generation IP Telephony Service. Inauguration of WiMAX Service put BDCOM and all other ISPs a stiff competition in Internet Service Market, as a result growth in Internet Service is not significant this year. But BDCOM achieved a noticeable growth in Data Service Market. BDCOM now have reached almost every District Headquarters of Bangladesh.

### Future Plan

All of you are aware of the fact that the government of Bangladesh is in a process of creating an IT enabled society and ISPs need to play a significant role by preparing a suitable infrastructure and by delivering reliable services. To comply with the requirement, BDCOM has taken initiative for more investment in the required areas. To ensure high reliability BDCOM is migrating its optical fiber infrastructure from over head to underground. To reach the unreachable, BDCOM is increasing its wireless infrastructure in many areas. IP Telephony is another major focused area in the coming years.

### Status of Compliance

Corporate Governance Compliance Report  
Report on compliance as stated is Securities and Exchange Commission (SEC) order dated 20th Feb 2006 is annexed. (Annexure-II)

### Acknowledgement

The Board of Directors records their appreciation for the contribution made by the employees to the operation of the company. The Board also wishes thanks to the valued shareholders, customers, regulatory bodies and other business partners for their outstanding help and support.

On behalf of the Board

Sd/-

(Sumon Ahmed Sabir)  
Managing Director

**Annexure-1****Key Operating and Financial Data:**

Figures in thousand taka.

Particulars	2009-10	2008-09	2007-08	2006-07	2005-06
Authorized Capital	10,00,000	2,50,000	250,000	250,000	250,000
Paid-up Capital	1,23,200	1,23,200	112,000	100,000	100,000
Tax holiday reserve	21,555	21,555	21,555	21,555	21,271
Reserve & Surplus	17,060	13,157	13,848	15,827	9,228
Share holders equities	1,61,816	1,57,913	147,403	137,383	130,499
Current Liabilities & Provisions	53,204	52,213	12,305	9,619	9,314
Proposed Dividend (Cash)	–	12,320	–	–	–
Proposed Dividend (Stock)	16,016	–	11,200	12,000	–
Turnover	1,26,138	88,583	98,790	76,913	97,681
Non operating Income	1,428	900	672	265	887
Operating Expenses	36,180	19,827	22,993	33,166	52,896
Administrative & Marketing O/H	44,677	36,814	27,567	22,492	18,303
Depreciation	20,025	12,863	13,203	13,449	15,221
Taxation	1,086	426	552	492	634
Property Plant & Equipment	1,21,572	1,17,718	70,964	76,522	77,458
Deferred Expenses (Net)	1,132	518	-	851	897
Long Term Security	6,272	5,709	2,209	1,229	1,280
Inventories	13,631	12,893	15,473	10,711	7,300
Advance, Deposits & Prepayment	21,790	18,208	21,654	18,043	17,388
Bills Receivable	34,362	31,657	32,028	29,991	28,020
Cash & Cash Equivalent	13,150	21,643	14,565	10,278	7,467
Gross Profit	78,254	56,248	46,754	43,747	44,785
Net Profit	16,127	10,586	10,272	6,701	10,616

**Annexure-2**
**Corporate Governance Compliance Report:**

Status of compliance with the condition imposed by the Commission's Notification No.: SEC/CMRRD/2006-158/Admin/02-08 dated February 20, 2006 issued under section 2CC of the Securities and Exchange Ordinance, 1969.

**( Report under Condition No. 5.00)**

Condition no.	Title	Compliance status		Explanation for non-compliance with the condition
		Complied	Non Complied	
1.1	Board size	✓		
1.2(i)	Independent Director(s)	✓		
1.2(ii)	Independent Directors Appointment	✓		
1.3	Chairman & Chief Executive	✓		
1.4(a)	The financial statements prepared by the management present fairly its state of affairs the result of its operations cash flows and changes in equity.	✓		
1.4(b)	Proper books of account of the company have been maintained.	✓		
1.4(c)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgement.	✓		
1.4(d)	International Accounting standards as applicable in Bangladesh have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.	✓		
1.4(e)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓		
1.4(f)	There are no significant doubts upon the Companies ability to continue as a going concern.	✓		
1.4(g)	Significant deviations from last years operating result of the Company should be highlighted and reasons thereof should be explained.	✓		
1.4(h)	Key operating and financial data of at least preceding five years should be summarized.	✓		
1.4(i)	Reason for not declaring dividend.	✓		Not applicable
1.4(j)	The number of Board meeting held during the year and attendance by each Director should be disclosed.	✓		
1.4(k)	Disclosure of pattern of shareholdings.	✓		
2.1	Appointment of a Chief Financial Officer, Head of Internal Audit and Company Secretary and define their respective rules, responsibilities and duties.	✓		
2.2	The CFO and the Company Secretary should attend the Board of Directors meeting.	✓		
3.00	The Company should have an Audit Committee as a Sub-committee of the Board of Directors.	✓		
3.1(i)	The Audit Committee should be composed of at least 3 members.	✓		
3.1(ii)	The Board of Directors should appoint members of Audit Committee from the members of the Board with at least one Independent Director.	✓		
3.1(iii)	Filling up of vacancy caused in the Audit Committee.	✓		
3.2(ii)	Qualification of the Chairman of the audit committee.	✓		
3.3.1(i)	Audit Committee should report on the activities to the Board of Directors.	✓		
3.3.1(ii)(a)	Report on conflict of interest	✓		Does not arise
3.3.1(ii)(b)	Suspected or presumed fraud or irregularity or material defect in the internal control system.	✓		No such incidence
3.3.1(ii)(c)	Suspected infringement of laws, including securities related laws, rules and regulations.	✓		Does not arise
3.3.1(ii)(d)	Any other matters which should be disclosed to the Board of Directors immediately.	✓		
3.3.2	Reporting of any material impact on financial condition and result of operation, unreasonably ignored by the management should report such findings to the Commission.	✓		
3.4	Reporting to the shareholders through Annual Report the activities of the . Audit Committee under the signature of the Chairman of the Audit Committee.	✓		No such reporting issues
4.00(i)	No appraisal or valuation services or fairness opinions done by external/statutory auditors.	✓		
4.00(ii)	No financial information system design and implementation done by the external/statutory auditors.	✓		
4.00(iii)	No Bookkeeping or other services related to the accounting records or financial statements done by external/statutory auditors.	✓		
4.00(iv)	No Broker dealer services done by the external/statutory auditors.	✓		
4.00(v)	No Actuarial services carried out by the external/statutory auditors.	✓		
4.00(vi)	No internal audit services done by the external/statutory auditors.	✓		
4.00(vii)	No other services that the Audit Committee determines done by the external/statutory auditors.	✓		

## পরিচালকমন্ডলীর প্রতিবেদন

### সম্মানিত শেয়ারহোল্ডারবৃন্দ

বিডিকম অনলাইন লিমিটেড এর ১৪-তম বার্ষিক সাধারণ সভায় পরিচালনা পর্ষদের পক্ষ থেকে সবাইকে স্বাগত জানাচ্ছি। আমরা অত্যন্ত আনন্দের সাথে আপনাদের সামনে জুন ৩০, ২০১০ সমাপ্ত বছরের নিরীক্ষিত আর্থিক বিবরণী উপস্থাপন করছি।

### আর্থিক ফলাফল এবং বন্টন:

বিবরণী	৩০.০৬.২০১০	৩০.০৬.২০০৯
করপূর্ব মুনাফা	১১,৯১৫,২৫৬	৬,৩৩২,৯৭৪
আয়কর সঞ্চিতি	(১,০৮৬,১৫৩)	(৪২৬,৩৩৯)
করপরবর্তী নীট মুনাফা	১০,৮২৯,১০৩	৫,৯০৬,৬৩৫
হার্ডওয়্যার বিক্রয় বাবদ মুনাফা	৫,২৯৮,৩৪৩	৪,৬৭৯,৮৪৮
নীট মুনাফা	১৬,১২৭,৪৪৬	১০,৫৮৬,৪৮৩
বিগত বছরের উদ্ধৃত	১৩,১৫৭,২৪৯	১৩,৮৪৮,০৭১
বিগত বছরের সমন্বয়	৯৫,৮১০	(৭৭,৩০৫)
বন্টনযোগ্য মুনাফা	২৯,৩৮০,৫০৫	২৪,৩৫৭,২৪৯
বন্টনের জন্য সুপারিশকৃত:		
কর অবকাশ সংরক্ষিত তহবিলে স্থানান্তর	—	—
বোনাস শেয়ার @১০%		(১১,২০০,০০০)
নগদ লভ্যাংশ @১০%	(১২,৩২০,০০০)	—
স্থানান্তরিত অবন্টিত মুনাফা	১৭,০৬০,৫০৫	১৩,১৫৭,২৪৯

### লভ্যাংশ:

পরিচালক পর্ষদ ৩০শে জুন ২০১০ইং সমাপ্ত বছরের জন্য প্রতিটি ১০ টাকা মূল্যের সাধারণ শেয়ারের উপর ১৩% বোনাস শেয়ার সুপারিশ করেছেন, যা ১৪তম বার্ষিক সাধারণ সভায় সম্মানিত শেয়ারহোল্ডারগণের অনুমোদনের জন্য পেশ করা হল।

### পরিচালকমন্ডলী:

জনাব এটিএম সাইদুজ্জামান এবং জনাব মো: জুলফিকার হাফিজ নিয়ম অনুযায়ী বোর্ড থেকে অবসর গ্রহণ করেছেন এবং যোগ্য বিধায় পুনঃনির্বাচিত হওয়ার প্রস্তাব করেছেন। পাবলিক নির্বাচিত পরিচালক জনাব জসিম উদ্দিন আহমেদ চৌধুরীর মেয়াদ অত্র বার্ষিক সাধারণ সভায় শেষ হয়ে যাওয়ায় তাঁর স্থানে নতুন একজন পরিচালক নির্বাচিত হবেন।

### নিরীক্ষক নিয়োগ:

যেহেতু কোম্পানীর নিরীক্ষক মেসার্স হাবিব সরোয়ার এন্ড কো: চার্টার্ড একাউন্ট্যান্টস পরপর তিন বছর নিরীক্ষক হিসেবে থাকার পর সিকিউরিটিজ এন্ড এক্সচেন্জ কমিশন আইন বলে অযোগ্য হওয়ায় বিডিকম পরিচালনা পর্ষদ মেসার্স আহমেদ জাকের এন্ড কো: চার্টার্ড একাউন্ট্যান্টস ফার্মকে পূর্বের অডিট ফি অনুসারে ৩০শে জুন ২০১০ইং সমাপ্ত বছরের জন্য নিয়োগ দান করেন এবং এক্ষেত্রে তা আপনাদের অনুমোদনের জন্য পেশ করা হলো। মেসার্স আহমেদ জাকের এন্ড কো: চার্টার্ড একাউন্ট্যান্টস এর কার্যকাল ১৪তম বার্ষিক সাধারণ সভায় সমাপ্ত হচ্ছে এবং পুনঃনিয়োগ লাভের ইচ্ছা প্রকাশ করেছেন এবং পারিতোষিক পুনঃনির্ধারণের অনুরোধ করেছেন।

**অতিরিক্ত প্রতিবেদন :**

পরিচালনা পর্ষদ, কোম্পানী আইন ১৯৯৪, কার্যবিধি ১৮৪ অনুসারে নিম্নলিখিত প্রতিবেদন আপনাদের সামনে উপস্থাপন করেছে ;

ক. কোম্পানীর ৩০ জুন ২০১০ সালের আর্থিক বিবরণী, লেনদেন বিবরণী, পরিচালনের ফলাফল, নগদ প্রবাহ এবং ইকুইটি পরিবর্তন সংক্রান্ত বিবরণী সুষ্ঠুভাবে উপস্থাপন করা হয়েছে।

খ. কোম্পানীর হিসাব বহিসমূহ যথাযথভাবে সংরক্ষণ করা হয়েছে।

গ. আর্থিক বিবরণীতে উল্লিখিত বিষয় সমূহ ব্যতিত, হিসাব বিবরণী প্রস্তুতের ক্ষেত্রে যথাযথ হিসাব নীতি অনুসরণ করা হয়েছে এবং হিসাবের ধারণাসমূহ সুনির্দিষ্টকরণ এবং বিচক্ষণতার সাথে প্রাক্কলন করা হয়েছে।

ঘ. আর্থিক বিবরণী প্রস্তুত করার ক্ষেত্রে বাংলাদেশে প্রযোজ্য আন্তর্জাতিক হিসাব মানসমূহ অনুসরণ করা হয়েছে।

ঙ. কোম্পানীর অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা সুষ্ঠু এবং যথাযথভাবে বাস্তবায়ন ও তত্ত্বাবধান করা হয়েছে।

চ. চলমান হিসাব ধারণা অনুযায়ী কোম্পানী পরিচালিত হতে যে সক্ষম, এ সম্পর্কে সন্দেহের কোন অবকাশ নেই।

ছ. মূল অপারেশন এবং বিগত পাঁচ বছরের আর্থিক পরিসংখ্যান "পরিশিষ্ট-১" এ সংযোজন করা হলো:

জ. পরিচালনা পর্ষদ ১৩% বোনাস শেয়ার এর প্রস্তাব অনুমোদনের জন্য পেশ করেছেন।

ঝ. নিম্নে চলতি বছরে পরিচালনা পর্ষদের ১২টি বোর্ড মিটিং এর উপস্থিতি দেয়া হল:

পরিচালকদের নাম	সভায় উপস্থিতি সংখ্যা
১) জনাব ওয়াহিদুল হক সিদ্দিকী	- ১২
২) জনাব সুমন আহমেদ সাবির	- ১২
৩) জনাবা কুররাতুল আন সিদ্দিকী	- ১২
৪) জনাব এটিএম সাইদুজ্জামান	- ১২
৫) জনাব মো: জুলফিকার হাফিজ	- ১২
৬) হর্ণবিল এপারেল লিঃ	- ০২
৭) জনাব জসিম উদ্দিন আহমেদ চৌধুরী	- ০৮
৮) জনাব রুহুল কাদের চৌধুরী	- ০৯

**এ৪. পেটার্ন অব শেয়ার হোল্ডিং:**

অ. পরিচালকবৃন্দ:	শেয়ার
১) জনাব ওয়াহিদুল হক সিদ্দিকী	- ৫২৩,৬০০
২) জনাব সুমন আহমেদ সাবির	- ১৭১,৬০০
৩) জনাবা কুররাতুল আন সিদ্দিকী	- ৬৩০,৩০০
৪) জনাব এটিএম সাইদুজ্জামান	- ১১৬,৬০০
৫) জনাব মো: জুলফিকার হাফিজ	- ১৪৪,১০০
৬) মের্সাস হরনবিল এপারেল লিমিটেড	- ৫৫,০০০
৭) জনাব জসিম উদ্দিন আহমেদ চৌধুরী	- ৫০,৩৫২

কোম্পানী সচিব / চিফ ফাইনেন্সিয়াল অফিসার এবং তাদের পোষ্য :

কোন শেয়ার নাই।

**হেড অব ইনটার্নাল অডিট :**

জনাব মো: জুলফিকার হাফিজ - (পরিচালক) - ১,৪৪,১০০ শেয়ার

**আ. এক্সিকিউটিভ:**

কোন শেয়ার নাই।

**ই. কোম্পানীর ১০% এর উপরের শেয়ার হোল্ডার বৃন্দ:**

কোন শেয়ার নাই।

**কর্পোরেট পরিচালন প্রক্রিয়া পরিপালন প্রতিবেদন:**

সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের দাবি অনুযায়ী "কর্পোরেট পরিচালন প্রক্রিয়া পরিপালন প্রতিবেদন" পরিশিষ্ট-২ এ সংযোজন করা হলো।

**অর্জন**

অনেক সাফল্যের মাঝে ২০০৯-২০১০ অর্থ বছরে সবচেয়ে গুরুত্বপূর্ণ অর্জন হচ্ছে, আইপি টেলিফোনী সেবার শুভ সূচনা। সব ধরনের টেলিকম সেবাই কালক্রমে ইন্টারনেট ভিত্তিক হয়ে উঠছে, টেলিফোন সেবাও তার ব্যতিক্রম নয়। যে কটি প্রতিষ্ঠান এবছর এই সেবা প্রদান শুরু করেছে বিডিকম তার অন্যতম। 'কথা' ব্রান্ড নিয়ে এই নতুন প্রজন্মের সেবার যাত্রা শুরু করে বিডিকম ইতিমধ্যেই সকল আন্তর্জাতিক ও দেশীয় টেলিফোন সেবাদানকারী প্রতিষ্ঠানের সঙ্গে সংযুক্ত হয়েছে। ওয়াইম্যাড সেবার প্রবেশ ইন্টারনেট সেবার ক্ষেত্রে নতুন মাত্রা যোগ করলেও বিডিকম ও অন্যান্য আইএসপির জন্য তীব্র প্রতিদ্বন্দ্বিতার সৃষ্টি করেছে। তবে এবছর আভ্যন্তরীণ তথ্য যোগাযোগ সেবার ক্ষেত্রে বিডিকম উলেখ যোগ্য সাফল্য লাভ করেছে। দেশের প্রায় প্রতিটি জেলা শহরে পৌছে গেছে বিডিকমের সেবা।

**ভবিষ্যৎ পরিকল্পনা**

এটি কারও অজানা নয় যে, বর্তমান সরকার একটি তথ্য প্রযুক্তি নির্ভর সমাজ গঠনের প্রয়াসে উনুখ। আর এই লক্ষ্য অর্জনে আইএসপিদের ভূমিকা অপরিসীম। প্রয়োজনীয় অবকাঠামো এবং নির্ভরযোগ্য সেবা ছাড়া এই লক্ষ্য অর্জন সম্ভব নয়। এই গুরুত্বপূর্ণ বিষয়টি মাথায় রেখে বিডিকম তার ভবিষ্যৎ কর্মপন্থা নির্ধারণ করছে। নিরাপদ ও নিশ্চিত সেবা প্রদানের লক্ষ্যে ঝুলন্ত ফাইবার অপটিক তার অপসারণ করে মাটির নিচে প্রতিস্থাপনের ব্যবস্থা গ্রহণ করা হয়েছে। দ্রুত সেবার পরিসীমা বিস্তারের জন্য দেশের বিভিন্ন স্থানে তারহীন ইন্টারনেট সেবার জন্য প্রয়োজনীয় স্থাপনা নির্মাণ করা হচ্ছে। সামনের বছর গুলোর জন্য আইপি টেলিফোনী সেবা অত্যন্ত গুরুত্বের সঙ্গে বিবেচিত হচ্ছে।

**স্বীকৃতি :**

আমরা ধন্যবাদ জানাচ্ছি, কোম্পানীর কর্মকর্তা-কর্মচারীদের নিবেদিত প্রাণ ও কঠোর পরিশ্রমের জন্য এবং আরো ধন্যবাদ জানাচ্ছি, আমাদের শেয়ার হোল্ডার, গ্রাহক, ব্যাংক এবং নিয়ন্ত্রণকারী সংস্থার অকুণ্ঠ সাহায্য ও সহযোগিতার জন্য।

ধন্যবাদান্তে

পরিচালকমন্ডলীর পক্ষে

স্বাক্ষর

(সুমন আহমেদ সাবির)

ব্যবস্থাপনা পরিচালক

# Auditors' Report

We have audited the accompanying financial statements of BDCOM Online Limited, which comprise the balance sheet as at June 30, 2010, and the Income Statement, statement of changes in equity and cash flow statement 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. 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 judgment, 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 give a true and fair view of the financial position of BDCOM Online Limited as of June 30, 2010 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act 1994, Securities and Exchange Commission Rule 1987 and other applicable laws and regulations.

### Report on Other Legal and Regulatory Requirements

***We also report that:***

- a) 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;
- b) 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;
- c) the company's Balance Sheet, Income Statement and cash flow statement dealt with by the report are in agreement with the books of accounts;
- d) the financial position of the Company as at June 30, 2010 and the profit for the year then ended have been properly reflected in the Financial Statements, and the Financial Statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applicable in Bangladesh.
- e) the expenditures incurred during the year were for the purpose of the business of the Company;

Date: Dhaka  
October 28, 2010

**Ahmed Zaker & Co.**  
Chartered Accountants



**BDCOM ONLINE LIMITED****Balance Sheet**

As at June 30, 2010

<b>Particulars</b>	<b>Notes</b>	<b>Amount In Taka</b>	
		<b>30.06.2010</b>	<b>30.06.2009</b>
<b>A. Non-Current Assets</b>		<b>132,085,230</b>	<b>125,724,622</b>
Goodwill		228,000	228,000
Property, Plant and Equipment (At cost less accumulated depreciation)	03	121,571,916	117,717,835
Deferred Revenue Expenditure (Net)	04	4,013,767	2,070,012
Long Term Security Deposit	05	6,271,547	5,708,775
<b>B. Current Assets</b>		<b>82,934,805</b>	<b>84,401,940</b>
Inventories - At cost	06	13,631,338	12,892,729
Advance, Deposits & Prepayments	07	15,673,451	12,164,951
Advance Income Tax & VAT	08	6,117,312	6,043,276
Bills Receivable	09	34,362,074	31,657,346
Cash and Cash Equivalents	10	13,150,630	21,643,638
<b>C. Current Liabilities and Provisions</b>		<b>53,203,652</b>	<b>52,213,435</b>
Accounts Payable & Other Liabilities	11	28,514,765	49,290,028
Provision for Income Tax	12	1,086,153	426,339
Short Term Loan	13	23,602,734	2,497,068
<b>D. Net Current Assets ( B - C )</b>		<b>29,731,153</b>	<b>32,188,505</b>
<b>E. Total Net Assets ( A + D )</b>		<b>161,816,383</b>	<b>157,913,127</b>
<b>F. Financed By :</b>			
<b>Shareholders' Equity:</b>			
Share Capital	14	123,200,000	123,200,000
Tax Holiday Reserve		21,555,878	21,555,878
Retained Earnings	15	17,060,505	13,157,249
<b>Total Equity &amp; Liabilities</b>		<b>161,816,383</b>	<b>157,913,127</b>

Note 1-22 are the integral part of these financial statements should be read in conjunction with the above notes.

Sd/-  
Company Secretary

Sd/-  
Director

Sd/-  
Managing Director

Signed in terms of our separate report on the same date.

Date: Dhaka  
October 28, 2010

**Ahmed Zaker & Co.**  
Chartered Accountants

**BDCOM ONLINE LIMITED**  
**Profit and Loss Account**  
 For the year ended June 30, 2010

<u>Particulars</u>	<u>Notes</u>	Amount in Taka				
		Unit-1 ISP	Unit-2 SDP	Unit-3 IPTSP	Total 30.06.2010	Total 30.06.2009
Revenue from Sales & Services	16	93,720,640	20,621,166	92,843	114,434,649	76,075,803
Operating Expenses	17	(34,604,958)	(1,499,472)	(76,019)	(36,180,449)	(19,827,583)
<b>Gross Profit: A</b>		<b>59,115,682</b>	<b>19,121,694</b>	<b>16,824</b>	<b>78,254,200</b>	<b>56,248,220</b>
Administrative and Marketing Expenses	18	37,076,842	7,128,097	471,791	44,676,730	36,814,295
Amortization of Deferred Expenses	04	313,550	499,263	320,004	1,132,817	619,971
Depreciation on Fixed Assets	03	16,831,758	3,036,466	157,096	20,025,320	12,863,571
Financial Charges	19	1,924,091	8,089	345	1,932,525	517,503
<b>Total Expenses: B</b>		<b>56,146,241</b>	<b>10,671,915</b>	<b>949,236</b>	<b>67,767,392</b>	<b>50,815,340</b>
<b>Operating Profit: A-B</b>		<b>2,969,441</b>	<b>8,449,779</b>	<b>(932,412)</b>	<b>10,486,808</b>	<b>5,432,880</b>
Non-Operating Income	20	980,206	448,242	-	1,428,448	900,094
<b>Net Profit before Tax</b>		<b>3,949,647</b>	<b>8,898,021</b>	<b>(932,412)</b>	<b>11,915,256</b>	<b>6,332,974</b>
Provision for Income Tax	12	(1,086,153)	-	-	(1,086,153)	(426,339)
<b>Net Profit After Tax</b>		<b>2,863,494</b>	<b>8,898,021</b>	<b>(932,412)</b>	<b>10,829,103</b>	<b>5,906,635</b>
<b>Tax Exempted Profit From Sale of Hardware (u/s 82c as per ITO, 1984)</b>	21	<b>5,298,343</b>	<b>-</b>	<b>-</b>	<b>5,298,343</b>	<b>4,679,848</b>
<b>Net Profit (transferred to P/L App. Account)</b>		<b>8,161,837</b>	<b>8,898,021</b>	<b>(932,412)</b>	<b>16,127,446</b>	<b>10,586,483</b>

Note 1-22 are the integral part of these financial statements should be read in conjunction with the above notes.

Sd/-  
Company Secretary

Sd/-  
Director

Sd/-  
Managing Director

Signed in terms of our separate report on the same date.

Date: Dhaka  
October 28, 2010

**Ahmed Zaker & Co**  
Chartered Accountant:

**BDCOM ONLINE LIMITED**  
**Profit & Loss Appropriation Account**  
 For the year ended June 30, 2010

Particulars	Amount in Taka				
	Unit-1 ISP	Unit-2 SDP	Unit-3 IPTSP	Total As on 30.06.10	Total As on 30.06.2009
Last year's Balance	6,979,887	6,177,362		13,157,249	13,848,071
Prior year's adjustment	95,810	-	-	95,810	(77,305)
Current Year's Profit	8,161,837	8,898,021	(932,412)	16,127,446	10,586,483
				-	
<b>Profit Available for distribution</b>	<b>15,237,534</b>	<b>15,075,383</b>	<b>(932,412)</b>	<b>29,380,505</b>	<b>24,357,249</b>
Appropriations :				-	
Stock Dividend	-	-	-	-	-
Cash Dividend	(6,500,000)	(5,820,000)		(12,320,000)	(11,200,000)
Retained Earnings	<b>8,737,534</b>	<b>9,255,383</b>	<b>(932,412)</b>	<b>17,060,505</b>	<b>13,157,249</b>

Earning Per Share (EPS)

1.31

0.86

Note 1-22 are the integral part of these financial statements should be read in conjunction with the above notes.

Sd/-  
Company Secretary

Sd/-  
Director

Sd/-  
Managing Director

Signed in terms of our separate report on the same date.

Date: Dhaka  
October 28, 2010

**Ahmed Zaker & Co.**  
Chartered Accountants

**BDCOM ONLINE LIMITED**  
**Statement of Changes in Equities**  
For the year ended June 30, 2010.

Particulars	Amount in Taka				
	Share Capital	Tax Holiday Reserve	Retained Earnings	Total Equity 30.06.2010	Total Equity 30.06.2009
<b>Balance as on 01.07.09</b>	<b>123,200,000</b>	<b>21,555,878</b>	<b>13,157,249</b>	<b>157,913,127</b>	<b>147,403,949</b>
Net Profit After Tax	-	-	16,127,446	16,127,446	10,586,483
Cash Dividend	-	-	(12,320,000)	(12,320,000)	-
Prior Year Adjustment	-	-	95,810	95,810	(77,305)
<b>Balance as on 30.06.2010</b>	<b>123,200,000</b>	<b>21,555,878</b>	<b>17,060,505</b>	<b>161,816,383</b>	<b>157,913,127</b>

  

<b>Number of Ordinary Shares</b>	<b>12,320,000</b>	<b>12,320,000</b>
<b>Face Value Per Share</b>	<b>10</b>	<b>10</b>
<b>Shareholders' Equity Per Share</b>	<b>13.13</b>	<b>12.82</b>

Note 1-22 are the integral part of these financial statements should be read in conjunction with the above notes.

**Sd/-**  
**Company Secretary**

**Sd/-**  
**Director**

**Sd/-**  
**Managing Director**

Signed in terms of our separate report on the same date.

Date: Dhaka  
 October 28, 2010

**Ahmed Zaker & Co.**  
 Chartered Accountants

**BDCOM ONLINE LIMITED**  
**CASH FLOW STATEMENT**  
For the year ended June 30, 2010

<u>Particulars</u>	<u>Amount In Taka</u>	
	<u>30.06.2010</u>	<u>30.06.2009</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES :A</b>		
Receipts from Sales and Services & Others	120,540,641	87,987,674
Cash Payments to Creditors and Others	(104,687,286)	(18,297,873)
<b>NET CASH PROVIDED/USED IN OPERATING ACTIVITIES:</b>	<b>15,853,355</b>	<b>69,689,801</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES :B</b>		
Acquisition of Tangible Assets	(23,783,591)	(59,617,979)
Long Term Security Deposit	(562,772)	(2,993,600)
<b>NET CASH USED IN INVESTING ACTIVITIES:</b>	<b>(24,346,363)</b>	<b>(62,611,579)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES :C</b>		
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES:</b>	<b>-</b>	<b>-</b>
<b>NET CASH OUT FLOW DURING THE YEAR:(A+B+C)</b>	<b>(8,493,008)</b>	<b>7,078,222</b>
Cash & Cash Equivalent at the beginning of the year	<u>21,643,638</u>	<u>14,565,416</u>
Cash & Cash Equivalent at the closing of the year	<u><u>13,150,630</u></u>	<u><u>21,643,638</u></u>

Sd/-  
Company Secretary

Sd/-  
Director

Sd/-  
Managing Director

Signed in terms of our separate report on the same date.

Date: Dhaka  
October 28, 2010

**Ahmed Zaker & Co.**  
Chartered Accountants

**BDCOM ONLINE LIMITED**  
**Notes to the Financial Statements**  
**For the year ended June 30, 2010**

**01. Status and Nature of the company:**

**01.01 Legal Form:**

BDCOM ONLINE LIMITED was incorporated in Bangladesh on February 12, 1997 as a Private Limited Company vide COI no:C-32328 (1449/97) dated February 12, 1997 and was converted into a Public Limited Company on February 10, 2002. The shares of the company are traded with the Dhaka Stock Exchange and Chittagong Stock Exchange.

**01.02 Registered office:**

Registered office of the company is situated at House # 43 (4th Floor), Road# 27 (old), 16 (new), Dhanmondi R/A, Dhaka-1209.

**01.03 Nature of business:**

The Company is primarily engaged as an Internet Service Provider (ISP) in Bangladesh, which includes Dial-up Internet Access, Web Page Software Design & Hosting, Leased Port Internet Access and Total Network Solutions. In addition, the Company is conducting Customized Software Development, Broadband Internet, Automatic Vehicle Location System (AVLS), Business Process Outsourcing, Fiber Optic and Hardware Sales.

**02. Significant Accounting Policies:**

**01.03 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.

**02.02 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. With a bid to augment its revenue followed by its financial position the company had acquired some technological establishment which envisages company's ability to continue as a going concern.

**02.03 Cash Flow Statement:**

Cash Flow Statement is prepared in accordance with BAS 7 "Cash Flow Statement" and the Securities and Exchange Rules, 1987 and the cash flow from the operating activities are shown under the direct method as prescribed.

**02.04 Reporting period**

These financial statements cover a period from July 01, 2009 to June 30, 2010.

## 02.05 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", the interest income is recognized on accrual basis using effective interest rate.

### Other income

Other incomes are recognized in the accounts on cash basis when the income was actually received during the year as per BAS-18 "Revenue".

## 02.06 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.

### Valuation of Fixed Assets:

#### Property, Plant and Equipment

**a)** All fixed assets are stated at cost less accumulated depreciation as per BAS-16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises of purchase price and are directly attributable to cost for bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

**b)** 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 if it is probable that the future economic benefit embodied with the item will flow to the company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the year in which it is incurred.

**c)** Depreciation is charged on Fixed Assets at the following rates on reducing balance method from the date of acquisition.

Name of Assets	Rate	Name of Assets	Rate
Internet & System Hardware	18%	Motor Vehicle	15%
Furniture and Fixture	10%	Office Equipment	15%
A.C & PABX	18%	Generator	15%
Electric Installation	15%	Software Development	15%
Telephone & Cable Installation	15%	Radio & Broad Band Equipment	18%
Office Renovation	18%	V-Sat Tower	15%
Sundry Assets, Books & Periodicals, Cookeries	10%	Optical Fiber Deployment	15%
		Neon Sign & Others	20%

Details of Property, Plant and Equipment are provided under the Schedule-A annexed to the financial statements.

d) In case of disposal of fixed assets, depreciation is not charged for the month the assets are disposed off. The cost and accumulated depreciation of disposed assets are eliminated from the fixed assets schedule and gain or loss on such disposal is reflected in the income statement.

### **Long Term Security Deposit**

These amounts were deposited with BTCL in connection with the telephone lines and bandwidth and Mango Tele services Ltd for bandwidth.

### **Valuation of Inventories**

In compliance with the requirements of BAS 2 "Inventories", the Inventories have been valued at weighted average method, which is consistent in line with the previous year's practice.

### **Bills Receivable**

These are carried forward at their original invoiced value amount and represents net realizable value. Management considered the entire bills receivable as good and is collectable and therefore, no amount was provided for as bad debt in the current year's account.

### **Other Current Assets**

Current assets shown at realizable value during the ordinary course of Company's business.

## **02.07 Basis for valuation of liabilities and provisions:**

### **Provision for taxation**

Provision for current income tax has been made to the tune of Taka 1,086,153, at the rate of 27.5% as prescribed in the Finance Act, 2009 on the accounting profit made by the Company in compliance with BAS-12 "Income Taxes".

### **Deferred taxation**

Deferred tax liabilities are the amount of income taxes payable in future years in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future years in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted at the balance sheet date. The impact on the account of changes in the deferred tax assets and liabilities for the year ended June 30, 2010 has not been recognized in the profit and loss account as per BAS-12 "Income Taxes".

### **Dividend Payments**

Final dividend is recognized when the shareholders approve it and right to receive of dividend is established to the shareholder.

### **Benefits to the employees**

The Company did not operate any Benevolent Fund and did not accounted for employee benefit paid to the employees in accordance with the provisions of Bangladesh Accounting Standard-19, "Employee Benefit".



**02.08 Earnings per share:**

The company calculates Earning Per Share (EPS) in accordance with BAS-33 "Earning Per Share" which has been shown on the face of the Profit and Loss account.

**Basic earnings per share**

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

Particulars		2009-10	2008-09
a)	Earnings attributable to the ordinary shareholders	16,124,446	10,586,483
b)	Number of Ordinary Shares	12,320,000	12,320,000
c)	Earning Per Share	01.31	0.92

**Weighted average number of ordinary shares outstanding during the period**

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of shares issued during the year multiplied by a time-weighted factor is the number of months the specific shares is outstanding as a proportion of the total number of months in the period.

**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 review.

**02.09 Tax Holiday Reserve**

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

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

**02.10 Reporting Currency and Foreign Currency Transactions:**

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

**02.11 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.

**02.12 Impairment:**

In accordance with the provisions of BAS 36, 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. No such indication of impairment has been observed till the end of the year.

**02.13 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.

**02.14 Borrowing Cost:**

The borrowing cost were capitalized unless active development of related assets were interrupted or cease when the active development were cease the borrowing cost directly transferred to the Profit and Loss account as per BAS-23 "Borrowing Cost".

**02.15 Related Parties Transactions:**

The party is related to the company if the party cast significant influence over the subject matters and also holding 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". During the year under audit there are no such related party transactions that were made which has influenced the company's business.

**02.16 Events after the Reporting date:**

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

- o those that provide evidence of conditions that existed at the end of the reporting year (adjusting events after balance sheet date); and
- o those that are indicative of conditions that arose after the reporting year (Non-adjusting events after balance sheet date).

The company has declared 13% Stock Dividend, which is recommended by the board of Directors in their meeting held at the company's head office on October 28, 2010 which are expected to be confirmed in the next Annual General Meeting (AGM) by the shareholders.

## 02.17 Components of the Financial Statements

- a) Statement of Financial Position (Balance Sheet) as at June 30, 2010;
- b) Statement of Comprehensive Income (Profit and Loss Account) for the year ended June 30, 2010;
- c) Statement of Comprehensive Income Appropriation (Profit & Loss Appropriation Account) for the year ended June 30, 2010;
- d) Statement of changes in equities for the year ended June 30, 2010;
- e) Cash Flow Statement for the year ended June 30, 2010;
- f) Accounting policies and explanatory Notes.

## 02.18 Comparative:

Comparative 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".

## 02.19 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.

**03. Property Plant and Equipments : Taka 121,571,916**

**Amount in Taka**  
**30.06.2010**      **30.06.2009**

The break up of the amount is as follows:

<u>Particulars</u>	<u>Unit-1</u> <u>Taka</u>	<u>Unit-2</u> <u>Taka</u>	<u>Unit-3</u> <u>Taka</u>	<u>Total</u>	<u>Total</u>
Balance as on 01.07.2009	181,132,688	43,549,953	-	224,682,641	165,064,662
Addition during the year	15,776,195	2,055,190	5,952,206	23,783,591	59,617,979
	<u>196,908,883</u>	<u>45,605,143</u>	<u>5,952,206</u>	<u>248,466,232</u>	<u>224,682,641</u>
Add: Adjustment during the year	-	-	-	-	-
	196,908,883	45,605,143	5,952,206	248,466,232	224,682,641
Less: Depreciation upto 30.06.2009	82,211,133	24,753,673	-	106,964,806	94,101,235
	<u>114,697,750</u>	<u>20,851,470</u>	<u>5,952,206</u>	<u>141,501,426</u>	<u>130,581,406</u>
Less: Depreciation adjustment during the year	(95,810)	-	-	(95,810)	-
	114,793,560	20,851,470	5,952,206	141,597,236	130,581,406
Less: Depreciation during the year	16,831,758	3,036,466	157,096	20,025,320	12,863,571
<b>Balance as at 30.06.2010</b>	<b><u>97,961,802</u></b>	<b><u>17,815,004</u></b>	<b><u>5,795,110</u></b>	<b><u>121,571,916</u></b>	<b><u>117,717,835</u></b>

Details are shown in the Schedule-A

**04. Deferred Revenue Expenditure : Taka 4,013,767**

The break up of the amount is as follows:

Balance as at 01.07.2009	2,587,515	2,587,515
Addition during the year	3,076,572	-
	<u>5,664,087</u>	<u>2,587,515</u>
Less: Amortization upto 30.06.2009	517,504	-
	5,146,583	2,587,515
Less: Amortization during the year	1,132,817	517,503
<b>Balance as at 30.06.2010</b>	<b><u>4,013,767</u></b>	<b><u>2,070,012</u></b>

Details are shown in the Schedule-B

**05. Long Term Security Deposit : Taka 6,271,547**

The break up of the amount is as follows:

BTCL for Telephone Line	1,026,300	1,026,300
Security Agst. Bandwidth (BTCL & Mango Teleservices)	4,556,000	4,176,000
Security Deposit-Others	689,247	-
	<u>6,271,547</u>	<u>5,202,300</u>

**06. Inventories : Taka 13,631,338**

The break up of the amount is as follows:

Modem,Media Converter & Concentrators	-	535,057
Stationery	31,225	32,359
Accessories	882,348	136,160
Telecommunication	490,792	775,958
Stock of Fiber Optic	3,236,586	4,407,405
GPL & GPRS Modem & Accessories	4,266,001	2,493,559
Material In Transit (MIT)	808,262	2,507,200
IP Telephony Hardware	1,911,094	-
Radio Equipment	2,005,031	2,005,031
	<u>13,631,338</u>	<u>12,892,729</u>

**07. Advances, Deposits & Pre-payments : Taka 15,673,451**

The break up of the amount is as follows:

**a) Advance :**

Against Salary

Advance to suppliers and others

**Total**
**Amount in Taka**
**30.06.2010**      **30.06.2009**

94,977      221,477

12,720,448      10,897,156

**12,815,425**      **11,118,633**
**b) Deposits :**

Security Deposit / Earnest Money

Against Fax to Fax

**Total**

2,780,722      969,014

77,304      77,304

**2,858,026**      **1,046,318**
**c) Pre-payments**

-      506,475

**Total (a+b+c)**
**15,673,451**      **12,671,426**

The advances are unsecured but considered good by the Management.

No amount was due by the Directors, Managing Director of the company.

**08. Advance Income Tax and VAT : Taka 6,117,312**

The break up of the amount is as follows:

Advance Income Tax

Advance VAT

Tax Deducted at source (Interest Income)

Tax Deducted at source (U/S-82C)

2,219,282      1,795,621

1,334,406      2,428,294

173,332      111,620

2,390,292      1,707,741

**6,117,312**      **6,043,276**
**09. Bill Receivable : Taka 34,362,074**

The break up of the amount is as follows:

Internet

Hardware / Switch

Web page, Software &amp; Data Transmit

8,732,608      2,762,646

1,674,406      4,429,126

23,955,060      24,465,574

**34,362,074**      **31,657,346**
**10. Cash and Cash Equivalents : Taka 13,150,630**

The break up of the amount is as follows:

**Amount in Taka**
**30.06.2010**      **30.06.2009**

315,577      516,728

**10.01 Cash in Hand**
**10.02 Cash at Bank**

12,835,053      21,126,910

**13,150,630**      **21,643,638**

	<b>Amount in Taka</b>	
	<b><u>30.06.2010</u></b>	<b><u>30.06.2009</u></b>
	<b>10.01 Cash in Hand : Taka 315,577</b>	315,577
	<b><u>315,577</u></b>	<b><u>516,728</u></b>

The above balance has been verified by us and found in order.

**10.02 Cash at Bank : Taka 12,835,053**

<b>CD Accounts</b>	<b>A/C No.</b>		
Eastern Bank Ltd.	1061060000757	928,943	1,713,106
Eastern Bank Ltd.	01061060001684	41,513	43,473
First Security Bank Ltd.	010811100001575	452,677	209,564
<b>Sub-Total</b>		<b><u>1,423,133</u></b>	<b><u>1,966,143</u></b>
<b>STD Accounts</b>			
Eastern Bank Ltd.	01061040000139	98,389	96,399
Prime Bank Ltd	12732030003986	742,962	7,939,068
Prime Bank Ltd	12732080003998	193,836	100,774
Prime Bank Ltd	12731080017622	3,939	-
National Credit & Commerce Bank	0010514002	9,219	10,489
Prime Bank Ltd	12751050019650	74,760	-
First Security Bank Ltd.	010813100000055	1,977	2,520
UCBL	8413100000199	427,488	1,225,276
UCBL	8413100000216	1,884,904	1,377,314
UCBL	1310000274	16,002	-
UCBL	8413100000147	14,911	1,019,717
<b>Sub-Total</b>		<b><u>3,468,387</u></b>	<b><u>11,771,557</u></b>
<b>FDR Account</b>			
Prime Bank Ltd	1274106000996-7	1,359,866	2,380,731
Prime Bank Ltd	12741020010005	1,197,439	-
Prime Bank Ltd	12741070010994	5,386,228	5,008,479
<b>Sub-Total</b>		<b><u>7,943,533</u></b>	<b><u>7,389,210</u></b>
<b>Grand Total</b>		<b><u>12,835,053</u></b>	<b><u>21,126,910</u></b>

The above balances represent Bank balance maintained by the company with the different banks. We have obtained all bank statements and FDR statements along with reconciliation statements found and those to be in order.

**11. Accounts Payable & Other Liabilities : Taka 28,514,765**

The break up of the amount is as follows:

Audit Fee Payable	54,000	54,000
Sundry Creditors	19,590,489	37,388,309
Unpaid Dividend	1,918,892	263,503
Other Liabilities	1,916,281	8,255,249
Liability for Expenses	5,035,103	3,328,967
	<b><u>28,514,765</u></b>	<b><u>49,290,028</u></b>

**12. Provision for Income Tax : Taka 1,086,153**

The break up of the amount is as follows:

	<b>Amount in Taka</b>	
	<b><u>30.06.2010</u></b>	<b><u>30.06.2009</u></b>
Opening Balance	426,339	552,060
Provision made during the year	1,086,153	426,339
	<b><u>1,512,492</u></b>	<b><u>978,399</u></b>
Less : Tax paid during the year	426,339	552,060
	<b><u>1,086,153</u></b>	<b><u>426,339</u></b>

**13. Short Term Loan : Taka 23,602,734**

The break up of the amount is as follows:

		<b>Amount in Taka</b>	
		<b>30.06.2010</b>	<b>30.06.2009</b>
	<i>A/C</i>		
Prime Bank SOD (Sat Masjid Road)	320007485	22,949,334	2,497,068
UCBL (Car loan)		653,400	-
		<b>23,602,734</b>	<b>2,497,068</b>

**14. Share Capital**
**14.1. Authorized Capital : Taka 1000,000,000**

100,000,000 Ordinary shares of Taka. 10 each	<b>1,000,000,000</b>	<b>250,000,000</b>
----------------------------------------------	----------------------	--------------------

**14.2. Issued, Subscribed and Paid-up Capital : Taka 123,200,000**

12,320,000 Ordinary shares of Taka. 10 each	123,200,000	123,200,000
---------------------------------------------	-------------	-------------

**14.3. Compositions of Shareholdings**

Particulars	As on 30.06.2010		As on 30.06.2009	
	No. of Shares	% of holdings	No. of Shares	% of holdings
Sponsor/Director	1,641,200	13.32	1,696,200	13.77
ICB (M. Fund, UNIT, Capital Management)	120,568	0.98	221,468	1.80
Financial Institution's, ICB - IA A/C & Other Investors A/C.	1,622,484	13.17	2,748,344	22.31
General Public	8,935,748	72.53	7,653,988	62.13
<b>Total</b>	<b>12,320,000</b>	<b>100</b>	<b>12,320,000</b>	<b>100</b>

**14.4. 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 as on June 30, 2010 :

Shareholders Range (in number of Shares)	Shareholders		Shares	
	No.	%	No.	%
Less than 500 shares	952	16.62	2,069	42.41
500 to 5,000 Shares	4,455	77.79	2,501	51.27
5001 to 10,000 shares	189	3.30	168	3.44
10,001 to 20,000 shares	72	1.26	72	1.48
20,001 to 30,000 shares	22	0.38	28	0.57
30,001 to 40,000 shares	8	0.14	8	0.16
40,001 to 50,000 shares	9	0.16	6	0.12
50,001 to 100,000 shares	13	0.23	13	0.27
100,001 to 1,000,000 shares	7	0.12	13	0.27
Over 1,000,000 shares	-	-	-	-
<b>Total</b>	<b>5,727</b>	<b>100.00</b>	<b>4,878</b>	<b>100.00</b>

**14.5. 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.

**14.6. Market Price**

The shares of the Company are listed in the Dhaka and Chittagong Stock Exchanges and quoted at Taka 58.70 (High-Taka.60 , Low-Taka.51.70 ) per share and Taka 57.00 (High-Taka.59.40 Low-Taka.52.10) per share in the Dhaka and Chittagong Stock Exchange respectively as of June 30, 2010

#### 14.7. Voting Rights

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

#### 15. Retained Earnings : Taka 17,060,505

The break up of the amount is as follows:

	<b>Amount in Taka</b>	
	<b>30.06.2010</b>	<b>30.06.2009</b>
Balance as at 01.07.2009	13,157,249	13,848,071
Add: Profit during the year	16,127,446	10,586,483
	<u>29,284,695</u>	<u>24,434,554</u>
Less: Dividend paid/proposed	12,320,000	11,200,000
	<u>16,964,695</u>	<u>13,234,554</u>
Add: Prior year adjustment made during the year	95,810	(77,305)
<b>Balance as at 30.06.2010</b>	<b><u>17,060,505</u></b>	<b><u>13,157,249</u></b>

#### 16. Revenue From Net Sales & Services : Taka 114,434,649

The break up of the amount is as follows:

Sales of Internet Services	41,963,223	25,657,153
Less: Deductable (VAT)	6,294,483	3,848,573
Net sales of Internet Services	<u>35,668,740</u>	<u>21,808,580</u>
Sales of web page, software and data transmission	78,765,909	54,267,223
<b>Net sales of Internet &amp; Services</b>	<b><u>114,434,649</u></b>	<b><u>76,075,803</u></b>

#### 17. Operating Expenses : Taka 36,180,449

The break up of the amount is as follows:

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	Total	Total
Bandwidth Charges	24,580,443	335,539	-	24,915,982	8,632,395
Electricity Charges	1,448,105	264,502	38,885	1,751,492	872,283
Telephone Charges	1,093,976	102,416	7,788	1,204,180	791,071
Domain Registration Exp.	-	74,250	-	74,250	21,700
Data Connectivity & Optical Fiber Rent	7,282,841	-	-	7,282,841	1,069,235
Installation Charge	192,473	3,000	-	195,473	8,940
Cost of sales of Hardware	-	56,570	29,346	85,916	6,827,727
Cost of Software (A.V)	-	663,195	-	663,195	-
Iptalk Server Rent - U.S.A	-	-	-	-	-
Freight & Carriage	6,120	-	-	6,120	94,576
DDN Charges	1,000	-	-	1,000	1,000
<b>Total</b>	<b>34,604,958</b>	<b>1,499,472</b>	<b>76,019</b>	<b>36,180,449</b>	<b>18,318,927</b>



**18. Administrative and Marketing Expenses : Taka 44,676,730**
**Amount in Taka**
**30.06.2010      30.06.2009**

The break up of the amount is as follows:

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	Total	Total
Directors Remuneration	2,283,500	1,200,000	-	3,483,500	3,340,000
Salary and Allowances	24,510,391	4,156,360	353,722	29,020,473	23,467,578
Traveling and Conveyance	1,599,623	88,355	965	1,688,943	1,330,820
Office Rent	3,465,713	1,033,390	81,831	4,580,934	4,087,080
Printing and stationaries	875,446	90,080	-	965,526	858,082
Courier & Postage Charges	149,037	-	-	149,037	114,608
Photo copy Charges	457	-	-	457	386
Advertisement Expenses	269,408	32,143	-	301,551	-
News Papers & Periodicals	17,029	3,630	-	20,659	19,185
Entertainment	187,658	1,661	-	189,319	366,971
Security charges	99,420	-	-	99,420	141,470
Repair & Maintenance	1,013,418	131,090	20,273	1,164,781	548,826
Utility Charges	143,458	-	-	143,458	109,618
Car Maintenance	541,173	14,434	-	555,607	378,990
License Registration & Renewal Fees	639,893	98,633	-	738,526	683,661
Insurance Premium	103,404	-	-	103,404	17,070
Fees & Professional Charges	115,430	29,470	-	144,900	559,835
AGM Expenses	191,166	103,265	-	294,431	231,816
Promotional exp.	220,032	24,420	15,000	259,452	211,320
Audit Fee	30,000	30,000	-	60,000	60,000
Commission on Sales	170,896	-	-	170,896	73,165
Tender Participation	35,918	5,018	-	40,936	24,090
Sundry Exp.	414,372	86,148	-	500,520	189,724
<b>Total</b>	<b>37,076,842</b>	<b>7,128,097</b>	<b>471,791</b>	<b>44,676,730</b>	<b>36,814,295</b>

The number of employees (both casual and permanent of the company as at June 30, 2010 was 210 and all of them received salary and allowances above Taka. 36,000 per year.

**19. Financial Charges : Taka 1,932,525**

The break up of the amount is as follows:

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	Total	Total
Bank Interest	1,692,323	-	-	1,692,323	520,882
Bank Charges & Others	231,768	8,089	345	240,202	99,089
<b>Total</b>	<b>1,924,091</b>	<b>8,089</b>	<b>345</b>	<b>1,932,525</b>	<b>619,971</b>

**20. Non Operating Income : Taka 1,428,448**

The break up of the amount is as follows:

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	Total	Total
Bank Interest ( FDR & STD A/C.)	246,747	44,8242	-	694,989	900,094
Other Income	733,459	-	-	733,459	-
	<b>980,206</b>	<b>448,242</b>	<b>-</b>	<b>1,428,448</b>	<b>900,094</b>

**21. Profit From Sale of Hardware U/S 82C : Taka 5,298,343**

**Amount in Taka**  
30.06.2010      30.06.2009

Calculation of the profit on Hardware sale is given below:

Revenue from Hardware & Fiber Optic	11,881,644	12,667,554
Less : VAT	178,227	160,006
Net Sales- Hardware	<b>11,703,417</b>	<b>12,507,548</b>
Less : Cost of Sale of Hardware	6,405,074	7,827,700
(Taxable U/S 82C as per ITO, 1984)	<b>5,298,343</b>	<b>4,679,848</b>
<b>Profit on Hardware</b>	<b>5,298,343</b>	<b>4,679,848</b>

 Note : 21.01  
 (Taxable U/S 82C as per ITO, 1984)

**21.01. Cost of Sale of Hardware : Taka 6,405,074**

The break up of the amount is as follows:

Particulars	UNIT-I ISP	UNIT-II SDP	UNIT-3 IPTSP	Total	Total
Broadband Modem Concentrator	1,834,172	-	-	1,834,172	940,765
Cost of sales of Hardware	542,850	-	-	542,850	847,684
Cost of Sales of Optical Fiber/Cable	4,028,052	-	-	4,028,052	6,039,251
<b>Total</b>	<b>6,405,074</b>	<b>-</b>	<b>-</b>	<b>6,405,074</b>	<b>7,827,700</b>

**22. Contingent Liabilities**

Contingent Liabilities are those which arise due to the past event which shall settled in the future on the occurrence or non occurrence of some uncertain event, cost of which can be measured reliably as per BAS-37 "Provision and Contingent Assets and Liabilities". In the year under review there is no any contingent liabilities as well as no commitments is made to be settled in the future.

**Schedule-A**  
**BDCOM ONLINE LIMITED**  
**Fixed Assets Schedule**

For the year ended June 30, 2010

Particulars	Cost			Rate of Dep.	Depreciation			W.D.V. as at 30.06.2010
	Opening Balance as at 01.07.09	Additions during the year	Adjustment during the year		Total as at 30.06.10	Charged during the year	Adjustment during the year	
<b>Unit-1 (ISP)</b>								<b>Schedule A/1</b>
Internet System Hardware	110,710,205	2,719,281	(19,034,943)	18%	94,394,543	11,053,713	(856,572)	56,126,957
Furniture & Fixture	1,653,594	149,210	298,269	10%	2,101,073	90,956	7,457	906,717
Office Renovation	2,643,841	169,805	30,530	18%	2,844,176	169,935	1,274	1,971,042
Sundry Assets	588,325	140,000	27,460	10%	755,785	39,532	687	342,490
Crockeries & Cutleries	58,422	-	-	10%	58,422	2,471	-	36,185
A. C. Installation	1,636,314	-	40,000	18%	1,676,314	95,180	1,800	1,186,048
PABX Installation	330,783	-	-	18%	330,783	12,460	-	271,605
Office Equipments	8,002,947	590,690	545,370	15%	9,139,007	440,604	20,451	5,666,655
V-Sat Tower	3,919,414	-	-	15%	3,919,414	228,660	-	2,579,560
Telephone & Installation	9,877,572	27,150	6,720	15%	9,911,442	346,037	252	7,869,284
Motor Vehicles	2,723,600	1,164,500	-	15%	3,888,100	323,126	-	1,409,356
Generator	1,493,114	204,000	-	15%	1,697,114	136,687	-	744,661
Cable Installation	1,556,376	-	-	15%	1,556,376	67,373	-	1,161,599
Broad Band Equipments	18,308,579	4,098,754	5,673,980	18%	28,081,313	1,759,602	255,329	10,390,716
Radio Equipments	4,443,800	70,000	1,055,580	18%	5,569,380	320,555	47,502	2,980,866
Electrical Installation	679,599	5,540	42,877	15%	728,016	63,793	1,608	308,177
Optical Fiber Deployment	12,499,543	6,426,958	11,312,357	15%	30,238,858	1,678,759	424,312	4,990,360
Neon Sign & Others	6,660	10,307	1,800	20%	18,767	2,315	90	4,803
<b>Sub Total</b>	<b>181,132,688</b>	<b>15,776,195</b>	<b>-</b>		<b>196,908,883</b>	<b>16,831,758</b>	<b>(95,810)</b>	<b>98,947,081</b>
					<b>82,211,133</b>	<b>16,831,758</b>	<b>(95,810)</b>	<b>97,961,802</b>

Particulars	Cost					Rate of Dep.	Depreciation			W.D.V. as at 30.06.10
	Opening Balance as at 01.07.09	Additions during the year	Adjustment during the year	Total as at 30.06.10	Opening Balance as on 01.07.09		Charged during the year	Adjustment during the year	Total as at 30.06.10	
System Hardware	7,685,690	264,300	-	7,949,990	5,154,046	439,531	-	5,593,577	2,356,413	
Furniture & Fixture	674,229	6,490	-	680,719	336,567	33,133	-	369,700	311,019	
Office Renovation	1,585,873	-	-	1,585,873	894,122	120,312	-	1,014,434	571,439	
Sundry Assets	77,212	-	-	77,212	30,777	4,557	-	35,334	41,878	
Books & Periodicals	73,226	-	-	73,226	38,166	3,441	-	41,607	31,619	
A. C. Installation	256,790	-	-	256,790	194,108	10,902	-	205,010	51,780	
Electric Installation	150,494	-	-	150,494	116,354	5,938	-	122,292	28,202	
Peripheral Equipment	4,331,941	113,400	-	4,445,341	2,418,957	275,950	-	2,694,907	1,750,434	
Software Development	26,331,242	1,671,000	-	28,002,242	14,094,650	2,010,431	-	16,105,081	11,897,161	
Telephone & Installation	1,777,986	-	-	1,777,986	1,051,439	105,917	-	1,157,356	620,630	
Auto Generator	601,190	-	-	601,190	422,916	25,989	-	448,905	152,285	
Crockeries & Cutlaries	4,080	-	-	4,080	1,571	365	-	1,936	2,144	
<b>Sub Total</b>	<b>43,549,953</b>	<b>2,055,190</b>	<b>-</b>	<b>45,605,143</b>	<b>24,753,673</b>	<b>3,036,466</b>	<b>-</b>	<b>27,790,139</b>	<b>17,815,004</b>	

Particulars	Cost					Depreciation			W.D. V. as at 30.06.10	
	Opening Balance as at 01.07.09	Additions during the year	Adjustment during the year	Total as at 30.06.10	Rate of Dep.	Opening Balance as on 01.07.09	Charged during the year	Adjustment during the year		
	as at 01.07.09	year	year	30.06.10	year	year	year	year		
System Hardware	-	2,190,000	-	2,190,000	18%	-	63,450	-	63,450	2,126,550
Telephone Installation-IP	-	112,206	-	112,206	15%	-	2,396	-	2,396	109,810
Software Development	-	3,650,000	-	3,650,000	15%	-	91,250	-	91,250	3,558,750
<b>Sub Total</b>	<b>-</b>	<b>5,952,206</b>	<b>-</b>	<b>5,952,206</b>		<b>-</b>	<b>157,096</b>	<b>-</b>	<b>157,096</b>	<b>5,795,110</b>
<b>Grand Total</b>	<b>224,682,641</b>	<b>23,783,591</b>	<b>-</b>	<b>248,466,232</b>		<b>106,964,806</b>	<b>20,025,320</b>	<b>(95,810)</b>	<b>126,894,316</b>	<b>121,571,916</b>

**BDCOM ONLINE LIMITED**  
**Schedule of Deferred Revenue Expenditure**  
 For the year ended June 30, 2010

**Schedule-B**

Particulars	Original Amount		Rate of Amortisation	Amortization Amount		Net Amount As on 30.06.10
	Balance As on 01.07.2009	Addition during the year		Balance As on 01.07.2009	Charged during the year	
Deferred Revenue Expenses	91,200	-	20%	18,240	18,240	36,480
Capital Issue Expenses (Pref.share)	-	1,476,554	20%	-	295,310	295,310
Pre-Operation Expenses (IPTSP)	-	1,600,018	20%	-	320,004	320,004
Graphic Design Project Exp.	2,496,315	-	20%	499,264	499,263	998,527
<b>Total</b>	<b>2,587,515</b>	<b>3,076,572</b>		<b>517,504</b>	<b>1,132,817</b>	<b>4,013,767</b>

The management has decided to amortize deferred expenses over 5 (Five) years commencing from the year ended June 30, 2009.

Here it is further noted that preference issue expenses and pre-operational expenses of IP Telephony will be amortized within 5 (Five) years from June 30, 2010.

partnering ICT with trust



13 Years of ICT Service Experience Portfolio



Largest Broadband Network



"KOTHA" IP Telephony Service

## **BDCOM Online Limited**

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