BDCOM Online Ltd.
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3rd Quarter Report 2018

BDCOM Connecting Progress

Un-Audited Statement of Financial Position (3rd Quarter)
As at March 31, 2018

Particulars	Notes	Amount in Taka 31.03.2018	Amount in Taka 30.06.2017	Growth %
Assets:				
A. Non-Current Assets		**345,088,940**	**347,772,542**	**(0.77)**
Property, Plant and Equipment	3.00	341,163,061	343,921,683	(0.80)
(At cost less accumulated depreciation)				
Long Term Security Deposit		3,925,879	3,850,859	1.95
B. Current Assets		**543,393,868**	**515,409,288**	**5.43**
Inventories	4.00	17,811,852	15,818,882	12.60
Advances, Deposits & Prepayments	5.00	15,831,236	12,903,123	22.69
Advance Income Tax & VAT		21,383,325	26,620,547	(19.67)
Bills Receivable	6.00	166,393,602	142,044,907	17.14
Accounts Receivable	7.00	7,295,164	5,764,799	26.55
Investment In Shares (at Market Price)		14,005,906	48,808,687	(71.30)
Investment In FDR		244,808,804	223,349,969	9.61
Cash and Cash Equivalents		55,863,979	40,098,374	39.32
Total Assets (A+B)		**888,482,808**	**863,181,830**	**2.93**
Shareholders' Equity & Liabilities :				
C. Shareholders' Equity:		**708,346,906**	**677,301,184**	**4.58**
Share Capital		465,221,361	443,067,963	5.00
Share Premium		119,504,000	119,504,000	-
Tax Holiday Reserve		21,555,878	21,555,878	-
AFS Reserve		(5,383,424)	(5,467,014)	(1.53)
Retained Earnings		107,449,091	98,640,357	8.93
D. Non-Current Liabilities		**12,550,760**	**10,935,291**	**14.77**
Deferred Tax Liabilities	13.00	12,550,760	10,935,291	14.77
E. Current Liabilities :		**167,585,143**	**174,945,355**	**(4.21)**
Bills Payable	8.00	116,722,560	107,948,168	8.13
Accounts Payable	9.00	22,782,439	29,339,609	(22.35)
Provision for Income Tax	10.00	10,230,844	14,491,146	(29.40)
Provision for Bad & Doubtful Debts		9,957,090	9,957,090	(0.00)
Short Term Bank Loan	11.00	7,892,210	13,209,341	(40.25)
Total Equity & Liabilities (C+D+E)		**888,482,808**	**863,181,830**	**2.93**
Net Assets Value Per Share (NAV)		**15.23**	**15.29**	

Un-Audited Statement of Comprehensive Income and Appropriation Account (3rd Quarter)
For the period ended March 31, 2018

Particulars	Unit-1 ISP	Unit-2 SDP	Unit-3 IPTSP	Amount in Taka 31.03.2018	Amount in Taka 31.03.2017	January 01 to March 31,2018	January 01 to March 31,2017
Revenue from Sales & Services	316,666,476	41,694,345	36,286,546	394,647,367	380,044,239	140,727,394	129,641,583
Operating Expenses	(139,463,355)	(14,257,835)	(17,330,760)	(171,051,950)	(149,216,647)	(58,819,425)	(48,465,459)
Gross Profit	**177,203,121**	**27,436,510**	**18,955,786**	**223,595,417**	**230,827,592**	**81,907,969**	**81,176,124**
Administrative and Marketing Expenses	(107,570,480)	(10,978,522)	(12,899,440)	(131,448,442)	(121,820,727)	(43,342,075)	(39,813,573)
Provision for Bad & Doubtful Debts	-	-	-	-	(4,750,300)	-	(4,750,300)
Depreciation on Fixed Assets	(31,669,598)	(1,009,900)	(1,453,381)	(34,132,879)	(34,828,423)	(11,826,899)	(12,062,779)
Financial Charges	(1,489,536)	(67,266)	(65,670)	(1,622,472)	(2,001,923)	(606,145)	(679,140)
Total Expenses	**(140,729,614)**	**(12,055,688)**	**(14,418,491)**	**(167,203,793)**	**(163,401,373)**	**(55,775,119)**	**(57,305,792)**
Operating Profit	**36,473,507**	**15,380,822**	**4,537,295**	**56,391,624**	**67,426,219**	**26,132,850**	**23,870,332**
Non-Operating Income	10,657,538	1,152,338	8,434	11,818,310	14,320,139	3,817,688	3,604,262
Net Realized Loss on Sale of Shares	-			-	(8,893,440)	-	4,533,918
Net Profit Before WPPWF	**47,131,045**	**16,533,160**	**4,545,729**	**68,209,934**	**72,852,918**	**29,950,538**	**32,008,512**
Contribution to WPPWF @ 5%	**(2,244,335)**	**(787,293)**	**(216,463)**	**(3,248,092)**	**(3,642,646)**	**(1,426,216)**	**(1,600,426)**
Net Profit before Tax	**44,886,710**	**15,745,867**	**4,329,266**	**64,961,842**	**69,210,271**	**28,524,322**	**30,408,086**
Provision for Income Tax	(9,368,268)	(842,574)	(20,002)	(10,230,844)	(11,376,573)	(4,173,354)	(5,749,204)
Deffered Tax Expenses	(1,615,468)	-	-	(1,615,468)	(4,552,316)	(463,977)	(897,655)
Net Profit After Tax	**33,902,974**	**14,903,293**	**4,309,264**	**53,115,530**	**53,281,382**	**23,886,991**	**23,761,227**
Other Comprehensive:							
Sustainable Estimated Profit/(Loss) on Marketable Securities	83,590	-	-	83,590	842,598	83,590	842,598
Retained Earning Carried Forward	**33,986,564**	**14,903,293**	**4,309,264**	**53,199,120**	**54,123,980**	**23,970,581**	**24,603,825**
Earing Per Share (EPS)-Basic				**1.14**	**1.15**	**0.48**	**0.51**

Un-Audited Statement of Cash Flows (3rd Quarter)
For the period ended March 31, 2018

Particulars	Amount in Taka 31.03.2018	Amount in Taka 31.03.2017	Growth %
A. CASH FLOWS FROM OPERATING ACTIVITIES :			
Receipts from sales, service & others	367,370,559	337,438,393	8.87
Purchase of Materials	(11,488,579)	(13,782,140)	-16.64
Bank Interest - STD & Others	430,383	-	100.00
Payment of Income Tax & VAT	(9,253,924)	(10,232,032)	-9.56
Cash payment to creditors & others	(296,272,872)	(243,416,474)	21.71
NET CASH PROVIDED/USED IN OPERATING ACTIVITIES	**50,785,567**	**70,007,747**	**-27.46**
B. CASH FLOWS FROM INVESTING ACTIVITIES :			
Acquisition of Tangible Assets	(31,374,257)	(40,648,822)	-22.82
Receive From FDR Interest	9,532,562	12,885,453	-26.02
Profit on Marketable Securities	-	7,740,473	-100.00
Dividend from Marketable Securities	325,000	-	100.00
Investment in Fixed Deposit Receipt (FDR)	(21,458,835)	-	-100.00
Investment in Marketable Securities	34,886,371	(48,929,000)	-171.30
Long Term Security Deposit	(75,020)	(218,920)	-65.73
NET CASH USED IN INVESTING ACTIVITIES	**(8,164,179)**	**(69,170,816)**	**-88.20**
C. CASH FLOWS FROM FINANCING ACTIVITIES :			
Cash Dividend	(21,538,652)	(19,751,017)	9.05
Short Term Loan	(5,317,131)	(9,569,938)	-44.44
NET CASH PROVIDED BY FINANCING ACTIVITIES	**(26,855,783)**	**(29,320,955)**	**-8.41**
NET CASH OUT FLOW DURING THE YEAR:(A+B+C)	**15,765,605**	**(28,484,024)**	**-155.35**
Cash & Cash Equivalent at the beginning of the year	**40,098,374**	**260,386,787**	**-84.60**
Cash & Cash Equivalent at the closing of the year	**55,863,979**	**231,902,763**	**-75.91**
Net Operating Cash Flow Per Share (NOCF)	**1.09**	**1.50**	

Un-Audited Statement of Changes in Equity (3rd Quarter)
For the period ended March 31, 2018

Particulars	Share Capital	Tax Holiday Reserve	Share Premium	AFS Reserve	Retained Earnings	Amount in Taka 31.03.2018	Amount in Taka Total Equity 31.03.2017
Balance as on 01.07.17	**443,067,963**	**21,555,878**	**119,504,000**	**(5,467,014)**	**98,640,357**	**677,301,184**	**623,388,321**
Net Comprehensive Income after tax	-	-	-		53,115,530	53,115,530	53,281,383
Adjustment against unrealized loss on investment in shares	-	-	-	-	-	-	15,791,315
Sustainable Estimated Profit/(Loss) on Marketable Securities				83,590	-	83,590	842,598
Cash Dividend	-	-	-	-	(22,153,398)	(22,153,398)	(20,704,110)
Stock Dividend 5%	22,153,398	-	-	-	(22,153,398)	-	-
Balance as on 31.03.2018	**465,221,361**	**21,555,878**	**119,504,000**	**(5,383,424)**	**107,449,091**	**708,346,906**	**672,599,507**

Number of Ordinary Shares	**46,522,136**	**46,522,136**
Face Value Per Share	**10**	**10**
Shareholders' Equity Per Share	**15.23**	**14.46**

Dated : Dhaka
April 25, 2018

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Head of F&A	**Company Secretary**	**Managing Director**	**Director**	**Chairman**

Selected Explanatory Notes :

This Interim Financial Report includes only those selected explanatoty notes as were deemed appropriate for better understanding of unaudited financial statements.

1.00 Status and Nature of the Company

1.01. Legal Form : BDCOM ONLINE LTD was incorporated in Bangladesh on February 12, 1997 as a Private Limited Company though issuance of certificate of incorporation no. : C-32328(1449/97) dated February 12,1997 by the Registered Joint Stock Companies and Firms and was emerged as 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.

1.02. Nature of Business : The Company is primarily engaged as an Internet Service Provider (ISP) in Bangladesh which includes Broadband Internet, Fiber optic cable and Hardware Sales Web page software design and hosting, Leased port Internet Access, Total Network Solutions and Nationwide Data Services. In addition the company is conducting customized software development, Vehicle Tracking Services (VTS), Business Process Outsourcing, IP Telephony Services (IPTSP), IPPBX Solutions, Hosted conference Bridge, Short Code Parking, Sale of Network Equipoments etc.

2.00 Significant Accounting Policies :

2.01 Basis of Preparation of Financial Statements : These Financial Statements have been prepared in line with Accounting Policies as adopted in the preparation of financial statements for the period ended June 30, 2017

3.00 Property Plant and Equipments :

The break up of the amount is as follows:

Particulars	Amount in Taka 31.03.2018 Total	Amount in Taka 30.06.2017 Total
A) Cost:		
Opening Balance	715,031,916	670,042,344
Addition during the year	31,374,257	44,989,572
	746,406,173	715,031,916
Less: Adjustment during the year	-	-
Sub Total	746,406,173	715,031,916
B) Less: Accumulated Dep:	371,110,233	323,680,460
Add. Charge for the year	34,132,879	47,429,773
Adjustment for the year	-	-
Sub Total	405,243,112	371,110,233
Closing Balance (A-B)	**341,163,061**	**343,921,683**

4.00 Inventories :

The break up of the amount is as follows:

	31.03.2018	30.06.2017
Accessories	496,169	275,951
GLP & GPRS Modem & Accessories	5,590,200	4,562,385
IP Telephony Hardware	2,008,809	1,968,870
Modem, Media Converter & Concentrators	924,787	871,105
Switch, Router, Equipments & Others	3,950,885	4,187,928
Stationery	55,528	25,059
Stock of Fiber Optic	1,087,052	933,914
Radio Equipment	3,698,422	2,993,670
Total Taka	**17,811,852**	**15,818,882**

5.00 Advances, Deposits & Pre-payments :

The break up of the amount is as follows:

	31.03.2018	30.06.2017
A) Advances :		
Against Salary	1,218,386	2,039,305
Advance to suppliers and others	2,347,257	5,986,130
Material In Transit (L/C Margin)	4,461,011	5,058
Total	**8,026,654**	**8,030,493**
B) Deposits :		
Security Deposit / Earnest Money	7,150,232	4,523,216
Total	**7,150,232**	**4,523,216**
C) Pre-payments	**654,350**	**349,414**
Total (A+B+C)	**15,831,236**	**12,903,123**

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

6.00 Bills Receivable :

The break up of the amount is as follows:

	31.03.2018	30.06.2017
Internet & Data Services	121,188,424	98,538,259
Hardware, Switch & Others	1,336,322	904,425
IP Telephone Service	20,283,929	19,412,862
Web page, Software & Data Transmit	23,584,927	23,189,361
Total Taka	**166,393,602**	**142,044,907**

7.00 Accounts Receivable :

The break up of the amount is as follows:

	31.03.2018	30.06.2017
FDR Interest Receivable	7,295,164	5,764,799
Total Taka	**7,295,164**	**5,764,799**

8.00 Bills Payables :

The break up of the amount is as follows:

	31.03.2018	30.06.2017
Sundry Creditors	113,394,710	105,235,064
Unpaid Dividend	3,327,850	2,713,104
Total Taka	**116,722,560**	**107,948,168**

9.00 Accounts Payable :

The break up of the amount is as follows:

	31.03.2018	30.06.2017
Liability for Expenses	7,990,807	11,781,292
Liability for Other Finance	14,791,632	17,558,317
Total Taka	**22,782,439**	**29,339,609**

10.00 Provision For Income Tax :

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	Amount in Taka 31.03.2018	Amount in Taka 30.06.2017
Net Profit Before WPPWF	47,131,045	16,533,160	4,545,729	68,209,934	89,982,549
Less : Contribution to WPPWF @ 5%	(2,244,335)	(787,293)	(216,463)	(3,248,092)	(4,284,883)
Profit Before Tax	44,886,710	15,745,867	4,329,266	64,961,842	85,697,666
Less : Tax Exempted Profit **	(7,413,639)	(12,375,570)	(4,249,259)	(24,038,468)	(31,156,457)
Net Profit Before Tax	**37,473,071**	**3,370,297**	**80,007**	**40,923,374**	**54,541,209**
Add:Accounting Depreciation					47,429,773
Less: Tax Depreciation					(52,784,974)
Less: Net Realized Loss on Sales of Shares					8,778,578
Taxable Profit	**37,473,071**	**3,370,297**	**80,007**	**40,923,374**	**57,964,586**
Provision for Income Tax @ 25%	**9,368,268**	**842,574**	**20,002**	**10,230,844**	**14,491,146**

**Provision for Income Tax has been charged on Non-operating income of Unit-2, Software Development Project of BDCOM Online Ltd., which is income tax exempted up to 30 June 2024 as per Sixth Schedule, Part-A , Para -33 of Income Tax Ordinance, 1984.

11.00 Short Term Loan :

The break up of the amount is as follows:

		31.03.2018	30.06.2017
Prime Bank Ltd.-SOD A/C	12777590042804	-	2,629,629
Bank Asia Ltd. (Motor Vehicle)	02135001177	110,529	528,306
Bank Asia Ltd. (Motor Vehicle)	02135001252	326,795	575,017
Bank Asia Ltd. (Machinery)	02135001282	4,915,596	6,394,098
Bank Asia Ltd. (Motor Vehicle)	02135001299	1,098,193	1,377,089
Bank Asia Ltd. (Motor Vehicle)	02135001339	1,441,097	1,705,202
Total Taka		**7,892,210**	**13,209,341**

12.00 Disclosure of Managerial Remuneration :

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

Name	Designation	Total 31.03.2018	Total 30.06.2017
Mr.S.M Golam Faruk Alamgir	Managing Director	2,375,000	3,250,000
Md.Robiul Alam Chowdhury (July, 2017)	Chief Financial Officer	208,000	2,464,000
Mr.Chitta Ranjan Halder	Chief Financial Officer	1,425,000	-
Mr.A.K.M Kutub Uddin	Company Secretary	1,857,750	2,412,000
Mr.S.M Kamruzzaman	Chief Technical Officer	1,840,460	2,388,700
Mr. Gazi Zehadul Kabir	General Manager,SI	1,522,250	1,939,750

13.00 Deferred Tax (Income)/Expenses :

Particulars	Carrying Amount (Tk.)	Tax Base (Tk.)	Taxable/(Deductible) temporary differences
As at March 31 , 2018			
Property, Plant & Equipment (Excluding Land)	314,163,063	261,530,241	52,632,822
Net Taxable Temporary Difference			52,632,822
Applicable Tax Rate			25%
			13,158,206
Less: Deferred Tax Provision on Realization Loss on Shares			-
Deffered Tax Liability (A)			**13,158,206**
Add: Unrealized (Loss)/Gain on Investment in shares during the year			971,686
Less: Prior year adjustments on Unrealized (Loss)/Gain on Investment in shares			(1,579,132)
Deffered Tax Liability as at March 31, 2018			**12,550,760**
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)
Deffered Tax Liability (B)			**11,542,737**
Add: Unrealized (Loss)/Gain on Investment in Shares			971,686
Les: Prior year Adjustments on Unrealized loss on investment in share			(1,579,132)
Deffered Tax Liability as at June 30,2017			**10,935,291**
Deferred Tax (Income)/Expenses (A-B)			**1,615,468**

14.00 Related Party Disclosures :

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.)	Ralationship with company	Nature of Transaction	Balance 31.03.2018 (Tk.)	Remarks
Fiber @ Home Ltd.	494,976	Concern Under Common Mgt.	IIG Bandwidth	1,547,850	Trade Creditors
Fiber @ Home Ltd.	529,814	Concern Under Common Mgt.	NTTN & Others Service	12,549,172	Trade Creditors
Norban Fashion Ltd.	529,444	Concern Under Common Mgt.	Internet & others	647,376	Trade Debtors
Norban Comtex Ltd.	887,037	Concern Under Common Mgt.	Internet & others	1,324,241	Trade Debtors