



Directors' Report To The Shareholders For The Year Ended June 30, 2015

Dear Shareholders

The Directors of BDCOM Online Limited welcome you all at the 19th Annual General Meeting and have the pleasure of presenting the Director's Report of your company together with audited financial statements for the year ended June 30, 2015.

Enhanced Value of Shareholders' Investment:

In the year under review, Revenue was Tk.361.55 million with 24.27% increase compared to the revenue of previous year. The significant growth in revenue was mainly from nationwide data service (Intranet service).

The Directors take pleasure in reporting the financial results of the Company for the year ended June 30, 2015 (as mentioned in the Statement of Comprehensive Income). Details of the same are given below.

Description	June 30, 2015	June 30, 2014
Gross Profit	214,272,355	172,343,965
Operating Profit	57,869,534	45,220,487
Non-Operating Income	15,483,867	12,195,348
Net Profit before Provision & Tax	73,353,401	57,415,835
Provision for WPPWF	(3,667,670)	-
Provision for Income Tax	(9,331,572)	(6,627,384)
Provision for Deferred Tax	(571,182)	(1,219,894)
Net Profit after Tax	59,782,977	49,568,557
Less: Sustainable Estimated Loss on Marketable Securities	(1,206,000)	(703,500)
Less: Dividend Distribution of Previous Year	(50,009,929)	(30,309,048)
Add: Profit brought forward	52,857,055	34,301,046
Surplus Available for Appropriation	61,424,103	52,857,055

The Board of Directors recommendation for

Cash Dividend @7%	26,838,662
Stock Dividend @8%	30,672,756

Retained Earnings after Proposed Dividend **3,912,684**

Dividend

The Board of directors pleased to recommend 7% Cash Dividend & 8% Stock Dividend for the year ended 30th June 2015.

Directors

One third of the directors retire by rotation in terms of Articles of Association of the company at the 19th Annual General Meeting, M/S. Hornbill Apparels Ltd have expressed interest to be re-appointed and are eligible for re-election.

Auditors

The office of the present Auditor M/S. Atik Khaled Chowdhury, Chartered Accountants will expire with the completion of 19th Annual General Meeting and not eligible for re-appointment as Statutory Auditors and the Board of Directors recommended M/S. Ahmed Zaker & Co., BSEC Penal Auditor as Statutory Auditors for the year ended June 30, 2016 with existing remuneration as in the year 2014-2015 and seek shareholders approval.

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 2015 give a true and fair view of the state of the company about the result of its operations, cash flows and changes of equity.
- b) Proper books of accounts as required by the prevailing laws have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparing the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- d) The financial statements have been prepared in accordance with applicable IAS/BAS/IFRS/BFRS.
- e) The system of internal control and internal check are in effect and maintained properly.
- 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.
- g) There is no deviation from last years operating results.
- h) The key operating and financial data for the proceeding five years have been shown in the Financial History of Five years (Annexure-1) (Page-17)
- i) During the year Twenty One (21) Board of Directors meeting were held and the attendance by each directors is given below:

1) Mr. Wahidul Haque Siddiqui	Chairman	-	21
2) Mrs. Qurratul Ann Siddiqui	Director	-	21
3) M/s. Hornbill Apparel Ltd.	Director	-	19
4) Mr. Das Deba Prashad	Independent Director	-	17
5) Mr. S.M. Golam Faruk Alamgir	Managing Director	-	21

j) The pattern of shareholding:

- i) Parent/Subsidiary/Associate Companies - NA
- ii) Sponsor, Directors, Managing Director, Chief Financial Officer, Company Secretary, Head of Internal Audit and their spouses and minor children :

		Shares Qty. as at 30 June 2015	Shares Qty. as at 30 June 2014	% 2015	% 2014
a) Mr. Wahidul Haque Siddiqui	Chairman	- 2,040,159	1,774,052	5.32	5.32
b) Mrs. Qurratul Ann Siddiqui	Director	- 2,991,386	2,601,206	7.80	7.80
c) M/S. Hornbill Apparel Ltd.	Director	- 1,830,029	1,591,331	4.77	4.77
d) Mr. Das Deba Prashad	Independent Director	-	-	-	-
e) Mr. S.M. Golam Faruk Alamgir	Managing Director	-	-	-	-
f) Mr. Sumon Ahmed Sabir	Sponsor	- 566,394	492,517	1.48	1.48
g) Mr. Mohd. Zulfiquar Hafiz	Sponsor	- 420,542	365,689	1.10	1.10
h) Mr. A.T.M. Sayeeduzzaman	Sponsor	- 315,235	274,118	0.82	0.82
i) A.K.M. Kutub Uddin	Company Secretary	-	-	-	-
j) Md. Robiul Alam Chowdhury	Chief Financial Officer	-	-	-	-
k) Mr. Swapan Kumar Saha	Head of Internal Audit	-	-	-	-

iii) Executives:

a) Mr. S.M. Kamruzzaman	Chief Technical Officer	-	-	-	-
b) Mr. Gazi Zehadul Kabir	General Manager	-	-	-	-
c) Mr. Anowar Hasan Sabir	General Manager	-	-	-	-
d) Mr. Bipul Ranjan Saha	Asstt. General Manager	-	-	-	-
e) Mr. Sharif Shabbirul Alam	Asstt. General Manager	-	-	-	-

iv) Share holders holding 10% or more voting interest in the company

a) ICB	-	5,058,838	1,658,261	13.19	4.33
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Duties of Managing Director and Chief Financial Officer

As per Condition 6 of the Corporate Governance Guidelines, the Managing Director and Chief Financial Officer (CFO) has certified to the Board that-

- to the best of their knowledge and belief, they have reviewed financial statements for the year ended 30th June 2015 and that to the best of their knowledge and belief:
- the financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

- the financial statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
- there were, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.

Brief Resume of the Director

Mr. Wahidul Haque Siddiqui

He is the founder Sponsor Director and at present he is the Chairman of the Company. He has completed his commerce graduation from University of Dhaka. He has ensured his involvement with many business enterprises, which are playing a vital role in the economy of Bangladesh. Mr. Siddiqui is one of the well known and experienced business person in RMG (Ready made Garments) and apparel sector both at home and abroad. He has passed his last 27 years with RMG sector for the development up-gradation and enhancement of foreign currency reserve of the country. He is also one of the Director of AsiaPacific General insurance Company Limited.

Mrs. Qurratul Ann Siddiqui

Wife of Mr. Wahidul Haque Siddiqui is a bonafide industrialist and doing business successfully for more than a decade. She is also a founder Director of the company and put her contribution for the social work in Bangladesh. She traveled many countries of the world in connection with business.

M/S. Hornbill Apparel Limited

M/S. Hornbill Apparel Limited is corporate sponsor Director of the Company successfully engaged with apparel business since long.

Mr. Das Deba Prashad

Ex Managing Director of Delta Life Insurance Company Limited. Completed his Master's of Commerce (Accounting) from University of Dhaka, well known and experience is Insurance Sector also have vast knowledge in banking & Capital Market. He has participated many local and international industrial events, trainee, seminar and workshop.

Mr. S.M. Golam Faruk Alamgir

Mr. S.M. Golam Faruk Alamgir, MBA(Marketing), Managing Director of the Company, well experienced in ICT Business and has been engaged with the sector for more than 24 years, he has participated many local and international event, training and workshop.

Achievement & Future Plan

You all know, IT Industry is characterized by its rapid changing nature. Technologies turn obsolete within a short period and an IT companies' survival and being successful in the long term depends to a large extent on its ability to cope up with and adopt new technologies. Although your Company has been quite successful till now. The Company's stable outlook is reflected by present leverage position, revenue trend, strategic plans, Industry outlook, credit history and client base.

The BDCOM team continues its endeavor to keep the company's growth steady in terms of sales, revenue, reserve funds and shareholder equity. BDCOM remained confident with its business strategy of focusing on developing diversified businesses and delivering value to its customers, shareholders and communities.

BDCOM strategy on diversification continues to evolve. It has resulted in sustained growth across all of our business lines. Behind our success is a great team of people – an efficient workforce that now numbers near about 300. They share common values and are focused on putting collective efforts in building deep, long-term relationships with customers.

All shareholders have been keeping tabs of BDCOM success stories in the field of Data Communication, Internet, IP Telephony, Vehicle Tracking, Fleet Management etc. BDCOM remain aligned with the Government of Bangladesh's goal of establishing Digital Bangladesh thus to build a knowledge-based society and transform Bangladesh into a middle-income country by 2021. BDCOM Data network has reached 493 out of 509 thanas in Bangladesh, keep on expanding into unions and upazillas, focusing on countrywide expansion of Broadband Internet, also concentrating on telemetric industry where many individual and enterprise customers are using BDCOM Vehicle Tracking & Fleet management latforms. We hope is to bring you more success stories in the coming years.

Corporate Governance

BDCOM Online Limited is pledge bound to adopt necessary measures of good governance abiding by all prevailing Rules and Regulations. Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/Admin/44 dated 07 August 2012 issued under section 2CC of Bangladesh Securities and Exchange Ordinance, 1969 is given in Annexure-X of this Annual Report. (Page - 22)

Acknowledgement

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

Thanks & regards

For and on behalf of the Board of Directors



Wahidul Haque Siddiqui
Chairman