Annual Report 2015 - 2016

BDCOM®

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The Document provided you with detailed and comprehensive information about the overall performance of BDCOM Online Limited as on 30th June 2016.

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A Printable version is also available at the BDCOM website: www.bdcom.com

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Letter of Transmittal

Honorable Shareholders
Registrar of Joint Stock Companies and Firms
Bangladesh Securities And Exchange Commission
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited

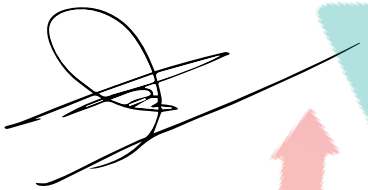
Dear Sir/Madam,

ANNUAL REPORT FOR THE YEAR ENDED ON JUNE 30, 2016

We are pleased to enclose a copy of Annual Report for the year ended on 30th June 2016 together with the Audited Financial Statements including Statements of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and notes to the Financial Statements for the above mentioned period of the Company for your kind information and record.

Thanking you,

Sincerely yours,



A.K.M. Kutub Uddin
Executive Director
&
Company Secretary

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NOTICE OF THE 20TH ANNUAL GENERAL MEETING

Notice is hereby given that, the 20th Annual General Meeting of the shareholders of BDCOM Online Limited will be held on Sunday the December 25, 2016 at 11:00 a.m. at the AMM Convention Center, House No. 56/A, Road No. 3/A, Dhanmondi R/A, Dhaka-1209 to transact the following business.

AGENDA:

ORDINERY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements of the Company for the year ended June 30, 2016 together with the Auditors' Report and the Directors' Report thereon;
2. To declare a Cash Dividend @5% & Stock Dividend @7% for the year ended June 30, 2016;
3. To elect Directors & to approve the appointment of independent Director;
4. To appoint Auditors for the year ended June 30, 2017 and to fix their remuneration;
5. To transact any other business with the permission of the Chair.

By order of the Board

(A.K.M. Kutub Uddin)
Executive Director
&
Company Secretary

Dated: October 28, 2016

Notes:

1. The Record Date shall be on November 17, 2016.
2. A Member entitled to attend and vote at the Annual General Meeting may appoint a proxy in his/her stead. The proxy form, duly stamped, must be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.
3. Admission into the meeting hall will be strictly on production of the attendance slip attached with the proxy form as well as verifications of signature of Member(s) and/or Proxy-holder(s).
4. No benefit in cash or kind other than in the form of cash/stock dividend shall be paid to the holders of equity securities in terms of Clause (c) of the BSEC Notification No. SEC/SRMI/2000-953/1950 dated 24th October 2000 for attending the Annual General Meeting of the Company.

CORPORATE INFORMATION

REGISTERED OFFICE
RANGS Nilu Square (5th Floor)
Satmosjid Road, House No-75
Road-5/A, Dhanmondi R/A
Dhaka-1209

LEGAL STATUS
Public Limited Company Registered with the Joint Stock Companies & Firm Bangladesh

DATE OF INCORPORATION
Certificate of Incorporation No. C-32328(1449)/97
Dated: February 12, 1997

DATE OF COMMERCIAL OPERATION
February 12, 1997

REGULATORY AUTHORITY
Registrar of Joint Stock Companies and Firms (RJSC)
National Board of Revenue (NBR)
Bangladesh Telecommunication Regulatory Commission (BTRC)
Bangladesh Securities And Exchange Commission (BSEC)

LISTED IN STOCK MARKET
Dhaka Stock Exchange Ltd
Chittagong Stock Exchange Ltd

AUTHORIZED CAPITAL
Taka 1000m

PAID-UP CAPITAL
Taka 414m

NUMBER OF SHAREHOLDERS
7141

NUMBER OF EMPLOYEE
332

ISO
ISO 9001:2008 Certified
Certificate No. 63806/A/0001/UK/En, May 11, 2015
Upto 10th May 2018

CREDIT RATING
by EMERGING Credit Rating Ltd, Bangladesh
On Dec 30, 2015 Upto Dec 29, 2016
Long Term Rating: A^+
Short Term Rating: ECRL-2
Outlook : Stable

POINT OF PRESENCE (POP) OFFICES

Mughdha (Azra) POP 78/2, South Mughda Para (1st floor) Dhaka-1214	**Banessor POP** M/S Shahjahan & Brothers Banessor, Rajshahi	**Mirpur DOHS POP** House:1274,Road:10,Avenue:2 Mirpur,Dhaka-1216
Lalmatia POP I-A/9 Kazi Nazrul Islam Road Mohammadpur, Dhaka-1207	**Manikgonj POP** Ayub Hossain Po:Geor,Thana:Geor Manikgonj	**Kumarkhali POP** Vill:Kumarkhali PO: Kumarkhali Dis:Kustia
Gandaria POP 106/7 dennath Sen Road Gendaria,Dhaka-1204	**Hemayetpur POP** Ashraf shopping complex Hemayetpur,Savar	**Bormi Bazar POP** Paul Market Bormi Bazar, Sreepur,Gazipur
Postogola POP Sun Online 496 Talib Plaza (1st floor) Zurain Railgate,Dhaka-1204	**Patuakhali POP** Shikder & Brothers (4th floor) Notub Bazar(Old Steemar Ghat) Patuakhali	**Bahaddarhat POP** Jahan Monjil 760,Bahaddarhat Al Amin Lane, Chittagong
Bumblebee POP 12/B.Block-A Bashundhara R/A , Dhaka-1229	**Baily Road POP** Gold Place 3 Baily Road,Ramna Dhaka-1000	**Halishahar POP** House # 4430, Ward # 12 Soraipara,Halishar, Chittagong
UTC Building POP Unique Trade Center 8 Panthapath, Dhaka-1205	**Laldhigi POP** K B Aman Ali Tower 947 Andarkilla,Kotwali Chittagong-4000	**Subarno Chor POP** Haris chowdhury Bazar West Chor Dubli, Chor Jabbar Shubarno Chor, Noakhali
Alamdanga POP 1st fl, Standard Bank Bhabon Alamdanga, Chuadanga	**Dhanmondi 27 POP** Road#16 old (27) House#43 Dhanmondi, Dhaka-1209	**Pabna POP** Munshi Plaza (3rd floor) Ataikula,Pubali Bank Bhaban Ataikula Bazar, Pabna
Charfasion POP Md.Shakawat Hossain Pubali Bank Bhabon Charfasion,Vola	**Savar POP** Siraj Auto Engeering Market 123 Jaleshor,Block-B Thana-Savar,Dhaka	**Hathazari POP** Haji Mohammad Solayman Market 4th floor, HatHazari Bazar Chittagong
Daulatkhan POP Abu Bakar Md.Siddiqui Uttara Bank Bhabon Daulatkhan, Vola	**Bashundhara POP** Road # 23,Plot # 749,Block#J Bashundhara R/A, Dhaka-1229	**Kamarkhand POP** Vill: Jamtoil Upajela: Kamarkhand Dist: Sirajgonj
Korotia POP Al-Haj Md.Tarikul Islam Pubali Bank Bhabon 2nd floor Korotia, Tangail	**Dampara POP** Sharif Bhabon Zakir Hossain Road,Nasirabad Khulshi, Chittagong	**Ambarkhana POP** B103,East Dargah Gate Ambarkhana, Sylhet

SHARE OFFICE

Rangs Nilu Square (5th Floor)
Satmosjid Road, House-75, Road-5/A
Dhanmondi R/A, Dhaka-1209
Phone : +88 09666333699, 01716 057251
+88 09666333697, 01713 339850
+88 09666333610, 01741 896081
Fax : +88 029124849
Email : bdcomshare@office.bdcom.com

AUDITORS

M/S. Ahmed Zaker & Co.
Chartered Accountants

BANKERS & FINANCIAL INSTITUTIONS

Al-Arafa Islami Bank Ltd	Mid Land Bank Ltd
Bank Al-Falah Ltd	NCC Bank Ltd
Bank Asia Ltd	NRB Commercial Bank Ltd
Dutch Bangla Bank Ltd	Prime Bank Ltd
Eastern Bank Ltd	Pubali Bank Ltd
Exim Bank Ltd	Rupali Bank Ltd
First Securities Bank Ltd	Sonali Bank Ltd
IFIC Bank Ltd	South Bangla Agricaltural & Commercial Bank Ltd
Islami Bank Bangladesh Ltd	United Commercial Bank Ltd
Meghna Bank Ltd	Delta Brac Housing Finance Corporation Ltd
IDLC Finance Ltd	Uttara Finance & Investment Ltd
Lanka Bangla Finance Ltd	People's Leasing & Financial Services Ltd

INSURER

Asia Pacific General Insurance Co. Ltd.
Delta Life Insurance Co. Ltd.

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BDCOM AT A GLANCE

BDCOM ONLINE LIMITED, with the blessings of the Almighty Allah, will be two decades old on the 12th February 2017. It incorporated under the Companies Act-1994 on February 12, 1997 as a private limited company. On December 12, 2001, BDCOM was converted into a Public Limited Company and achieved ISO 9001:2008 Certification from URS in 2005. BDCOM holds licenses which includes NISP (Nationwide Internet Service Provider), IPTSP (IP Telephony Service Provider), VTSP (Vehicle Tracking Service Provider) from BTRC (Bangladesh Telecommunication Regulatory Commission).

The major business lines of BDCOM are as follows:

- Nationwide Internet and Data Connectivity
- IP Telephony Service
- Software Development
- System Integration
- Managed Services
- Fleet Management & Tracking Solution
- Hospitality Management & Hotspot Solution
- MFS HUB Solution
- Pre-Press BPO

The majority of BDCOM's clients are Banks, NBFI, corporate, telecom and home users. Having around 350 employees with over a 100 of them being highly qualified, skilled and experienced in providing technical expertise, BDCOM aims to provide high quality and efficient service throughout Bangladesh.

BOARD, MANAGEMENT AND OTHER QUALITATIVE FACTORS

BOARD OF DIRECTORS

Mr. Wahidul Haque Siddiqui	-	Chairman
Mrs. Qurratul Ann Siddiqui	-	Director
M/S. Hornbill Apparel Ltd	-	Director
Mr. Das Deba Prashad	-	Independent Director
Mr. S.M. Golam Faruk Alamgir	-	Managing Director
Mr. A.K.M. Kutub Uddin	-	Company Secretary

EXECUTIVE COMMITTEE

Mr. Wahidul Haque Siddiqui Director & Chairman	-	Chairman
Mrs. Qurratul Ann Siddiqui Director	-	Member
Mr. S.M. Golam Faruk Alamgir Managing Director	-	Member

AUDIT COMMITTEE

Mr. Das Deba Prashad Independent Director	-	Chairman
Mrs. Qurratul Ann Siddiqui Director	-	Member
M/S. Hornbill Apparel Ltd. Director	-	Member

MANAGEMENT COMMITTEE

Mr. S.M. Golam Faruk Alamgir Managing Director	-	Chairman
Mr. A.K.M. Kutub Uddin Executive Director & Company Secretary	-	Member Secretary
Mr. Md. Robiul Alam Chowdhury Executive Director & Chief Financial Officer	-	Member
Mr. S.M. Kamruzzaman Chief Technical Officer	-	Member
Mr. Gazi Zehadul Kabir General Manager & Head of System Integration	-	Member
Mr. Kazi Md. Abdullah General Manager & Head of Graphics	-	Member
Mr. Anowar Hasan Sabir General Manager & Head of IPTSP	-	Member

PURCHASE COMMITTEE

Mr. Md. Robiul Alam Chowdhury Executive Director & Chief Financial Officer	-	Chairman
Mr. A.K.M. Kutub Uddin Executive Director & Company Secretary	-	Member
Mr. S.M. Kamruzzaman Chief Technical Officer	-	Member

HUMAN RESOURCES

We believe that our human resources are our finest asset which significantly contributes to the company's growth and success in both the short run as well as the long run. Dynamism in a corporate body has a close relationship with the development of human resources. In line with this perception, we have sharpened our focus on recruiting, training and developing our human resources by a series of development activities throughout the year. We have also created a sense of community among the employees, encouraging them to interact with each other in numerous Management Committee meetings across all departments. These discussions have helped the employees to learn each other's responsibility, grow their individual skill and develop a deep understanding about the company's culture as a whole through interpersonal communication. This in turn, has led to a development of mutual respect among the employees and a positive atmosphere in the workplace. The company also provides festival bonus, incentive bonus, provident fund and Worker's Profit Participation Fund (as per Labor Law by transferring 5% of the Net Profit before tax) to all the employees. All employees are under coverage of "Group Term Life" and employees and their dependents are under coverage of "Hospitalization Insurance Scheme". Transportation facilities are provided to the top executives of the company. Adequate allowances are also given to the employees. Lunch and refreshments are also provided to the employees at a subsidized rate. The company has nine major departments and 185 highly qualified, trained and skilled personnel and 147 non-officer staffs.

STRATIGIC ALLIANCE

Edotco Bangladesh, the country's first passive infrastructure service provider company, signed a tripartite agreement with Robi and BDCOM. The agreement will enable BDCOM to work smoothly in critical areas and thus accelerate the growth of data industry in the country. This agreement, signed for five years, is the master agreement for infrastructure sharing among BDCOM, Edotco and Robi.

BDCOM Online Limited has a Memorandum of Understanding (MoU) with a French company named eServGlobal to establish a hub in Bangladesh to offer innovative and low-cost mobile banking service. The hub, known as interoperability platform, will enable banks to provide mobile financial service without investing money in network development. Currently, Bangladesh is pursuing a bank-led model, where banks have to invest a significant amount of money in IT Infrastructure due to lack of such hub. Banks will be able to use interoperability platform at a certain fee.

KEYS TO SUCCESS

Skill Matrix
Domain Expertise
Service Innovation
Company Financial Stability
International Standard Quality Policy
Effective communication
High Value Customer Profile
Skilled and Efficient Workforce
Long Service Experience Portfolio
Quality Service & Customer Satisfaction

COMPANY STRENGTHS

Very low dependence of debt financing
Strong base of resources to meet financial obligations
Strong client base with many banks and corporate houses
Good trend in revenue and Industry growth
In operation since introduction of Internet in Bangladesh and Good Brand Image
Wide presence throughout the Country

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) has become a vital activity for any business in the 21st century. It is no longer a buzz word which one uses to show what they are doing for the society. To some, it has simply become "a way of life". We at BDCOM, strongly believe in the CSR activities in which we engage in. One of the key activities we do is that we invest in the development of the youth in our country. We strongly believe that the youth hold the key to the future, not just of our company, but also of the ICT sector of Bangladesh. The interns who work in our organization are an integral part of our future plans. The internship opportunity provides them with a solid platform to kick launch their professional careers in the ICT sector of Bangladesh. The skills they develop during their internship period helps them tackle everyday challenges in the corporate world. It also helps them in their decision making process. The corporate culture itself is such in BDCOM that the employees themselves help out the interns by training them, sharing their knowledge and experience and making them aware of the future potential challenges which lie ahead. Under the guidance and supervision of our highly qualified employees, the interns flourish. The ones who leave are well equipped to tackle any kind of challenges and thus end up getting quality jobs in the competitive ICT job market. Hence, if we look at the bigger picture, this eventually goes on to help in developing the labor force of our country in the ICT sector.

QUALITY POLICY

The milestone of BDCOM's Quality, Reliability & Service (QRS) program is to achieve 100% customer satisfaction by producing the most technically advanced product with the best quality with on-time delivery and service, and so far, we have thrived on this. As per our policy, we constantly seek to improve our products and services and hence our products and services deliver solutions of the highest value to our valued customers. This helps us to gain competitive advantage in the market. We at BDCOM accomplish this through our team efforts and by using state-of-the-art technology in all of our products, and thus become a force to reckon with in the IT industry. BDCOM as an ISP is committed to develop human resource to maintain its pioneering and leadership position. As an example, we have formulated our quality system such that it is consistent with ISO 9001:2008 and other regulatory requirements. The procedures and practices that comprise and implement with standardization system are documented and made known to all employees through employee orientation and training and by the uniform application of them in the daily operations of the business.

PRODUCT AND SERVICES

BDCOM provides superior IT infrastructure and professional solutions, products & services to business and organizations throughout Bangladesh and Overseas:
Major product and services:

Nationwide Internet and Data Communication Service
"KOTHA" IP Telephony & IP PABX Service & Solution
Vehicle Tracking & Fleet Management System
Network Appliances & Accessories
Graphic Design & Image Editing (Business Process Outsourcing)
System Integration and Consultancy
Software & Web Development
Network Appliances & Accessories (Cisco, Juniper etc.)
Enterprise Hosting
Hardware Sale

RISKS/CHALLENGES

Rapid shift in technology
Stiff competitive environment
Increasing dominance if Telco's in internet service
Potential change in regulatory policies and guidelines
Natural Disasters

MISSION VISION AND BUSINESS STRATEGY

BDCOM seamlessly working to reach its vision to be the largest Digital Lifestyle facilitator of the Country. BDCOM boasts of its availability of technically trained people and highly improved IT infrastructure. Thus it offers Companies, Government Institutions, Non-Government Organizations (NGO), Multinational Organizations (MNO) and Individuals a reliable, high-quality, and cost-effective services and product development for various purposes.

To provide highly integrated solutions, Inherit and follow the best business practices, On-time delivery of products & services, complete linkage between up, mid and downstream sectors through establishment of:

Effective Communication
Improved profit realization and thus enabling competitive edge in pricing
Ease price pressures on account of intense competition
Improves Customer Services and thus larger market penetration
Optimal utilization of resource capacity
Achievement of high productivity
Accurate planning, capacity scheduling
Follow up activities
Quicker response
And Rational Decision Making.



Message from the Chairman

My Dear fellow Shareholders, As-Salamu-Alaikum Orahmatullahi Obarakatuhu;

I would like to welcome all of you to the 20th Annual General Meeting of BDCOM Online Ltd. Let me use this platform to convey my sincerest appreciation to your enormous support, which has enabled us to embark on the 20th year of our eminence. It's been wonderful and indeed a memorable journey of our achievement collectively.

We are very excited about this year company's theme titled "PROGRESS POSSIBLE". Our team is taking pragmatic steps to live up to the promise, a promise that constitutes strong partnership and dedication as an integral part. The bond of trust and reliance with our shareholders that has been built over the time span of 20 years makes us want to believe that we are able to reach prodigious heights.

After creating a landmark in Bangladesh's Internet Infrastructure we are now focused on expanding Broadband Internet. Last year we expanded our broadband network in few new cities other than Dhaka for example Narayanganj, Chittagong, Khulna, Sylhet, Rangpur, Bogra and Kushtia. We are also constructing Internet accessibility in Comilla, Barishal and Rajshahi.

I have to thank our imperialist government for their elongated support. Without their support the technologically advancing steps that we have been taking would not have been possible. The fortifying dream of our honorable Prime Minister of 'Digital Bangladesh' is the initiation of our aspirations.

Past few years were very prosperous years for BDCOM. Today I'm proud to be part of a company that wants to make the country better than what we found a decade back.

I want to thank all of you from the bottom of my heart.

Wahidul Haque Siddiqui
Chairman

Review from the Managing Director



Dear Shareholders,

As-salamu Alaikum and welcome to this 20th Annual General Meeting.

Firstly, I would thank all for attending this meeting and grace this occasion with your valuable presence.

Throughout the years, our partnership has been very fruitful thanks to your patience, time and most importantly, your trust which we value the most. As a result of that, we have been able to become one of the leading IT companies in Bangladesh and we are much obliged for it. It certainly is going to help us take multiple steps ahead in creating many more avenues of development, adding much more value to your investment.

This trust that you have put on us over the past two decades, has helped us in our successful journey so far. It has also helped us reach some of the key milestones, such as Financial Stability, Largest Network Coverage and Long ICT Service Experience Portfolio and to top them off, emergence of an experienced and highly skilled workforce.

Despite all the hurdles that have come in our way, we have managed to overcome them with ease thanks to our team of skilled employees who are always ready to meet fresh challenges. I would also like to take this opportunity to thank each and every one of you for your trust and support in us throughout the years

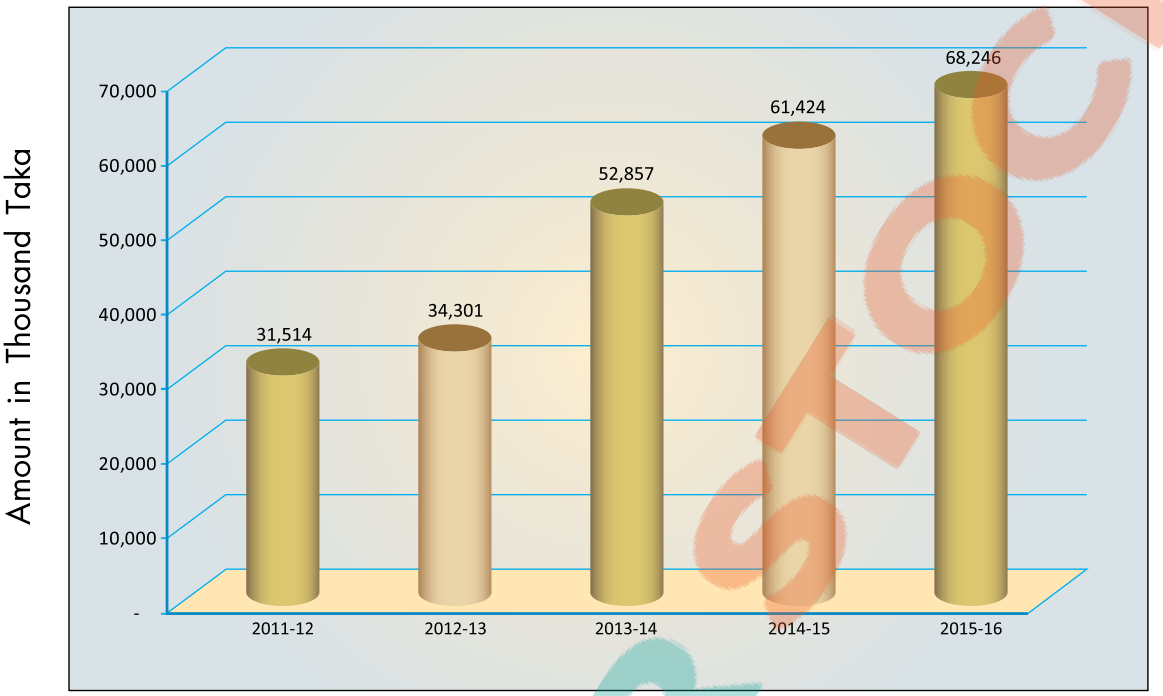
Hence, my strong belief is that together we can go many a miles forward and achieve greatness, prosperity and success, with the grace of the Almighty Allah.

Thank you once again for gracing this occasion with your valuable presence.

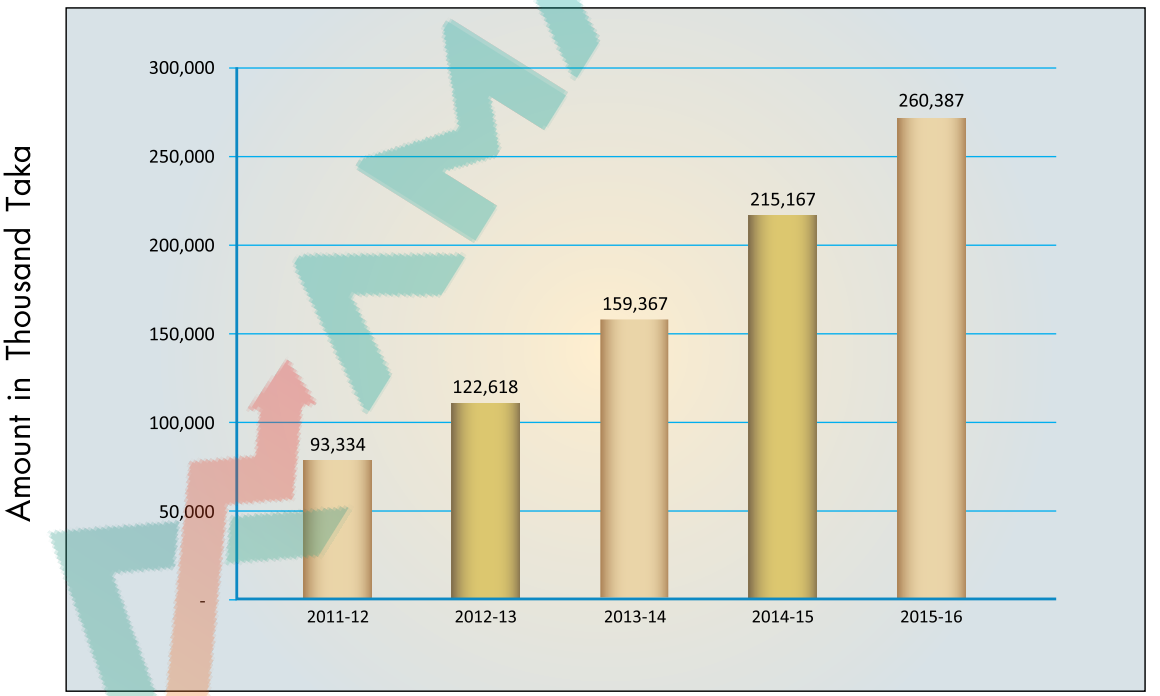
With Best Regards

S.M. Golam Faruk Alamgir
Managing Director

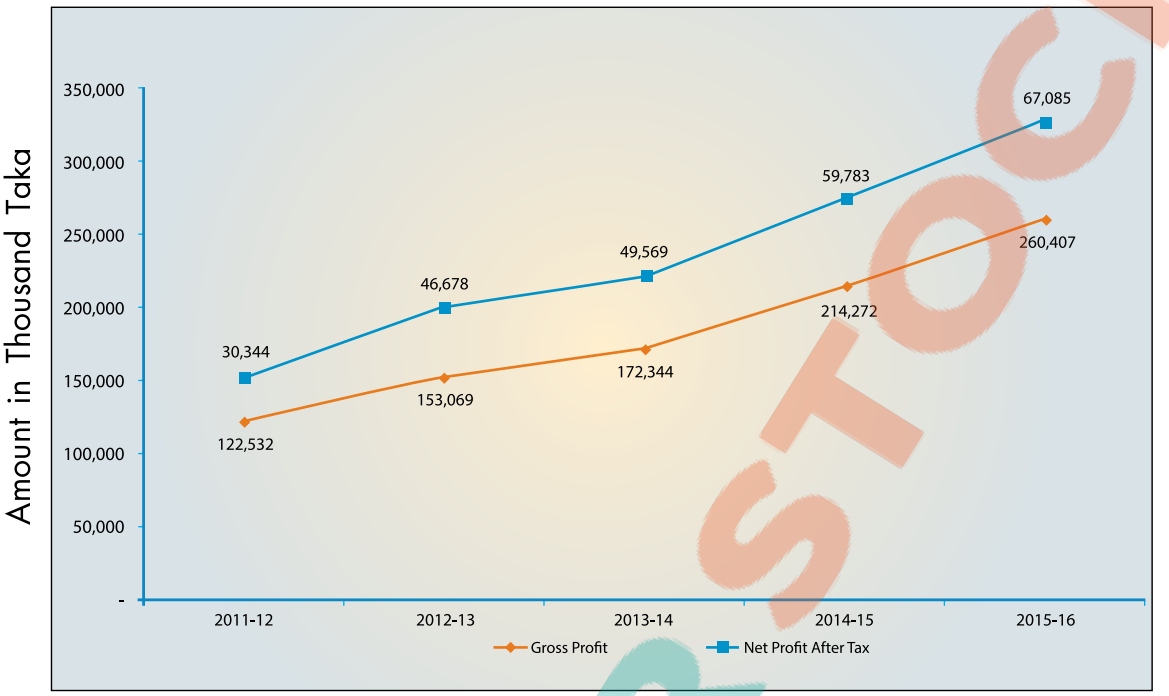
RESERVE & SURPLUS



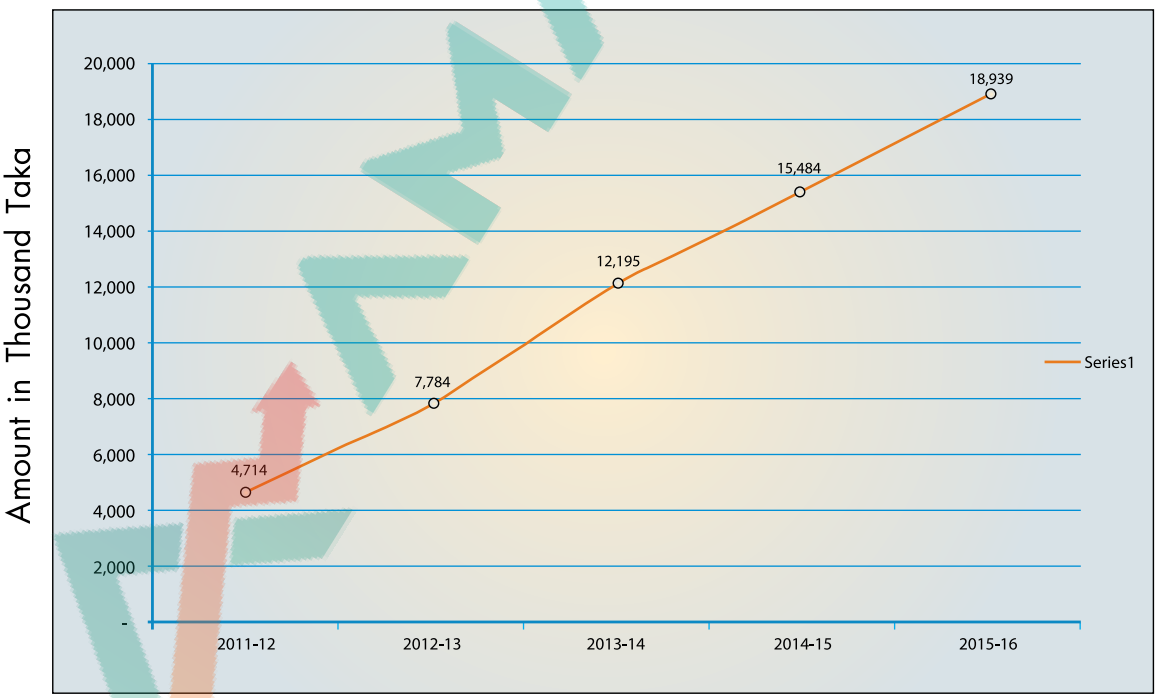
CASH & CASH EQUIVALENT



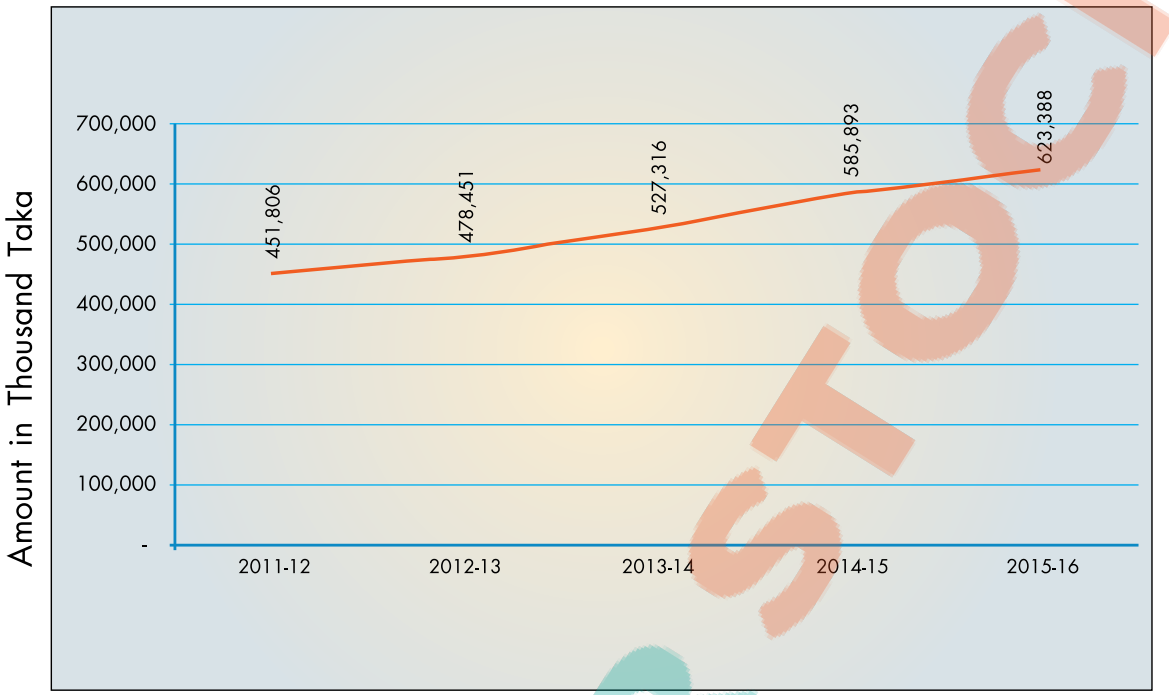
GROSS PROFIT & NET PROFIT AFTER TAX



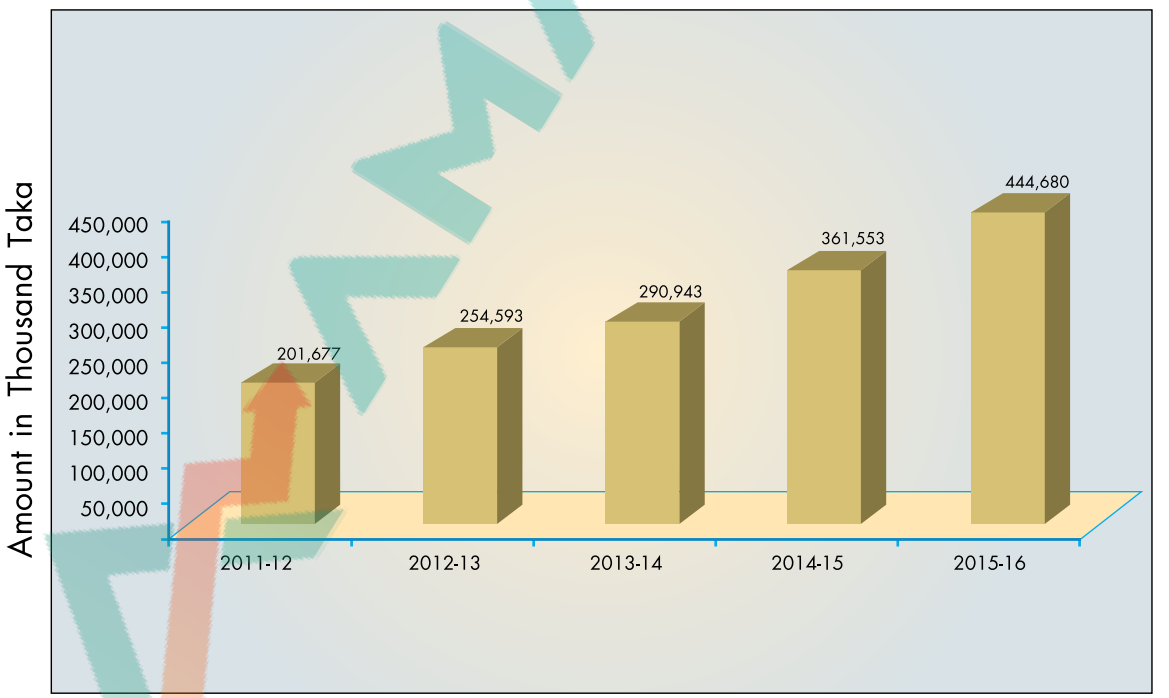
NON OPERATING INCOME



SHAREHOLDER'S EQUITY



REVENUE FROM SALES, SERVICE & OTHERS



19th Annual General Meeting
Picture At a Glance









Financial History of Five year

(Annexure-1)

Particulars	Figure in thousand ('000) taka				
	2015-16	2014-15	2013-14	2012-13	2011-12
Authorized Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Paid-up Capital	414,082	383,409	333,399	303,090	275,537
Tax holiday reserve	21,556	21,556	21,556	21,556	21,555
Reserve & Surplus	84,038	77,270	.52,857	34,301	31,514
Shareholders' equity	623,388	585,893	527,316	478,451	451,806
Current Liabilities & Provision	134,744	80,134	52,143	39,642	25,951
Cash Dividend	20,704	26,839	-	-	-
Deferred Tax Liabilities	4,628	3,801	3,229	2,009	-
Dividend (Stock)	28,986	30,672	50,010	30,309	27,554
Revenue from Sales and Services	444,680	361,553	290,943	254,592	201,677
Non-Operating Income	18,939	15,484	12,195	7,784	4,714
Operating Expenses	184,274	147,281	118,599	101,523	79,145
Administrative & Marketing Expenses	148,825	118,686	90,669	74,526	58,903
Depreciation on fixed assets	41,532	36,448	34,013	32,660	29,181
Provision for Income Tax	12,191	9,332	6,627	4,335	5,484
Property Plant & Equipment	346,362	296,125	279,320	267,819	261,879
Deferred Revenue Expenditure (Net)	0	42	657	1,175	1,174
Long Term Security	3,966	4,880	4,527	6,437	6,429
Inventories	15,381	23,404	15,030	12,678	15,781
Advance, Deposits & Prepayment	17,243	11,459	11,106	10,698	9,294
Bills & Others Receivable	91,555	95,559	91,782	81,969	59,609
Cash & Cash Equivalent	260,387	215,167	159,367	122,619	93,334
Gross Profit	260,407	214,272	172,344	153,069	122,532
Net Profit after Tax	67,085	59,782	49,569	44,668	30,344

AMARSTOCK

Directors' Report to the Shareholders
For The Year Ended June 30, 2016

Dear Shareholders
The Directors of BDCOM Online limited welcome you all at the 20th 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, 2016.

Enhanced value of Shareholder's Investment:
In the year under review, Revenue was Tk.444.68 million with 22.99% 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, 2016 (as mentioned in the Statement of Profit & Loss and Other Comprehensive Income). Details of the same are given below.

Description	June 30, 2016	June 30, 2015
Gross Profit	260,406,564	214,272,355
Operating Profit	65,381,690	57,869,533
Non-Operating Income	18,938,504	15,483,867
Net Profit before Provision & Tax	84,320,194	73,353,400
Provision for WPPWF	4,216,010	3,667,670
Provision for Income Tax	12,191,478	9,331,572
Provision for Deferred Tax	827,908	571,182
Net Profit after Tax	**67,084,798**	**59,782,977**
Less: Dividend Distribution of Previous Year	57,511,418	50,009,929
Less :Prior Year Adjustment	2,805,770	-
Add: Profit brought forward	77,269,935	67,496,887
Surplus Available for Appropriation	**84,037,545**	**77,269,935**
The Board of Directors recommendation for		
Cash Dividend @5%	20,704,110	
Stock dividend @7%	28,985,755	
Retained Earnings after Proposed Dividend	**34,347,679**	

Dividend
The Board of directors pleased to recommend 5% Cash Dividend & 7% Stock Dividend for the year ended 30th June, 2016.

Directors
The Directors retire by rotation in terms of Articles of Association of the Company and being eligible, offer herself for re-election is Mrs. Qurratul Ann Siddiqui.

The Board of Directors re-appointed Independent Director Mr. Das Deba Prashad for next term as per clause 1.2 (vi) of Bangladesh Securities And Exchange Commission (BSEC) Notification No. SEC/CMRRCD/2006-158/Admin/44 dated 07 August 2012 now seeks your post-facto approval.

Auditors
The office of the present Auditor M/S. Ahmed Zaker & Co., Chartered Accountants will expire with the completion of 20th Annual General Meeting and are eligible and offer themselves for 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, 2017 with re-fixation of remuneration 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 2016 give a true and fair view of the state of the company about the result of its operation, 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 statement and that the accounting estimates are based on reasonable prudent judgment.

d) The financial statements have been prepared in accordance with applicable IAS/BAS/IFRS/BFRS.

e) The system of internal control and 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 year 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-19)

i) During the year Twenty Two (22) Board of Directors meeting were held and the attendance by each directors is given bellow:

1) Mr. Wahidul Haque Siddiqui	Chairman	-	22
2) Mrs. Qurratul Ann Siddiqui	Director	-	22
3) M/s. Hornbill Apparel Ltd.	Director	-	17
4) Mr. Das Deba Prashad	Independent Director	-	13
5) Mr. S. M. Golam Faruk Alamgir	Managing Director	-	22

j) The pattern of shareholding:

i) Parent/Subsidiary /Associate Companies

ii) Sponsor , Directors, Managing Director, Chief Financial Officer, Company Secretary, Head of Internal Audit and their spouse and minor children:

			Shares Qty. as at 30-Jun-16	Shares Qty. as at 30-Jun-15	% 2016	% 2015
a) Mr. Wahidul Haque Siddiqui	Chairman	-	2,203,371	2,040,159	5.32	5.32
b) Mrs. Qurratul Ann Siddiqui	Director	-	3,980,226	2,991,386	9.61	7.80
c) M/s. Hornbill Apparel Ltd.	Director	-	2,976,430	1,830,029	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	-	611,705	566,394	1.48	1.48
g) Mr. Mohd. Zulfiquar Hafiz	Sponsor	-	454,185	420,542	1.10	1.10
h) Mr. A.T.M Sayeeduzzaman	Sponsor	-	340,453	315,235	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) Shareholders holding 10% or more voting interest in the company						
a) ICB		-	5,464,425	5,058,838	13.1	13.19

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 2016 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 and director of BDCOM and is also the chairman of the company. Having completed his commerce graduation from the University of Dhaka, Mr. Siddiqui set his sights on getting actively involved in business enterprises which at present are playing a vital role in the economy of Bangladesh. He happens to be a very successful and experienced tycoon in the RMG (Ready Made Garments) and apparel sector both at home and abroad. He has spent the last 27 years with the RMG sector for the development, up-gradation and enhancement of foreign currency reserve of the country. He is also one of the directors of Asia Pacific General Insurance Company Limited. Mr. Siddiqui will continue to work on his vision of establishing a business empire which will aid in the development of our nation.

Mrs. Qurratul Ann Siddiqui

She is the wife of Mr. Wahidul Haque Siddiqui and is a bonafide industrialist. Having been doing business successfully for well over a decade, Mrs. Siddiqui is one of the founders and directors of the company. Her main contribution is towards doing social work and working for the development of our country. She has travelled in many countries across the world for business purposes which has helped her gain significant insight in business.

M/S. Hornbill Apparel Limited

M/S. Hornbill Apparel Limited is the corporate sponsor and director of the company. They have been successfully engaged with apparel business in Bangladesh for a long period of time.

Mr. Das Deba Prashad

Mr. Prashad is the former managing director of Delta Life Insurance Limited. He has obtained his Master's degree in Accounting from the University of Dhaka and is well known and experienced in the Insurance sector. He has a vast knowledge in banking & capital market. He has participated in many local and international industrial events, trainings, seminars and workshops.

Mr. S. M. Golam Faruk Alamgir

Mr. Alamgir has obtained his MBA degree in Marketing and is the Managing Director of **BDCOM Online Ltd**. The Commander in chief of BDCOM is well experienced in ICT Business and has been engaged with this sector for more than 24 years. He has participated in many local and international events, trainings and workshops.

Achievement & Future Plan

Like Steve Jobs once said "Great things in business are never done by one person. They're done by a team of people." We believe, in our journey so far, we have achieved success as a result of teaming up all the stakeholders. Our partnership has been a flourishing one, InshAllah, with the grace of the Almighty Allah and your valuable trust, patience and time, we will be able to take giant strides forward in reaching our goals and achieving success. One of our most significant achievements of all time is the trust which we have gained from our honorable shareholders and customers. This trust has been a driving force for us in our successful journey so far. As a result, it has enabled us to reach some of our key milestones which include Financial Stability, Largest Network Coverage, and Long ICT Service Experience Portfolio and last but not the least, a highly skilled workforce. Not only that, in the last few years, being one of the market leaders in the country, BDCOM has been enjoying the Positional Advantage in the market in terms of differentiation and cost advantage. Differentiation advantage is when BDCOM provides a superior service or product for the same price charged by the market. On the other hand, cost advantage is when we provide the same service or product as in the market, but at a lower price.

Despite some of the advantages which we have in the market, there are challenges which we need to overcome. In this age of globalization and advancements in technology, meeting the needs of all customers can be tricky. Moreover, the bandwidth requirements of our customers have increased in tenfold. Despite all that, we are working ever so hard in dealing with these challenges and staying competitive in the market. The market has hundreds of ideas for new features and updates which supposedly makes products and services better. Companies which entertain all these ideas tend to deviate from their original focus hence their vision is lost. Although market feedback is crucial and constantly iterating and pivoting is central, BDCOM makes sure to stay true to the original vision and not get splintered in too many different directions because of the volatile industry demands.

Market leadership is probably the hardest status to maintain. We at BDCOM have always worked ever so hard not just to achieve it, but to sustain it as well. Our team of dedicated workers have worked relentlessly in meeting the future needs of our customers. Triple Play (Data, Voice and Video) will soon be in demand and we are doing our level best to stay in the game and provide this for our customers. The growth of cloud computing and mobile technology will require more attention and resources. The internet and social media have unprecedented momentum- momentum that is radical, powerful and challenging. We see it as a blessing in disguise and hope to utilize the opportunities and deal with them. Our strong belief is that we can do it with your faith and support. This amazing journey will be continued together with you as we believe PROGRESS can only be POSSIBLE through PARTNERSHIP.

Corporate Governance

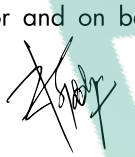
BDCOM Online Limited is pledge bound to adopt necessary measures of good governance abiding by all prevailing Rules and Regulations. Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/Admin/44 dated 07 August 2012 and subsequently amended through their notification No. SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013 issued under section 2CC of Securities and Exchange Ordinance, 1969 is given in Annexure- X, Page- 24.

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 Ltd (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

Corporate Governance Compliance Report

(Annexure- X)

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07th August, 2012 issued under section 2CC of the Securities and Exchange Ordinance 1969.

Company's Name : BDCOM Online Limited
Financial Year ending : 30 June 2016

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not Complied	
1.0	**BOARD OF DIRECTORS:**			
1.1	**Board's Size:** The number of the board members shall not be less than 5(five) and more than 20 (twenty)	✓		There are 5(Five) Directors in the Board of the Company.
1.2	**Independent Directors:**			
1.2(i)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	✓		1(One) Independent Director
1.2(ii)	**For the purpose of this clause -independent directors means a director:**	✓		
1.2 (ii)a)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		
1.2 (ii)b)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	✓		
1.2 (ii)c)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	✓		
1.2 (ii)d)	Who is not a member, director or officer of any stock exchange;	✓		
1.2 (ii)e)	Who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	✓		
1.2 (ii)f)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm;	✓		
1.2 (ii)g)	Who shall not be an independent director in more than 3 (three) listed companies;	✓		
1.2 (ii)h)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	✓		
1.2 (ii)i)	Who has not been convicted for a criminal offence involving moral turpitude.	✓		

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not Complied	
1.2(iii)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	✓		Approval for 1(One) ID's appointment will be taken in 20th AGM.
1.2(iv)	The post of independent director(s) can not remain vacant for more than 90 (ninety) days.	✓		
1.2(v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	✓		
1.2(vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	✓		
1.3	**Qualification of Independent Director (ID)**			
1.3(i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	✓		
1.3(ii)	The person should be a Business Leader/ Corporate Leader/ Bureaucrat/ University Teacher with Economics or Business Studies or Law background/ Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/ professional experiences.	✓		
1.3(iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.			N/A
1.4	**Chairman of the Board and Chief Executive Officer:** The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	✓		
1.5	**The Directors' Report to Shareholders:**			
1.5(i)	Industry outlook and possible future developments in the industry	✓		Included in the Directors' Report.
1.5(ii)	Segment–wise or product-wise performance	✓		
1.5(iii)	Risks and concerns	✓		
1.5(iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	✓		
1.5(v)	Discussion on continuity of any Extra- Ordinary gain or loss	✓		
1.5(vi)	Basis for related party transactions-a statement of all related party transactions should be disclosed in the annual report.	✓		
1.5(vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.	✓		
1.5(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.			N/A

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not Complied	
1.5(ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	✓		
1.5(x)	Remuneration to directors including independent directors	✓		
1.5(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	✓		
1.5(xii)	Proper books of account of the issuer company have been maintained.	✓		
1.5(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	✓		
1.5(xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS) /Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	✓		
1.5(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓		
1.5(xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	✓		
1.5(xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.			N/A
1.5(xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		
1.5(xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.			N/A
1.5(xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	✓		
1.5(xxi)	**The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:**			
1.5(xxi)a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);			N/A
1.5(xxi)b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	✓		
1.5(xxi)c)	Executives;	✓		
1.5(xxi)d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	✓		
1.5(xxii)	**In case of appointment/reappointment of a director the company shall disclose the following information to the shareholders:**			

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not Complied	
1.5(xxii)a)	A brief resume of the director;	✓		
1.5(xxii)b)	Nature of his/her expertise in specific functional areas;	✓		
1.5(xxii)c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		
2.0	**CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPANY SECRETARY (CS):**			
2.1	**Appointment:** The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	✓		
2.2	**Requirement to attend the Board Meetings:** The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	✓		
3.0	**Audit Committee:**			
3.(i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	✓		
3.(ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	✓		
3.(iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓		
3.1	**Constitution of the Audit Committee:**			
3.1(i)	The Audit Committee shall be composed of at least 3 (three) members.	✓		
3.1(ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	✓		
3.1(iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	✓		
3.1(iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.	✓		

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not Complied	
3.1(v)	The company secretary shall act as the secretary of the Committee.	✓		
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
3.2	**Chairman of the Audit Committee:**			
3.2(i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	✓		
3.2(ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	✓		
3.3	**Role of Audit Committee :**			
3.3(i)	Oversee the financial reporting process.	✓		
3.3(ii)	Monitor choice of accounting policies and principles.	✓		
3.3(iii)	Monitor internal Control Risk Management process.	✓		
3.3(iv)	Oversee hiring and performance of external auditors.	✓		
3.3(v)	Review along with the management, the annual financial statements before submission to the board for approval.	✓		
3.3(vi)	Review along with the management, the quarterly and half-yearly financial statements before submission to the board for approval.	✓		
3.3(vii)	Review the adequacy of internal audit function.	✓		
3.3(viii)	Review statement of significant related party transactions submitted by the management.	✓		
3.3(ix)	Review management letters/ letter of internal Control weakness issue by statutory auditors	✓		
3.3(x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.	✓		
3.4	**Reporting of the audit committee:**			
3.4.1	**Reporting to the Board of Directors:**			
3.4.1(i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		
3.4.1(ii)	**The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:**			
3.4.1(ii)a	Report on conflicts of interests;	✓		
3.4.1(ii)b	Suspected of presumed fraud of irregularity of marerial defect in the internal control system;	✓		

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not Complied	
3.4.1(ii)c	Suspected infringement of laws, including securities related laws, rules and regulations;	✓		
3.4.1(ii)d	Any other matter which shall be disclosed to the Board of Directors immediately.	✓		
3.4.2	**Reporting to the Authorities:** If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.			N/A
3.5	**Reporting to the Shareholders and General Investors:** Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
4.0	**External/Statutory Auditors :** **The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely:**			
4.(i)	Appraisal or valuation services or Fairness opinions.	✓		
4.(ii)	Financial information systems design and implementation.	✓		
4.(iii)	Book-keeping or other services related to the accounting records or financial statements.	✓		
4.(iv)	Broker- dealer services	✓		
4.(v)	Actuarial services	✓		
4.(vi)	Internal audit services	✓		
4.(vii)	Any other service that the Audit Committee determines.	✓		
4.(viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	✓		
5.0	**Subsidiary Company :**			
5.(i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary Company.			N/A
5.(ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.			N/A
5.(iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding Company.			N/A

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not Complied	
5.(iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.			N/A
5.(v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			N/A
6.0	**Duties of Chief Executive Officer and Chief Financial Officer :**			
	The CEO and CFO shall certify to the Board that :-			
6.(i)	**They have reviewed financial statements for the year and that to the best of their knowledge and belief:**			
6.(i)a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		
6.(i)b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	✓		
6.(ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	✓		
7.0	**Reporting and Compliance of Corporate Governance :**			
7.(i)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	✓		
7.(ii)	The directors of the company shall state in the directors' report whether the company has complied with these conditions.	✓		

Statement on the Duties of
Managing Director and Chief Financial Officer

In accordance with the notification of Bangladesh Securities and Exchange Commission No: SEC/CMRRCD/2006-158/134/Admin/44, dated: 07th August 2012, we the undersigned hereby certify to the Board that-

i) We have reviewed the financial statements for the year ended 30th June 2016 and that to the best of our knowledge:

   a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   b) these 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;

ii) There are, to the best of our knowledge and belief, no transaction entered into by the Company's during the year which are fraudulent, illegal or violation of the Company's code of conduct.

Md. Robiul Alam Chowdhury
Chief Financial Officer

S.M. Golam Faruk Alamgir
Managing Director

AMARSTOCK

AUDIT COMMITTEE REPORT

For the year ended on 30 June 2016

The Audit Committee is appointed by the Board of Directors, as per the requirements of Bangladesh Securities and Exchange Commission (BSEC) notification. The Audit Committee consists of three members. The Company Secretary acts as the Secretary of the Audit Committee.

The Audit Committee of BDCOM Online Limited is a sub-committee of the Board, to support the Board in fulfillment of its oversight responsibilities. The terms of reference of the Audit Committee are set by the Board of Directors in line with BSEC notification.

Composition of Audit Committee of BDCOM is as follows

The Audit Committee consists of the following members of the board of Directors:

Chairman : Mr. Das Deba Prashad, Independent Director
Member : Mrs. Quraratul Ann Siddiqui, Director
Member : M/S. Hornbill Apparel Limited, Director
Secretary : Mr. A.K.M. Kutub Uddin, Executive Director & Company Secretary

Meeting of the Audit Committee

The Committee had 4(four) meetings during the years 2015-2016. Attendance of the Members was as follows:

Name of the Member	No. of Meeting held	No. of meeting Attendance
Mr. Das Deba Prashad	4	4
Mrs. Quraratul Ann Siddiqui	4	4
M/S. Hornbill Apparel Limited	4	4

Munities of the Committee Meeting properly recorded.

Major Responsibilities of the Audit Committee

The purpose, authority, composition, duties and responsibilities of the Audit Committee are delineated in its Charter. Some of the major responsibilities of the Audit Committee are as follows:

- To review the annual, half-yearly and quarterly financial statements and other financial results, and upon its satisfaction recommended the same to the Board of Directors for approval.
- To review the adequacy and effectiveness of financial reporting process, internal control system, risk management, auditing matters, and the Company's processes for monitoring compliance with regulatory requirements and the codes of conduct.
- To recommend appointment, termination of statutory auditors and determination of the audit fees, for Shareholders approval.
- To consider the scope of work, and oversee and evaluate the work performed by statutory auditors.
- To review non-audit services performed by statutory auditors to the extend permitted by the relevant law, rules and regulations.
- To exercise it's oversee the activities Internal Audit function.
- To review the effectiveness of internal audit function including performance, structure, adequacy of resources, and compliance with professional standards.
- To review the audit finding and material weaknesses and monitor implementation of audit action plans.

Major Activities of the Audit Committee in 2015-2016

The Committee held 4 (Four) meeting during the financial year 2015-2016. The managing Directors, Chief Financial Officer and Head of Internal Audit attended meeting on invitation. The major activities of the Audit Committee in 2015-2016 are stated below-

- reviewed the internal Control System and the financial statements of First quarter, half year, third quarter and annual financial statements for the year ended June 30, 2016 and subsequently recommended to the Board for consideration and approval.
- reviewed the integrity of the financial statements of the company to ensure that, these reflect a true and fair view of the company's state of affairs for the year ended 30th June 2016.
- while reviewing the financial statements ensured that proper disclosure required under International Accounting Standards as adopted in Bangladesh have been made and also complied with the Companies Act and various other rules and regulations applicable to the Company.
- discourse with the statutory auditors about the nature and scope of audit as well as had post-audit discussions to areas of concern;
- approved the internal audit plan and gave direction to the Internal Auditor where appropriate for carrying out in depth audit to ensure that the Company or its assets are not exposed to un due risk;
- reviewed the work of Internal Audit Department and made suggestions for improvement.
- recognized the observations of the Internal Audit department regarding internal control and suggestions made to improve operation systems and procedures and their implementation.
- reviewed the Internal Auditors' reports and suggested appropriate action where needed. Internal Auditors were also advised to carryout audit of all the branches in each year. Branch audit reports are required to ensure their effectiveness and suggest appropriate information where required;
- reviewed the management report submitted by the statutory auditors and suggested corrective measures and fixed time frame for their implantation; and
- reviewed the performance of External Auditors during the last year and recommended the appointment of M/S. Ahmed Zaker & Co, Chartered Accountants (BSEC penal Auditors) as the Statutory Auditors of the Company for the year 2016-2017.

The above matters are significant for continuous improvement and therefore duly noted and taken care of by the Committee.

Reporting

- Pursuant to Condition # 3.4.1 of the Corporate Governance Guidelines issued by BSEC, the Committee reports that it did not find any conflict of interest or any fraud, irregularity, material defect in the Internal Control System. There are no infringement of laws, rules and regulation also.
- The Committee is of the view that risk management associated with the business of the Company is adequately controlled.

On behalf of the Audit Committee



Das Deba Prashad
Chairman, Audit Committee
28 October, 2016

Certificate on compliance of conditions of the Corporate Governance Guidelines to the Shareholders of BDCOM Online Limited.

We have examined the annexed statement on compliance of conditions of the Corporate Governance Guidelines of the Bangladesh Securities and Exchange Commission (BSEC) by BDCOM Online Limited (the Company) for the year ended 30 June 2016 as stipulated in the clause 7(i) of the BSEC's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07th August 2012 and subsequently amended through their notification No. SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013 issued under section 2CC of the Securities and Exchange Ordinance,1969.

The compliance of the said conditions of Corporate Governance Guidelines of the Bangladesh Securities and Exchange Commission (BSEC) and reporting of the status thereof is the responsibility of the Company's management. Our responsibility is to provide a certificate based on our relevant examination as to whether or not the company is in compliance with the said conditions of Corporate Governance Guidelines. Our examination for the purpose of issuing this certificate was limited to the examining of procedures and implementations thereof as adopted by the Company for ensuring the compliance of the conditions of Corporate Governance and corrects reporting of compliance status on the attached statement on the basis of evidence gathered and representation received. It is neither an audit nor an expression of opinion on the financial statements of the company.

To the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance stipulated in the above mentioned BSEC's notification dated 7th August 2012 issued under section 2CC of the Securities and Exchange Ordinance 1969.

Atik Khaled Chowdhury

Atik Khaled Chowdhury
Chartered Accountants

Dhaka, 10 November 2016

Auditors' Report

To The Shareholders of BDCOM ONLINE LIMITED

We have audited the accompanying financial statements of **BDCOM ONLINE LIMITED**, which comprise the Statement of Financial position as at June 30, 2016 along with Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS) present fairly in all material respect the financial position of **BDCOM ONLINE LIMITED** as at June 30, 2016 and the result of its operation and cash flows for the year then ended and comply with the The Securities and Exchange rules 1987, Companies Act 1994 and other applicable laws and regulations.

We also report that;

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 Statement of Financial position, Statement of Profit or Loss and other comprehensive Income and Statement of Cash flows dealt with by the report are in agreement with the books of accounts; and

d) the expenditure incurred and payments made were for the purposes of the company's business.

Place : Dhaka
Dated : 28 October, 2016

Ahmed Zaker & Co.
Chartered Accountants

AMAR STOCK

BDCOM ONLINE LIMITED
STATEMENT OF FINANCIAL POSITION
As at June 30, 2016

Particulars	Notes	Amount in Taka	
		30.06.2016	30.06.2015
Non-Current Assets		**350,555,743**	**301,232,713**
Goodwill		228,000	228,000
Property, Plant and Equipment	3.00	346,361,884	296,124,763
Long Term Security Deposit	4.00	3,965,859	4,879,950
Current Assets		**412,205,403**	**368,595,912**
Inventories	5.00	15,380,948	23,403,774
Advances, Deposits & Prepayments	6.00	17,242,581	11,458,833
Advance Income Tax & VAT	7.00	20,963,669	18,886,485
Bills Receivable	8.00	91,554,918	95,559,313
Investment In Shares (at Market Value)	9.00	6,676,500	4,120,500
Cash and Cash Equivalents	10.00	260,386,787	215,167,006
Total Assets		**762,761,146**	**669,828,625**
Shareholder's Equity and Liabilities			
Shareholders' Equity:		**623,388,321**	**585,893,438**
Share Capital	11.00	414,082,213	383,409,457
Share Premium	12.00	119,504,000	119,504,000
Tax Holiday Reserve		21,555,878	21,555,878
AFS Reserve		(15,791,315)	(15,845,832)
Retained Earnings		84,037,545	77,269,935
Non-Current Liabilities		**4,628,890**	**3,800,983**
Deferred Tax Liabilities	13.00	4,628,890	3,800,983
Current Liabilities and Provisions		**134,743,935**	**80,134,204**
Accounts Payable & Other Liabilities	14.00	95,323,401	57,909,265
Provision for Income Tax	15.00	12,191,478	9,331,572
Bank Loan (Short Term & Others)	16.00	27,229,056	12,893,367
Total Equity & Liabilities		**762,761,146**	**669,828,625**
Net Assets Value Per Share (NAV)		**15.05**	**15.38**
Restated-Net Assets Value Per Share (NAV)			**14.15**

The accompanying policies and explanatory notes 1-29 form an integral part of the Financial Statements.

Chief Financial Officer | **Company Secretary** | **Managing Director** | **Chairman**

Signed in terms of our separate report on same date.

Place: Dhaka
Date: October 28, 2016

Ahmed Zaker & Co
Chartered Accountants.

SMART STOCK

BDCOM ONLINE LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended June 30, 2016

Particulars	Notes	Unit-1 ISP	Unit-2 SDP	Unit-3 IPTSP	Amount in Taka	
					2015-2016	2014-2015
Revenue from Sales & Services	17.00	350,403,499	48,341,793	45,935,026	444,680,318	361,553,343
Operating Expenses	18.00	(151,072,180)	(12,824,916)	(20,376,658)	(184,273,754)	(147,280,988)
Gross Profit: A		**199,331,319**	**35,516,877**	**25,558,368**	**260,406,564**	**214,272,355**
Administrative and Marketing Expenses	19.00	(123,210,650)	(13,209,689)	(12,404,990)	(148,825,329)	(118,685,858)
Amortization of Deferred Expenses		-	-	-	-	(41,759)
Financial Charges	20.00	(2,375,344)	(29,352)	(22,702)	(2,427,398)	(1,047,365)
Provision for Bad & Doubtful Debts	21.00	(1,149,340)	(812,470)	(278,262)	(2,240,072)	(179,929)
Depreciation on Fixed Assets	3.00	(38,312,607)	(1,550,530)	(1,668,938)	(41,532,075)	(36,447,911)
Total Expenses: B		**(165,047,941)**	**(15,602,041)**	**(14,374,892)**	**(195,024,874)**	**(156,402,822)**
Operating Profit: A-B		**34,283,378**	**19,914,836**	**11,183,476**	**65,381,690**	**57,869,533**
Non-Operating Income	22.00	17,278,213	1,639,148	21,143	18,938,504	15,483,867
Net Profit Before WPPWF		**51,561,591**	**21,553,984**	**11,204,619**	**84,320,194**	**73,353,400**
Contribution to WPPWF @ 5%		(2,578,080)	(1,077,699)	(560,231)	(4,216,010)	(3,667,670)
Net Profit before Tax		**48,983,511**	**20,476,285**	**10,644,388**	**80,104,184**	**69,685,730**
Provision for Income Tax	15.00	(10,323,718)	(362,894)	(1,504,866)	(12,191,478)	(9,331,572)
Deffered Tax Expenses	13.00	(827,908)	-	-	(827,908)	(571,182)
Net Profit After Tax		**37,831,885**	**20,113,391**	**9,139,522**	**67,084,798**	**59,782,977**
Other Comprehensive Income :						
Sustainable Estimated Profit/(Loss) on Marketable Securities	21.00	54,517	-	-	54,5176	(1,206,000)
Net Profit (transferred to Statement of Changes in Equities)		**37,886,402**	**20,113,391**	**9,139,522**	**67,139,315**	**58,576,977**
Basic Earing Per Share (EPS)					**1.62**	**1.56**
Re-stated Earing Per Share (EPS)						**1.44**

The accompanying policies and explanatory notes 1-29 form an integral part of the Financial Statements.

Chief Financial Officer	Company Secretary	Managing Director	Chairman

Signed in terms of our separate report on same date.

Place: Dhaka
Date: October 28, 2016

Ahmed Zaker & Co
Chartered Accountants.

BDCOM ONLINE LIMITED
STATEMENT OF CASH FLOWS
For the year ended 30 June, 2016

Particulars	Amount in Taka	
	2015-2016	2014-2015
A. CASH FLOWS FROM OPERATING ACTIVITIES :		
Receipts from sales, service & others	447,440,041	357,243,188
Purchase of Materials	(10,472,695)	(24,044,137)
Bank Interest - STD & Others	520,668	537,952
Income Tax	(14,926,667)	(11,708,973)
Payment of VAT	712,141	2,157,219
Cash payment to creditors & others	(284,538,557)	(239,336,286)
NET CASH PROVIDED/USED IN OPERATING ACTIVITIES	**138,734,931**	**84,848,963**
B. CASH FLOWS FROM INVESTING ACTIVITIES :		
Acquisition of Property, Plant and Equipments	(91,769,196)	(53,252,773)
Receive From FDR Interest	11,638,688	14,945,915
Investment in Marketable Securities	(2,501,483)	-
Long Term Security Deposit	914,091	(353,048)
NET CASH USED IN INVESTING ACTIVITIES	**(81,717,900)**	**(38,659,906)**
C. CASH FLOWS FROM FINANCING ACTIVITIES :		
Short Term Loan	14,335,689	9,611,222
Cash Dividend	(26,132,939)	-
NET CASH PROVIDED/USED BY FINANCING ACTIVITIES	**(11,797,250)**	**9,611,222**
NET CASH OUT FLOW DURING THE YEAR:(A+B+C)	**45,219,781**	**55,800,279**
Cash & Cash Equivalent at the beginning of the year	**215,167,006**	**159,366,727**
Cash & Cash Equivalent at the closing of the year	**260,386,787**	**215,167,006**
Net Operating Cash Flow Per Share (NOCF)	**3.35**	**2.21**
Restated-Net Operating Cash Flow Per Share (NOCF)		**2.05**

Chief Financial Officer | **Company Secretary** | **Managing Director** | **Chairman**

Signed in terms of our separate report on same date.

Place: Dhaka
Date: October 28, 2016

Ahmed Zaker & Co
Chartered Accountants.

BDCOM ONLINE LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June, 2016

Particulars	Share Capital	Tax Holiday Reserve	Share Premium	AFS Reserve	Retained Earnings	Amount in Taka 30.06.2016
Balance as on 01.07.15	**383,409,457**	**21,555,878**	**119,504,000**	**(15,845,832)**	**77,269,935**	**585,893,438**
Net Comprehensive Income after tax	-	-	-	-	67,084,798	67,084,798
Sustainable Estimated Profit/(Loss) on Marketable Securities	-	-	-	54,517	-	54,517
Stock Dividend (FY: 2014-15) @ 8%	30,672,756	-	-	-	(30,672,756)	-
Cash Dividind (FY : 2014-15) @ 7%	-	-	-	-	(26,838,662)	(26,838,662)
Prior Year Adjustment (Note-26.00)		-	-	-	(2,805,770)	(2,805,770)
Balance as on 30.06.2016	**414,082,213**	**21,555,878**	**119,504,000**	**(15,791,315)**	**84,037,545**	**623,388,321**

For the year ended 30 June, 2015

Particulars	Share Capital	Tax Holiday Reserve	Share Premium	AFS Reserve	Retained Earnings	Amount in Taka 30.06.2015
Balance as on 01.07.14	**333,399,528**	**21,555,878**	**119,504,000**	**(14,639,832)**	**67,496,887**	**527,316,461**
Net Comprehensive Income after tax	-	-	-		59,782,977	59,782,977
Sustainable Estimated Profit/(Loss) on Marketable Securities (Note # 27)	-	-	-	(1,206,000)	-	(1,206,000)
Stock Dividend (FY: 2013-14)	50,009,929	-	-	-	(50,009,929)	-
Prior Year Adjustment	-	-	-	-	-	-
Balance as on 30.06.2015	**383,409,457**	**21,555,878**	**119,504,000**	**(15,845,832)**	**77,269,935**	**585,893,438**

Chief Financial Officer | Company Secretary | Managing Director | Chairman

Signed in terms of our separate report on same date.

Place: Dhaka
Date: October 28, 2016

Ahmed Zaker & Co
Chartered Accountants.

BDCOM ONLINE LIMITED
Notes to the Financial Statements
For the year ended 30 June, 2016

1.00 Status and Nature of the company:

1.01 Legal Form:

BDCOM ONLINE LIMITED was incorporated in Bangladesh on 12 February 1997 as a Private Limited Company vide certificate of incorporation No:C-32328 (1449/97) dated 12 February 1997 by the Registrar of Joint Stock Companies & Firms and was converted into a Public Limited Company on 10 February 2002. The shares of the company are traded with the Dhaka Stock Exchange and Chittagong Stock Exchange.

1.02 Registered office:

Registered office of the company is situated at Rangs Nilu Square (5th Floor), House # 75, Road # 5/A, Satmosjid Road, Dhanmondi R/A, Dhaka-1209.

1.03 Nature of business:

The Company is primarily engaged as an Internet Service Provider (ISP) in Bangladesh, which includes Web Page Software Design & Hosting, Leased Port Internet Access, Total Network Solutions and Nationwide Data Services. In addition, the Company is conducting Customized Software Development, Broadband Internet, Vehicle Tracking Services (VTS), Business Process Outsourcing, IP Telephony Services (IPTSP), IPPBX Solutions, Hosted Conference Bridge, Short Code Parking, Fiber Optic, Machinery and Hardware Sales.

2.00 Significant Accounting Policies:

2.01 Basis of Preparation of Financial Statements

The Financial Statements of the Company are prepared on a going concern basis under historical cost convention and in accordance with the Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other laws and rules applicable in Bangladesh.

2.02 Going Concern:

This financial statement has been prepared on the assumption that the entity is a going concern and will continue its business for the foreseeable future. Hence it is assumed that the entity has neither the intention nor the need to liquidate or curtail materially the scale of its operation.

2.03 Cash Flow Statement:

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

2.04 Reporting period

These financial statements cover a period of one year from 01 July 2015 to 30 June 2016.

2.05 Revenue Recognition :

Service income

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

Interest income

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

Other income

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

2.06 Assets and basis of their valuation :

Cash and cash equivalents

Cash and cash equivalents include notes and coins in hand, unrestricted balances held with various Banks such as cash balances with bank as well as FDR and are used by the Company management for its short term commitments.

Property, Plant and Equipment

01. Recognition and Measurement

Property, Plant and equipment are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation and the capital work in progress (when arises) is stated at cost in compliance with the requirements of BAS 16: Property Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive on inward freight, duties and non-refundable taxes.

02. Maintenance activities

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

03. Subsequent Expenditure

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

04. Disposal of Fixed Assets

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the statement of comprehensive income, when is determined with reference to the net book value of the assets and net sales proceeds.

05. Depreciation on addition of Fixed Assets is charged when it is available for use and depreciation is charged on Fixed Assets at the following rates on reducing balance method.

Name of Assets	Rate
Land	0%
Building (Floor Space)	2.5%
Internet & System Hardware	18%
Furniture and Fixture	10%
A.C & PABX	18%
Electric Installation	15%
Telephone & Cable Installation	15%
Office Renovation	18%
Sundry Assets, Books & Periodicals, Cookeries	10%
Motor Vehicle	15%
Office Equipment	15%
Generator	15%
Software Development	15%
Radio & Broad Band Equipment	18%
V-Sat Tower	15%
Optical Fiber Deployment	15%
Neon Sign & Others	20%
Base Tower & Installation	10%
WIFI Base Station	20%

Details of Property, Plant and Equipment are stated in "**Schedule-A**" annexed hereto.

06. Long Term Security Deposit

These amounts were deposited with BTCL and others in connection with telephone lines, bandwidth, E1and others.

07. Valuation of Inventories

Inventories are carried at the lower of cost and net realizable value as prescribed by the BAS-2 : Inventories. Cost is determined on weighted average cost basis. The cost of Inventories comprises of expenditure incurred in the normal course of business in bringing the inventories to their present location and condition. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale.

EMAR STOCK

08. Bills Receivable

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

09. Accounts Payable

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

2.07 Provision for Current & Deferred Tax :

Provision for current tax has been made as per rates prescribed in the Financial Act 2016 and Section: 82 of the ITO 1984 on the taxable profit made by the company after considering taxable add or backs of income and disallowances or allowances of expenditure as per income tax laws in compliance with BAS-12 "Income Taxes".

The Company has recognized deferred tax using balance sheet method in compliance with the provisions of BAS 12: Income Taxes. The Company's policy of recognition of deferred tax assets/liabilities is based on temporary differences (Taxable or Deductible) between the carrying amount (Book Value) of assets and liabilities for financial reporting purpose and its tax base, and accordingly, deferred tax income/expenses has been considered to determine net profit after tax and earning per shares (EPS). A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that is no longer porbable that the related tex benefit will be realized.

2.08 Earnings Per Share:

Earning Per Share (EPS) is calculated in accordance with BAS-33 "Earning Per Share" which has been shown at the bottom of the Statement of Comprehensive Income.

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.

Sl. No.	Particulars	30-Jun-16	30-Jun-15
a)	Earnings attributable to the ordinary	67,084,798	59,782,977
b)	Number of Ordinary Shares.	41,408,221	38,340,946
c)	Earning Per Share	1.62	1.56
d)	Re-stated Earning per Share		1.44

Diluted earnings per share

No diluted earnings per share are required to be calculated for the year as there was no scope for dilution.

2.09 Tax Holiday Reserve

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

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

2.10 Foreign Currency Transactions:

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

2.11 Information about business segments:

Business segment is a distinguishable component of a company that is engaged in providing an individual product or service or a group of related product or service and that is subject to risk and return that are different from those of other business segment. The company had no operational segment either business or geographical segments during the year under review.

2.12 Impairment:

In accordance with the provisions of BAS 36 "Impairment of Assets", the carrying amount of non-financial assets other than inventories of the company involved in the manufacturing of the products. If any such indication exists, then the asset's recoverable amount is estimated and impairment losses are recognized in profit and loss account. No such indication of impairment has been in existence till the end of the year.

2.13 Financial Instruments:

Non-derivative financial instruments comprise of accounts and other receivables, cash and cash equivalents, borrowings and other payables and are shown at transaction cost.

2.14 Borrowing Cost:

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

2.15 Related Parties Transactions:

The party is related to the company if any party casts significant influence over the day to day affairs/matters and also holds the controlling power of the management affairs of the company and any transaction made during the year with the party related there with is termed as related party transaction as per BAS-24 "Related Party Disclosure".

2.16 Components of the Financial Statements

a) Statement of Financial Position (Balance Sheet) as at 30 June 2016;
b) Statement of Profit or Loss and other Comprehensive Income (Profit and Loss Account) for the year ended 30 June 2016;
c) Statement of changes in equities for the year ended 30 June 2016;
d) Statement of Cash Flows for the year ended 30 June 2016;
e) Accounting policies and explanatory Notes to the Financial Statements for the year ended 30 June 2016.

2.17 Compliance with BAS

The following BAS have been applied in preparation of the financial statements for the year under review:

BAS 1	Presentation of Financial Statements
BAS 2	Inventories
BAS 7	Statement of Cash Flows
BAS 10	Events after the Reporting Period
BAS 12	Income Taxes
BAS 16	Property, Plant and Equipment
BAS 18	Revenue
BAS 19	Employee Benefits
BAS 23	Borrowing Costs
BAS 24	Related Party Disclosures
BAS 33	Earnings Per Share
BAS 34	Interim Financial Reporting
BAS 36	Impairment of Assets
BAS 37	Provisions, Contingent Liabilities and Contingent Assets
BAS 38	Intangible Assets

2.18 Employee Summary

Sl #	Particulars	30-Jun-16	30-Jun-15
a)	Managers & Officers	185	162
b)	Office Assistant, Cableman & Others	147	136
	Total	332	298

2.19 Employee Benefits

A) Employee's Provident Fund

The Company operations a contributory provident fund scheme for its permanent employees. Provident fund is administered by a board of Trustees and is funded by contributions party form employees and partly from the pre-determined rates. These contributions are invested separately from the Company's assets.

B) Insurance

Employees are covered under the Group Insurance Scheme.

C) Workers' Profit Participation Fund (WPPF)

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

2.20 Financial risk management

The company management has overall responsibility for the establishment and oversight of the company's risk management framework. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's Activities. The company has exposure to the following risks from use of financial instruments:

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

Credit risk

Credit risk is the risk of financial loss to the company if a customer or a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Risk exposures from other financial assets, i.e. Cash at bank and other external receivables and nominal.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both nominal and stressed conditions, without incurring unacceptable losses or meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

Market risk

Market risk is the risk that any change in market prices such as foreign exchange rates and interest that affect the company's income or the value of its of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

a) Currency risk

As at 30 June 2016 there was no exposure to currency risk as there were no foreign currency transactions made during the review.

b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. There was no loan which is subject to interest. The company has not entered into any type of derivative instrument in order to hedge interest. The company has been not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

2.21 Comparative:

Comparative data/information have been disclosed in respect of the previous year for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements.

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

2.22 General

i) Wherever considered necessary, previous year's figures have been rearranged for the purpose of comparison;

ii) Figures appearing in the Financial Statements have been rounded off to the nearest Taka.

AMAR STOCK

Amount in Taka	
30.06.2016	30.06.2015

3.00 Property Plant and Equipments:

The break up of the amount is as follows:

Particulars	Unit-1 Taka	Unit-2 Taka	Unit-3 Taka	Total Taka	Total Taka
a) Cost:					
Opening Balance	512,008,367	48,635,065	17,629,716	578,273,148	525,020,375
Addition during the year	89,344,468	1,083,425	1,341,303	91,769,196	53,252,773
	601,352,835	49,718,490	18,971,019	670,042,344	578,273,148
Less: Adjustment during the year	-	-	-	-	-
Sub Total	601,352,835	49,718,490	18,971,019	670,042,344	578,273,148
b) Less: Accumulated Dep:	234,641,901	39,008,103	8,498,381	282,148,385	245,700,474
Add. Charge for the year	38,312,607	1,550,530	1,668,938	41,532,075	36,447,911
Adjustment for the year	-	-	-	-	-
Sub Total	272,954,508	40,558,633	10,167,319	323,680,460	282,148,385
c) Closing Balance (a-b)	**328,398,328**	**9,159,857**	**8,803,700**	**346,361,884**	**296,124,763**

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

4.00 Long Term Security Deposit

The break up of the amount is as follows:

BTCL for Telephone Line	5,000	1,026,300
Security Agst. Bandwidth (BTCL & Others)	1,078,975	1,198,000
Security Agst. E1 & Others (BTCL)	35,084	35,084
Security Deposit-Others	2,846,800	2,620,566
Total Taka	**3,965,859**	**4,879,950**

5.00 Inventories

The break up of the amount is as follows:

Accessories	Note- 5.01	545,609	434,091
GLP & GPRS Modem & Accessories	Note- 5.02	2,425,758	2,752,787
IP Telephony Hardware	Note- 5.03	3,846,154	5,000,952
Modem, Media Converter & Concentrators		1,077,596	1,072,299
Switch, Router, Equipments & Others		3,110,938	9,510,507
Stationery		21,015	42,451
Stock of Fiber Optic		1,410,610	1,715,966
Radio Equipment		2,943,268	2,874,721
Total Taka		**15,380,948**	**23,403,774**

5.01 Accessories

The break up of the amount is as follows:

Broadband Accessories	369,592	357,859
UTP Cable	176,017	76,232
Total Taka	**545,609**	**434,091**

AMAR STOCK

	Amount in Taka	
	30.06.2016	30.06.2015
5.02 GLP, GPRS Modem & Accessories		
The break up of the amount is as follows:		
Nomadix	418,556	418,556
Geographical Location platform (GLP)	2,007,202	2,334,231
Total Taka	**2,425,758**	**2,752,787**
5.03 IP Telephony Hardware		
The break up of the amount is as follows:		
IP Telephone set	3,381,772	3,499,852
IP Telephony Equipment	464,382	1,501,100
Total Taka	**3,846,154**	**5,000,952**
6.00 Advances, Deposits & Pre-payments		
The break up of the amount is as follows:		
a) Advances :		
Against Salary	2,227,983	1,002,366
Advance to suppliers and others	5,147,716	6,433,890
Material In Transit (L/C Margin)	5,157,756	253,132
Total	**12,533,455**	**7,689,388**
b) Deposits :		
Security Deposit / Earnest Money	2,814,806	3,418,251
Total	**2,814,806**	**3,418,251**
c) Pre-payments	**1,894,320**	**351,194**
Total (a+b+c)	**17,242,581**	**11,458,833**
6.01 Disclosure as per Schedule-XI, Part -I, of The Companies Act, 1994		
Maturity less than 6 months	12,332,581	8,198,833
Maturity more than 6 months	4,910,000	3,260,000
Total	**17,242,581**	**11,458,833**
Debts considered Good & Secured	13,173,471	8,754,641
Debts considered Good without security	4,069,110	2,704,192
Debts considered doubtful & bad	-	-
Debts due by directors or other officers & staffs	-	-
Debts due from companies under same management	-	-
Maximum debt due by directors or officers & staffs at any time	-	-

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

		Amount in Taka	
		30.06.2016	30.06.2015

7.00 Advance Income Tax and VAT

The break up of the amount is as follows:

Advance VAT	Note- 7.01	262,837	974,978
Advance Income Tax	Note- 7.02	20,700,832	17,911,507
Total Taka		**20,963,669**	**18,886,485**

7.01 Advance VAT

The break up of the amount is as follows:

VAT Treasury Account	262,837	771,889
VAT Procurement Account	-	203,089
VAT Against Supply & Sales	-	-
Total Taka	**262,837**	**974,978**

7.02 Advance Income Tax

The break up of the amount is as follows:

a) Tax Deducted at source		
On Interest Income	1,801,110	1,382,873
On Supply & Sales	10,197,191	8,476,103
Sub Total	**11,998,301**	**9,858,976**
b) Advance Tax Paid	8,702,531	8,052,531
Total Taka	**20,700,832**	**17,911,507**

8.00 Bills Receivable

The break up of the amount is as follows:

Internet & Data Services	Note- 8.01	59,913,516	63,635,451
Hardware/Switch	Note- 8.02	700,406	1,885,499
IP Telephone Service	Note- 8.03	11,295,832	14,930,836
Web page, Software & Data Transmit	Note- 8.04	12,866,016	9,340,861
Other Receivable	Note- 8.05	6,779,148	5,766,666
Total Taka		**91,554,918**	**95,559,313**

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

8.01 Internet & Data Services

The break up of the amount is as follows:

Reseller Internet		-	469,292
Installation (Radio & Others)		204,270	9,199
Corporate B.W	Note- 8.01 (a)	17,530,099	21,935,214
Service rent/Configure		-	-
Prepaid dist.		821	821
Broad Band Internet		974,473	981,973
Data Connectivity		41,203,854	40,238,952
Total Taka		**59,913,516**	**63,635,451**

		Amount in Taka	
		30.06.2016	30.06.2015
8.01(a) Corporate B. W		18,679,439	21,935,214
Less : Provision for Bad & Doubtful Debts		1,149,340	-
Total Taka		**17,530,099**	**21,935,214**
8.02 Hardware / Switch			
The break up of the amount is as follows:			
Switch, Router, Hardware etc		588,336	1,571,664
Fiber Optic		103,121	103,121
Setup charge		8,949	-
Radio Equipment		-	204,020
Computer & hardware		-	6,694
Total Taka		**700,406**	**1,885,499**
8.03 IP Telephone			
The break up of the amount is as follows:			
Monthly rent/ Call Charges	Note -8.03(a)	8,510,117	11,136,469
Inter-Connectivity		2,352,538	2,211,190
Equipment/IPT set		433,177	1,583,177
Total Taka		**11,295,832**	**14,930,836**
8.03(a) Monthly Rent/ Call Charge		8,788,378	11,136,469
Less : Provision for Bad & Doubtful Debts		278,261	-
Total Taka		**8,510,117**	**11,136,469**
8.04 Web page, Software & Data Transmit			
The break up of the amount is as follows:			
Software Development		2,154,435	2,325,087
Web Development		-	149,000
Data transmit		-	67,062
Iptalk		-	17,738
Domain Hosting & Registration		2,096,516	1,231,516
AVLS		7,057,558	3,093,218
Graphics Design	Note -8.04(a)	1,557,507	2,457,242
Total Taka		**12,866,016**	**9,340,863**
8.04(a) Graphics Design-Data Transmission		2,369,977	2,457,242
Less : Provision for Bad & Doubtful Debts		812,470	-
Total Taka		**1,557,507**	**2,457,242**

8.05 Other Receivable

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	Amount in Taka	
				30.06.2016	30.06.2015
FDR Interest Receivable	6,253,985	525,163		6,779,148	5,766,666
Total Taka	**6,253,985**	**525,163**	**-**	**6,779,148**	**5,766,666**

Amount in Taka	
30.06.2016	30.06.2015

9.00 Sustainable Estimated Profit/(Loss) on Marketable Securities

This represents the sum of loss (Difference of cost and present market value) on investment made in the share of ICB

Particulars	Total 30.06.2016	Total 30.06.2015
Cost Value of Shares (Note : 09.01)	22,467,815	19,966,332
Less : Fair Value of City Bank Ltd. On 30.06.2016	2,556,000	-
Less : Fair Value of ICB Islami Bank On 30.06.2016	4,120,500	4,120,500
Total Estimated Loss on Marketable Securities	**15,791,315**	**15,845,832**
Less : Adjusted Upto 30.06.2015	15,845,832	14,639,832
Sustainable Estimated Loss on 30.06.2016	**54,517**	**1,206,000**

9.01 Cost Value of Shares

Particulars	No. of Share	Total 30.06.2016	Total 30.06.2015
ICB Islami Bank Ltd.	1,005,000	19,966,332	19,966,332
The City Bank Ltd.	106,500	2,501,483	-
Total Taka		**22,467,815**	**19,966,332**

10.00 Cash and Cash Equivalents

The break up of the amount is as follows:

Cash in Hand		345,550	562,016
Cash at Bank	Note- 10.01	18,479,637	18,607,505
Fixed Deposit Receipts (FDR)	Note- 10.02	241,531,915	195,965,817
Cash Available in BO Account (Daulatunnessa Equities Ltd.)	Note- 10.03	29,685	31,668
Total Taka		**260,386,787**	**215,167,006**

10.01 Cash at Bank

The break up of the amount is as follows:

A. CD Accounts	A/C No.		
Eastern Bank Ltd.	1061060000757	202,023	948,050
Eastern Bank Ltd.	01061060001684	-	-
First Security Bank Ltd.	010811100001575	142,271	156,017
Sonali Bank Ltd.	001017833	234,251	156,938
Bank Asia Ltd.	06933000002	85,688	1,594,284
Bank Asia Ltd.	02133001275	1,186,142	108,091
Sub-Total		**1,850,374**	**2,963,380**

		Amount in Taka	
		30.06.2016	30.06.2015
B. STD Accounts			
Eastern Bank Ltd.	01061040000139	-	-
Prime Bank Ltd	12732030003986	(33,962)	2,009,263
Prime Bank Ltd	12732080003998	2,068,529	2,455,990
Prime Bank Ltd	12731080017622	101,369	100,821
Prime Bank Ltd	12711020027776	2,486,327	1,456,905
NCC Bank Ltd.	100210004661	3,208	3,208
Prime Bank Ltd	12751050019650	6,324,551	1,268,309
UCBL	8413100000199	39,858	22,487
UCBL	8413100000216	766,648	943,698
UCBL	1310000274	120,964	601,562
UCBL	8413100000147	114,326	107,422
Rupali Bank Ltd.	240000338	1,065,090	2,359,599
Pubali Bank Ltd.	3478102001001	179,136	878,229
Dutch-Bangla Bank Ltd	171120344	2,505,674	680,089
Dutch-Bangla Bank Ltd	1711200002011	736,973	276,201
Dutch-Bangla Bank Ltd	Mobile Banking	14,170	117,635
Islami Bank BD. Ltd.	20502050900011812	21,445	75,903
Al-Arafah Bank Ltd.	0311220001107	79,111	2,178,339
Midland Bank Ltd.	0081090000066	35,848	108,465
Sub-Total		**16,629,263**	**15,644,125**
Total Taka (A+B)		**18,479,637**	**18,607,505**

10.02 FDR Account

The break up of the amount is as follows:

Prime Bank Ltd	1274106000996-7	2,288,195	2,162,722
Prime Bank Ltd	12741020010005	2,029,730	1,885,490
Prime Bank Ltd	12741040027175	8,880,373	8,382,384
Prime Bank Ltd	12741070010994	9,080,600	8,544,667
UCBL	1200003111	7,368,482	6,842,993
UCBL	1741300048326	6,646,197	6,161,944
Bank Asia Ltd.	02155008688	2,474,847	2,323,764
Bank Asia Ltd.	02155008710	4,922,072	4,580,998
Bank Asia Ltd.	2155008365	12,882,379	12,002,692
IDLC Finance Ltd.	11252217203701	14,270,164	13,606,263
IDLC Finance Ltd.	10452217203701	6,956,752	6,387,192
IDLC Finance Ltd.	11253117203701	6,195,312	5,000,000
IDLC Finance Ltd.	11254717203701	5,000,000	5,000,000
IFIC Bank Ltd.	1025-509038-200	1,417,780	1,323,333
IFIC Bank Ltd.	1025-509038-201	5,973,157	5,540,000
IFIC Bank Ltd.	1006-522930-200	5,925,574	5,494,000
DBH	7102019005	2,974,932	2,762,375
Exim Bank Ltd.	02860100286686	7,157,301	6,621,000
Exim Bank Ltd.	028-601-00-37135-5	5,416,250	5,000,000

		Amount in Taka	
		30.06.2016	30.06.2015
Al-Arafa Bank Ltd.	0311330261359	2,979,756	2,746,500
Bank Al-Falah Ltd.	05900293	2,696,875	2,500,000
Meghna Bank Ltd.	250000050	7,273,126	6,674,000
Meghna Bank Ltd.	250000068	4,818,254	4,431,000
Uttara Finance & Invest.Ltd.	0100120059314	5,990,270	5,492,500
Uttara Finance & Invest.Ltd.	0100120019615	5,451,500	5,000,000
Uttara Finance & Invest.Ltd.	0100120019815	21,803,000	20,000,000
Uttara Finance & Invest.Ltd.	0100120025615	5,000,000	
NRB Commercial Bank Ltd.	011171200000036	5,492,500	5,000,000
NRB Commercial Bank Ltd.	011171200000024	3,294,500	3,000,000
NRB Commercial Bank Ltd.	011171200000037	5,492,500	5,000,000
NRB Commercial Bank Ltd.	011148000000022	5,000,000	5,000,000
NRB Commercial Bank Ltd.	011171200000052	1,087,250	1,000,000
NRB Commercial Bank Ltd.	011171200000050	5,436,250	5,000,000
NRB Commercial Bank Ltd.	011148000000025	2,183,000	2,000,000
NRB Commercial Bank Ltd.	011148000000029	6,523,537	6,000,000
Midland Bank Ltd.	1100004477	2,712,250	2,500,000
Midland Bank Ltd.	1100004486	2,712,250	2,500,000
SBAC Bank Ltd.	01244000065784	2,725,000	2,500,000
Lanka Bangla Finance Ltd.	001022800000127	5,000,000	-
Uttara Finance & Invest.Ltd.	0100360000515	5,000,000	-
Peoples Leasing & Finance	868/2016	15,000,000	-
Total Taka		**241,531,915**	**195,965,817**

10.03 Daulatunnessa Equities Ltd

	29,685	31,668
Balance as on June, 30, 2016	**29,685**	**31,668**

11.00 Share Capital

Authorized Capital

100,000,000 Ordinary shares of Taka. 10 each	**1,000,000,000**	**1,000,000,000**

Issued, Subscribed and Paid-up Capital

41,408,221 Ordinary shares of Taka. 10 each	**414,082,213**	**383,409,457**

11.01 Compositions of Shareholdings

Particulars	As on 30.06.2016		As on 30.06.2015	
	No. of Shares	% of holdings	No. of Shares	% of holdings
Sponsor/Director	9,566,370	23.10	8,163,745	21.29
Institutions	14,117,141	34.10	9,342,730	24.37
General Public	17,724,710	42.80	20,834,470	54.34
Total	**41,408,221**	**100.00**	**38,340,945**	**100.00**

Amount in Taka	
30.06.2016	30.06.2015

11.02 Distribution Schedule-Disclosure under the Listing Regulations of Stock Exchange

This distribution schedule showing the number of Shareholders and their Shareholdings in percentage has been disclosed as on 30 June 2016 :

Shareholders Range (in number of Shares)	As on 30.06.2016		As on 30.06.2015	
	Shareholders	No. of Shares	Shareholders	No. of Shares
Less than 500 shares	3,668	615,074	3,979	576,681
500 to 5,000 Shares	2,883	4,702,944	3,008	4,671,631
5001 to 10,000 shares	293	2,156,742	240	1,797,125
10,001 to 20,000 shares	147	2,117,194	107	1,577,949
20,001 to 30,000 shares	38	918,641	39	999,331
30,001 to 40,000 shares	25	879,534	23	812,411
40,001 to 50,000 shares	17	784,033	12	607,561
50,001 to 100,000 shares	38	2,727,088	32	2,479,456
100,001 to 1,000,000 shares	25	7,569,532	28	8,957,312
Over 1,000,000 shares	7	18,937,439	6	15,861,488
Total	**7,141**	**41,408,221**	**7,474**	**38,340,945**

11.03 Option on un-issued shares

The existing unissued shares of the company can be issued as subscribed and paid-up capital through the issuance of new shares upon contribution of cash, bonus or right shares.

11.04 Market Price

The shares of the Company are listed in the Dhaka and Chittagong Stock Exchanges and quoted at Taka 22.30 (High-Taka. 22.50, Low-Taka. 22.20) per share and Taka 22.30 (High-Taka. 22.70 Low-Taka. 22.30) per share in the Dhaka and Chittagong Stock Exchange respectively as of 30 June 2016.

11.05 Voting Rights

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

12.00 Share Premium

The break up of the amount is as follows:

Share Premium	119,504,000	119,504,000
Total Taka	**119,504,000**	**119,504,000**

		Amount in Taka	
		30.06.2016	30.06.2015

13.00 Deferred Tax (Income)/Expenses

		Carrying Amount (Tk.)	Tax Base (Tk.)	Taxable/(Deductible) temporary differences
As at June 30, 2016				
Property, Plant & Equipment (Excluding Land)		319,361,884	300,846,323	18,515,561
Net Taxable Temporary Difference				18,515,561
Applicable Tax Rate				25%
Deffered Tax Liability	(a)			**4,628,890**
As at June 30, 2015				
Property, Plant & Equipment (Excluding Land)		269,124,763	253,920,833	15,203,930
Net Taxable Temporary Difference				15,203,930
Applicable Tax Rate				25%
Deffered Tax Liability	(b)			3,800,983
Deferred Tax (Income)/Expenses (a-b)				**827,908**

14.00 Accounts Payable & Other Liabilities

The break up of the amount is as follows:			
Accounts Payable	Note-14.01	75,946,613	45,591,025
Other Liabilities	Note-14.02	19,376,788	12,318,240
Total Taka		**95,323,401**	**57,909,265**

14.01 Accounts Payable

The break up of the amount is as follows:		
Sundry Creditors	74,155,436	44,505,571
Unpaid Dividend	1,791,177	1,085,454
Total Taka	**75,946,613**	**45,591,025**

14.01(a) Disclosure as per Schedule-XI, Part - I, of The Companies Act, 1994

Sundry Creditors		
Maturity less than 6 months	71,022,039	42,634,786
Maturity more than 6 months	4,924,574	2,956,239
Total	**75,946,613**	**45,591,025**
Debts considered Good & Secured	64,682,121	38,828,910
Debts considered Good without security	11,264,492	6,762,115
Debts considered doubtful & bad	-	-

14.02 Others Liabilities

The break up of the amount is as follows:			
Liability for Expenses	Note- 14.02.(1)	1,820,281	2,283,032
Liability for Other Finance	Note- 14.02.(2)	17,556,507	10,035,208
Total Taka		**19,376,788**	**12,318,240**

	Amount in Taka	
	30.06.2016	30.06.2015

14.02(1) Liabilities for Expenses

The break up of the amount is as follows:

Salaries & Allowances	906,286	1,358,179
Outstanding Expenses	821,995	832,853
Audit Fee Payable	92,000	92,000
Total Taka	**1,820,281**	**2,283,032**

14.02(2) Liability for Other Finance

The break up of the amount is as follows:

Tax deducted on Employees Salaries	1,287,460	665,319
Employees Provident Fund	616,918	856,979
Tax deducted on Suppliers	1,714,987	898,765
Security Deposit - Broadband	88,554	10,350
Security Deposit -Others	250,500	372,443
Contribution to WPPWF @ 5%	4,216,010	3,667,670
VAT at Source	857,879	459,190
Advance Agst. Sales (Reseller-Internet)	333,053	988,578
Advance Agst. Sales (Data Bandwidth)	6,590,909	403,540
Advance Agst. Sales (Corporate Bandwidth)	841,859	1,115,402
Advance Agst. Sales (Domain & Hosting)	23,316	96,750
Advance Agst. Sales (AVLS)	622,834	283,568
Advance Agst. Sales (Monthly Rent/ Tel Call)	112,228	216,655
Total Taka	**17,556,507**	**10,035,208**

15.00 Provision for Income Tax

The break up of the amount is as follows:

Opening Balance		9,331,572	6,627,384
Provision made during the year	Note : 15.01	12,191,478	9,331,572
		21,523,050	15,958,956
Less : Tax paid during the year		9,331,572	6,627,384
Provision For Income Tax		**12,191,478**	**9,331,572**

15.01 Provision For Income Tax

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	Amount in Taka	
				30.06.2016	30.06.2015
Net Profit Before WPPWF	51,561,591	21,553,984	11,204,619	84,320,194	68,177,053
Less : Contribution to WPPWF @ 5%	2,578,080	1,077,699	560,231	4,216,010	3,667,670
Profit Before Tax	48,983,511	20,476,285	10,644,388	80,104,184	64,509,383
Less : Tax Exempted Profit **	7,688,639	19,024,710	4,624,923	31,338,272	27,183,095
Net Profit Before Tax (Note-25.00)	41,294,872	1,451,575	6,019,465	48,765,912	37,326,288
Provision for Income Tax @ 25%	10,323,718	362,894	1,504,866	12,191,478	9,331,572

**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.

			Amount in Taka	
			30.06.2016	30.06.2015
16.00	**Short Term Loan**			
	The break up of the amount is as follows:			
	Prime Bank Ltd.-SOD A/C	12777590042804	12,916,990	-
	Bank Asia Ltd. (Motor Vehicle)	02135001177	1,024,749	1,458,865
	Bank Asia Ltd. (Motor Vehicle)	02135001252	947,378	1,239,400
	Bank Asia Ltd. (Machinery)	02135001282	8,607,187	10,195,102
	Bank Asia Ltd. (Motor Vehicle)	02135001299	1,721,641	-
	Bank Asia Ltd. (Motor Vehicle)	02135001339	2,011,111	-
	Total Taka		**27,229,056**	**12,893,367**
17.00	**Revenue From Sales, Services & Others**			
	The break up of the amount is as follows:			
	Revenue from Unit -I	Notes-17.01	350,403,499	276,358,400
	Revenue from Unit -II	Notes-17.02	48,341,793	46,998,943
	Revenue from Unit -III	Notes-17.03	45,935,026	38,196,000
	Total Taka		**444,680,318**	**361,553,343**
17.01	**Revenue From Unit -I**			
	Revenue from Internet/Data Connectivity Services	Note-17.01(a)	327,398,372	225,964,872
	Revenue from IT Enable Services	Note-17.01(b)	12,491,924	10,239,446
	Revenue from Sale of Hardware	Note-17.01(c)	1,397,538	5,027,026
	Revenue from Internet (Educational Institutions)		9,115,665	35,127,056
	Total Taka		**350,403,499**	**276,358,400**
17.01(a)	**Revenue from Internet/Data Connectivity Services**			
	Internet/ Data Connectivity Services		376,508,127	259,859,603
	Less : VAT 15%		49,109,755	33,894,731
	Total Taka		**327,398,372**	**225,964,872**
17.01(b)	**Revenue from IT Enable Services**			
	IT Enable Services		13,054,061	10,700,221
	Less : VAT 4.5%		562,137	460,775
	Total Taka		**12,491,924**	**10,239,446**
17.01(c)	**Revenue from Sale of Hardware**			
	Sale of Hardware		1,467,415	5,228,107
	Less : VAT 5%		69,877	201,081
	Total Taka		**1,397,538**	**5,027,026**
17.02	**Revenue From Unit -II**			
	Revenue from Software & Graphic Design		19,150,913	24,107,028
	Revenue from Web Development, Hosting & Domain Reg.		4,863,646	6,302,647
	Revenue from AVLS Software & Support		13,637,834	7,512,195
	Revenue from AVLS Supply & Services	Note-17.02(a)	10,689,400	9,077,073
	Total Taka		**48,341,793**	**46,998,943**

		Amount in Taka	
		30.06.2016	30.06.2015
17.02(a) Revenue from AVLS Supply & Services			
Sale of AVLS Tracker		11,223,870	9,440,156
Less : VAT 5%		534,470	363,083
Total Taka		**10,689,400**	**9,077,073**
17.03 Revenue From Unit -III			
Revenue from IP Telephony Monthly Rent	Note-17.03(a)	291,825	506,096
Revenue from IP Telephony Outgoing NWD Call	Note-17.03(b)	17,819,083	14,248,494
Revenue from IP Telephony Outgoing ISD Call	Note-17.03(c)	5,274,381	4,305,991
Revenue from IP Telephony Incoming NWD Call	Note-17.03(d)	4,993,056	3,634,196
Revenue from IT Enable Services	Note-17.03(e)	6,669,545	7,306,164
Revenue from Sale of Hardware & Equipments	Note-17.03(f)	10,887,136	8,195,060
Total Taka		**45,935,026**	**38,196,000**
17.03(a) Revenue from IP Telephony Monthly Rent			
Revenue From Monthly Rent		335,599	582,010
Less : VAT 15%		43,774	75,914
Total Taka		**291,825**	**506,096**
17.03(b) Revenue from IP Telephony Outgoing NWD Call			
Revenue From Outgoing NWD Call		20,491,945	16,385,768
Less : VAT 15%		2,672,862	2,137,274
Total Taka		**17,819,083**	**14,248,494**
17.03(c) Revenue from IP Telephony Outgoing ISD Call			
Revenue From Outgoing ISD Call		6,065,538	4,951,890
Less : VAT 15%		791,157	645,899
Total Taka		**5,274,381**	**4,305,991**
17.03(d) Revenue from IP Telephony Incoming NWD Call			
Revenue From Incoming NWD Call		5,742,014	4,179,325
Less : VAT 15%		748,958	545,129
Total Taka		**4,993,056**	**3,634,196**
17.03(e) Revenue from IPTSP IT Enable Services			
Revenue From IT Enable Services		6,969,675	7,634,941
Less : VAT 4.5%		300,130	328,777
Total Taka		**6,669,545**	**7,306,164**
17.03(f) Revenue from Sales of IPTSP Hardware & Equipments			
Revenue From Hardware & Equipments		11,431,493	8,522,862
Less : VAT 5%		544,357	327,802
Total Taka		**10,887,136**	**8,195,060**

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Amount in Taka	
30.06.2016	30.06.2015

18.00 Operating Expenses

The break up of the amount is as follows:

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	Total 30.06.2016	Total 30.06.2015
Services & Others (Notes- 18.a)	150,000,476	4,688,841	11,088,916	165,778,233	131,611,071
Hardware & Others (Notes- 18.b)	1,071,704	8,136,075	9,287,742	18,495,521	15,660,917
Total Taka	**151,072,180**	**12,824,916**	**20,376,658**	**184,273,754**	**147,271,988**

18.(a) Services & Others

The break up of the amount is as follows:

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	Total 30.06.2016	Total 30.06.2015
Bandwidth Charges	23,583,879	216,000	216,000	24,015,879	25,180,010
Electricity Charges	3,457,216	459,796	459,796	4,376,808	3,050,777
Telephone Charges	1,784,117	2,368,545	864	4,153,526	2,766,644
Domain Registration Exp.	-	128,354	-	128,354	294,311
Data Connectivity & Fiber Rent	120,548,365	6,000	345,259	120,899,624	85,301,191
E1,Server Rent and Inter connectivity	250,800	-	9,835,942	10,086,742	9,768,861
Cost of Software (GLP & Others)	40,500	1,510,146	219,745	1,770,391	4,639,399
Electrical Goods	331,639	-	11,310	342,949	590,665
Freight & Carriage	3,960	-	-	3,960	19,213
Total Taka	**150,000,476**	**4,688,841**	**11,088,916**	**165,778,233**	**131,611,071**

18.(b) Hardware & Others

The break up of the amount is as follows:

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	Total 30.06.2016	Total 30.06.2015
Broadband Modem Concentrator & others	98,428	-	-	98,428	986,324
Cost on sales of Hardware & Others	712,425	8,136,075	9,287,742	18,136,242	12,967,472
Cost of Sales of Optical Fiber/Cable	260,851	-	-	260,851	225,850
Radio Equipment	-	-	-	-	949,788
Internet & Telecommunications	-	-	-	-	531,483
Total Taka	**1,071,704**	**8,136,075**	**9,287,742**	**18,495,521**	**15,660,917**

Amount in Taka	
30.06.2016	30.06.2015

19.00 Administrative and Marketing Expenses

The break up of the amount is as follows:

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	Total 30.06.2016	Total 30.06.2015
Directors Remuneration (Note-19.01)	3,250,000	-	-	3,250,000	3,174,200
Salary and Allowances	79,479,087	10,626,112	8,772,867	98,878,066	75,989,088
Traveling and Conveyance	6,804,571	208,450	61,502	7,074,523	4,176,129
Uniform & Others	61,384	2,600	-	63,984	13,050
Office Rent	8,475,568	-	-	8,475,568	8,005,826
VAT on Office Rent	570,317	-	-	570,317	566,664
Electricity Charges	384,135	51,089	51,089	486,313	1,042,563
Telephone Charges	198,235	263,172	-	461,407	308,905
Printing and stationeries	833,372	28,500	6,900	868,772	967,627
Courier & Postage Charges	710,838	-	-	710,838	419,263
Photo copy Charges	-	-	-	-	100
Advertisement Expenses	275,085	48,225	43,125	366,435	2,684,465
News Papers & Periodicals	10,289	1,934	1,934	14,157	22,492
Entertainment	1,921,207	159,487	5,006	2,085,700	1,468,828
Security charges	365,055	-	-	365,055	39,184
Repair & Maintenance	3,523,792	181,092	272,059	3,976,943	3,126,899
Utility Charges	1,602,229	69,867	69,867	1,741,963	412,446
Car Rent & Maintenance	4,990,308	-	602,518	5,592,826	3,608,552
Annual Listing Fee (DSE, CSE, CDBL, BAPL)	593,622	118,578	118,578	830,778	556,050
License Registration & Renewal Fees	517,082	-	575,000	1,092,082	1,982,672
Municipal Tax	-	-	-	-	151,589
Insurance Premium	959,894	86,324	32,711	1,078,929	731,779
Fees & Professional Charges	210,000	-	45,000	255,000	307,500
Consultancy & Legal Fee	205,000	45,000	-	250,000	-
AGM Expenses	673,583	144,339	144,339	962,261	1,038,285
Promotional exp.	1,846,305	576,377	-	2,422,682	2,177,347
Audit Fee	46,000	23,000	23,000	92,000	92,000
Contribution to Employees PF	2,690,349	395,192	341,200	3,426,741	2,456,285
Training Expenses	108,600	-	40,555	149,155	118,150
Tender Participation	76,929	5,750	-	82,679	129,017
Annual Refreshment Expenses	577,415	16,000	16,000	609,415	501,031
Revenue Sharing with BTRC		136,901	1,181,740	1,318,641	1,378,514
Sundry Exp.	1,250,399	21,700	-	1,272,099	1,039,358
Total Taka	**123,210,650**	**13,209,689**	**12,404,990**	**148,825,329**	**118,685,858**

The number of employees (both casual and permanent of the company as at 30 June 2016 was 332 and all of them received salary and allowances above Taka. 60,000 per year.

Amount in Taka	
30.06.2016	30.06.2015

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

Name	Designation	Monthly Remuneration	Festival Bonus	Total 30.06.2016	Total 30.06.2015
S.M. Golam Faruk Alamgir	Managing Director	250,000	250,000	3,250,000	3,174,200
Total Taka		**250,000**	**250,000**	**3,250,000**	**3,174,200**

20.00 Financial Charges

The break up of the amount is as follows :

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	Total 30.06.2016	Total 30.06.2015
Bank Interest	1,953,886	-	1,099	1,954,985	860,214
Bank Charges & Others	421,458	29,352	21,603	472,413	187,151
Total Taka	**2,375,344**	**29,352**	**22,702**	**2,427,398**	**1,047,365**

21.00 Provision for Bad & Doubtful Debts

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	Total 30.06.2016	Total 30.06.2015
Opening Balance	1,489,130	-	-	1,489,130	1,309,200
Add : Charge During The Year	1,149,340	812,470	278,262	2,240,072	179,930
Total Taka	**2,638,470**	**812,470**	**278,262**	**3,729,202**	**1,489,130**

22.00 Non Operating Income

The break up of the amount is as follows:

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	Total 30.06.2016	Total 30.06.2015
Bank Interest (FDR A/C.)	16,829,206	1,588,630	-	18,417,836	14,964,780
Bank Interest (SND A/C)	294,007	50,518	21,143	365,668	436,171
Other Income (Scrap Sale)	155,000	-	-	155,000	82,916
Total Taka	**17,278,213**	**1,639,148**	**21,143**	**18,938,504**	**15,483,867**

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	Amount in Taka	
	30.06.2016	30.06.2015

23.00 Earning Per Share (EPS)

Profit From Continuing Operation attributable to the ordinary Equity holders	67,084,798	59,782,977
Less: Preference Share Dividend	-	-
Profit attributable to the ordinary equity holders	**67,084,798**	**59,782,977**
Total outstanding shares as on 30 June 2016	**41,408,221**	**38,340,945**
Earning Per Share (EPS)	1.62	**1.56**
Re-stated Earning Per Share		**1.44**

24.00 Calculation of Net Profit Before Tex (Unitwise)

Particulars	For IT Enable Service	Other Than IT Enable Service	Total As on 30.06.2016	Total As on 30.06.2015
Unit-I, ISP				
Revenue from ISP, Unit-I	12,491,924	337,911,575	350,403,499	276,358,400
Operating Expenses	-	(151,072,181)	(151,072,181)	118,091,662
Gross Profit	**12,491,924**	**186,839,394**	**199,331,318**	**158,266,738**
Administrative & Marketing Exp.	(4,398,620)	(118,812,030)	(123,210,650)	(96,388,388)
Amortization of Deferred Exp.	-	-	-	(41,759)
Depreciation on Fixed Assets	-	(38,312,607)	(38,312,607)	(32,779,422)
Provision for Bad & Doubtful Debts	-	(1,149,340)	(1,149,340)	(179,929)
Financial Charges	-	(2,375,344)	(2,375,344)	(1,021,622)
Total Expenses	**(4,398,620)**	**(160,649,321)**	**(165,047,941)**	**(130,411,120)**
Operating Profit	**8,093,304**	**26,190,074**	**34,283,378**	**27,855,618**
Non-Operating Income	-	17,278,213	17,278,213	13,529,315
Net Profit Before WPPWF	**8,093,304**	**43,468,287**	**51,561,591**	**41,384,933**
Contribution to WPPWF @ 5% on NP	(404,665)	(2,173,414)	(2,578,080)	(2,069,247)
Net Profit Before Tax - (Unit-I)	**7,688,639**	**41,294,872**	**48,983,511**	**39,315,686**

Particulars	For AVLS Tracker	Other Than AVLS	Total As on 30.06.2016	Total As on 30.06.2015
Unit-II, SDP				
Revenue from AVLS Tracker	10,689,400	37,652,393	48,341,793	46,998,943
Operating Expenses	(6,240,765)	(6,584,151)	(12,824,916)	12,708,351
Gross Profit	**4,448,635**	**31,068,242**	**35,516,877**	**34,290,592**
Administrative & Marketing Exp.	(2,920,662)	(10,289,027)	(13,209,689)	(11,094,879)
Depreciation on Fixed Assets	-	(1,550,530)	(1,550,530)	(1,803,447)
Provision for Bad & Doubtful Debts	-	(812,470)	(812,470)	-
Financial Charges	-	(29,352)	(29,352)	(16,471)
Total Expenses	**(2,920,662)**	**(12,681,379)**	**(15,602,041)**	**(12,914,797)**
Operating Profit	**1,527,973**	**18,386,863**	**19,914,836**	**21,375,795**
Non-Operating Income	-	1,639,148	1,639,148	1,931,193
Net Profit Before WPPWF	**1,527,973**	**20,026,011**	**21,553,984**	**23,306,988**
Contribution to WPPWF @ 5% on NP	(76,399)	(1,001,301)	(1,077,699)	(1,165,349)
Net Profit Before Tax - (Unit-II)	**1,451,574**	**19,024,710**	**20,476,285**	**22,141,639**

Amount in Taka	
30.06.2016	30.06.2015

Particulars	For IT Enable Service	Other Than IT Enable Service	Total As on 30.06.2016	Total As on 30.06.2015
Unit-III, IPTSP				
Revenue from IPTSP Services	6,669,545	39,265,481	45,935,026	46,998,943
Operating Expenses	-	(20,376,658)	(20,376,658)	12,708,351
Gross Profit	**6,669,545**	**18,888,823**	**25,558,368**	**34,290,592**
Administrative & Marketing Exp.	(1,801,206)	(10,603,784)	(12,404,990)	(11,094,879)
Depreciation on Fixed Assets	-	(1,668,938)	(1,668,938)	(1,803,447)
Provision for Bad & Doubtful Debts	-	(278,262)	(278,262)	-
Financial Charges	-	(22,702)	(22,702)	(16,471)
Total Expenses	**(1,801,206)**	**(12,573,686)**	**(14,374,892)**	**(12,914,797)**
Operating Profit	**4,868,339**	**6,315,137**	**11,183,476**	**21,375,795**
Non-Operating Income	-	21,143	21,143	1,931,193
Net Profit Before WPPWF	**4,868,339**	**6,336,280**	**11,204,619**	**23,306,988**
Contribution to WPPWF @ 5% on NP	(243,417)	(316,814)	(560,231)	(1,165,349)
Net Profit Before Tax - (Unit-III)	**4,624,922**	**6,019,466**	**10,644,388**	**22,141,639**

25.00 Prior Year Adjustment

The break up of the amount is as follows:

Particulars	Tax Provision as per Audited Accounts (Tk.)	Tax Provision as per Income Tax Authority (Tk.)	Additional Tax Provision Req. (Prior Year Adj.)
Assessment Year : 2013-14	4,334,992	7,140,762	2,805,770

BDCOM Online Ltd. submitted its annual tax return (AY : 2013-14) under "Universal Self Assessment" method and paid tax accordingly but due to tax audit excess tax liability of Tk.28,05,770/= has demanded after appeal order and paid the same within the Financial Year : 2015-16.

27.00 Related Party Disclosures :

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

Name of the company	Total Transaction (Tk.)	Ralationship with company	Nature of Transaction	Balance 30.06.2016 (Tk.)	Remarks
Fiber @ Home Ltd.	11,886,513	Concern Under Common Mgt.	IIG Bandwidth	1,246,163	Trade Creditors
Fiber @ Home Ltd.	55,600,049	Concern Under Common Mgt.	NTTN Service	14,500,811	Trade Creditors
Norban Fashion Ltd.	89,175	Concern Under Common Mgt.	Internet & others	153,855	Trade Debtors
Norban Comtex Ltd.	-	Concern Under Common Mgt.	Internet & others	296,539	Trade Debtors
Fiber @ Home Ltd.	28,204,858	Concern Under Common Mgt.	Internet & others	-	Trade Debtors

Amount in Taka	
30.06.2016	30.06.2015

27.02 Disclosure of Managerial Remuneration ;

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

Name	Designation	Amount (Tk.) as on 30.06.2016
Mr. S. M. Golam Faruk Alamgir	Managing Director	3,250,000
Md. Robiul Alam Chowdhury	Chief Financial Officer (CFO)	2,464,000
Mr. A.K.M Kutub Uddin	ED, Admin & Company Secretary	2,379,500
Mr. S.M. Kamruzzaman	Chief Technical Officer (CTO)	2,355,840
Mr. Gazi Zehadul Kabir	General Manager, Sys. Integration	1,914,000

28.00 Diluted Earning Per Share

No diluted earning per share is required to be calculated for the year as there has no dilutive potential ordinary shares

29.00 Events after the Reporting Period

Subsequent to the Statement of Financial Position date, the Board of Directors in their meeting held on 28th October, 2016 recommended 5% Cash Dividend and 7% Stock Dividend to all shareholders for the year ended 30th June, 2016. The dividend proposal is subject to shareholders' approval at the forthcoming Annual General Meeting.

BDCOM ONLINE LIMITED
Schedule of Property, Plant and Equipments
As at 30 June, 2016

Unit-1 (ISP)

Schedule-A/1

Particulars	Cost				Rate of Dep.	Depreciation				W.D.V. as at 30.06.16
	Opening Balance as at 01.07.15	Additions during the year	Adjustment during the year	Total as at 30.06.16		Opening Balance as at 01.07.15	Charged during the year	Adjustment during the year	Total as at 30.06.16	
Land	27,000,000	-	-	27,000,000	0%	-	-	-	-	27,000,000
Building (Floor Space)	67,101,909	-	-	67,101,909	2.5%	6,462,727	1,515,980	-	7,978,707	59,123,202
Internet System Hardware	151,872,187	25,297,578	-	177,169,765	18%	97,968,667	11,405,788	-	109,374,455	67,795,310
Furniture & Fixture	3,032,007	391,638	-	3,423,645	10%	1,531,607	169,091	-	1,700,698	1,722,947
Office Renovation	9,995,463	958,786	-	10,954,249	18%	5,130,577	919,067	-	6,049,644	4,904,605
Sundry Assets	845,535	-	-	845,535	10%	545,746	29,979	-	575,725	269,810
Crockeries & Cutleries	100,277	47,196	-	147,473	10%	49,596	6,461	-	56,057	91,416
A. C. Installation	3,916,163	35,000	-	3,951,163	18%	2,059,346	334,227	-	2,393,573	1,557,590
PABX Installation	342,783	-	-	342,783	18%	314,624	5,069	-	319,693	23,090
Office Equipments	13,990,879	1,532,126	-	15,523,005	15%	9,054,322	838,963	-	9,893,285	5,629,720
V-Sat Tower	3,919,414	-	-	3,919,414	15%	3,324,914	89,175	-	3,414,089	505,325
Telephone & Installation	10,576,534	-	-	10,576,534	15%	9,277,887	194,797	-	9,472,684	1,103,850
Motor Vehicles	10,281,093	5,152,107	-	15,433,200	15%	4,762,959	1,111,941	-	5,874,900	9,558,300
Generator/Online UPS	8,265,607	3,038,851	-	11,304,458	15%	3,333,527	970,289	-	4,303,816	7,000,642
Cable Installation	10,057,174	4,548,250	-	14,605,424	15%	3,739,761	1,240,003	-	4,979,764	9,625,660
Broad Band Equipments	50,664,988	2,805,176	-	53,470,164	18%	32,419,710	3,505,210	-	35,924,920	17,545,244
Radio Equipments	25,992,620	15,244,392	-	41,237,012	18%	11,671,845	3,707,892	-	15,379,737	25,857,275
Electrical Installation	1,574,702	197,825	-	1,772,527	15%	898,773	120,533	-	1,019,306	753,221
Optical Fiber Deployment	93,282,792	22,640,720	-	115,923,512	15%	36,118,468	10,138,714	-	46,257,182	69,666,330
Neon Sign & Others	18,767	-	-	18,767	20%	14,191	916	-	15,107	3,660
Base Tower & Installation	12,097,586	7,356,732	-	19,454,318	10%	2,377,611	1,294,225	-	3,671,836	15,782,482
WIFI Base Station	7,079,887	98,091	-	7,177,978	20%	3,585,043	714,286	-	4,299,329	2,878,649
Sub Total	**512,008,367**	**89,344,468**	**-**	**601,352,835**		**234,641,901**	**38,312,606**	**-**	**272,954,507**	**328,398,328**

BDCOM ONLINE LIMITED
Schedule of Property, Plant and Equipments
As at 30 June, 2016

Unit-2 (SDP)

Schedule-A/2

Particulars	Cost				Rate of Dep.	Depreciation				W.D.V. as at 30.06.16
	Opening Balance as at 01.07.15	Additions during the year	Adjustment during the year	Total as at 30.06.16		Opening Balance as at 01.07.15	Charged during the year	Adjustment during the year	Total as at 30.06.16	
System Hardware	10,782,974	945,000	-	11,727,974	18%	8,178,574	490,133	-	8,668,707	3,059,267
Furniture & Fixture	637,019	-	-	637,019	10%	466,525	17,049	-	483,574	153,445
Office Renovation	1,625,370	-	-	1,625,370	18%	1,398,142	40,901	-	1,439,043	186,327
Sundry Assets	86,212	-	-	86,212	10%	55,628	3,058	-	58,686	27,526
Books & Periodicals	73,226	-	-	73,226	10%	54,555	1,867	-	56,422	16,804
A. C. Installation	256,790	-	-	256,790	18%	237,593	3,455	-	241,048	15,742
Electric Installation	150,494	-	-	150,494	18%	140,038	1,882	-	141,920	8,574
Peripheral Equipment	4,616,083	137,025	-	4,753,108	15%	3,705,955	146,796	-	3,852,751	900,357
Software Development	28,002,242	-	-	28,002,242	15%	22,723,408	791,825	-	23,515,233	4,487,009
Telephone & Installation	1,799,385	1,400	-	1,800,785	15%	1,510,936	43,285	-	1,554,221	246,564
Auto Generator	601,190	-	-	601,190	15%	533,620	10,136	-	543,756	57,434
Crockeries & Cutlaries	4,080	-	-	4,080	15%	3,129	143	-	3,272	808
Sub Total	**48,635,065**	**1,083,425**	**-**	**49,718,490**		**39,008,103**	**1,550,530**	**-**	**40,558,633**	**9,159,857**

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BDCOM ONLINE LIMITED
Schedule of Property, Plant and Equipments
As at 30 June, 2016

Unit-3 (IPTSP)

Schedule-A/3

Particulars	Cost				Rate of Dep.	Depreciation				W.D.V. as at 30.06.16
	Opening Balance as at 01.07.15	Additions during the year	Adjustment during the year	Total as at 30.06.16		Opening Balance as at 01.07.15	Charged during the year	Adjustment during the year	Total as at 30.06.16	
System Hardware	13,353,746	512,172	-	13,865,918	18%	6,198,095	1,301,090	-	7,499,185	6,366,733
Furniture & Fixture	16,650	-	-	16,650	10%	2,039	1,461	-	3,500	13,150
Telephone Instalation-IP	283,242	745,886	-	1,029,128	15%	135,983	87,219	-	223,202	805,926
Software Development	3,925,260	83,245	-	4,008,505	15%	2,140,564	274,242	-	2,414,806	1,593,699
Electric Installation	21,180	-	-	21,180	15%	10,677	1,575	-	12,252	8,928
Radio Equipment	29,638	-	-	29,638	18%	11,022	3,351	-	14,373	15,265
			-							
Sub Total	**17,629,716**	**1,341,303**	**-**	**18,971,019**		**8,498,381**	**1,668,938**	**-**	**10,167,319**	**8,803,700**
Grand Total as at 30-06-2016	**578,273,148**	**91,769,196**	**-**	**670,042,344**		**282,148,386**	**41,532,075**	**-**	**323,680,460**	**346,361,884**
Grand Total as at 30-06-2015	**525,020,375**	**53,252,773**	**-**	**578,273,148**		**245,700,475**	**36,447,911**	**-**	**282,148,386**	**296,124,762**

ANNUAL REPORT

BDCOM ONLINE LIMITED
Ageing Summary of Bill Receivable
As at 30 June, 2016

Schedule - B

Particulars	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	Above 150 Days	Total
Internet & Data Services :							
Internet & Reseller	491,042	255,627	231,137	102,398	17,460	81,898	1,179,562
Broad Band Internet & Others	5,251,712	3,564,136	2,460,680	2,284,414	1,155,189	2,813,969	17,530,100
Data Connectivity	22,641,051	11,721,632	3,066,795	2,123,070	382,100	1,269,207	41,203,854
Sub Total-A	**28,383,805**	**15,541,395**	**5,758,612**	**4,509,882**	**1,554,749**	**4,165,074**	**59,913,516**
Hardware/ Switch :							
Switch, Router, Hardware etc	-	119,899	20,000	62,000	20,000	366,436	588,335
Fiber Optic	103,121			-		8,949	112,070
Sub Total- B	**103,121**	**119,899**	**20,000**	**62,000**	**20,000**	**375,385**	**700,405**
IP Telephone Service :							
Monthly Rent	2,827,273	1,283,376	1,073,336	616,360	705,351	2,004,421	8,510,117
Inter Connectivity Charges	514,065	505,377	404,715	207,876	143,698	576,806	2,352,537
Equipment/ IPT Set	-	-	-	-	-	433,177	433,177
Sub Total- C	**3,341,338**	**1,788,753**	**1,478,051**	**824,236**	**849,049**	**3,014,404**	**11,295,831**
Web Page, Software & Data Transmit :							
Software Development	-	178,796	-	-	173,996	1,801,641	2,154,433
Domain Hosting & Registration	850,399	172,800	171,000	13,000	10,000	879,321	2,096,520
AVLS	943,895	1,270,303	755,611	551,656	435,966	3,100,127	7,057,558
Graphics Design	409,680	467,095	495,779	184,954	-	-	1,557,508
Sub Total-D	**2,203,974**	**2,088,994**	**1,422,390**	**749,610**	**619,962**	**5,781,089**	**12,866,018**
Grand Total (A+B+C+D)	**34,032,238**	**19,539,041**	**8,679,053**	**6,145,727**	**3,043,760**	**13,335,952**	**84,775,770**

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

Compliance of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS)

(Annexure-Y)

Name of the BAS	BAS no		Status
Presentation of Financial Statements	1		Applied
Inventories	2		Applied
Statement of Cash Flows	7		Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8		Applied
Events after the Reporting Period	10		Applied
Construction Contracts	11		Applied
Income Taxes	12		Applied
Property, Plant and Equipment	16		Applied
Leases	17		N/A
Revenue	18		Applied
Employee Benefits	19		Applied
Accounting for Government Grants and Disclosure of Government Assistance	20		N/A
The Effects of Changes in Foreign Exchange Rate	21		Applied
Borrowing Costs	23		Applied
Related Party Disclosures	24		Applied
Accounting and Reporting by Retirement Benefits Plans	26		Applied
Separate Financial Statements	27		N/A
Investment in Associates and Joint Venture	28		N/A
Financial Reporting Hyperinflationary Economics	29		N/A
Financial Instruments: Presentation	32		Applied
Earnings per Share	33		Applied
Interim Financial Reporting	34		Applied
Impairment of Assets	36		Applied
Provisions, Contingent Liabilities and Contingent Assets	37		Applied
Intangible Assets	38		Applied
Financial Instrument: Recognition and Measurements	39		Applied
Investment Property	40		Applied
Agriculture	41		N/A
Name of the BFRS	**BFRS no**		**Status**
First Time Adaption of BFRS	1		N/A
Share Based Payment	2		N/A
Business Combinations	3		N/A
Insurance Contracts	4		N/A
Non-current Assets Held for Sale and Discontinued Operations	5		N/A
Exploration for and Evaluation of Mineral Resources	6		N/A
Financial Instruments: Disclosures	7		Applied
Operating Segments	8		N/A

AMAR STOCK

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BDCOM ONLINE LIMITED

Registered, Corporate & Share Office: RANGS Nilu Square (5th Floor), Satmosjid Road,
House #75, Road # 5/A Dhanmondi R/A, Dhaka-1209, Bangladesh;
Ph: +88 09666 333 666, Fax: +88029124849

PROXY FORM

I/We.....of.....
.....being a member of BDCOM Online Limited hereby appointed Mr./Mrs./Ms.....of.....
.....as my/our proxy to attend and vote for me/us on me/our behalf at the 20th Annual General Meeting of the Company to be held on Sunday, the December 25, 2016 at 11.00 a.m. at the AMM Convention Center, House No. 56/A, Road N0. 3/A, Dhanmondi, Dhaka-1209 and at any Adjournment thereof, as witness my/our hand this.....day of December, 2016 signed by the said in presence of.....

Revenue Stamp

(Signature of the Proxy)
Date.....

(Signature of the Shareholders)
Date.....
Signature verified

(Signature of the witness)

Note: A member is entitled to attend and vote at the General meeting may appoint a proxy to attend and vote in his/her stead. The proxy form, duly filled, stamped, signed must be deposited at the share office of the company not later than 48 hours before the time appointed for the meeting.

.....

BDCOM ONLINE LIMITED

Registered, Corporate & Share Office: RANGS Nilu Square (5th Floor), Satmosjid Road,
House #75, Road # 5/A Dhanmondi R/A, Dhaka-1209, Bangladesh;
Ph: +88 09666 333 666, Fax: +88029124849

ATTENDANCE SLIP

I/We hereby record my/our attendance at the 20th Annual General Meeting being held on Sunday, the December 25, 2016 at 11.00 a.m. at the AMM Convention Center, House No. 56/A, Road N0. 3/A, Dhanmondi, Dhaka-1209.

Name of Member/Proxy.....
Register Folio/BO. No..... holding of .....Ordinary Shares of BDCOM Online Limited

.....
Signature of Shareholder(s)/Proxy

N.B: 1. Please present this slip at the reception desk.
2. Please note that AGM can only be attended by the honorable Shareholder and or properly constituted proxy.


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