Annual Report 2017 - 2018

BDCOM

Connecting Progress

STOCK

The Document provided you with detailed and comprehensive information about the overall performance of BDCOM Online Ltd. as on 30th June 2018.

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

AMAR STOCK

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 30TH JUNE 2018

We are pleased to enclose a copy of Annual Report for the year ended on 30th June 2018 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 Flow 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

NOTICE OF THE 22ND ANNUAL GENERAL MEETING

Notice is hereby given that, the 22nd Annual General Meeting of the shareholders of BDCOM Online Ltd. will be held on Monday the December 17, 2018 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, 2018 together with the Auditors' Report and the Directors' Report thereon;
2. To declare a Cash Dividend @ 7% & Stock Dividend @ 5% for the year ended June 30, 2018;
3. To elect Directors;
4. To appoint Statutory Auditors for the year ended June 30, 2019 and to fix their remuneration;
5. To appoint practicing professional for certification on compliance of Corporate Governance Code and to fix the remuneration;
6. 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 29, 2018

Notes:

1. The Record Date shall be on November 19, 2018.
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 Fl), 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 465m

NUMBER OF SHAREHOLDERS
5483

NUMBER OF EMPLOYEE
381

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

CREDIT RATING
by EMERGING Credit Rating Ltd, Bangladesh
On Dec 30, 2016 Upto Dec 29, 2018
Long Term Rating: A+
Short Term Rating: ECRL-2
Outlook : Stable

SHARE OFFICE
Rangs Nilu Square (5th Fl), Satmosjid Road
House-75, Road-5/A, Dhanmondi R/A Dhaka-1209
Phone : +88 09666333666, 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. • MidLand 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. • United Commercial Bank Ltd.
- South Bangla Agricaltural & Commercial Bank Ltd.
- Islami Bank Bangladesh Ltd.
- Meghna Bank Ltd. • Lanka Bangla Finance Ltd.
- Delta Brac Housing Finance Corporation Ltd.
- IDLC Finance Ltd. • Uttara Finance & Investment Ltd.

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

MAJOR POINT OF PRESENCE (POP) OFFICES

Dhanmondi (Head Office)
Rangs Nilu Square, Level # 5
House # 75, Road # 5/A
Satmosjid Road , Dhanmondi
Dhaka-1209

Gulshan
House # 36 (1st Floor)
Road # 117, Gulshan # 1 Dhaka-1212

Bashundhara
Plot # 749 (Ground Floor)
Road # 23, Block-J, Bashundhara
Dhaka

Chittagong
Lokman Tower (6th Floor)
House # 1646, Sk. Mujib Road
Pathantuli, Chownuhani
Agrabad, Chittagong

Sylhet
Anonda Tower & Shopping
Complex, Flat # 7/A, Jail Road
Dopa Uttor Par, Sylhet

Uttara, Sector # 11
House # 4 (4th Floor), Road # 19
Sector # 11, Uttara, Dhaka

Savar
SB # 123, Siraj Auto Engeering
Market, Saver Bus Stand, Saver
Dhaka

Motijheel
1/B DIT Avenue (10th Floor)
The Daily Daiynak Bangla More
Motijheel, Dhaka-1000

Uttara, Sector # 7
Sayed Grand Centerm
(4th Floor), House # 89, Road # 28
Sector # 7, Uttata, Dhaka-1230

GEC, Chittagong
GEC Dampara
18 Zakir Hossain Road
Chittagong

Khulna
Mullick Shopping Complex
(5th Floor), House # 99
Khan A Sabur Road
Dak Bangla, Khulna

Mirpur DOHS
House # 1274 (1st Floor)
Road # 10, Mirpur DOHS
Dhaka

Amborkhana , Sylhet
Wave: B # 103, Dorgahgate
Amborkhana , Sylhet

Panthapath
Firoz Tower (15th Floor), 152/3B
Bir Uttam Nuruzzaman Sarak
Panthapath, Dhaka

Banasree, Rampura
House # 32 (Ground Floor) Block # A,
Banasree, Rampura
Dhaka-1219

Mirpur # 2
House # 3, Road # 2, Block # D
Mirpure, Dhaka

Bogra
Rabu Tower (4th Floor)
House # 739/A
Bogra-Rangpur Road, Borogola
Bogra

Rangpur
House # 16/1, Road # 2 PB Road
Choto Monthona
Kolwali, Rangpur

Narayangong
1/1 BB Road (4th Floor)
Alam lane
Narayangong

Rajshahi
133/1 Rampur, Kumarpara
Rajshahi

Comilla
Surubi Mension, Holding # 426
Nazrul Avenue, Kandirpar
Comilla



OUR VISION

Digitally Empowered Lifestyle

OUR MISSION

Connecting Progress of the People of Bangladesh. BDCOM firmly believes that progress is possible working together, we strive to open the door of affordable and secure communication to digital frontier.

OUR VALUES

Enhance Lives

BDCOM Online Ltd.is committed to provide highly integrated solutions to its customers by sorting out different technological services into simplified solutions

1

Envision Business

One of the major aspect of a leading business is to follow the best business practices and stand out as an example to others. We adhere to this aspect by following the best business practices inheriting all the business policies.

2

Enrich Deliveries

We are always on the lookout for more ways to better serve our clients and one major point that makes us stand out is our commitment of delivering the products and services on-time.

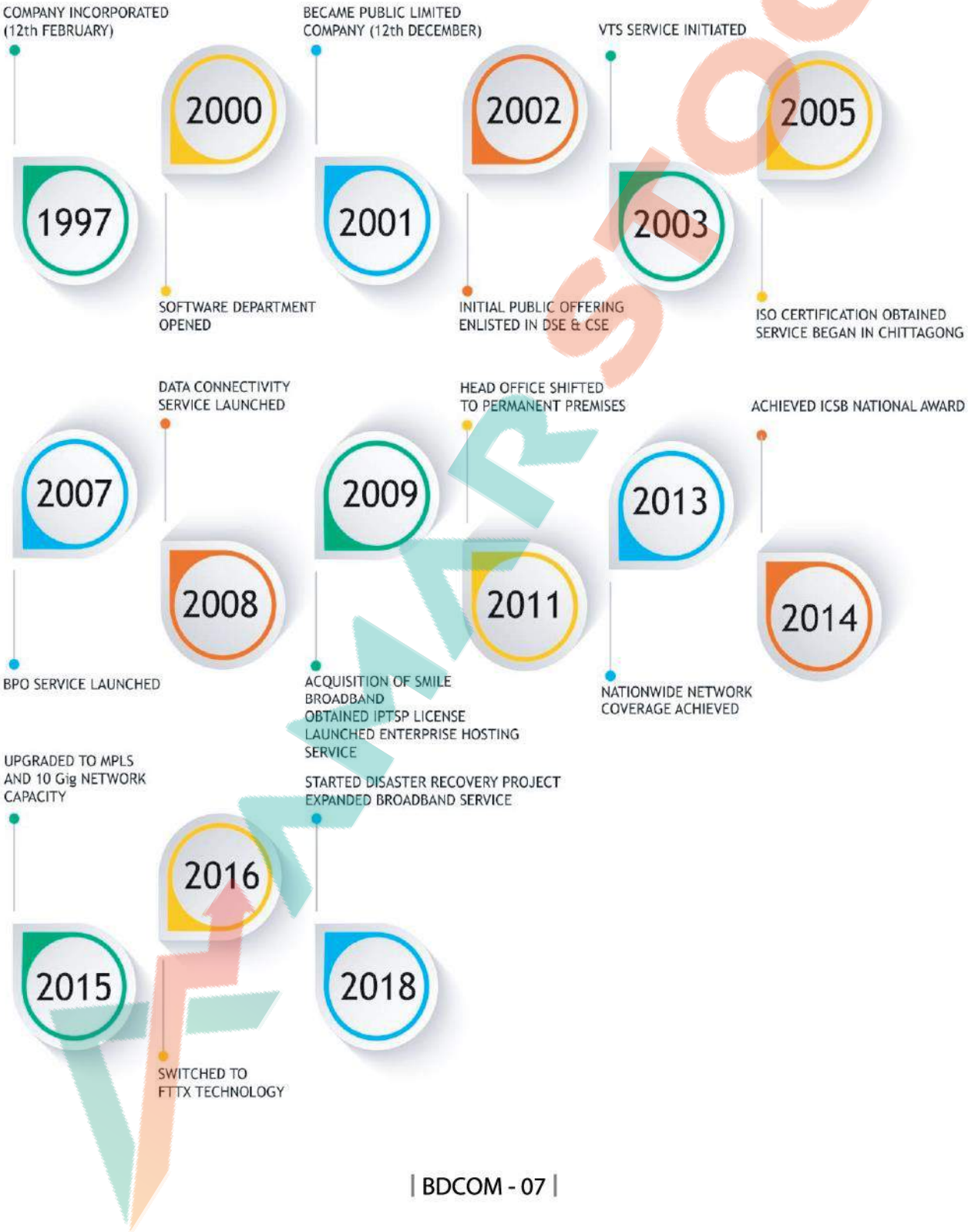
3

Effective Associations

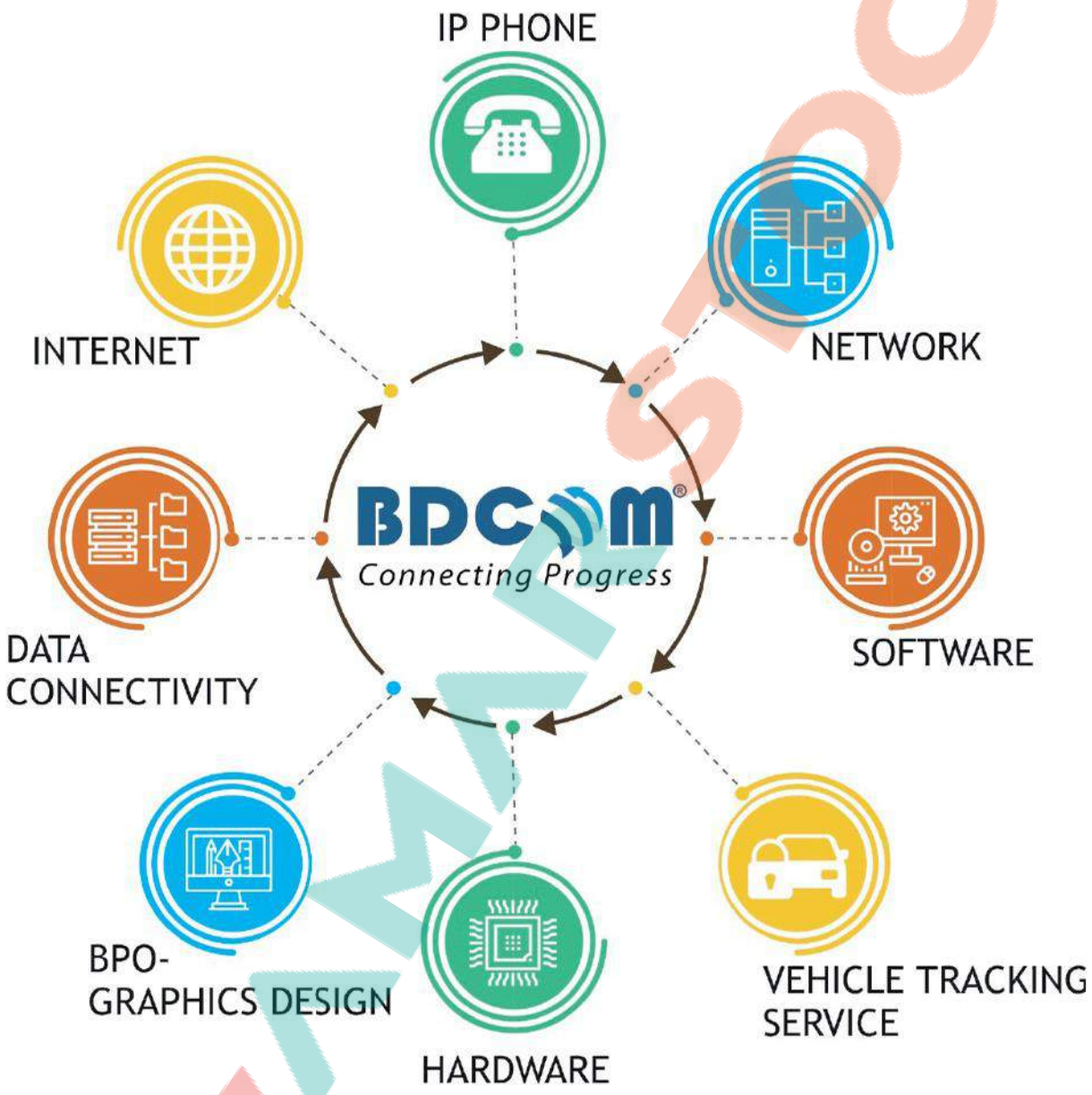
Through establishment of effective communication, accurate planning and capacity scheduling, we thrive to set up complete linkage between up, mid and downstream sectors.

4

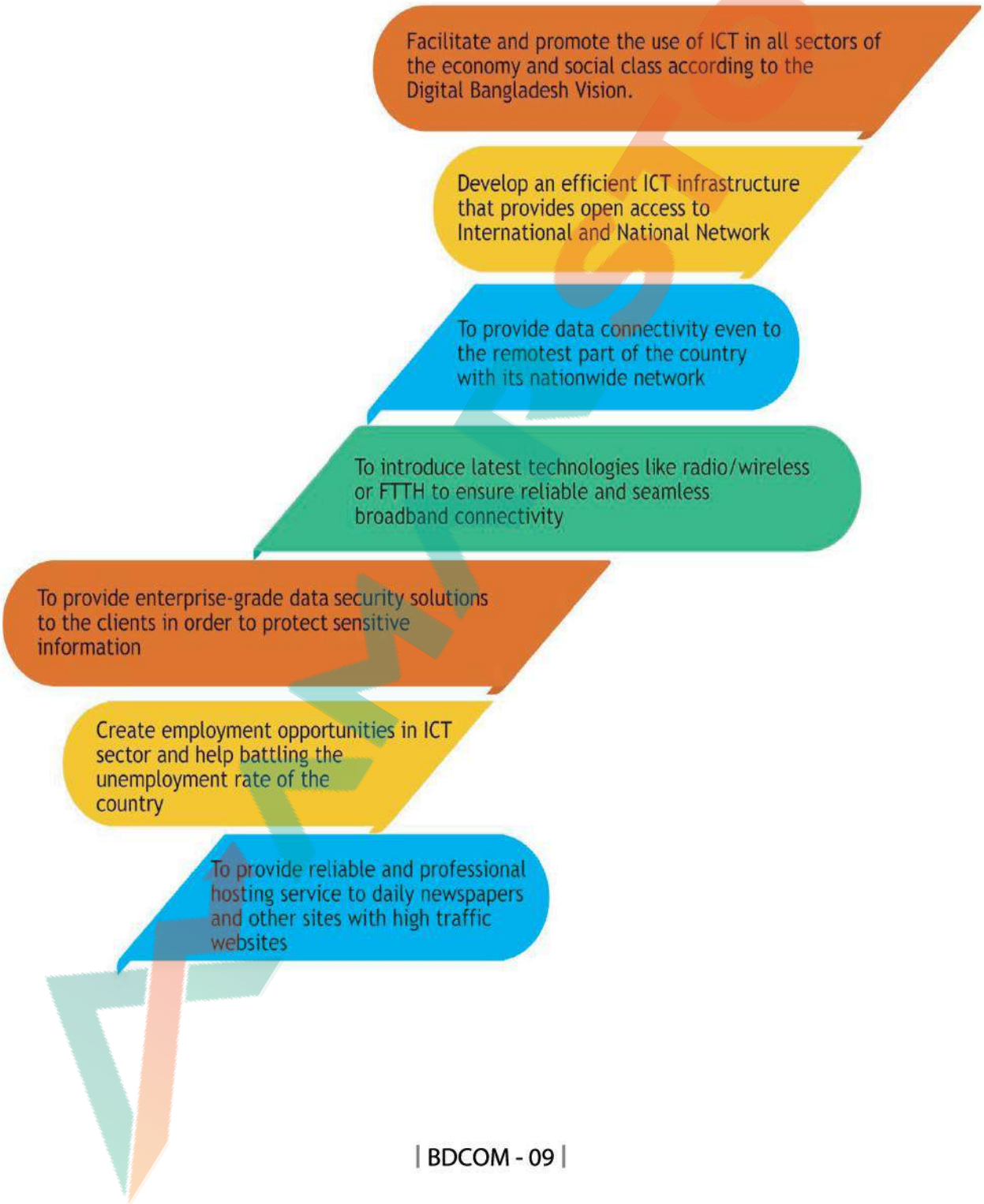
HISTORY & MILESTONES



PRODUCTS & SERVICES



OBJECTIVES


Facilitate and promote the use of ICT in all sectors of the economy and social class according to the Digital Bangladesh Vision.
Develop an efficient ICT infrastructure that provides open access to International and National Network
To provide data connectivity even to the remotest part of the country with its nationwide network
To introduce latest technologies like radio/wireless or FTTH to ensure reliable and seamless broadband connectivity
To provide enterprise-grade data security solutions to the clients in order to protect sensitive information
Create employment opportunities in ICT sector and help battling the unemployment rate of the country
To provide reliable and professional hosting service to daily newspapers and other sites with high traffic websites

AWARD ACHIEVED



BDCOM Online Ltd. won the prestigious ICSB National Award in 2014. This award strengthen the position of BDCOM in the ICT industry in Bangladesh as a high performing and strong value adding company.

PROFILE OF BDCOM

BDCOM Online Ltd. is a trusted name for Internet Service, e-commerce Service, IT Infrastructure Development and Industry Standard Software. BDCOM was incorporated as a private limited company on February 12, 1997 under the Companies Act, 1994, and registered with the Registrar of Joint Stock Companies. Subsequently, the Company has converted into a public limited company in 2001 with a view to float its share to the public. Fast forward 22 years since its inception, BDCOM now provides a much wider variety of services in the market. BDCOM provides nationwide Internet and Data Communication Service, 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.) and Enterprise Hosting, In the last five years, the company has generated a net of 534.74 million Taka in sales revenue. This year alone, our sales has increased by 2.65% from last year. The company, as of now, is involved in several other promising and enticing projects and from here on, we can only move forward towards prosperity.

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 381 employees with over a 198 of them being highly qualified, skilled and experienced in providing technical expertise, BDCOM aims to provide high quality and efficient service throughout Bangladesh.

BOARD OF DIRECTORS

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

EXECUTIVE COMMITTEE

Mr. Wahidul Haque Siddiqui **Chairman**	Chairman
Mrs. Qurrattul Ann Siddiqui **Director**	Member
Mr. S M Golam Faruk Alamgir **Managing Director**	Member

AUDIT COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE (NRC)

Mr. Das Deba Prashad **Independent Director**	Chairman
Mrs. Qurrattul 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. Swapan Kumar Saha **Chief Financial Officer (Current Charge)**	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. A.K.M. Kutub Uddin **Executive Director & Company Secretary**	Chairman
Mr. S.M. Kamruzzaman **Chief Technical Officer**	Member Secretary
Mr. Swapan Kumar Saha **Chief Financial Officer (Current Charge)**	Member

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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 Insurance" 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 198 highly qualified, trained and skilled personnel and 183 non-officer staffs. We also have specialized internship programs which helps to groom the younger generation and helps them take their first step towards a prosperous and successful corporate career. Many of the interns are retained by the company and are trained to tackle and deal with challenges.

BDCOM strongly values the importance of human resources and the significance it has not just on the company itself, but also from the individual perspective as well as from the economy's perspective.

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

INITIATIVES OF BDCOM TO DRIVE SOCIAL IMPACT

Achieving success and growth is a team effort and BDCOM knows it. The company always welcome collective efforts from the stakeholders and support from every segment of the society in pursuit of achieving its goals. BDCOM believes that the society, which enabled the company to flourish, deserve to get back from the company. Sustainable initiatives are an intrinsic way of working that goes beyond simple financial results or returns.

One of the key activities that BDCOM do is to invest in the development of the youth in the country. BDCOM strongly believe that the youth hold the key to the future, not just of this company, but also of the ICT sector of Bangladesh.

To better equip the youth of our country, BDCOM initiated the internship program. This interns are an integral part of the future plans of the company. The internship opportunity privides them with a solid platform to kick launch their professional carrers 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 equips them with better decision making

ability and leadership qualities. 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 challenges which lie ahead. Under the guidance and supervision of the highly qualified employees, the interns flourish. The ones who leave the company are well equipped to tackle any kind of challenges and thus end up getting quality jods in the competitive ICT job market.

EMPLOYEE BENEFITS AND RESOURCE DEVELOPMENT

EMPLOYEE PROVIDENT FUND

BDCOM Online Ltd. has a contributory provident fund scheme for its permanent employees. This fund is administered by the Board of Trustees and it is funded by contributions from employees and BDCOM under a predetermined rate. These money are then duly deposited to a separate bank account and invested under prescribed guideline of Bangladesh Labor Law.

INSURANCE

Employees of BDCOM Online Ltd. are covered under the Group Life Insurance scheme and Hospitalization Insurance scheme.

WORKERS' PROFIT PARTICIPATION & WELFARE FUND (WPP & WF)

Provision for Workers Profit Participation Fund has been made at 5% of net profit as per provision of Bangladesh Labor Law 2006 and is paid to workers as per law dictates.

TRAINING AND DEVELOPMENT PROGRAMS

Employees of BDCOM Online Ltd. are enrolled in several training and certificate programs as the company deem necessary. These trainings enhance the knowledge and skills of individual employees and are funded by the company. Employees are also encouraged to participate in many Government funded training programs. Apart from this, several employees achieved individual awards by participating many National and International training programs.

For Workers and technical people, BDCOM has separate manager to ensure proper skills are developed.

ENTERPRISE RISK MANAGEMENT

Every company faces a lot of risks during its operation. Risks arrive from all aspects both internal and external. In a developing country and in a fiercely competitive industry, risks come in significant numbers. BDCOM Online Ltd. faces different type of risks due to the complexity of the business and the nature of industry it operates in. But to mitigate these risks is an essential part of becoming a successful company by achieving business, financial, customer-centric and social goals as well as meeting the legal and compliance responsibilities.

OPERATIONAL RISK

To operate successfully and in pursuit of maximizing the opportunities and minimizing the impacts faced by the company, senior management of BDCOM has established a team consisting of several experienced and well versed personnel. This team operates internally and free from any other influences. The team identifies particular events or circumstances relevant to the Company's objectives, both risks and opportunities, and assess them in terms of likelihood and magnitude of impact, determine a solid strategy of actions and monitor progress. This team is headed by the honorable Chairman of BDCOM and consist of the Managing Director, Head of departments and concerned senior managers.

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 obligation and arises principally from the company's receivables. Management has a credit policy and the billing and credit control department of BDCOM Online Ltd. ensures that these policies are being implemented strictly to mitigate this type of risk. They monitor the receivables of each and every customer and ensure that proper monthly collections take place on time.

LIQUIDITY RISK

Liquidity risk is the risk that the company will not be able to meet its short term 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 assets to meet its liabilities when due, under both nominal and stressed conditions, without incurring unacceptable losses or risking damage to a company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparations 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. From the table below, we can see that the current ratio and the acid test ratio in the last 5 years has always been maintained above 1.0 which is a healthy liquidity sign for any company. Hence the management always ensures that they maintain sufficient current assets and cash to avoid liquidity risks.

MARKET RISK

Market risk is the risk that any change in market prices such as foreign exchange rates and interest that affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters. Market risks are not as significant as liquidity, credit or operational risk. However, during recession, these risks can be very challenging to overcome.

EXCHANGE RATE RISK

Currency risk usually occurs when the company receives or pays its debtors or creditors and during that period, the currency in which they deal with devalues or revalues. Although this may seem like a rather insignificant risk, but when dealing with a large sum of remittance, the loss may be significant. Currency depreciation at the wrong time can negatively affect the value of the company's asset, investments, etc.

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 as at the reporting date.

OTHER RISKS

Some of the other risks which might affect the company are competitor risk, strategic risks, etc. The IT sector of Bangladesh is very competitive and there are new entrants in the market every day. Hence it is important for BDCOM Online Ltd. to be aware of its competition. Strategic risk is defined as the risk associated with existing strategy, future business plans and strategies, including plans on entering new business lines, expanding existing services through organic business growth, mergers and acquisitions or exposure loss resulting from a strategy that turned out to be defective or inappropriate.

CODE OF CONDUCT

Our Code of Conduct is based on our values of integrity, respect and trust and the purpose of these codes is to ensure that all the employees including the Board Members and other acting on behalf of the Company to act in accordance with these values and principles respecting the core values of the Company. These codes are designed in such a way as to give a clear perception about what is expected from the people inside the Company. All of them are always committed to conduct the business in an ethical, legal and responsible way.

The codes are as follows:

1. Legal Compliances
BDCOM ensures that, all its business activities adhere to all applicable National Legal requirements and are well maintained within the set policies by the Government. Also to comply with the applicable anti-bribery/anti-corruption rules and regulations in its business activities.

2. Confidentiality in Work
BDCOM works with clients from different industries and it is very important to maintain confidentiality while dealing with sensitive issues within each company. We achieved the trust of clients with this strict rules of confidentiality each and every deal.

3. Employee Participation
BDCOM always striving to move forward and value each employee as their contribution is what is driving the Company ahead. The Company encourages its employees to share ideas and knowledge with management as well as between themselves. This enables a great culture of idea sharing inside the Company which brought forward many new business activities.

4. Health & Safety at Work
BDCOM ensures that, the workplace and its environment do not endanger the physical integrity or health of the employees. Training programs to reduce accidents and improving working conditions with additional safety gears is an ongoing process. Employees have access to drinking water, sanitary equipped social rooms, built and maintained in accordance with applicable legal requirements.

5. Work Environment
BDCOM ensures an exciting and progressive working environment for its employees who are free from all type of discriminations and harassment. THE company ensures that, all the employees act professionally and refrain frauds, dishonesty, deceit or any act that violates the core value of the Company.

6. Restrictions on dealings in BDCOM shares by insiders
BDCOM has restricted trading of its shares by /Sponsor/Directors, Employees and other insiders. The Securities Laws also impose restrictions on similar transactions. All the insiders are prohibited from trading in the Company's shares, while in possession of unpublished price sensitive information in relation to the Company during prescribed restricted trading period. Sponsors/Directors and Employees are also restricted to notify their intention to trade in the BDCOM shares prior to initiating the same.



Message From The

Chairman

Dear Shareholders,

Assalamualaikum Warahmatullahi Wabarakatuh. I would like to extend my greetings and welcome you all to the 22nd Annual General Meeting of BDCOM Online Ltd.

I would like to take this opportunity to express my gratitude to all stakeholders who have played an active part in our journey over the past 22 years. This has been our key to progress. BDCOM still has a long way to go and can accomplish even higher deeds. In order to achieve a sustainable development we appreciate your strategic guidance and valuable support. I believe together we can take this Company to remarkable heights.

This past year BDCOM has shown remarkable performance in financial terms. The profit after tax has surged a significant percentage than the previous year. The figure for sales and gross profit has improved as well. This gives us the confidence to outperform our barriers the upcoming year.

A stable infrastructure has always been the vital point to uphold the core competencies of any business. BDCOM is consistently striving to improve its network infrastructure. The network of BDCOM has already reached 64 districts up to 512 of 522 Thana/Upazila. MPLS Fiber Network with 10G capacity already been implemented in 35 districts and our team already working on making a robust and convergence network of 40G and 100G in very near future. To manage this huge network BDCOM has 750 PoPs (Point of Presence) and a very agile and aggressive 24/7 ready support and maintenance team.

The support of government has been immense in shaping the pathway for the ICT industry. The current coalition has given us the policy support to embark on a wider journey. We had the freedom to introduce a broader range of services. We take immense pride in being able to contribute in the government's 'Vision 2021' of creating a Digital Bangladesh. In par with this vision the company has created a network of uninterrupted internet connectivity across the entire nation.

AMAR STOCK

BDCOM Online Ltd. was conceptualized to make information and communication services from the widest part of the globe accessible to the people of this country. Bangladesh has successfully ventured into the global village through efficient ICT services. The effective usage of IT will result in an improvement in the socioeconomic status of the nation. I believe the upcoming years will have a fair share of opportunities and challenges. There are windows for expansion. Finally, I am bestowing my gratification to all the stakeholders. It is because of you, we realize 'Progress is Possible'.

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



Wahidul Haque Siddiqui
Chairman
BDCOM Online Ltd.

AMAR STOCK



Review From The

Managing Director

Dear Shareholders, As-Salamu Alaikum

First of all, I would like to welcome you with warm heart to this 22nd Annual General Meeting. Thus, would like to thank you all for attending this meeting and grace the occasion with your active participation, valuable inputs and overall stewardship.

The Internet and Intranet (Data Connectivity) has been a major contributor to the evolution of and growth of the economy of Bangladesh over the past decades. It continues to have the potential to propel societies, help business leaders develop innovative business models and assist governments in addressing critical policy concerns. BDCOM Online Ltd. is relentlessly working to extend internet access and use in all over the country to make significant contribution to the economy.

Affordability remains a major constraint for the almost two third of the total population countrywide who live below the poverty line, and for those who find devices and access too expensive or do not perceive sufficient value for money from Internet use. BDCOM Online Ltd. have been ensuring that people around the country get affordable, fast and stable Internet experience to foster their contribution towards the vision of Digital Bangladesh.

From time to time, you already know that BDCOM focused on developing an Ecosystem to cover the entire gamut of ICT Service Portfolio that its clients can choose from. The team BDCOM has been working diligently to bring this fusion, the next phase of business opportunities - Digital Ecosystem.

This Digital innovation will drive the move to business ecosystems by driving increasing interconnection, making it easy and quick to connect everything. Thus this ecosystem will offer unprecedented access to the capabilities, resources and talent on a National and International scale that sets the stage for innovation. To leverage business ecosystems BDCOM will need a paradigm shift in perspective, away from the traditional supply – demand economic perspective, which in turn requires a change in the people, processes and technologies that underpin the transformation. To make profound footstep in this endeavour BDCOM is in the process of launching new service brand of Broadband soon. We would like to invite you to be a part of this paradigm shift in Bangladesh.

However, BDCOM's strive to achieve consistency in growth and profitability is still the dominating effort till days. We are continuing our countrywide expansion of BDCOM services and remain strongly focused on gaining market share through strong service commitments. Despite all the stumbling blockages that have impeded our growth, we have managed to overcome them with ease, thanks to our team of skilled employees who always ready to meet ever changing challenges.

Thereby, I would like to take this opportunity to thank each one of you for your trust and support in us throughout our aspiration.

With Best Regards,



S M Golam Faruk Alamgir
Managing Director
BDCOM Online Ltd.

AMAR STOCK

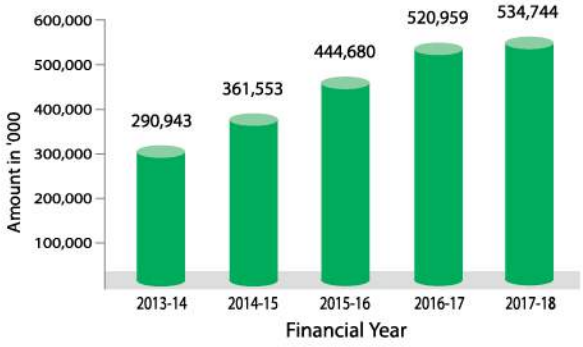
FINANCIAL HISTORY OF FIVE YEARS

Particulars	Figure in thousand taka				
	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Authorized Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Paid-up Capital	465,221	443,306	414,082	383,409	333,399
Tax holiday reserve	21,556	21,556	21,556	21,556	21,556
Reserve & Surplus	124,642	98,640	84,038	61,424	52,857
Shareholders' equity	723,608	677,301	623,388	585,893	527,316
Current Liabilities	165,558	164,988	134,744	80,134	52,143
Deferred Tax Liabilities	13,156	10,935	4,628	3,801	3,229
Cash Dividend	32,565	22,153	20,704	26,839	-
Dividend (Stock)	23,261	22,153	28,986	30,672	50,010
Revenue from Sales and Services	534,743	520,959	444,680	361,553	290,943
Non-Operating Income	19,628	16,101	18,939	15,484	12,195
Operating Expenses	238,125	229,888	184,274	147,281	118,599
Administrative & Marketing Expenses	162,856	152,169	148,825	118,686	90,669
Depreciation on fixed assets	46,520	47,429	41,532	36,448	34,013
Provision for Income Tax	12,994	14,491	12,191	9,332	6,627
Property Plant & Equipment	345,868	343,921	346,362	296,125	279,320
Deferred Revenue Expenditure (Net)	0	0	0	42	657
Long Term Security	3,925	3,850	3,966	4,880	4,527
Inventories	14,388	15,819	15,381	23,404	15,030
Advance, Deposits & Prepayment	15,003	12,903	17,243	11,459	11,106
Bills & Accounts Receivable	163,108	147,809	91,555	95,559	91,782
Cash & Cash Equivalent	339,499	263,448	260,387	215,167	159,367
Gross Profit	296,618	291,071	260,407	214,272	172,344
Net Profit after Tax	79,725	64,293	67,085	59,782	49,569

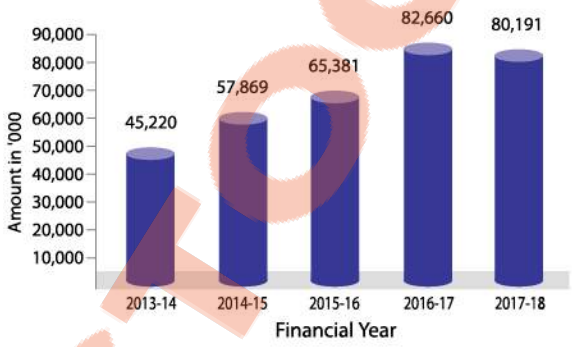
AMARSTOCK

GRAPHICAL VIEW OF SELECTED GROWTH INDICATORS FOR THE LAST 5 YEARS

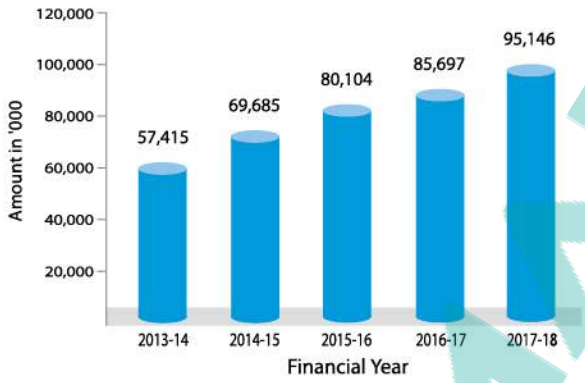
Revenue (Net of VAT)



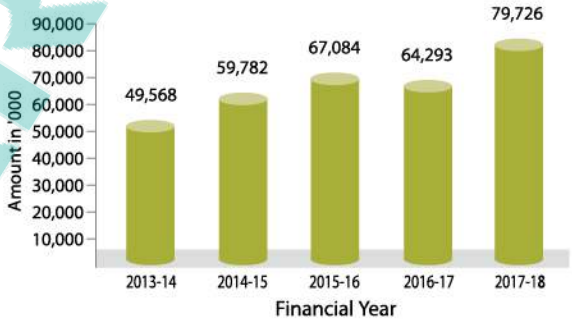
Operating Profit



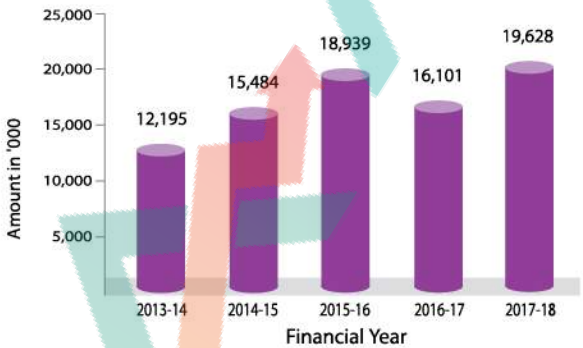
Net Profit Before Tax



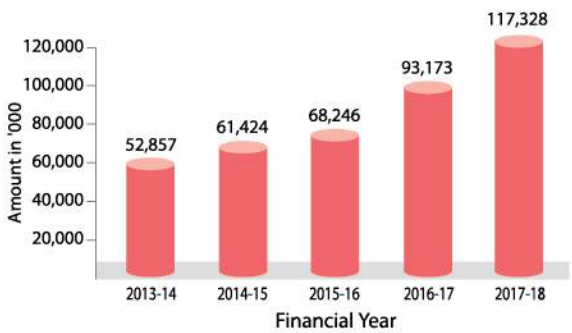
Net Profit After Tax



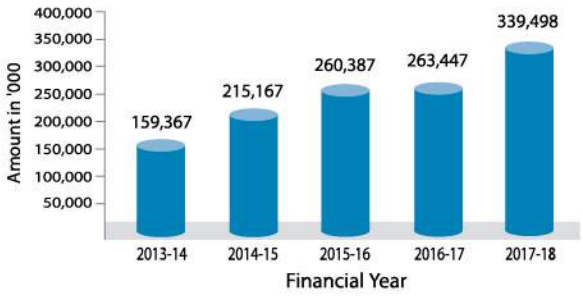
Non Operating Income



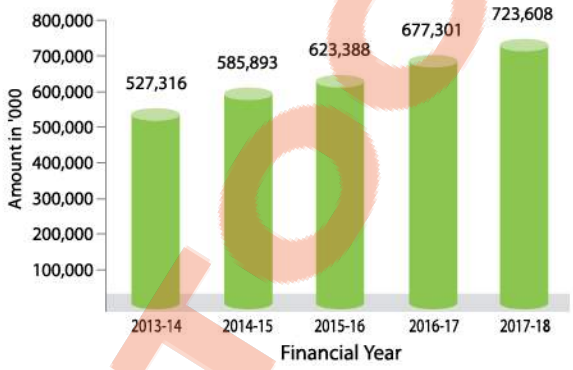
Reserve & Surplus



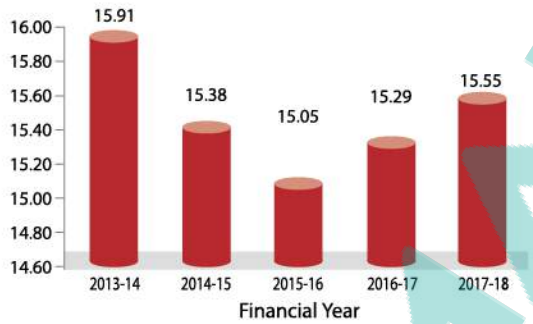
Cash & Cash Equivalent



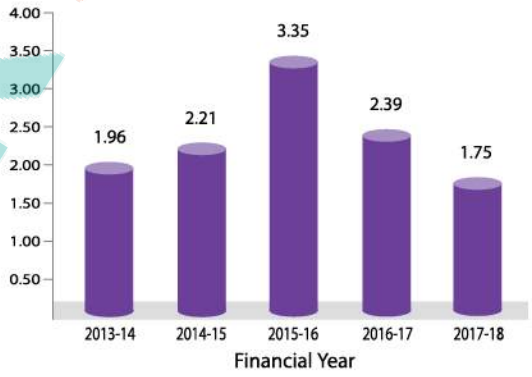
Shareholders' Equity



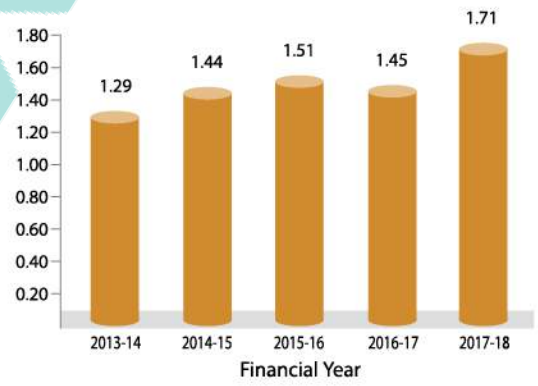
NAV Per Share



NOCF Per Share



Basic EPS Per Share



21st ANNUAL GENERAL MEETING PICTURE AT A GLANCE









DIRECTORS' REPORT TO THE SHAREHOLDERS FOR THE YEAR ENDED JUNE 30, 2018

Dear Fellow Shareholders,

The Directors' of BDCOM Online Ltd. welcome you all to the 22nd Annual General Meeting of the Company and have the pleasure of presenting the Director's Report of your Company together with audited financial statements for the year ended June 30, 2018 for your valued consideration, approval and adoption.

Enhanced value of Shareholder's Investment:
During the year under review, net revenue was Tk. 534.74 million with 2.65% increase compared to the revenue of previous year.

The Directors take pleasure in reporting the financial results of the Company for the year ended June 30, 2018 (as mentioned in the Statement of Profit or Loss and Other Comprehensive Income). Details of the same are given below:

Description	June 30, 2018	June 30, 2017
Gross Profit	296,618,221	291,070,848
Operating Profit	80,190,595	82,660,111
Non-Operating Income	19,628,958	16,101,017
Net Profit before WPP&WF	99,903,143	89,982,549
Provision for WPP&WF	(4,757,293)	(4,284,883)
Provision for Income Tax	(12,994,040)	(14,491,146)
Provision for Deferred Tax	(2,426,267)	(6,913,847)
Net Profit after Tax	**79,725,543**	**64,292,672**
Less: Dividend Distribution of Previous Year	(44,306,796)	(49,689,860)
Less: Prior Year Adjustment	(9,416,947)	------
Add: Profit brought forward	98,640,357	84,037,545
Surplus Available for Appropriation	**124,642,157**	**98,640,357**
The Board of Directors recommendation for the year		
Cash Dividend @ 7%	32,565,495	
Stock dividend @ 5%	23,261,068	
Retained Earnings after Proposed Dividend	**68,815,594**	

Dividend and Explanation regarding recommendation of Stock Dividend:
The Board of directors pleased to recommend 7% Cash Dividend & 5% Stock Dividend for the year ended 30th June, 2018 which will be confirmed in the 22nd Annual General Meeting to be held on 17th Dec 2018. The retained amount of 5% stock dividend for the year will be utilized for the network expansion, capacity up-gradation and migration to Gigabit Passive Optical Networks (GPON) technology, which will require to procure a huge number of network equipments and related accessories, considering upcoming demand projection. Further BDCOM also in a process to setup a 100% Disaster Recovery (DR) centre in Mohakhali to avoid downtime in case of existing Data Centre failure. This would be very significant achievement of BDCOM being the only ISP to build 100% disaster Recovery.

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

Appointment of Auditors:
The office of the present Auditor M/S. Ahmed Zaker & Co., Chartered Accountants will expire with the completion of 22nd Annual General Meeting and being not eligible for re-appointment, the Board of Directors recommended the appointment of M/S. Mahfel Huq & Co., Chartered Accountants, BSEC Penal Auditor as statutory auditors for the year ended June 30, 2019 with existing fee for approval of the shareholders in the 22nd Annual General Meeting.

Appointment of a Professional Chartered Accountant for the certificate on compliance with the Corporate Governance Code of BSEC:
As per notification no. BSEC/CMRRCD/2006-158/207/Admin/80: dated June 03, 2018, the Company shall obtain a certificate from Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance with the condition of Corporate Governance Code of the commission and such certificate shall be disclosed in the Annual Report. And the professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the Annual General Meeting.

The Board recommended the proposal for appointment of Atik Khaled Chowdhury, Chartered Accountant, to issue "Corporate Governance Compliance Certificate" of BDCOM Online Ltd. for the year 2018-2019 at a fee of Taka 25,000.00 (twenty five thousand) only for approval of the shareholders of the Company in the 22nd Annual General Meeting.

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

The Financial statements prepared by the management for the year ended 30 June 2018 give a true and fair view of the state of the company about the result of its operation, cash flows and changes of equity.

Proper books of accounts as required by the prevailing laws have been maintained.

Appropriate accounting policies have been consistently applied in preparing the financial statement and that the accounting estimates are based on reasonable prudent judgment.

The financial statements have been prepared in accordance with applicable IAS/IFRS.

The system of internal control and check are in effect and maintained properly.

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.

There is no deviation from last year operating results.

The key operating and financial data for the preceding five years have been shown in the Financial History of Five years:
Given in page number - 21

Corporate Governance Code:
BDCOM Online Ltd 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. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of Securities and Exchange Ordinance, 1969 is given in page number - 36

Board of Directors:
The highest governing body of the Company and represents the interests of all shareholders and stakeholders. The decision making body and to approve the Strategy and Oversee compliance comprising five members including one Independent Director. Independent Director appointed as per provision of the Corporate Governance Code of BSEC. Composition of Board and its sub-committee given in page number - 11

Board of Directors Meeting and Attendance :
The Board is required at least four times a year as per Articles of Association of the Company. Board meeting dates are decided in earlier and notice of each Board Meeting is communicated in writing well in advance. Notice contains detailed statements of business to be transected at each meeting. Also Board meets for both scheduled meetings and on other occasions to deal with urgent and important matters that require attention. The Company conducts its Board meetings and record the minutes of the meetings as well as keep required books and record in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB).

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

Mr. Wahidul Haque Siddiqui	-	Chairman	-	22
Mrs. Qurrattul Ann Siddiqui	-	Director	-	22
M/S. Hornbill Apparel Ltd.	-	Director	-	17
Mr. Das Deba Prashad	-	Independent Director	-	09
Mr. S M Golam Faruk Alamgir	-	Managing Director	-	22

Directors Remuneration and fees: Given in page number - 77 (Note 24.01)

The pattern of shareholding:

				Shares Qty as at 30 June 18	Shares Qty as at 30 June 17	% 2018	% 2017
(a)	Parent or Subsidiary or Associate Companies or other related parties:		-	-	-	-	
(b)	Sponsor , Directors, Managing Director, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children:						
01)	Mr. Wahidul Haque Siddiqui	Chairman	-	2,475,486	2,357,606	5.32	5.32
02)	Mrs. Qurrattul Ann Siddiqui	Director	-	4,471,783	4,258,841	9.61	9.61
03)	M/S. Hornbill Apparel Ltd.	Director	-	2,220,517	2,114,779	4.77	4.77
04)	Mr. Das Deba Prashad	Independent Director	-	-	-	-	-
05)	Mr. S M Golam Faruk Alamgir	Managing Director	-	-	-	-	-
06)	Mr. Sumon Ahmed Sabir	Sponsor	-	687,248	654,523	1.48	1.48
07)	Mr. Mohd. Zulfiquar Hafiz	Sponsor	-	510,275	485,977	1.10	1.10
08)	Mr. A.T.M Sayeeduzzaman	Sponsor	-	382,498	364,284	0.82	0.82
09)	Mr. A. K. M. Kutub Uddin	ED & Company Secretary	-	-	-	-	-
10)	Mr. Swapan Kumar Saha	CFO (Current Charge)	-	-	-	-	-
11)	Mr. Mohammad Moniruzzaman	Head of Internal Audit	-	-	-	-	-
(c)	Executives:						
01)	Mr. S. M. Kamruzzaman	Chief Technical Officer	-	-	-	-	-
02)	Mr. Gazi Zehadul Kabir	General Manager	-	-	-	-	-
03)	Mr. Anowar Hasan Sabir	General manager	-	-	-	-	-
04)	Mr. Bipul Ranjan Saha	Deputy General Manager	-	-	-	-	-
05)	Mr. Sharif Shabbirul Alam	Deputy General Manager	-	-	-	-	-
(d)	Shareholders holding 10% or more voting interest in the company			-	-	-	-

Management Discussion and Analysis:

Management's discussion and analysis has been highlighted in the Managing Director's review and in Directors' report.

Duties of Managing Director and Chief Financial officer:

As per condition 3(3) of the Corporate Governance Code, the Managing Director and Chief Financial Officer has certified to the Board that-

(a) to the best of their knowledge and belief, they have reviewed financial statements for the year ended 30th June 2018 and that to the best of their knowledge and belief.

(b) the financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

(c) 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.

(d) 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

Wahidul Haque Siddiqui an eminent and visionary entrepreneur of this country. A native of Chittagong and raised in Dhaka, he completed his education from Adamjee Cantonment College and later on pursued his Bachelor's degree in Commerce from the University of Dhaka.

Wahidul Haque Siddiqui commenced his entrepreneurial career 1990 with buying house 'Norban Fashion Ltd.' In a few years time he garnered ample of expertise and knowledge about the Ready Made Garments (RMG) sector and established two factories 'Hornbill Apparels Ltd.' and 'Norban Comtex Ltd.' Mr. Siddiqui's bold and strategic leadership made Norban, one of the leading RMG factories in Bangladesh. His knowledge on all the aspects of RMG is unparalleled.

Wahidul Haque Siddiqui being a visionary witnessed the emergence of ICT globally. He anticipated this change Bangladesh in late 1990s. Hence took the initiative of establishing one of the first ISP of this country BDCOM Online Ltd. in 1997. Under Mr. Siddiqui's well steered direction BDCOM has won several accolades including the prestigious National Award. He is currently serving as the Chairman of the board at BDCOM Online Ltd.

Mr. Siddiqui a serial entrepreneur has a strong presence in number of industries. He occupies position in the board of Norban Group, Dowlutennesa Equities Ltd., Asia Pacific General Insurance Company Ltd., and several others. His resourceful mindset and goodwill is appreciated at home and abroad. He is actively associated with several charity organizations.

Mrs. Qurrattul Ann Siddiqui

Mrs. Qurratul Ann Siddiqui is one of the founding directors of BDCOM Online Ltd. She has been actively associated with several business organizations. Mrs. Siddiqui born and raised in Dhaka completed her graduation from University of Dhaka.

Mrs. Siddiqui holds a management position in Norban Group, a leading RMG conglomerate in the country. She has been involved in the creating new strategies and devises new business ideas. Her diversified knowledge and insight has helped BDCOM to flourish in the IT sector. As a mindful well-wisher and director, the company's grave success has been the top of her priorities.

She has an active presence in several social and charity organizations across the country. She runs a charitable school for underprivileged children in the capital. Her charitable appreciation is only one of her many insightful traits.

M/S Hornbill Apparel Ltd.

M/S Hornbill Apparel Ltd. 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 28 years. He has participated in many local and international events, trainings and workshops.

Achievement & Future Plan:

Without endorsing the ever changing modern technology, it is utterly difficult to play a meaningful role in a digital ecosystem - at least, any successful one. Digital ecosystems are built for innovation, learning and advancement. In BDCOM we are committed to learning about the latest digital capabilities and thus be agile and adaptive at the highest levels which are comprised of companies, people, data, processes and things that are connected by the shared use of digital platforms. Last few years BDCOM is creating these partnering ecosystems to enable collaboration and provide mutually beneficial results to all parties involved. The idea is to create a collection of flexible services that can shift around and quickly be adapted to the ever-changing needs of the business in Bangladesh.

Achievement came hand in hand with the promise; 10G MPLS network connected to all major cities of the country giving us the strength to think for future services to our distinguished customers. To enhance the capability of this information superhighway. BDCOM is now providing Google and Facebook Cache service from its own Data Center. similarly, IP Telephony is still achieving the significant market share as the Leader in the sector.

Safe Internet was the mandate from our society for last few years and BDCOM is now cognizant of the knowledge of maximizing the user's personal safety and security risks to private information and property associated with using the Internet, and the self-protection from computer crime in general. The market is ready; the product is ready – BDCOM is ready to roll the service in the market.

BDCOM is the first ISP in the country to deploy a Disaster Recovery (DR) for its entire network resources. We are working relentlessly so that our existing network does not feel any bumps or spikes during business hours. Not only that all Point-to-Point connectivity and existing Ethernet passive optical network (EPON) are changing to Gigabit Passive Optical Networks (GPON).

With all these activities, it is assumed these days that 10G network is not enough to handle huge data for BDCOM. We are planning to upgrade it from 10G to 40G and 100G. This change will again be a paradigm shift for BDCOM in case of Capital Investment and challenge to achieve a successful Return On Investment (ROI) of your investment and trust.

BDCOM is always believed to be the house of very skilled Manpower. Due to the education system, economic challenges and social reformations, it is very difficult in present days to make a very good pool of effective skilled manpower and retain them year after year. A very big challenge. This again coupled with the crisis of Fiber Cut every day – a 100% asset loss due to this barbative.

As mentioned last year, BDCOM was more focused on home segment, prioritizing corporate sectors services side by side – this year the focus will remain same. After lots of hurdles, network and other infrastructure are now readier than before for earning the Market Leadership.

BDCOM is committed to bring disruptive technologies including safe, stable and eco-friendly Internet, Phone and other related services to the community, also is ensuring round the clock more efficient helpdesk to leverage the trust and faith our valued customers towards our services. We highly appreciate Government initiative in this regard.

Corporate Social Responsibility:

Corporate Social Responsibility (CSR) has become a vital activity for any business 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. 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.

BDCOM also financially helped several NGOs like ASHIC- Foundation Serving Children Cancer, Bangladesh Mahila Parishad and Naripokkho and they all work for a noble cause.

Acknowledgement:

Finally the Board of Directors would like to express their thanks and gratitude to all Honorable Shareholders, valued Clients, Bankers, Suppliers, Vendors, Insurance Companies, Registrar of Joint Stock Companies & Firms (RJSC), Bangladesh Telecommunication Regulatory Commission(BTRC), Bangladesh Securities And Exchange Commission (BSEC), Dhaka Stock Exchange Ltd. (DSE), Chittagong Stock Exchange Ltd. (CSE) and Central Depository of Bangladesh Ltd. (CDBL) for their patronage and immense support and co-operation received. 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
BDCOM Online Ltd.

[As per condition No. 1(5)(xxvi)]

Declaration by MD and CFO

Date : Oct 29, 2018

The Board of Directors
BDCOM Online Ltd.
RangsNilu Square, Level-5
House # 75, Road-5/A,
Satmosjid Road,Dhanmondi
Dhaka-1209

Subject: Declaration on Financial Statements for the year ended on June 30, 2018

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated June 03, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

(1) The Financial Statements of BDCOM Online Ltd. for the year ended on June 30, 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
(2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
(3) The form and substance of transactions and the Company's state of affairs have been reasonable and fairly presented in its financial statements;
(4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records:
(5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed ; and
(6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regards, we also certify that;-

(i) We have received the financial statements for the year ended on June 30, 2018 and that to the best of our knowledge and belief:

(a) these statements do not contain any material untrue statements or omit any material fact or contain statements that might be misleading;
(b) these statements collectively present 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 knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

(S M Golam Faruk Alamgir)
Managing Director

(Swapan Kumar Saha)
Chief Financial Officer (Current Charge)

AMAR STOCK

AUDIT COMMITTEE REPORT

For the year ended on 30 June 2018

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 act as the Secretary of the Audit Committee.

The Audit Committee of BDCOM Online Ltd. 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. Qurrattul 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 2017-2018. 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. Qurrattul 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 2017-2018

The Committee held 4 (Four) meeting during the financial year 2017-2018. The Managing Directors, Chief Financial Officer and Head of Internal Audit attended meeting on invitation. The major activities of the Audit Committee in 2017-2018 are stated below-

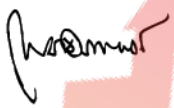
- reviewed the internal Control System and the financial statements of First quarter, half year, third quarter and annual financial statements for the year ended 30th June 2018 and subsequently recommended to the Board for consideration and approval.
- reviewed the integrity of the financial statements 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 2018.
- 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. Mahfel Huq & Co., Chartered Accountants (BSEC penal Auditors) as the Statutory Auditors of the Company for the year 2018-2019.

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

Reporting

- Pursuant to Condition # 5.6(a) of the Corporate Governance Code 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
29 October, 2018

[As per condition No. 1(5)(xxvii)]

Status of compliance with the Corporate Governance Code

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018 issued under section 2CC of the Securities and Exchange Ordinance , 1969:

(Report under Condition No.9)

Condition No.	Title	Compliance Status (Put "√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
1	**Board of Directors:**			
1(1)	**Board's Size:** The Number of the board member shall not be less than 5(five) and more than 20(twenty)	√		
1(2)	**Independent Directors:**			
1(2)(a)	At least one-fifth (1/5) of the total of the directors in the company's Board shall be independent directors; any fractional shall be considered to the next integer or whole number for calculating number of independent director(s);	√		
1(2)(b)	**For the purpose of this "Independent Directors" means a director-**			
1(2)(b)(i)	Independent Director does not hold any share in the Company or holds less than 1% shares of the total paid-up capital;	√		
1(2)(b)(ii)	Non connectivity with the company's any sponsor or director or shareholder who holds 1% shares on the basis of family relationship;	√		
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise , with the company or its subsidiary/associated companies;	√		
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		
1(2)(b)(vi)	Who is not a shareholder, director excepting indepedent director or officer of any member or TREC holder of stock exchange or an intermediary of capital market;	√		
1(2)(b)(vii)	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 or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this code;	√		
1(2)(b)(viii)	Who is not Independent director in more than 5 (five) listed companies;	√		
1(2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	√		

Condition No.	Title	Compliance Status (Put "√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	√		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 days; and	√		No such event in the FY: 2017-18
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only:	√		
1(3)	**Qualification of Independent Directors:**			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	√		
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having at least paid-up Tk. 100 million or any listed company's member or a national or international chamber of commerce or business assocate;	–	–	N/A
1(3)(b)(ii)	Corporate Leader who is or was a top level executive at least CEO/MD/AMD/DMD/CFO/CS/HF/HFA/HIAC/HAHR or equivalent position of an unlisted Company having minimum Paid-up Tk. 100 million or a listed Company;	√		
1(3)(b)(iii)	Former official of government or statutory or autonmous or regulatory body in the position not below 5th grade of the national pay scale, who has at least educational background of bachelor degree in economic/ commerce/business or law;	–	–	N/A
1(3)(b)(iv)	University Teacher who has educational background in Economic or Commerce or Business Studies or law;	–	–	N/A
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a CA/ ICMA/ CFA/ CCA/ CPA/CMA /CS or equivalent qualification;	–	–	N/A
1(3)(c)	The independent director shall have at least 10 years' experience in any mention field mentioned in clause (b);	√		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission;	–	–	N/A
1(4)	**Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive officer.**			
1(4)(a)	The position of the Chairperson of the Board and the Managing Directors (MD) and /or Chief Executive officer (CEO) of the company shall be filled by different individuals;	√		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold same position in another listed company;	√		

Condition No.	Title	Compliance Status (Put "√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of Chairperson and The Managing Director and/or Chief Executive Officer;	√		
1(4)(e)	In absence of chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as chairperson for that particular Board's; the reason of regular absence of the chairperson shall be duly recorded in the minutes.	√		
1(5)	**The Directors' Reports to Shareholders:**			
1(5)(i)	An industry outlook and possible future developments in the industry;	√		
1(5)(ii)	The segment-wise or product-wise performance	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	A Discussion on Cost of Goods Sold, Gross Profit and Net Profit Margins, where applicable;	√		
1(5)(v)	A discussion on continuity of any extra-ordinary activties and their implications (gain or loss);	--	--	N/A
1(5)(vi)	A details discussion on related party transactions along with a statement showing amount, nature of related party, nature of transaction and basis of transactions of all related party transactions;	√		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any others instruments;	--	--	N/A
1(5)(viii)	An explanation, if the financial results deteriorate after the company goes for Initial Public Offer (IPO), Repeat Public Offering (RPO), Right Offer, Direct Listing, etc;	--	--	N/A
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performance and Annual Financial Statements;	--	--	N/A
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operation, cash flows and changes in equity;	√		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	√		
1(5)(xiii)	A statement that 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;	√		

Condition No.	Title	Compliance Status (Put "√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any depture there from has been adequately disclosed;	√		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1(5)(xvii)	A statement that there is no significant doubt 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 there of shall be disclosed;	√		
1(5)(xviii)	An explanation that significant deviations from last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	--	--	N/A
1(5)(xix)	A statement where key operating and financial data of at least preceding 5(five) years shall be summarized;	√		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	--	--	N/A
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1(5)(xxii)	The total number of Board meeting held during the year and attendance by each directors	√		
1(5)(xxiii)	**A report on the Pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:**			
1(5)(xxiii)(a)	Parent or Subsidiary or As sociate Companies and other related parties (name-wise details);	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	√		
1(5)(xxiii)(c)	Executives (Top 5 salaried employees other than above); and	√		
1(5)(xxiii)(d)	Shareholders holding 10% or more voting interest in the company (name-wise details);	√		
1(5)(xxiv)	**In case of the appointment or reappointment of a directors, a disclosure on the following information to the shareholders:-**			
1(5)(xxiv)(a)	A brief resume of the director;	√		
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas; and	√		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committee of the Board;	√		

Condition No.	Title	Compliance Status (Put "√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
1(5)(xxv)	**A Management's Discussion and Analysis signed by CEO or MD presenting details analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:**			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	--	--	N/A
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immedate preceding 5 (five) years explaining reasons thereof;	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the MD or CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of condition of this Code as required under condition No. 9 shall be disclosed as per, Annexure-B & C.	√		
1(6)	**Meeting of the Board of Directors** The company shall conduct its Board meeting and record the minutes of the meeting as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretary of Bangladesh (ICSB).	√		
1(7)	**Code of Conduct for the Chairperson , other Board members and Chief Executive Officer:**			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remunertion Committee (NRC) at condition No. 6 for the Chairperson of the Board, other board members and Chief Exective Officer of the company;	√		

Condition No.	Title	Compliance Status (Put "√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading ; relationship with environment , employees, customers and suppliers; and independency.	√		
2	**Governance of Board of Directors of Subsidiary Company:-**			
2(a)	Provision relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	–	–	N/A
2(b)	At least 1(one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	–	–	N/A
2(c)	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
2(d)	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
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particulars the investments made by the subsidiary company.	–	–	N/A
3	**Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit Compliance (HIAC) and Company Secretary .**			
3(1)	**Appointment**			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC);	√		
3(1)(b)	The position of the Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3(1)(c)	The MD or CEO , CS, CFO and HIAC of a listed company shall not hold any executive position in other company at the same time;	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of Board as well as immediate disseminated to the Commission and stock exchange(s)	√		No such event in the FY: 2017-18

Condition No.	Title	Compliance Status (Put "√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
3(2)	**Requirement to attend Board of Director's Meeting**			
3(2)	The MD or CEO , CS ,CFO and HIAC of the company shall attend the meetings of the Boards: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	√		
3(3)	**Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)**			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief;	√		
3(3)(a)(i)	These statements do not contain any materiality untrue statement or omit any material fact or contain stat ments that might be misleading:	√		
3(3)(a)(ii)	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;	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4	**Board of Directors' Committee (The Board shall have at least following sub-committees):**			
4(i)	Audit Committee; and	√		
4(ii)	Nomination and Remuneration Committee	√		
5	**Audit Committee**			
5(1)	**Responsibilities to the Board of Directors**			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	√		
5(1)(b)	The Audit Committee shall assist the Board 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;	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
5(2)	**Constitution of the Audit Committee:**			
5(2)(a)	The Audit Committee shall be composed of at least 3(three) members;	√		
5(2)(b)	The Board shall appoint members of the Audit Commitee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		

Condition No.	Title	Compliance Status (Put "√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
5(2)(c)	All the members of the Audit Committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before 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 shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		No such event in the FY: 2017-18
5(2)(e)	The Company Secretary shall act as the Secretary of the Committee;	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent diretors.	√		
5(3)	**Chairperson of the Audit Committee**			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		
5(3)(b)	In absence of the chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be dully recorded in the minutes.	√		No such event in the FY: 2017-18
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM);	√		
5(4)	**Meeting of the Audit Committee**			
5(4)(a)	The Audit Committee shall conduct at least its 4 (Four) meetings in a financial year;	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two member or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5(5)	**Role of Audit Committee** The Audit Committee shall:-			
5(5)(a)	Oversee the financial reporting process;	√		
5(5)(b)	Monitor choice of accounting policies and principles;	√		

Condition No.	Title	Compliance Status (Put "√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5(5)(d)	Oversee hiring and performance of external auditors;	√		
5(5)(e)	Hold meeting with external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5(5)(f)	Review along with the management, the annual finacial statements before submission to the Board for approval;	√		
5(5)(g)	Review along with the management , the quarterly and half yearly financial statements before submission to the Board for approval;	√		
5(5)(h)	Review the adequacy of internal audit function;	√		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	Review statement of all related party transactions submitted by the management;	√		
5(5)(k)	Review Management Letter or Letter of Internal Control weakness issued by statutory auditors;	√		No such event in the FY: 2017-18
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and timerequired for effective audit and evaluate the performance of external auditors; and	√		
5(5)(m)	Oversee where the proceeds raise through Initial Public Offer (IPO) or Repeat Public Offer (RPO) or Rights Share Offer have been utilized as per the purpose stated in relevant offer document or prospectus approved by the Commission.	--	--	N/A
5(6)	**Reporting of the Audit Committee**			
5(6)(a)	**Reporting to the Board of Directors**			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board	√		
5(6)(a)(ii)	**The Audit Committee shall immediately report to the Board on the following findings, if any;-**			
5(6)(a)(ii)(a)	Report on conflicts of interests;	--	--	N/A
5(6)(a)(ii)(b)	Reporting on suspected/presumed fraud or irregularity or material defect identified in internal audit and compliance process or in the financial statements ;	--	--	N/A
5(6)(a)(ii)(c)	Reporting on suspected infringement of laws;	--	--	N/A
5(6)(a)(ii)(d)	Reporting on any other matter to disclose immediately;	--	--	N/A
5(6)(b)	Reporting to the Authorities.	--	--	N/A
5(7)	Reporting to the Shareholders and General Investors.	√		

Condition No.	Title	Compliance Status (Put "√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
6	**Nomination and Remuneration Committee (NRC)**			
6(1)	**Responsibility to the Board of Directors**			
6(1)(a)	The company shall have a Nomination and Remunertion Committee (NRC) as a sub-committee of the Board;	√		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualific tions, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5) (b).	√		
6(2)	**Constitution of the NRC:**			
6(2)(a)	The Committee shall composed of at least 3 (three) members including an independent directors;	√		
6(2)(b)	All members of the committee shall be non-executive director;	√		
6(2)(c)	Members of the committee shall be nominated and appointed by the Board;	√		
6(2)(d)	The Board shall have the authority to remove and appoint any member of the Committee;	√		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies , the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the committee;	–	–	No such event in the FY: 2017-18
6(2)(f)	The chairperson of the committee may appoint or co-opt any external expert to the committee as advisor;	–	–	No such event in the FY: 2017-18
6(2)(g)	The Company Secretary shall act as secretary of the Committee;	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of least an Independent Director;	√		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly any remuneration for any advisory or consutancy role or otherwise, other than Director's fees or honorarium from the company;	√		
6(3)	**Chairperson of the NRC:**			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee , who shall be an independent director;	√		
6(3)(b)	In absence of the chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be dully recorded in the minutes;	–	–	No such event in the FY: 2017-18

Condition No.	Title	Compliance Status (Put "√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
6(3)(c)	The Chairperson of the NRC shall attend the AGM to answer the queries of the shareholders:	–	–	Not applicable for the FY: 2017-18
6(4)	**Meeting of the NRC**			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	–	–	Will be in the FY: 2018-19
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	–	–	Not applicable for the FY: 2017-18
6(4)(c)	The quorum of the meeting of the NRC shall be const tuted in presence of either two member or two third of the members of the committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	–	–	Not yet applicable
6(4)(d)	The proceeding of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be conformed in the next meeting of the NRC.	–	–	Not yet applicable
6(5)	**Role of the NRC**			
6(5)(a)	NRC shall be independent and responsible o accountable to the Board and to the shareholders;	√		
6(5)(b)	**NRC shall oversee, among others, the following matters and report with recommendation to the Board:**			
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	√		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		
6(5)(b)(iii)	Identifying persons who are qualified to become diretors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	√		
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	√		
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	√		
6(5)(c)	The company shall disclose the nomination and remuneration policy and evaluation criteria and activities of NRC during the year at a glance in its annual report	–	–	Will be in the FY: 2018-19

Condition No.	Title	Compliance Status (Put "√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
7	**External or Statutory Auditors**			
7(1)(i)	Appraisal or valuation services or fairness opinions;	√		
7(1)(ii)	Financial information system design and implementation;	√		
7(1)(iii)	Book-Keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	Broker-Dealer services;	√		
7(1)(v)	Actuarial services;	√		
7(1)(vi)	Internal Audit Services or Special Audit Services;	√		
7(1)(vii)	Any services that the Audit Committee determined;	√		
7(1)(viii)	Audit orCertification Services on compliance of Corprate Governance as required under condition No. 9(1); and	√		
7(1)(ix)	Any other service that creates conflict of interest;	√		
7(2)	No partner or employees and his/her family members of the external audit firms shall not hold any shares in the siad company during the tenure of assignment;	√		
7(3)	Representative of external auditors or statutory auditors present in the shareholders (AGM or EGM).	√		
8	**Maintaining a website by the Company .-**			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The company shall keep the website functional from the data of listing.	√		
8(3)	The company shall make available the details discloses on its website as per listing regulation of the concerned stock exchange(s).	√		
9	**Reporting and Compliance of Corporate Governance:**			
9(1)	The company shall obtain a certificate from a practicing Professional Accountants or secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its salutatory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by shareholders in the Annual General Meeting (AGM)	√		A separate agenda in the 22nd AGM
9(3)	The directors of the company shall state, in accordance with **Annexure-C**, attached , in the directors' report whether the company has complied with these conditions or not.	√		

[Certificate as per condition No. 1(5)(xxvii)]

Report to the Shareholders of BDCOM Online Ltd. on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by BDCOM Online Ltd for the year ended on 30th June, 2018. This Code related to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibilities of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the Condition of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institution of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanation, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

(a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;

(b) The company has complied with the provisions of the relevant Bangladesh Secretaries Standards (BSS) as adopted by the Institution of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

(c) Proper books and records have been kept by the Company as required under the Company Act, 1994, the securities laws and other relevant laws and

(d) The governance of the company is satisfactory.

Atik Khaled Chowdhury

Place : Dhaka
Dated : 11 November, 2018

Atik Khaled Chowdhury
Chartered Accountant

Ahmed Zaker & Co.
CHARTERED ACCOUNTANTS

Auditors' Report
To The Shareholders of BDCOM ONLINE LTD.

We have audited the accompanying financial statements of **BDCOM ONLINE LTD.**, which comprise the Statement of Financial position as at June 30, 2018 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 International 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 International 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 International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) present fairly in all material respect the financial position of **BDCOM ONLINE LTD.** as at June 30, 2018 and the result of its operation and cash flows for the year then ended and comply with the Securities and Exchange rules 1987, Companies Act 1994 and other applicable laws and regulations.

Ahmed Zaker & Co.
CHARTERED ACCOUNTANTS

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 : October 29, 2018

Ahmed Zaker & Co.
Chartered Accountants

AMAR STOCK

STATEMENT OF FINANCIAL POSITION
As at June 30, 2018

Particulars		Notes	Amount in Taka	
			30.06.2018	30.06.2017
	Assets:			
A.	**Non-Current Assets**		**349,794,084**	**347,772,542**
	Property, Plant and Equipments	3.00	345,868,225	343,921,683
	Long Term Security Deposit	4.00	3,925,859	3,850,859
B.	**Current Assets**		**567,391,510**	**515,409,288**
	Inventories	5.00	14,388,806	15,818,882
	Advances, Deposits & Prepayments	6.00	15,003,412	12,903,123
	Advance Income Tax & VAT	7.00	24,046,072	26,620,547
	Bills Receivable	8.00	155,124,994	142,044,907
	Accounts Receivable	9.00	7,983,313	5,764,799
	Investment In Shares (at Market Value)	10.00	11,345,250	48,808,687
	Investment In FDR	11.00	306,928,806	223,349,969
	Cash and Cash Equivalents	12.00	32,570,857	40,098,374
	Total Assets (A+B)		**917,185,594**	**863,181,830**
	Shareholders' Equity & Liabilities:			
C.	**Shareholders' Equity:**		**723,608,493**	**677,301,184**
	Share Capital	13.00	465,221,361	443,067,963
	Share Premium	14.00	119,504,000	119,504,000
	Tax Holiday Reserve		21,555,878	21,555,878
	AFS Reserve	28.00	(7,314,903)	(5,467,014)
	Retained Earnings	15.00	124,642,157	98,640,357
D.	**Non- Current Liabilities:**		**13,156,237**	**10,935,291**
	Deferred Tax Liabilities	16.00	13,156,237	10,935,291
E.	**Current Liabilities:**		**180,420,864**	**174,945,354**
	Bills Payable	17.00	102,130,489	107,948,168
	Accounts Payable	18.00	24,363,700	29,339,609
	Provision for Income Tax	19.00	12,994,040	14,491,146
	Provision for Bad & Doubtful Debts	20.00	14,862,571	9,957,090
	Short Term Bank Loan	21.00	26,070,064	13,209,341
	Total Equity & Liabilities (C+D+E)		**917,185,594**	**863,181,830**
	Net Assets Value Per Share (NAV)		**15.55**	**15.29**

The annexed notes (1-34) form an integral part of these financial statements.

CFO (Current Charge) | **Company Secretary** | **Managing Director** | **Director** | **Chairman**

Signed in terms of our separate report on same date.

Ahmed Zaker & Co.
Chartered Accountants

Place: Dhaka
Date: October 29, 2018

SMART STOCK

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended June 30, 2018

Particulars	Notes	Unit-1 ISP	Unit-2 SDP	Unit-3 IPTSP	Amount in Taka	
					30.06.2018	30.06.2017
Revenue from Sales & Services	22.00	431,890,168	54,058,526	48,795,252	534,743,947	520,959,045
Operating Expenses	23.00	(198,481,892)	(18,558,946)	(21,084,887)	(238,125,726)	(229,888,197)
Gross Profit: A		**233,408,277**	**35,499,580**	**27,710,365**	**296,618,221**	**291,070,848**
Administrative and Marketing Expenses	24.00	(130,642,073)	(15,325,463)	(16,888,767)	(162,856,302)	(152,169,688)
Depreciation on Fixed Assets	3.00	(43,105,542)	(1,347,916)	(2,067,392)	(46,520,850)	(47,429,773)
Provision for Bad & Doubtful Debts	20.00	(2,307,684)	(2,232,222)	(365,575)	(4,905,481)	(6,227,888)
Financial Charges	25.00	(1,995,823)	(96,292)	(52,878)	(2,144,993)	(2,583,389)
Total Expenses: B		**(178,051,122)**	**(19,001,893)**	**(19,374,612)**	**(216,427,626)**	**(208,410,738)**
Operating Profit: A-B		**55,357,154**	**16,497,687**	**8,335,753**	**80,190,595**	**82,660,110**
Non-Operating Income	26.00	17,609,706	2,007,057	12,195	19,628,958	16,101,017
Net Realized (Loss)/Gain on Sales of Share	27.00	83,590	-	-	83,590	(8,778,578)
Net Profit Before WPPWF		**73,050,450**	**18,504,744**	**8,347,948**	**99,903,143**	**89,982,549**
Contribution to WPPWF @ 5%		**(3,478,593)**	**(881,178)**	**(397,521)**	**(4,757,293)**	**(4,284,883)**
Net Profit before Tax		**69,571,857**	**17,623,566**	**7,950,427**	**95,145,850**	**85,697,666**
Income Tax Expenses	19.01	(12,380,343)	(513,443)	(100,254)	(12,994,040)	(14,491,146)
Deffered Tax Expenses	16.00	(2,426,267)	-	-	(2,426,267)	(6,913,847)
Net Profit After Tax		**54,765,248**	**17,110,122**	**7,850,173**	**79,725,543**	**64,292,673**
Other Comprehensive Loss :						
Unrealized (Loss)/Gain on Investment in Shares	28.00	(2,053,210)	-	-	(2,053,210)	**9,716,855**
Related Deferred Tax		205,321			2,053,21	**(971,686)**
Net Comprehensive Income		**52,917,359**	**17,110,122**	**7,850,173**	**77,877,654**	**73,037,842**
Basic Earing Per Share (EPS)	30.00				**1.71**	**1.38**

The annexed notes (1-34) form an integral part of these financial statements.

CFO (Current Charge) | **Company Secretary** | **Managing Director** | **Director** | **Chairman**

Signed in terms of our separate report on same date.

Ahmed Zaker & Co.
Chartered Accountants

Place: Dhaka
Date: October 29, 2018

STATEMENT OF CHANGES IN EQUITIES

For the year ended June 30, 2018

Particulars	Share Capital	Tax Holiday Reserve	Share Premium	AFS Reserve	Retained Earnings	Amount in Taka	
						Total Equity 30.06.2018	Total Equity 30.06.2017
Balance as on 01.07.2017	**443,067,963**	**21,555,878**	**119,504,000**	**(5,467,014)**	**98,640,357**	**677,301,184**	**623,388,321**
Net Profit After Tax during the year		-	-		79,725,543	79,725,543	64,292,672
Adjustment against unrealized loss on investment in share				(2,053,210)		(2,053,210)	9,716,855
Related Deferred Tax				205,321		205,321	(971,686)
Prior Year Adjustment for Tax on unrealized loss on investment in share							1,579,132
Stock Dividend (FY: 2016-17) @ 5%	22,153,398	-	-	-	(22,153,398)	-	-
Cash Dividend (FY : 2016-17) @ 5%	-			-	(22,153,398)	(22,153,398)	(20,704,110)
Prior Year Adjustment (Note -31.00)					(9,416,947)	(9,416,947)	-
Balance as on 30.06.2018	**465,221,361**	**21,555,878**	**119,504,000**	**(7,314,903)**	**124,642,157**	**723,608,493**	**677,301,184**

CFO (Current Charge) | **Company Secretary** | **Managing Director** | **Director** | **Chairman**

Signed in terms of our separate report on same date.

Ahmed Zaker & Co.
Chartered Accountants

Place: Dhaka
Date: October 29, 2018

AMARSTOCK

STATEMENT OF CASH FLOW
For the year ended June 30, 2018

Particulars	Amount in Taka	
	30.06.2018	30.06.2017
A. Cash flows from operation activities :		
Receipts from sales, service & others	521,663,860	471,986,569
Purchase of materials	(10,232,281)	(17,385,315)
Bank interest - STD & others	562,057	325,581
Foreign currency gain	472,735	-
WPPWF payment	(4,296,744)	(4,192,288)
Payment of income tax	(19,917,287)	(18,111,193)
Payment of VAT	(1,416,331)	262,837
Cash payment to creditors & others	(405,417,795)	(327,061,491)
Net cash provided/used in operation activities	**81,418,214**	**105,824,700**
B. Cash flows from investing activities :		
Acquisition of tangible assets	(48,467,390)	(44,989,572)
Receive from FDR interest	16,050,652	16,555,485
Dividend from investment in share	325,000	234,300
Investment in marketable securities sales of shares	35,493,817	(40,876,459)
Investment in FDR	(83,578,837)	18,181,946
Long term security deposit	(75,000)	115,000
Net cash used in investing activities	**(80,251,758)**	**(50,779,300)**
C. Cash flows from financing activities :		
Cash dividend	(21,554,696)	(19,782,183)
Short term loan	12,860,723	(14,019,715)
Net cash provided by financing activities	**(8,693,973)**	**(33,801,898)**
Net cash out flow during the year: (A+B+C)	**(7,527,517)**	**21,243,502**
Cash & cash equivalent at the beginning of the year	**40,098,374**	**18,854,872**
Cash & cash equivalent at the closing of the year	**32,570,857**	**40,098,374**
Net Operating Cash Flow Per Share (NOCF)	**1.75**	**2.39**

CFO (Current Charge) | **Company Secretary** | **Managing Director** | **Director** | **Chairman**

Signed in terms of our separate report on same date.

Ahmed Zaker & Co.
Chartered Accountants

Place: Dhaka
Date: October 29, 2018

AMARSTOCK

Notes to the Financial Statements
For the year ended June 30, 2018

1.00 Status and Nature of the company:

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

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

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

2.00 Significant Accounting Policies:

2.01 Basis of Preparation of Financial Statements
The Financial Statements of the Company are prepared on a going concern basis under historical cost convention and in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), 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 agoing 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 IAS 7 "Cash Flow Statement" and the cash flow from the operating activities has been presented under direct method.

2.04 Reporting period
These financial statements cover a period of one year from July 01, 2017 to June 30, 2018.

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 IAS-18 “Revenue”.

Interest income

In terms of the provisions of the IAS-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 IAS-18 "Revenue".

2.06 Assets and basis of their valuation:

Cash and cash equivalents

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

Property, Plant and Equipment

01. Recognition and Measurement

Property, Plant and Equipment are capitalized at cost capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation and the capital work in progress (when arises) is stated at cost in compliance with the requirements of IAS 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 comprehensive income as expenses if incurred. All up-generation/enhancement are generally charged off as expenditure unless they bring similar significant additional benefits.

04. Disposal of Property, Plant & Equipment

On disposal of property, plant & equipment, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the Statement of Profit or Loss and Other comprehensive income, when is determined with reference to the net book value of the assets and net sales proceeds.

05. Depreciation is charged on Property, Plant & Equipment at the following rates on reducing balance method.

Particulars	Rate of Depreciation		
	Unit-1 ISP	Unit-2 SDP	Unit-3 IPTSP
Land	-	-	-
Building (Floor Space)	2.5%	-	-
Internet & System Hardware	18%	18%	18%
Furniture and Fixture	10%	10%	10%
Office Renovation	18%	18%	-

Particulars	Rate of Depreciation		
	Unit-1 ISP	Unit-2 SDP	Unit-3 IPTSP
Sundry Assets	10%	10%	-
Crockeries & Cutleries	10%	15%	-
AC Installation	18%	18%	-
PABX Installation	18%	-	-
Office Equipment	15%	-	-
V-Sat Tower	15%	-	-
Telephone & Cable Installation	15%	15%	15%
Motor Vehicle	15%	-	15%
Generator/ Online UPS	15%	15%	-
Cable Installation	15%	-	-
Broad Band Equipment	18%	-	-
Radio Equipment	18%	-	18%
Electric Installation	15%	18%	15%
Optical Fiber Deployment	15%	-	-
Neon Sign & Others	20%	-	-
Base Tower & Installation	10%	-	-
WIFI Base Station	20%	-	-
Books & Periodicals	-	10%	-
Peripheral Equipment	-	15%	-
Software Development	-	15%	15%

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

6. Long Term Security Deposit

These amounts (Note No. 4.00) were deposited with BTCL and others in connection with telephone lines, bandwidth, E1 and others.

7. Valuation of Inventories

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

8. Bills Receivable

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

9. Accounts Payable

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

2.07 Provision for Current & Deferred Tax :

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

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

Dividend Payments

Final dividend is recognized after the approval of the shareholders in the 22nd Annual General Meeting (AGM) of the company.

2.08 Earnings per share:

Earning per Share (EPS) is calculated in accordance with IAS-33 "Earning Per Share" which has been shown at the bottom of the Statement of Profit or Loss and Other Comprehensive Income.

Basic earnings per share

This represents earnings for the 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	30-06-2018	30-06-2017
a)	Earnings attributable to the ordinary shareholders	79,725,543	64,292,672
b)	Number of Ordinary Shares.	46,522,136	44,306,796
c)	Earning Per Share	1.71	1.45
d)	Re-stated Earning per Share		1.38

Diluted earnings per share

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

2.09 Tax Holiday Reserve

Software Development Project (SDP), Unit-2 of the Company has enjoyed tax holiday for 5 (five) years commencing from January 01, 2002 to December 31, 2006.

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

2.10 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 IAS-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 IAS 36 "Impairment of Assets", the carrying amount of non-financial assets other than inventories of the company involved in the manufacturing of the products. If any such indication exists, then the asset's recoverable amount is estimated and impairment losses are recognized in profit and loss account. Goodwill is amortize during the year we test intangible assets for impairment when events or changes in circumstance indicate their of the business diversification and versatility in information technology the license is run with the current technology. Hence, the management or as per the board approval has decided to write off this amount of goodwill. During the year as the amount is immaterial value in comparison of its net assets value.

2.13 Financial Instruments:

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

2.14 Borrowing Cost:

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

2.15 Related Parties Transactions:

The party is related to the company if any party casts significant influence over the day to day affairs/matters and also holds the controlling power of the management affairs of the company and any transaction made during the year with the party related therewith is termed as related party transaction as per IAS-24 "Related Party Disclosure". Related party are fully disclosed in **note-33.**

2.16 Events after the Reporting date:

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

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

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

The Company has declared 7% Cash and 5% Stock Dividend for the year 2017-18, which is recommended by the Board of Directors of BDCOM Online Ltd. in their meeting held at the Company's head office on October 29, 2018 which will be confirmed in the next Annual General Meeting (AGM) by the shareholders.

As mentioned above the retained amount of 5% stock dividend for the year 2017-18 will be utilised for the network expansion, capacity up-gradation and migration to GPON technology, which will require to procure a huge number of network equipments and related accessories, considering upcoming demand projection.

Further BDCOM Online Ltd. also in a process to setup a 100% Disaster Recovery (DR) centre in Mohakhali to avoid downtime in case of existing Data Centre (DC) (Dhanmondi) failure, this is very significant achievement of BDCOM Online Ltd., being the only ISP to build 100% Disaster Recovery (DR).

2.17 Components of the Financial Statements

a) Statement of Financial Position as at June 30, 2018;
b) Statement of Profit or Loss and Other Comprehensive Income for the year ended June 30, 2018;
c) Statement of Changes in Equities for the year ended June 30, 2018;
d) Statement of Cash Flows for the year ended June 30, 2018;
e) Accounting policies and explanatory Notes to the Financial Statements for the year ended June 30, 2018.

2.18 Employee Summary

Sl.	Particulars	30-06-2018	30-06-2017
a)	Managers & Officers	198	191
b)	Office Assistant, Cable man & Others	183	156
	Total	**381**	**347**

2.19 Employee Benefits

A) Employee's Provident Fund

The Company operates a contributory provident fund scheme for its permanent employees. Provident fund is administered by a board of Trustees and is funded by contributions from both employees and employer under as per-determined rate. These contributions are duly deposit to separate bank account and invested under prescribed guide line of Bangladesh Labor Law.

C) Insurance

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

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

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

2.20 Financial risk management

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

Ø Credit risk
Ø Liquidity risk
Ø Market risk

Credit risk

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

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both 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 holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

a) Currency risk

As at June 30, 2018 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 been not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

Comparative Information:

2.21 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 IAS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

General

2.22 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.

3.00 Property Plant and Equipments :

The break up of the amount is as follows:

	Amount in Taka	
	30.06.2018	**30.06.2017**

Particulars	**Unit-1 Taka**	**Unit-2 Taka**	**Unit-3 Taka**	**Amount in Taka**	
				30.06.2018	**30.06.2017**
A) Cost:					
Opening Balance	643,046,424	50,391,680	21,593,812	715,031,916	670,042,344
Addition during the year	43,233,230	89,065	5,145,095	48,467,390	44,989,572
Less: Adjustment during the year	-	-	-	-	-
Closing Balance	**686,279,654**	**50,480,745**	**26,738,907**	**763,499,306**	**715,031,916**
B) Accumulated Depreciation:					
Opening Balance	317,165,301	42,067,153	11,877,777	371,110,231	323,680,460
Add: Charged during the year	43,105,542	1,347,916	2,067,392	46,520,850	47,429,773
Less: Adjustment during the year	-	-	-	-	-
Closing Balance	**360,270,843**	**43,415,069**	**13,945,169**	**417,631,081**	**371,110,233**
Written down value 30/06/2018(A-B)	**326,008,811**	**7,065,676**	**12,793,738**	**345,868,225**	**343,921,683**
Written down value 30/06/2017(A-B)	**325,881,122**	**8,324,526**	**9,716,035**	**343,921,683**	-

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

4.00 Long term security deposit :

The break up of the amount is as follows:

Particulars		
BTCL for telephone line	50,000	5,000
Security against bandwidth (BTCL & others)	1,078,975	1,078,975
Security against E1 & others (BTCL)	35,084	35,084
Security deposit others	2,761,800	2,731,800
Total Taka	**3,925,859**	**3,850,859**

5.00 Inventories :

The break up of the amount is as follows:

Particulars			
Accessories	Note- 5.01	305,158	275,951
GLP & GPRS Modem & Accessories	Note- 5.02	4,389,049	4,562,385
IP telephony hardware	Note- 5.03	2,306,688	1,968,870
Modem, Media converter & Concentrators		806,893	871,105
Switch, Router, Equipments & Others		2,702,804	4,187,928
Stationery		26,278	25,059
Stock of fiber optic		829,963	933,914
Radio equipment		3,021,973	2,993,670
Total Taka		**14,388,806**	**15,818,882**

5.01 Accessories :

The break up of the amount is as follows:

Particulars		Amount in Taka 30.06.2018	30.06.2017
Broadband Accessories		199,423	194,169
UTP Cable		105,735	81,782
Total Taka		**305,158**	**275,951**

5.02 GLP, GPRS modem & Accessories :

The break up of the amount is as follows:

Particulars			
Geographical Location Platform (GLP)		4,389,049	4,562,385
Total Taka		**4,389,049**	**4,562,385**

5.03 IP telephony hardware :

The break up of the amount is as follows:

Particulars			
IP Telephone set		1,825,450	1,511,863
IP Telephony Equipment		481,238	457,007
Total Taka		**2,306,688**	**1,968,870**

6.00 Advances, Deposits & Pre-payments :

The break up of the amount is as follows:

Particulars			
A) Advances :			
Against Salary		2,125,160	2,039,305
Advance to suppliers and others		3,397,436	5,986,130
Material in Transit (Local)		3,661,251	5,058
Total		**9,183,847**	**8,030,493**
B) Deposits :			
Security deposit / Earnest money		5,574,717	4,523,216
Total		**5,574,717**	**4,523,216**
C) Pre-payments		**244,848**	**349,414**
Total (A+B+C)		**15,003,412**	**12,903,123**

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

7.00 Advance income Tax and Vat :

The break up of the amount is as follows:

Particulars			
Advance VAT	Note- 7.01	1,416,331	-
Advance Income Tax	Note- 7.02	22,629,741	26,620,547
Total Taka		**24,046,072**	**26,620,547**

7.01 Advance VAT :

The break up of the amount is as follows:

Particulars		Amount in Taka	
		30.06.2018	30.06.2017
VAT treasury account		545,641	-
VAT procurement account		870,690	-
Total Taka		**1,416,331**	**-**

7.02 Advance income Tax:

Opening balance		26,620,547	20,700,832
Add: Addition during the year	Note- 7.02.01	19,917,287	18,111,193
		46,537,834	**38,812,025**
Less: Adjustment for the year IY-2016-17		(14,491,146)	(12,191,478)
Less: Adjustment for the previous years		(9,416,947)	-
		22,629,741	**26,620,547**

7.02.01 Advance income Tax:

The break up of the amount is as follows:

Particulars		
Tax deducted on interest income	1,653,155	3,485,199
Tax deducted on supply & sales	18,264,132	14,625,994
Total Taka	**19,917,287**	**18,111,193**

8.00 Bills Receivable :

The break up of the amount is as follows:

Particulars			
Internet & Data Service	Note- 8.01	103,547,664	98,538,259
IP Telephone Service	Note- 8.02	18,280,097	19,412,862
Web page, Software & Data Transmit	Note- 8.03	30,966,893	23,189,361
Hardware,Switch & Others		2,330,340	904,425
Total Taka		**155,124,994**	**142,044,907**

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:

Particulars		
Internet & Fax	1,485,630	1,489,130
Installation	250	250
Corporate Internet	28,302,190	24,310,976
Prepaid Distribution	821	821
Broad Band Internet	2,419,428	1,918,919
Data Connectivity	71,339,345	70,818,163
Total Taka	**103,547,664**	**98,538,259**

8.02 IP Telephone Service :

The break up of the amount is as follows:

Particulars	Amount in Taka	
	30.06.2018	30.06.2017
Monthly rent & others	14,477,912	14,552,485
Inter-Connectivity	3,802,185	4,860,377
Total Taka	**18,280,097**	**19,412,862**

8.03 Web page, Software & Data Transmit :

The break up of the amount is as follows:

Particulars		
Software Development	2,105,167	1,378,150
Domain Hosting & Registration	3,976,864	3,404,734
AVLS	22,580,128	15,729,303
Graphics Design	2,304,734	2,677,174
Total Taka	**30,966,893**	**23,189,361**

9.00 Accounts Receivable :

The break up of the amount is as follows:

Particulars	Unit-1 ISP	Unit-2 SDP	Unit-3 IPTSP	Amount in Taka	
				30.06.2018	30.06.2017
FDR Interest Receivable	7,518,645	464,668	-	7,983,313	5,764,799
Total Taka	**7,518,645**	**464,668**	-	**7,983,313**	**5,764,799**

10.00 Investment In Share (At market value):

The break up of the amount is as follows:

Particulars		
AB Bank Limited	1,790,250	24,558,187
Jamuna Oil Limited	-	1,035,500
GBB Power Limited	9,555,000	14,950,000
Saif Powertec Limited	-	8,265,000
Total Taka	**11,345,250**	**48,808,687**

11.00 Investment in FDR :

The break up of the amount is as follows:

Particulars			
Prime Bank Ltd	1274106000996-7	2,494,037	2,379,630
Prime Bank Ltd	12741020010005	2,202,198	2,121,068
Prime Bank Ltd	12741040027175	-	9,282,958
Prime Bank Ltd	12741070010994	9,848,092	9,448,722
UCBL	0841403000000134	-	7,785,750
UCBL	017404000000208	-	7,049,953
Bank Asia Ltd.	02155008688	-	2,589,544
Bank Asia Ltd.	02155008710	-	5,161,519
Bank Asia Ltd.	2155008365	14,123,040	13,490,559

		Amount in Taka	
		30.06.2018	30.06.2017
IDLC Finance td.	11252217203701	16,511,574	15,370,715
IDLC Finance td.	11253117203701	7,151,828	6,195,312
IDLC Finance td.	11254717203701	6,049,135	5,599,625
IFIC Bank Ltd.	1025509038203	28,000,000	-
IFIC Bank Ltd.	1277405	8,500,000	-
IFIC Bank Ltd.	1006-522930-200	6,617,250	6,270,720
Deltra Brac Housing Finance Ltd.	7102019005	-	3,160,352
Exim Bank Ltd.	2860100371355	5,990,219	5,684,354
Eastern Bank Ltd.		2,500,000	-
Al-Arafa Bank Ltd.	0311330261359	-	3,152,635
Bank Al-Falah Ltd.	05900293	-	2,836,438
Meghna Bank Ltd.	250000050	-	7,762,537
Meghna Bank Ltd.	250000068	5,440,255	5,120,256
IPDC Finance Ltd.	000121000001136	40,000,000	-
IPDC Finance Ltd.	000125000000681	12,000,000	-
IPDC Finance Ltd.	000121000001139	13,000,000	-
Uttara Finance & Invest.Ltd.	0100120059314	6,850,921	6,420,069
Uttara Finance & Invest.Ltd.	0100120019615	6,234,377	5,842,508
Uttara Finance & Invest.Ltd.	0100120019815	24,930,475	23,365,316
Uttara Finance & Invest.Ltd.	0100120025615	5,836,684	5,447,000
Uttara Finance & Invest.Ltd.	0100360000515	5,000,000	5,000,000
Uttara Finance & Invest.Ltd.	0100120006418	21,000,000	-
NRB Commercial Bank Ltd.	011171200000036	6,347,038	5,960,608
NRB Commercial Bank Ltd.	011171200000024	3,805,428	3,574,680
NRB Commercial Bank Ltd.	011171200000037	6,347,038	5,960,608
NRB Commercial Bank Ltd.	011148000000022	-	5,927,625
NRB Commercial Bank Ltd.	011171200000052	-	1,154,200
NRB Commercial Bank Ltd.	011147600000003	6,000,000	-
SBAC Bank Ltd.	01244000065784	-	2,899,708
Lanka Bangla Finance Ltd.	001022800000127	5,962,000	5,000,000
Lanka Bangla Finance Ltd.	001022800000610	17,469,717	16,335,000
Lanka Bangla Finance Ltd.	001022800000760	10,717,500	10,000,000
Total Taka		**306,928,806**	**223,349,969**

12.00 Cash and Cash Equivalent :

The break up of the amount is as follows:

Particulars			
Cash in Hand		214,729	369,824
Cash at Bank	Note- 12.01	31,486,471	39,368,272
Cash Available in BD-Smartpay		15,563	-
Cash Available in BO Account (Daulatunnessa Equities Ltd.)		854,094	360,278
Total Taka		**32,570,857**	**40,098,374**

12.01 Cash at Bank :

The break up of the amount is as follows:

Particulars	Account Numbers	Amount in Taka 30.06.2018	Amount in Taka 30.06.2017
CD Accounts			
Eastern Bank Ltd.	1061060000757	642,331	1,452,354
First Security Bank Ltd.	010811100001575	146,098	147,628
Sonali Bank Ltd.	001017833	311,511	294,811
Bank Asia Ltd.	06933000002	(27,266)	278,370
Bank Asia Ltd.	02133001275	453,497	1,460,895
STD Accounts			
Prime Bank Ltd	12732030003986	1,780,479	1,381,316
Prime Bank Ltd	12732080003998	2,183,287	7,653,080
Prime Bank Ltd	12731080017622	102,127	101,542
Prime Bank Ltd	12711020027776	2,007,541	1,940,815
NCC Bank Ltd.	100210004661	3,208	3,208
Prime Bank Ltd (ERQ)	12751050019650	3,581,815	4,715,866
UCBL	0841301000000255	433,708	552,425
UCBL	0841301000000266	1,953,498	1,008,776
UCBL	0841301000000277	219,808	337,090
UCBL	0841301000000244	777,823	115,537
Rupali Bank Ltd.	240000338	2,505,530	4,081,490
Pubali Bank Ltd.	3478102001001	2,735,476	2,493,203
Dutch-Bangla Bank Ltd	171120344	7,117,214	3,827,487
Dutch-Bangla Bank Ltd	1711200002011	1,974,735	3,101,918
Dutch-Bangla Bank Ltd	1000000000130	123,954	432,279
Islami Bank BD. Ltd.	20502050900011812	267,769	2,854,686
Al-Arafah Bank Ltd.	0311220001107	1,506,145	831,763
Midland Bank Ltd.	0081090000066	686,183	301,733
Total Taka		**31,486,471**	**39,368,272**

13.00 Share Capital

Authorized Capital : Taka 1000,000,000		
100,000,000 Ordinary shares of Taka. 10 each	**1,000,000,000**	**1,000,000,000**
Issued, Subscribed and Paid-up Capital :		
46,522,136 Ordinary shares of Taka. 10 each	**465,221,361**	**443,067,963**

13.01 Compositions of Shareholdings

The break up of the amount is as follows:

Particulars	As on 30.06.2018		As on 30.06.2017	
	No. of Shares	% of holdings	No. of Shares	% of holdings
Sponsor/Director	10,747,807	23.10	10,236,010	23.10
Institutions	9,959,702	21.41	8,086,518	18.25
General	25,814,627	55.49	25,984,268	58.65
Total	**46,522,136**	**100.00**	**44,306,796**	**100.00**

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

Amount in Taka	
30.06.2018	30.06.2017

This distribution schedule showing the number of Shareholders and their Shareholdings in percentage has been disclosed:

Shareholders Range (in number of Shares)	As on 30.06.2018		As on 30.06.2017	
	Shareholders	No. of Shares	Shareholders	No. of Shares
Less than 500 shares	2,438	2335,684	2,349	311,055
500 to 5,000 Shares	2,324	3,872,451	1,667	2,605,625
5001 to 10,000 shares	334	2,478,940	188	1,415,270
10,001 to 20,000 shares	176	2,590,964	117	1,738,237
20,001 to 30,000 shares	65	1,619,769	52	1,317,263
30,001 to 40,000 shares	32	1,152,995	29	1,040,958
40,001 to 50,000 shares	19	880,782	41	1,884,557
50,001 to 100,000 shares	41	2,972,290	48	3,696,396
100,001 to 1,000,000 shares	47	15,330,128	60	18,174,821
Over 1,000,000 shares	7	15,288,133	5	12,122,614
Total	**5,483**	**46,522,136**	**4,556**	**44,306,796**

13.03 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.

13.04 Market Price

The shares of the Company are listed in the Dhaka and Chittagong Stock Exchanges and quoted at Taka 27.10 (High-Taka 28.00 , Low-Taka 27.00) per share and Taka 27.00 (High-Taka 28.00 Low-Taka 27.00) per share in the Dhaka and Chittagong Stock Exchange respectively as of June 30, 2018.

13.05 Voting Rights

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

14.00 Share Premium :

The break up of the amount is as follows:

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

15.00 Retained Earnings

Opening balance	98,640,357	84,037,545
Add: Net profit after tax during the year	79,725,543	64,292,672
	178,365,900	**148,330,217**
Less: Stock dividend (FY: 2016-17) @ 5%	(22,153,398)	(28,985,750)
Less: Cash dividind (FY : 2016-17) @ 5%	(22,153,398)	(20,704,110)
Less: Previous year Tax adjustment (Note -31.00)	(9,416,947)	-
	124,642,157	**98,640,357**

16.00 Deferred Tax Laibilities :

The break up of the amount is as follows:

Particulars	Carrying Amount (Tk.)	Tax Base (Tk.)	Taxable/(Deductible) temporary
As at June 30, 2018			
Property, Plant & Equipment (Excluding Land)	318,868,225	262,992,208	55,876,017
Net Taxable Temporary Difference			55,876,017
Applicable Tax Rate			25%
			13,969,004
			-
Deffered Tax Liability (A)			**13,969,004**
Add: Unrealized (Loss)/Gain on Investment in shares during the year			(812,7367)
Less: Prior year adjustments on Unrealized (Loss)/ Gain on Investment in shares			-
Deffered Tax Liability as at June 30, 2018			**13,156,237**

As at June 30, 2017			
Property, Plant & Equipment (Excluding Land)	316,921,683	267,239,302	49,682,381
Net Taxable Temporary Difference			49,682,381
Applicable Tax Rate			25%
			12,420,595
Less: Deferred Tax Provision on Realization Loss on Shares			(877,858
Deffered Tax Liability (B)			**11,542,737**
Add: Unrealized (Loss)/Gain on Investment in Shares			971,686
Les: Prior year Adjustments on Unrealized loss on investment in share			1,579,132
Deffered Tax Liability as at June 30,2017			**10,935,291**
Deferred Tax (Income)/Expenses (A-B)			**2,426,267**
Deferred Tax Unrealized (Loss)/Gain on Investment in shares during the year			**205,321**

17.00 Bills Payable :

The break up of the amount is as follows:

	Amount in Taka	
Particulars	**30.06.2018**	**30.06.2017**
Sundry Creditors	98,818,683	105,235,064
Unpaid Dividend	3,311,806	2,713,104
Total Taka	**102,130,489**	**107,948,168**

18.00 Accounts Payable :

The break up of the amount is as follows:

Particulars		Amount in Taka	
		30.06.2018	30.06.2017
Liability for Expenses	Note- 18.01	9,472,547	11,781,292
Liability for Other Finance	Note- 18.02	14,891,153	17,558,317
Total Taka		**24,363,700**	**29,339,609**

18.01 Liability for Expenses :

The break up of the amount is as follows:

Particulars		
Salaries & Allowances	8,991,060	11,037,906
Outstanding Expenses	366,487	639,886
Audit Fee Payable	115,000	103,500
Total Taka	**9,472,547**	**11,781,292**

18.02 Liability for Other Finance :

The break up of the amount is as follows:

Particulars		
Tax deducted on Employees Salaries	572,226	2,703,630
Employees Provident Fund	802,223	1,385,846
Tax deducted on Suppliers	3,212,761	465,243
Security Deposit -Broadband	10,350	10,350
Security Deposit -Others	377,033	335,204
Contribution to WPPWF @ 5%	4,769,154	4,308,605
VAT at Source & Others	764,662	3,714,675
Advance Agst. Sales (Broadband Internet)	749,196	973,630
Advance Agst. Sales (Data Connectivity)	79,142	118,566
Advance Agst. Sales (Corporate Internet)	1,173,101	1,105,126
Advance Agst. Sales (Domain & Web Hosting)	322,745	320,221
Advance Agst. Sales (Graphic Design)	17,076	-
Advance Agst. Sales (AVLS)	321,088	714,995
Advance Agst. Sales (Monthly Rent/ Tel Call)	1,720,396	1,402,226
Total Taka	**14,891,153**	**17,558,317**

19.00 Provision for Current Tax

Current Tax		
Opening Balance	14,491,146	12,191,478
Add : Provision made during the year (Note:19.01)	12,994,040	14,491,146
	27,485,186	**26,682,624**
Less : Adjustment for the AY-2017-18	14,491,146	12,191,478
Closing Balance	**12,994,040**	**14,491,146**

19.01 Current Tax

The break up of the amount is as follows:

	Amount in Taka	
	30.06.2018	**30.06.2017**

Particulars	**Unit-1 ISP**	**Unit-2 SDP**	**Unit-3 IPTSP**	**Amount in Taka**	
				30.06.2018	**30.06.2017**
Net Profit Before WPPWF	73,050,450	18,504,744	8,347,948	99,903,143	89,982,549
Less : Contribution to WPPWF @ 5%	3,478,593	881,178	397,521	4,757,293	(4,284,883)
Profit Before Tax	**69,571,857**	**17,623,566**	**7,950,427**	**95,145,850**	**85,697,666**
Less : Tax Exempted Profit **	14,267,931	15,626,997	6,997,538	36,892,466	(31,156,457)
Net Profit Before Tax	**55,303,926**	**1,996,569**	**952,889**	**58,253,384**	**54,541,209**
Add: Accounting Depreciation	43,105,542	1,347,916	2,067,392	46,520,850	47,429,773
Less: Tax Depreciation	(48,804,507)	(1,290,712)	(2,619,265)	(52,714,484)	(52,784,974)
Add: Net realized Loss/(Gain) on sale of shares	(83,590)	-	-	(83,590)	8,778,578
Taxable Profit	**49,521,371**	**2,053,773**	**401,016**	**51,976,160**	**57,964,586**
Provision for Income Tax @ 25%	**12,380,343**	**513,443**	**100,254**	**12,994,040**	**14,491,146**

**Provision for Income Tax has been charged on Non-operating income of Unit-2, Software Development Project of BDCOM Online Ltd., As per Sixth Schedule, Part-A , Para -33 of Income Tax Ordinance, 1984 income from software development & ITES are exempted up to June 30,2024.

20.00 Provision for Bad & Doubtful Debts :

The break up of the amount is as follows:

Particulars	**Unit-1 ISP**	**Unit-2 SDP**	**Unit-3 IPTSP**	**Amount in Taka**	
				30.06.2018	**30.06.2017**
Opening Balance	6,170,155	2,834,910	952,025	9,957,090	3,729,202
Add: Made during the year	2,307,684	2,232,222	365,575	4,905,481	6,227,888
Total Taka	**8,477,839**	**5,067,132**	**1,317,600**	**14,862,571**	**9,957090**

21.00 Short Term Loan :

The break up of the amount is as follows:

Particulars	**Account Numbers**		
Prime Bank Ltd.	SOD A/C12777590042804	19,218,380	2,629,629
Bank Asia Ltd. (Motor Vehicle)	02135001177	-	528,306
Bank Asia Ltd. (Motor Vehicle)	02135001252	226,026	575,017
Bank Asia Ltd. (Machinery)	02135001282	4,287,334	6,394,098
Bank Asia Ltd. (Motor Vehicle)	02135001299	991,996	1,377,089
Bank Asia Ltd. (Motor Vehicle)	02135001339	1,346,328	1,705,202
Total Taka		**26,070,064**	**13,209,341**

22.00 Revenue From Sales, Services & Others :

The break up of the amount is as follows:

Particulars		Amount in Taka	
		30.06.2018	30.06.2017
Revenue from Unit -1	Notes-22.01	431,890,168	425,583,973
Revenue from Unit -2	Notes-22.02	54,058,526	57,030,661
Revenue from Unit -3	Notes-22.03	48,795,252	38,344,411
Total Taka		**534,743,947**	**520,959,045**

22.01 Revenue From Unit -1 :

The break up of the amount is as follows:

Particulars			
Revenue from Internet/Data Connectivity Services	Note-22.01.01	408,112,465	405,111,141
Revenue from IT Enable Services	Note-22.01.02	14,267,931	13,086,337
Revenue from Sale of Hardware	Note-22.01.03	1,071,819	27,690
Revenue from Internet (Educational Institutions)		8,437,953	7,358,805
Total Taka		**431,890,168**	**425,583,973**

22.01.01 Revenue from Internet/Data Connectivity Services :

The break up of the amount is as follows:

Particulars		
Internet/ Data Connectivity Services	469,329,335	465,877,812
Less : VAT 15%	61,216,870	60,766,671
Total Taka	**408,112,465**	**405,111,141**

22.01.02 Revenue from IT Enable Services :

The break up of the amount is as follows:

Particulars		
IT Enable Services	14,909,988	13,675,222
Less : VAT 4.5%	642,057	588,885
Total Taka	**14,267,931**	**13,086,337**

22.01.03 Revenue from Sale of Hardware :

The break up of the amount is as follows:

Particulars		
Sale of Hardware	1,125,410	29,075
Less : VAT 5%	53,591	1,385
Total Taka	**1,071,819**	**27,690**

22.02 Revenue From Unit -2 :

The break up of the amount is as follows:

Particulars		Amount in Taka 30.06.2018	30.06.2017
Revenue from Software & Graphic Design		8,774,570	13,774,685
Revenue from AVLS Software		13,207,661	8,509,874
Revenue from Web Development, Hosting & Domain Reg.	Note-22.02.01	13,871,573	11,440,795
Revenue from AVLS Support & Service	Note-22.02.02	8,332,700	12,277,587
Revenue from AVLS Supply	Note-22.02.03	9,872,022	11,027,720
Total Taka		**54,058,526**	**57,030,661**

22.02.01 Revenue from Web Development, Hosting & Domain Registration :

The break up of the amount is as follows:

Particulars		
Revenue from Web Development, Hosting & Domain Reg.	15,952,309	13,156,914
Less : VAT 15%	2,080,736	1,716,119
Total Taka	**13,871,573**	**11,440,795**

22.02.02 Revenue from AVLS Support & Service :

The break up of the amount is as follows:

Particulars		
Revenue from AVLS Support & Service	9,582,605	14,119,225
Less : VAT 15%	1,249,905	1,841,638
Total Taka	**8,332,700**	**12,277,587**

22.02.03 Revenue from AVLS Supply & Services :

The break up of the amount is as follows:

Particulars		
Sale of AVLS Tracker	10,365,623	11,579,106
Less : VAT 5%	493,601	551,386
Total Taka	**9,872,022**	**11,027,720**

22.03 Revenue From Unit -3 :

The break up of the amount is as follows:

Particulars			
Revenue from IP Telephony Monthly Rent	Note-22.03.01	2,059,825	290,200
Revenue from IP Telephony Outgoing NWD Call	Note-22.03.02	18,675,606	15,293,075
Revenue from IP Telephony Outgoing ISD Call	Note-22.03.03	7,549,802	8,574,204
Revenue from IP Telephony Incoming NWD Call	Note-22.03.04	7,527,324	6,312,653
Revenue from IT Enable Services	Note-22.03.05	6,997,538	1,168,514
Revenue from Sale of Hardware & Equipments	Note-22.03.06	5,985,157	6,705,765
Total Taka		**48,795,252**	**38,344,411**

22.03.01 Revenue from IP Telephony Monthly Rent :

The break up of the amount is as follows:

Particulars	Amount in Taka	
	30.06.2018	30.06.2017
Revenue From Monthly Rent	2,368,799	333,730
Less : VAT 15%	308,974	43,530
Total Taka	**2,059,825**	**290,200**

22.03.02 Revenue from IP Telephony Outgoing NWD Call :

The break up of the amount is as follows:

Particulars		
Revenue From Outgoing NWD Call	21,476,947	17,587,036
Less : VAT 15%	2,801,341	2,293,961
Total Taka	**18,675,606**	**15,293,075**

22.03.03 Revenue from IP Telephony Outgoing ISD Call :

The break up of the amount is as follows:

Particulars		
Revenue From Outgoing ISD Call	8,682,272	9,860,335
Less : VAT 15%	1,132,470	1,286,131
Total Taka	**7,549,802**	**8,574,204**

22.03.04 Revenue from IP Telephony Incoming NWD Call :

The break up of the amount is as follows:

Particulars		
Revenue From Incoming NWD Call	8,656,423	7,259,551
Less : VAT 15%	1,129,099	946,897.96
Total Taka	**7,527,324**	**6,312,653**

22.03.05 Revenue from IPTSP IT Enable Services :

The break up of the amount is as follows:

Particulars		
Revenue From IT Enable Services	7,312,427	1,221,097
Less : VAT 4.5%	314,889	52,583
Total Taka	**6,997,538**	**1,168,514**

22.03.06 Revenue from Sales of IPTSP Hardware & Equipments :

The break up of the amount is as follows:

Particulars		
Revenue From Hardware & Equipments	6,284,415	7,041,053
Less : VAT 5%	299,258	335,288.24
Total Taka	**5,985,157**	**6,705,765**

23.00 Operating Expenses :

The break up of the amount is as follows:

	Amount in Taka	
	30.06.2018	30.06.2017

Particulars	Unit-1 ISP	Unit-2 SDP	Unit-3 IPTSP	Amount in Taka	
				30.06.2018	30.06.2017
Services & Others (Notes- 23.01)	197,233,224	11,823,920	17,406,224	226,463,369	212,940,816
Hardware & Others(Notes-23.02)	1,248,668	6,735,026	3,678,663	11,662,357	16,947,381
Total Taka	**198,481,892**	**18,558,946**	**21,084,887**	**238,125,726**	**229,888,197**

23.01 Services & Others:

The break up of the amount is as follows:

Particulars	Unit-1 ISP	Unit-2 SDP	Unit-3 IPTSP	Amount in Taka	
				30.06.2018	30.06.2017
Bandwidth Charges	24,289,017	156,000	156,000	24,601,017	29,036,063
Electricity Charges	5,021,316	622,553	622,553	6,266,423	4,949,423
Telephone Charges	1,573,481	4,474,487	-	6,047,968	5,096,361
Domain Registration Exp.	-	127,920	-	127,920	225,201
Data Connectivity (NTTN)	62,580,609	-	-	62,580,609	66,939,603
E1,Server Rent and Inter connectivity	-	87,319	16,250,852	16,338,171	17,703,654
Cost of Software (GLP & Others)	1,095,562	5,112,491	-	6,208,053	4,972,106
IT Support & Maintenance	84,332,942	500,350	363,369	85,196,661	71,279,582
Electrical Goods & Installation	396,533	-	13,450	409,983	212,832
Direct Salary & Allowances	17,943,764	742,800	-	18,686,564	12,525,991
Total Taka	**197,233,224**	**11,823,920**	**17,406,224**	**226,463,369**	**212,940,816**

23.02 Hardware & Others:

The break up of the amount is as follows:

Particulars	Unit-1 ISP	Unit-2 SDP	Unit-3 IPTSP	Amount in Taka	
				30.06.2018	30.06.2017
Broadband Modem Concentrator & others	116,984	-	-	116,984	-
Cost on sales of Hardware & Others	1,127,389	6,735,026	3,678,663	11,541,078	16,891,947
Cost of Sales of Optical Fiber/Cable	4,295	-	-	4,295	-
Internet & Telecommunications	-	-	-	-	55,434
Total Taka	**1,248,668**	**6,735,026**	**3,678,663**	**11,662,357**	**16,947,381**

24.00 Administrative and Marketing Expenses :

The break up of the amount is as follows:

Amount in Taka	
30.06.2018	30.06.2017

Particulars	Unit-1 ISP	Unit-2 SDP	Unit-3 IPTSP	Amount in Taka	
				30.06.2018	30.06.2017
Directors Remuneration (Note-24.01)	3,250,000	-	-	3,250,000	3,250,000
Salary and Allowances	85,079,457	10,489,516	9,547,785	105,116,758	103,726,879
Traveling and Conveyance	7,004,770	624,182	310,139	7,939,091	6,156,775
Uniform & Others	71,130	-	-	71,130	3,580
Office Rent	7,308,924	1,563,412	1,563,412	10,435,748	9,631,810
VAT on Office Rent	837,198	165,757	179,394	1,182,349	1,040,454
Electricity Charges	557,924	69,173	69,173	696,269	549,936
Telephone Charges	174,831	-	-	174,831	161,917
Printing and stationeries	811,244	3,680	3,160	818,084	731,939
Courier & Postage Charges	508,478	-	-	508,478	486,734
CSR Expenses	100,000	-	-	100,000	80,000
Advertisement Expenses	560,064	119,585	119,585	799,234	327,487
News Papers & Periodicals	12,717	1,746	1,844	16,307	19,045
Entertainment	2,559,437	120,859	4,350	2,684,646	2,032,582
Security charges	393,300	-	-	393,300	360,525
Repair & Maintenance	2,673,368	251,548	358,488	3,283,404	4,320,105
Utility Charges	514,413	110,231	110,230	734,874	601,230
Car Rent & Maintenance	4,938,826	520	705,086	5,644,432	4,874,509
Annual Listing Fee (DSE, CSE, CDBL , BAPLC)	1,027,836	102,280	-	1,130,116	1,609,994
License Registration & Renewal Fees	1,225,316	172,500	575,000	1,972,816	1,502,108
Municipal Tax	313,896	-	-	313,896	313,896
Insurance Premium	1,196,777	102,580	65,326	1,364,683	988,444
Fees & Professional Charges	265,000	45,000	45,000	355,000	325,300
Consultancy & Legal Fee	-	-	787,500	787,500	550,000
AGM Expenses	933,114	87,433	87,433	1,107,980	1,038,619
Promotional exp.	882,475	335,379	75,000	1,292,854	976,701
Audit Fee	183,080	23,000	23,000	229,080	103,500
Contribution to Employees PF	3,563,941	367,785	268,436	4,200,162	3,280,512
Training Expenses	123,500	-	-	123,500	115,400
Tender Participation	81,993	-	-	81,993	65,175
Annual Refreshment Expenses	3,142,850	360,524	240,349	3,743,723	692,410
Revenue Sharing with BTRC	-	208,773	1,749,077	1,957,850	1,677,643
Amortization o Goodwill	-	-	-	-	228,000
General Expenses	346,214	-	-	346,214	346,479
Total Taka	**130,642,073**	**15,325,463**	**16,888,767**	**162,856,302**	**152,169,688**

The number of employees (both casual and permanent of the company as at 30 June 2018 was 381 and all of them received salary and allowances above Taka. 120,000 per year.

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

The break up of the amount is as follows:

	Amount in Taka	
	30.06.2018	30.06.2017

Particulars

Name	Designation	Yearly Remuneration	Festival Bonus	Total 30.06.2018	Total 30.06.2017
S M Golam Faruk Alamgir	Managing Director	3,000,000	250,000	3,250,000	3,250,000
Total Taka		**3,000,000**	**250,000**	**3,250,000**	**3,250,000**

25.00 Financial Charges :

The break up of the amount is as follows:

Particulars	Unit-1 ISP	Unit-2 SDP	Unit-3 IPTSP	Total 30.06.2018	Total 30.06.2017
Bank Interest	1,598,628	4,970	26,654	1,630,252	2,188,997
Bank Charges & Others	397,195	91,322	26,224	514,741	394,392
Total Taka	**1,995,823**	**96,292**	**52,878**	**2,144,993**	**2,583,389**

26.00 Non-Operating Income :

The break up of the amount is as follows:

Particulars	Unit-1 ISP	Unit-2 SDP	Unit-3 IPTSP	Total 30.06.2018	Total 30.06.2017
Bank Interest (FDR A/C.)	16,887,897	1,381,269	-	18,269,166	15,541,136
Bank Interest (SND A/C)	396,809	153,053	12,195	562,057	325,581
Foreign Currency Gain	-	472,735		472,735	-
Dividend on Marketable Security	325,000	-	-	325,000	234,300
Total Taka	**17,609,706**	**2,007,057**	**12,195**	**19,628,958**	**16,101,017**

27.00 Net Realized Profit/(Loss) on Sales of Securities (Share)

This represents the sum of loss (Difference of cost and present market value) on investment made in the share of ICB Islami bank Limited in September 2010.The break-up of the amount is as follows:

Particulars	Total 30.06.2018	Total 30.06.2017
Cost Value of Investment in Shares:		
ICB Islami Bank Ltd.	-	19,966,332
The City Bank Ltd.	-	2,501,483
Lanka Bangla Finance Ltd.	-	15,803,615
One Bank Ltd.	-	11,167,216
Saif Power Ltd.		1,775,384
Zahin Textile Ltd.	-	3,993,616
DESCO	-	8,371,503
Saif Power Ltd.	8,491,748	-
Jamuna Oil Ltd.	972,327	-
GBB Power Ltd.	-	-
AB Bank Ltd	25,946,152	-
Total Price of Investment in Shares	**35,410,227**	**63,579,149**
Less: Realized value from sales of shares	35,493,817	54,800,571
Net Realized Profit/(Loss) from Sales of Shares	**83,590**	**(8,778,578)**

	Amount in Taka	
	30.06.2018	**30.06.2017**
28.00 AFS Reserve		
Opening balance	(5,467,014)	(15,791,315)
Add: Adjustment against unrealized loss on investment in share	-	9,716,855
Add: Addition during the year		
Add: Prior year adjustment for Tax on unrealized loss on investment in shares	-	1,579,132
	(5,467,014)	**(4,495,328)**
Less: Adjustment against unrealized loss on investment in share	(2,053,210)	
Less: Related Deffered Tax	205,321	(971,686)
	(7,314,903)	**(5,467,014)**

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

The break up of the amount is as follows:

Particulars	Total 30.06.2018	Total 30.06.2017
Saif Power Ltd.	-	8,491,748
Jamuna Oil Ltd.	-	972,327
GBB Power Ltd.	16,229,604	16,229,604
AB Bank Ltd.	3,243,316	29,189,468
Total Cost Value as no June 30, 2018	**19,472,920**	**54,883,147**
Less:Fair market value of investment in shares as on June 30, 2018	11,345,250	48,808,687
Total Estimated Profit/(Loss) on Marketable Securities	**(8,127,670)**	**(6,074,460)**
Adjustment upto June 30, 2018	60,744,60	15,791,315
Total Estimated Profit/(Loss) on Marketable Securities	**(2,053,210)**	**9,716,855**

30.00 Earning Per Share (EPS)

The break up of the amount is as follows:

Particulars		
Profit From Continuing Operation attributable to the ordinary Equity holders	79,725,543	64,292,672
Less: Preference Share Dividend	-	-
Profit attributable to the ordinary equity holders	**79,725,543**	**64,292,672**
Total outstanding shares as on June 30, 2018	**46,522,136**	**46,522,136**
Earning Per Share (EPS)	**1.71**	**1.38**

31.00 Prior Year Adjustment :

The break up of the amount is as follows:

Particulars	Tax Provision as per Audited Accounts (Tk.)	Tax Assessed as Per income Tax Authority (Tk.)	Additional Tax Provision Req. (Prior Year adj.)
Assessment Year 2014-15	6,627,384	10,466,068	3,838,684
Assessment Year 2016-17	12,752,301	14,922,713	2,170,412
Assessment Year 2017-18	14,804,586	18,212,437	3,407,851
Total Taka	**34,184,271**	**43,601,218**	**9,416,947**

BDCOM Online Ltd. submitted its annual tax return (AY: 2014-15, 2016-17 & 2017-18) under, "Normal" and "Universal Self Assessment" method respectively. But due to provision U/s 82BB Tax liability of Tk. 3,838,684, Tk. 2,170,412 & Tk. 3,407,851 has shown in the previous financial statements. Now Tax assesment has been completed and said Tax Liabilities paid and adjusted respectively within the financial year: 2017-18.

32.00 Cash flows from operating activities

Statement of Cash Flows have been prepared in accordance with IAS 7 "Statement of Cash Flows" and the cash flows from the operating activities are shown under indirect method as activities.

Reconciliation of Cash Flows from operating activities

Net sales	534,743,947
Add: Opening current assets (Bill receivable)	142,044,907
Less: Closing current assets (Bill receivable)	(155,124,994)
Less: Operating exp. (Service & Others)	(226,463,372)
Less: Administrative & marketing exp.	(162,856,302)
Less: Financial charges	(2,144,993)
Less: Opening current liabilities	(117,374,806)
Add: Closing current liabilities	103,421,678
Less: Purchase of materials	(10,232,281)
Less: Income Tax	(19,917,287)
Less: Vat	(1,416,331)
Less: WPPF paid	(4,296,744)
Add: Bank Interest income (STD A/C) & Others	562,057
Add: Foreign currency gain	472,735
	81,418,217

33.00 Related Party Disclosures :

33.01 The details of Related Party Transaction during the year along with the relationship is illustrated below in accordance with IAS 24 ;

Name of the company	Total Transaction Amount in Taka	Ralationship with company	Nature of Transaction	Balance 30.06.2018 (Tk.)	Remarks
Fiber @ Home Ltd.	871,083	Concern Under Common Mgt.	IIG Bandwidth	1,171,743	Trade Creditors
Fiber @ Home Ltd.	2,806,510	Concern Under Common Mgt.	NTTN Service	2,871,134	Trade Creditors
Norban Fashion Ltd.	539,796	Concern Under Common Mgt.	Internat & Others	780,490	Trade Debtors
Norban Fashion Ltd.	933,387	Concern Under Common Mgt.	Internat & Others	1,370,591	Trade Debtors

33.02 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 in Taka As on 30.06.2018
Mr. S M Golam Faruk Alamgir	Maniging Director (MD)	3,250,000
Md. Robiul Alam Chowdhury (July, 2017)	Chief Finanacial Officer (CFO)	208,000
Mr. Chitta Ranjan Halder	Chief Finanacial Officer	1,425,000
Mr. A.k.M Kutub Uddin	ED Admin & CS	2,548,500
Mr. S.M Kamruzzaman	Chief Technical Officer (CTO)	2,524,840
Mr. Gazi Zehadul Kabir	General Manager, Sys. Integation	2,089,500

34.00 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.

AMAR STOCK

Fixed Assets Schedule

For the year ended June 30, 2018

Unit - 1 (ISP) **Schedule - A/1**

Particulars	Cost				Rate of Dep.	Depreciation				W.D.V. as at 30.06.18
	Opening Balance as at 01.07.17	Additions during the year	Adjustment during the year	Total as at 30.06.18		Opening Balance as at 01.07.17	Charged during the year	Adjustment during the year	Total as at 30.06.18	
Land	27,000,000	-	-	27,000,000	0%	-	-	-	-	27,000,000
Building (Floor Space)	67,101,909	185,000	-	67,286,909	2.5%	9,456,787	1,441,513	-	10,898,300	56,388,609
Internet System Hardware	191,614,438	23,469,614	-	215,084,052	18%	122,913,474	13,628,080	-	136,541,554	78,542,498
Furniture & Fixture	3,617,935	104,490	-	3,722,425	10%	1,882,014	177,863	-	2,059,877	1,662,548
Office Renovation	11,361,915	623,726	-	11,985,641	18%	6,963,081	844,189	-	7,807,270	4,178,371
Sundry Assets	845,535	-	-	845,535	10%	602,706	24,283	-	626,989	218,546
Crockeries & Cutleries	178,743	25,892	-	204,635	10%	65,270	12,408	-	77,678	126,957
A. C. Installation	4,106,563	170,015	-	4,276,578	18%	2,680,995	266,223	-	2,947,218	1,329,360
PABX Installation	342,783	-	-	342,783	18%	323,849	3,408	-	327,257	15,526
Office Equipments	17,032,578	1,540,559	-	18,573,137	15%	10,807,040	1,032,426	-	11,839,466	6,733,671
V-Sat Tower	3,919,414	-	-	3,919,414	15%	3,489,888	64,429	-	3,554,317	365,097
Telephone & Installation	10,576,534	1,990	-	10,578,524	15%	9,638,262	140,791	-	9,779,053	799,471
Motor Vehicles	15,782,120	3,418,385	-	19,200,505	15%	7,309,250	1,692,777	-	9,002,027	10,198,478
Generator/Online UPS	14,305,245	1,804,565	-	16,109,810	15%	5,559,678	1,441,031	-	7,000,709	9,109,101
Cable Installation	17,011,272	1,195,288	-	18,206,560	15%	6,603,683	1,657,694	-	8,261,377	9,945,183
Broad Band Equipments	55,211,015	2,011,641	-	57,222,656	18%	39,276,976	3,039,451	-	42,316,427	14,906,229
Radio Equipments	46,395,218	3,113,290	-	49,508,508	18%	20,508,809	4,929,295	-	25,438,104	24,070,404
Electrical Installation	1,942,410	35,072	-	1,977,482	15%	1,151,309	119,572	-	1,270,881	706,601
Optical Fiber Deployment	124,593,986	3,320,133	-	127,914,119	15%	57,590,275	10,263,113	-	67,853,388	60,060,731
Neon Sign & Others	18,767	-	-	18,767	20%	15,839	586	-	16,425	2,342
Base Tower & Installation	22,910,066	2,213,570	-	25,123,636	10%	5,451,057	1,865,826	-	7,316,883	17,806,753
WIFI Base Station	7,177,978	-	-	7,177,978	20%	4,875,059	460,584	-	5,335,643	1,842,335
Sub Total	**643,046,424**	**43,233,230**	**-**	**686,279,654**		**317,165,301**	**43,105,542**	**-**	**360,270,843**	**326,008,811**

Fixed Assets Schedule

For the year ended June 30, 2018

Unit - 2 (SDP) **Schedule - A/2**

Particulars	Cost				Rate of Dep.	Depreciation				W.D.V. as at 30.06.18
	Opening Balance as at 01.07.17	Additions during the year	Adjustment during the year	Total as at 30.06.18		Opening Balance as at 01.07.17	Charged during the year	Adjustment during the year	Total as at 30.06.18	
System Hardware	12,400,084	-	-	12,400,084	18%	9,265,681	564,193	-	9,829,874	2,570,210
Furniture & Fixture	637,019	-	-	637,019	10%	498,919	13,810	-	512,729	124,290
Office Renovation	1,625,370	-	-	1,625,370	18%	1,472,582	27,502	-	1,500,084	125,286
Sundry Assets	86,212	-	-	86,212	10%	61,439	2,477	-	63,916	22,296
Books & Periodicals	73,226	-	-	73,226	10%	58,102	1,512	-	59,614	13,612
A. C. Installation	256,790	-	-	256,790	18%	243,882	2,323	-	246,205	10,585
Electric Installation	150,494	-	-	150,494	18%	143,463	1,266	-	144,729	5,765
Peripheral Equipment	4,754,188	-	-	4,754,188	15%	3,987,832	114,953	-	4,102,785	651,403
Software Development	28,002,242	83,054	-	28,085,296	15%	24,188,284	580,228	-	24,768,512	3,316,784
Telephone & Installation	1,800,785	-	-	1,800,785	15%	1,591,206	31,437	-	1,622,643	178,142
Auto Generator	601,190	6,011	-	607,201	15%	552,371	8,112	-	560,483	46,719
Crockeries & Cutlaries	4,080	-	-	4,080	15%	3,393	103	-	3,496	585
Sub Total	**50,391,680**	**89,065**	**-**	**50,480,745**		**42,067,153**	**1,347,916**	**-**	**43,415,069**	**7,065,676**

AMARSTOCK

Fixed Assets Schedule

For the year ended June 30, 2018

Unit - 3 (IPTSP) **Schedule - A/3**

Particulars	Cost				Rate of Dep.	Depreciation				W.D.V. as at 30.06.18
	Opening Balance as at 01.07.17	Additions during the year	Adjustment during the year	Total as at 30.06.18		Opening Balance as at 01.07.17	Charged during the year	Adjustment during the year	Total as at 30.06.18	
System Hardware	16,134,923	3,084,900	-	19,219,823	18%	8,815,357	1,540,677	-	10,356,034	8,863,789
Furniture & Fixture	22,850	-	-	22,850	10%	4,918	1,793	-	6,711	16,139
Motor Vehicles	-	1,781,000	-	1,781,000	15%	-	155,838	-	155,838	1,625,162
Telephone Instalation-IP	1,275,916	258,695	-	1,534,611	15%	364,109	148,187	-	512,296	1,022,315
Software Development	4,109,305	20,500	-	4,129,805	15%	2,662,681	217,506	-	2,880,187	1,249,618
Electric Installation	21,180	-	-	21,180	15%	13,591	1,138	-	14,729	6,451
Radio Equipment	29,638	-	-	29,638	18%	17,121	2,253	-	19,374	10,264
Sub Total	**21,593,812**	**5,145,095**	**-**	**26,738,907**		**11,877,777**	**2,067,392**	**-**	**13,945,169**	**12,793,738**
Grand Total as at 30/06/2018	**715,031,916**	**48,467,390**	**-**	**763,499,306**		**371,110,231**	**46,520,850**	**-**	**417,631,081**	**345,868,225**
Grand Total as at 30/06/2017	**670,042,344**	**44,989,572**	**-**	**715,031,916**		**323,680,460**	**47,429,773**	**-**	**371,110,233**	**343,921,683**

Alamy Stock

Ageing Summary of Bill Receivable **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 :							
Broad Band Internet & Others	8,662,968	2,117,000	756,604	(846,724)	3,515,575	18,012,345	32,217,768
Data Connectivity	25,089,207	6,999,778	2,269,214	1,109,989	1,163,574	34,707,582	71,339,344
Sub Total-A	**33,752,175**	**9,116,778**	**3,025,818**	**263,265**	**4,679,149**	**52,719,927**	**103,557,112**
Hardware/ Switch :							
Switch, Router, Hardware etc	156,750	88,000	-	-	-	1,540,343	1,785,093
Fiber Optic	-	-	-	-	-	103,121	103,121
Sub Total- B	**156,750**	**88,000**	-	-	-	**1,643,464**	**1,888,214**
IP Telephone Service :							
Monthly Rent	4,707,438	881,034	1,059,045	646,435	845,522	6,338,439	14,477,913
Inter Connectivity Charges	1,620,073	435,067	163,400	196,772	177,060	1,209,812	3,802,184
Equipment/ IPT Set	-	-	-	-	-	433,177	433,177
Sub Total- C	**6,327,511**	**1,316,101**	**1,222,445**	**843,207**	**1,022,582**	**7,981,428**	**18,713,274**
Web Page, Software & Data Transmit :							
Software Development	1,037,616	328,276	73,150	12,364	73,150	580,612	2,105,168
Domain Hosting & Registration	2,357,768	348,294	180,500	171,000	151,970	766,831	3,976,363
AVLS	4,325,867	1,508,378	1,772,512	1,789,074	2,719,907	10,464,390	22,580,128
Graphics Design	109,025	26,184	34,313	11,006	52,651	2,071,556	2,304,735
Sub Total-D	**7,830,276**	**2,211,132**	**2,060,475**	**1,983,444**	**2,997,678**	**13,883,389**	**30,966,394**
Grand Total (A+B+C+D)	**48,066,712**	**12,732,011**	**6,308,738**	**3,089,916**	**8,699,409**	**76,228,208**	**155,124,994**

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

AMARSTOCK

Compliance of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS)

Name of the IAS	IAS 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 of 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 Ventures	28	Applied
Interest in Joint Ventures	31	N/A
Financial Instrument: 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	N/A
Financial Instrument: Recognition and Measurement	39	Applied
Investment Property	40	Applied
Agriculture	41	N/A
Name of the IFRS	**IFRS no**	**Status**
First Time Adoption of International Financial Reporting Standards	1	Applied
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	Applied
Financial Instruments	9	Applied
Consolidated Financial Statements	10	Applied
Joint Arrangements	11	Applied
Disclosure of Interests in Other Entities	12	Applied
Fair Value Measurement	13	Applied
Regulatory Deferral Accounts	14	N/A
Revenue from Contracts with Customers	15	Applied


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