

Auditors' Report and Financial Statements

of

"BDCOM ONLINE LTD."

JL Bhaban (5th Floor)
House # 01, Road # 01
Gulshan-1, Dhaka-1212

For the year ended June 30, 2020

Audited By :



AHMED ZAKER & Co.
CHARTERED ACCOUNTANTS

CDGGI
INDEPENDENT MEMBER

“BDCOM ONLINE LTD.”

JL Bhaban (5th Floor)
House # 01, Road # 01
Gulshan-1, Dhaka-1212

For the year ended June 30, 2020

AUDITOR:

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AHMED ZAKER & CO, Chartered Accountants
Green City Edge (Level-10), 89 Kakrail, Dhaka-1000 Tel: 88-2-8300504-3,
Fax: 88-2-8300509, E-mail: azcbangladesh@gmail.com.



Independent Auditor's Report

To the Shareholders of BDCOM ONLINE LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **BDCOM ONLINE LTD.** (the 'Company'), which comprise the statement of financial position as at 30 June, 2020 and the 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give true and fair view of the financial position of BDCOM ONLINE LTD. as at 30 June, 2020 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in our audit
<p>Appropriateness of revenue recognition and disclosures on the impact of the initial application of IFRS 15.</p>	
<p>See Notes-22 to the financial statements</p>	
<p>Revenue upon transfer of control as per the newly adopted IFRS 15 – Revenue from Contracts with Customers. The Group has reported total revenue of BDT 640,316,797.</p> <p>The Company's primary customers are its corporate customers who are entitled to get competitive rates for goods and services invoiced.</p> <p>Given the significance and complexities involved in the accounting of Revenue, appropriate recognition of revenue has been considered as a key audit matter.</p>	<p>Principal Audit Procedures</p> <p>We assessed the Company's process to identify the impact of the revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> Assessed the environment of the measurement as well as other relevant systems supporting the accounting of revenue. Assessed manual as well as application controls supporting revenue recognition.

	<ul style="list-style-type: none"> Assessed the invoicing and measurement systems up to entries in the general ledger. Examined customer invoices and receipts of payment on a test basis. Assessed the design of the processes set up to account for the transactions in accordance with the new standard. Assessed whether any adjustments is required to be made to opening balances due to the adoption of the new standard.
Key audit matter	
Recoverability of trade receivables	How the matter was addressed in our audit
<p>Refer to notes- 8 to the financial statements of the related accounting policies, judgments and estimates.</p> <p>As at 30 June,2020 the total receivables balance in note 8 was Taka 194,083,980 (2019: Taka 160,353,923).</p> <p>The recoverability of trade receivables and the level of provisions for bad debts are considered to be a key risk due to the significance of these balances to the financial statements, and the judgments required in making appropriate provisions.</p>	<p>In order to test the recoverability of trade receivables, we performed the following procedures:</p> <ul style="list-style-type: none"> We evaluated the company's credit control procedures and assessed and validated the ageing profile of trade receivables; We assessed recoverability on a sample basis by reference to cash received subsequent to year-end, agreement to the terms of the contract in place, and issue of credit notes post year-end, as necessary; We considered the appropriateness of judgments regarding provisions for trade receivables and assessed whether these provisions were calculated in accordance with the company's policies and obtaining supporting evidence as necessary. <p>We communicate management as to the recoverability of the older, un provided amounts, corroborating management's explanations with underlying documentation and correspondence with the customer.</p> <p>Based upon the above, we satisfied ourselves that management had taken reasonable judgments that were materially supported by the available evidence in respect of the relevant receivable balances.</p>
Key audit matter	
Property, plant and equipment (PPE)	How the matter was addressed in our audit
See Notes-03 to the financial statements	
<p>PPE includes the Company's long-term assets, which flow economic benefits to the entities more than one year. PPE is measured at cost less accumulated depreciation. The carrying value of PPE represents significant portion of total assets, which is amounting to Tk.</p>	<p>We have tested the design and operating effectiveness of key controls over PPE. Our audit procedures included, among others, considering the impairment risk of the assets. Followings are our audit procedures on the carrying value and impairment risk of PPE:</p>

<p>352,797,272 for the Company at the reporting date.</p> <p>The carrying value of PPE is Include Asset Addition during the year is Tk.40,902,954 the function of depreciation charges on cost that involved estimation. Therefore, it has been considered as significant area of auditor's judgment and require special attention.</p>	<ul style="list-style-type: none"> - Reviewing basis of recognition, measurement of assets; - Observing procedures of assets acquisition, depreciation and disposal; - Checking ownership of the asset's addition; - Performing due physical asset verification on sample basis at the year-end; - Checking estimated rates of depreciation being used and assessed its fairness; - Evaluating the Company's assumptions in relation to recoverable amounts of the major PPE to identify if there is any requirement of recognition of impairment; and - Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards. <p>Our testing did not identify any issues with regard to Carrying Value of PPE.</p>
<p>Key audit matter</p>	
<p>Deferred Tax</p>	<p>How the matter was addressed in our audit</p>
<p>The Company's reports net Deferred Tax Liability (DTL) totaling Taka 15,727,667as at 30 June, 2020.</p> <p>Significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years.</p> <p>The disclosures relating to Deferred Tax are included in note 17 to the financial statements</p>	<ul style="list-style-type: none"> • We obtained an understanding, evaluated the design and tested the operational effectiveness of the Institution's key controls over the recognition and measurement of DTLs and the assumptions used in estimating the Company's future taxable income. • We also assessed the completeness and accuracy of the data used for the estimations of future taxable income. • We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTLs. • Finally assessed the appropriateness and presentation of disclosures against "IAS-12" Income Tax

Other Matter

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual report but does not include the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such

disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statements of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred was for the purposes of the Company's business.



AKM Mohitul Haq FCA
Senior Partner
Ahmed Zaker & Co
Chartered Accountants

Location: Dhaka
Date: October 28, 2020

BDCOM ONLINE LTD.
Statement of Financial Position
As at June 30, 2020


Particulars	Notes	Amount in Taka	
		30.06.2020	30.06.2019
ASSETS:			
A. Non-Current Assets		432,966,013	390,709,147
Property, Plant and Equipment	3	352,797,272	361,786,235
Right of use of asset	3.01	26,119,611	-
Long Term Deposit & Prepayment	4	54,049,130	28,922,912
B. Current Assets		689,033,450	606,194,803
Inventories	5	18,107,215	19,766,333
Advances, Deposits & Prepayments	6	27,996,826	20,635,949
Advance Income Tax	7	32,461,354	36,668,911
Trade Receivables	8	194,083,980	160,353,923
Other Receivables	9	16,780,333	11,278,193
Investment in Shares (at Market Value)	10	4,408,574	8,116,870
Investment in FDR	11	329,051,793	305,803,898
Cash and Cash Equivalents	12	66,143,375	43,570,726
TOTAL ASSETS (A+B)		1,121,999,463	996,903,950
SHAREHOLDERS' EQUITY AND LIABILITIES:			
C. Shareholders' Equity:		812,257,437	778,162,472
Share Capital	13	517,791,380	488,482,430
Share Premium	14	119,504,000	119,504,000
Tax Holiday Reserve		21,555,878	21,555,878
AFS Reserve	28	-	(4,044,667)
Retained Earnings	15	153,406,179	152,664,831
D. Non- Current Liabilities:		46,666,244	21,407,846
Long Term Bank Loan	16	6,880,523	6,965,130
Lease Liability	16.01	24,058,054	-
Deferred Tax Liabilities	17	15,727,667	14,442,716
E. Current Liabilities:		263,075,782	197,333,632
Trade Payables	18	161,642,854	103,486,683
Other Payables	19	49,810,563	36,660,783
Provision for Income Tax	20	18,153,452	25,939,774
Short Term Bank Loan	21	33,468,913	31,246,392
TOTAL EQUITY & LIABILITIES (C+D+E)		1,121,999,463	996,903,950
Net Assets Value (NAV) Per Share	33	15.69	15.93

The accompanying policies and explanatory notes 1-34 form an integral part of these Financial Statements.


 Chife Financial Officer


 Company Secretary


 Managing Director


 Director


 Chairman

Signed in terms of our separate report on same date.

Dhaka

Date: October 28, 2020


 Ahmed Zaker & Co.
 Chartered Accountants

BDCOM ONLINE LTD.
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2020

Particulars	Notes	Unit-1 ISP	Unit-2 SDP	Unit-3 IPTSP	Amount in Taka	
					2019-2020	2018-2019
Revenue	22	551,590,897	42,160,456	46,565,444	640,316,797	602,099,425
Cost of Sales & Services	23	(281,160,070)	(13,908,654)	(12,480,041)	(307,548,765)	(258,383,351)
Gross Profit : A		270,430,827	28,251,802	34,085,403	332,768,032	343,716,074
Administrative and Marketing Expenses	24	(182,190,099)	(20,190,496)	(18,028,264)	(220,408,859)	(199,039,336)
Depreciation	3	(46,488,545)	(1,034,336)	(2,369,036)	(49,891,917)	(48,888,118)
Financial Charges	25	(4,170,687)	(156,062)	(24,072)	(4,350,821)	(3,370,808)
Total Expenses : B		(232,849,331)	(21,380,894)	(20,421,372)	(274,651,597)	(251,298,262)
Operating Profit : A-B		37,581,496	6,870,908	13,664,031	58,116,435	92,417,812
Non-Operating Income	26	31,103,386	1,243,647	4,558	32,351,591	31,456,415
Net unrealized Gain/(Loss) on Sales of Shares	27	(8,202,370)	-	-	(8,202,370)	(7,626,488)
Net Profit Before WPP & WF		60,482,512	8,114,555	13,668,589	82,265,656	116,247,739
Contribution to WPP & WF @ 5%		(2,880,120)	(386,408)	(650,885)	(3,917,413)	(5,535,607)
Net Profit before Tax		57,602,392	7,728,147	13,017,704	78,348,243	110,712,132
Income Tax Expense	20	(15,348,581)	(79,095)	(2,725,776)	(18,153,452)	(25,939,774)
Deferred Tax (Expenses)/Income	17	(835,543)	-	-	(835,543)	(923,120)
Net Profit After Tax		41,418,268	7,649,052	10,291,928	59,359,248	83,849,238
Other Comprehensive Income/(Expense):						
Unrealized (Loss)/Gain on Investment in Share					-	3,633,596
Related Deferred Tax					-	(363,360)
Retained Earnings Carried Forward		41,418,268	7,649,052	10,291,928	59,359,248	87,119,474
Basic Earnings Per Share	30				1.15	1.62

The accompanying policies and explanatory notes 1-34 form an integral part of these Financial Statements.




Chief Financial Officer



Company Secretary



Managing Director



Director



Chairman

Signed in terms of our separate report on same date.

Dhaka
 Date: October 28, 2020



Ahmed Zaker & Co.
 Chartered Accountants

BDCOM ONLINE LTD.
Statement of Changes in Equity
For the year ended June 30, 2020

Particulars	Share Capital	Tax Holiday Reserve	Share Premium	AFS Reserve	Retained Earnings	Amount in Taka
						30.06.2020
Balance as on 01.07.2019	488,482,430	21,555,878	119,504,000	(4,044,667)	152,664,831	778,162,472
Net Profit after Tax for the period	-	-	-	-	59,359,248	59,359,248
Adjustment with un-realised loss on sale of security	-	-	-	4,044,667	-	4,044,667
Cash Dividend (6%)	-	-	-	-	(29,308,950)	(29,308,950)
Stock Dividend (6%)	29,308,950	-	-	-	(29,308,950)	-
Balance as on 30.06.2020	517,791,380	21,555,878	119,504,000	-	153,406,179	812,257,437

Particulars	Share Capital	Tax Holiday Reserve	Share Premium	AFS Reserve	Retained Earnings	Amount in Taka
						30.06.2019
Balance as on 01.07.2018	465,221,361	21,555,878	119,504,000	(7,314,903)	124,642,157	723,608,493
Net Comprehensive Income after tax	-	-	-	-	83,849,238	83,849,238
Adjustment against unrealized loss on investment in shares	-	-	-	3,633,596	-	3,633,596
Related Deferred Tax	-	-	-	(363,360)	-	(363,360)
Sustainable Estimated Profit/(Loss) on Marketable Securities	-	-	-	-	-	-
Cash Dividend (7%)	-	-	-	-	(32,565,495)	(32,565,495)
Stock Dividend (5%)	23,261,069	-	-	-	(23,261,069)	-
Balance as on 30.06.2019	488,482,430	21,555,878	119,504,000	(4,044,667)	152,664,831	778,162,472



Chife Financial Officer



Company Secretary



Managing Director



Director



Chairman

Signed in terms of our separate report on same date.

Dhaka
 Date: October 28, 2020



Ahmed Zaker & Co.
 Chartered Accountants

BDCOM ONLINE LTD.
Statement of Cash Flows
For the year ended June 30, 2020

Particulars	Amount in Taka	
	2019-2020	2018-2019
A. Cash flows from operating activities:		
Receipts from sales, services & others	606,586,740	582,007,925
Bank Interest - STD & Others	769,200	656,855
WPP & WF payment	(5,535,607)	(4,757,293)
Payment of Income Tax & VAT	(21,732,217)	(27,033,210)
Cash payment to suppliers & others	(493,638,664)	(484,618,425)
Net cash provided by/(used in) operating activities	86,449,452	66,255,852
B. Cash flows from investing activities:		
Acquisition of Property, plant & equipment	(40,902,954)	(64,806,128)
FDR Interest received	25,930,858	27,310,200
Dividend on Marketable Securities	108,820	137,000
Investment in Fixed Deposit Receipt (FDR)	(23,247,895)	1,124,908
Investment in Marketable Securities	-	(764,512)
Long Term Security Deposit	520,800	558,910
Net cash provided by/(used in) investing activities	(37,590,371)	(36,439,622)
C. Cash flows from financing activities:		
Cash Dividend	(28,464,919)	(31,015,299)
Long Term Loan	(84,607)	6,965,130
Short Term Loan	2,222,521	5,176,328
Net cash provided by/(used in) financing activities	(26,327,005)	(18,873,841)
D. Effect of exchange rate changes in cash and cash equivalents	40,573	57,480
	40,573	57,480
Net increase/ (decrease) in cash & cash equivalents (A+B+C+D)	22,572,649	10,999,869
Cash & Cash Equivalents at the beginning of the year	43,570,726	32,570,857
Cash & Cash Equivalents at the end of the year	66,143,375	43,570,726

Net Operating Cash Flows Per Share (NOCFPS) Note-32.00 1.67 1.36

 **Chife Financial Officer**
  **Company Secretary**
  **Managing Director**
  **Director**
  **Chairman**

Signed in terms of our separate report on same date.

Dhaka
 Date: October 28, 2020


Ahmed Zaker & Co.
 Chartered Accountants

BDCOM ONLINE LTD.
Notes to the Financial Statements
For the year ended June 30, 2020

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

1.02 Registered office:

Registered office of the company is Rangs Nilu Square (5th Floor), House # 75 , Road # 5/A , Satmosjid Road, Dhanmondi R/A, Dhaka-1209. Currently the company is situated at JL Bhaban (5th Floor), House # 01, Road # 01, Gulshan-1, Dhaka-1212.

1.03 Nature of Business:

The Company is primarily engaged as an Internet Service Provider (ISP) in Bangladesh which includes 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, Web Page Software Design & Hosting, IP Telephony Services (IPTSP), IPPBX Solutions, Hosted Conference Bridge, Short Code Parking, Fiber Optic, Machinery and Hardware Sales.

2.00 Basis of Preparation:

2.01 Statement of Compliance:

These Financial Statements of the Company have been prepared on going concern basis under the historical cost convention and in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other relevant laws and rules applicable in Bangladesh for this company.

2.02 Going Concern:

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

2.03 Cash Flows Statement:

Cash Flows Statement is prepared in accordance with IAS 7 "Cash Flows Statement" and the cash flows from the operating activities has been presented under direct method.

2.04 Reporting period and date of approval:

These financial statements cover a period of one year from July 01, 2019 to June 30, 2020. The Board of Directors has approved these financial statements on October 28, 2020.

2.05 Functional and presentational currency:

These financial statements are presented in Bangladesh Taka (BDT), which is both functional and presentational currency of the Company.

2.06 Revenue Recognition:

Under IFRS-15, The entity should recognize revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

IFRS 15 is a 5-steps approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Revenue is recognized when control over the goods or services is transferred to the customer and the company satisfies a performance obligation by transferring a promised goods or service to a customer over time or a point in time.

2.07 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 and those are used by the company for its short-term commitments.

Property, Plant and Equipment

Recognition and Measurement

Property, Plant and Equipment are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation and the capital work in progress (when arises) is stated at cost in compliance with the requirements of 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 of inward freight, duties and non-refundable taxes.

Maintenance activities

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

Subsequent Expenditure

Expenditure incurred after putting any asset 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 it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the asset such expenditure is capitalized as an additional cost of assets. All up-generation/enhancement are generally charged off as expenditure unless they bring similar significant additional benefits.

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 it is determined with reference to the net book value of the assets and net sales proceeds.

Depreciation is charged on Property, Plant & Equipment at the following rates on reducing balance method. Depreciation has been charged in addition of fixed assets when it is available for use.

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%	-
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.

Long Term Security Deposit & Prepayment

These amounts (Note No-04) were deposited with BTCL, BEZA and others in connection with telephone lines, bandwidth, E1 and others.

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.

Trade Receivable

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

Trade Payable

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

2.08 Provision for Current & Deferred Tax :

Provision for current tax has been made in compliance with the Income Tax Ordinance 1984, IAS-12 "Income Taxes" and as per rates prescribed in the Finance Act 2019 on the taxable profit made by the company after considering necessary taxable add or backs of income and disallowances or allowances of expenditure.

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. The deferred tax liability/asset or deferred tax expense/income does not create a legal liability/ recoverability to and from the income tax authority. This is recognized for book purpose as equalization item presented in the financial statements to show the retained earnings as a consistent reflection of the business events.

2.09 Dividend Payments

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

2.10 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	2019-2020	2018-2019
a)	Earnings attributable to the ordinary	59,359,248	83,849,238
b)	Number of Ordinary Shares.	51,779,138	51,779,138
c)	Earning Per Share	1.15	1.62

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.

2.11 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.

2.12 Foreign Currency Transactions:

According to IAS 21 "The Effect of Changes in Foreign Exchange Rates" transactions in foreign currencies are recorded in the functional currency at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange prevailing at the reporting date. Any resulting exchange differences are included in the Statement of Profit or Loss Account.

2.13 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 has 3 business segments namely Unit-1 for internet, data connectivity, hardware and other IT enabled services, Unit-2 for software development, graphic design, AVLS support and service, web development, domain registration, domain hosting and finally Unit-3 for IP telephony services and goods.

2.14 Investment in securities

Investment in shares are treated as financial asset as per IAS 32: "Financial Instruments: Presentation", classified as financial asset at fair value through profit and loss as per IFRS 9: "Financial Instruments: Recognition and Measurement" and recognized at cost plus transaction costs that are directly attributable to the acquisition of the shares. After initial recognition, A financial asset is classified as fair value through profit or loss if it is classified as held-for-trading or designated as such on initial recognition. A financial asset is designated as fair value through profit or loss if the company manages such investments and make purchase and sale decisions based on their fair value in accordance with company's documented risk management or investment strategy. Financial assets at fair value through profit or loss are measured at fair value.

2.15 Accounting for investment in leases

IFRS 16 requires as lessees to adopt a uniform approach to the presentation of leases. Correspondingly, assets must be recognized for the right of use received and liabilities must be recognized for payment obligations entered into for all leases. The Company currently expects to transition to IFRS 16 in accordance with the modified retrospective approach. For leases that have to date been classified as operating leases in accordance with IAS 17, the lease liability will be carried at the present value of the remaining lease payments, discounted using the lessees incremental borrowing rate at the time the standard is first applied. The right-of-use asset will generally be measured at the amount of the lease liability.

2.16 Impairment:

An impairment loss is the amount by which the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset or a CGU is the higher of its fair value less costs to sell and its value in use. Impairment loss of non-financial assets as mentioned in the IAS-36 "Impairment of Assets" is recognized and charged as an expense (unless it relates to a revalued asset where the impairment loss is treated as a revaluation decrease) whenever recoverable amount is below carrying amount. During year company has no indication of impairment of assets.

2.17 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.



2.18 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-34**.

2.19 Events after the Reporting date:

IAS 10, Events After the Reporting Period stipulates the accounting and disclosure requirements concerning transactions and events that occur between the reporting date and the date of approval of the financial statements. Among other things, IAS 10 determines when an event that occurs after the reporting date will result in the financial statements being adjusted, or where such events merely require disclosure within the financial statements. Such events are referred to in IAS 10 as 'adjusting' or 'non-adjusting' events.

A) Adjusting Event is an event after the reporting period that provides further evidence of conditions that existed at the end of the reporting period

B) Non-adjusting events are those which are indicative of conditions that arose after the reporting period.

C) The Board of Directors of BDCOM Online Ltd. has recommended 5% cash and 5% stock dividend for the year 2019-20 in their meeting held at the Company's head office on October 28, 2020 which may be confirmed in the next 24th Annual General Meeting (AGM) by the shareholders. The 24th Annual General Meeting (AGM) will be held on Thursday the December 17, 2020 at 11.00 a.m. through Digital Platform.

Reasons for Bonus shares declaration:

a) 5% Bonus shares amount will be utilized for the network expansion.

b) The bonus shares is declared out of accumulated profit.

c) The bonus share is not declared from capital reserve or revaluation reserve or any unrealized gain or out of profit earned prior to incorporation of the company or through reducing paid up capital or through doing anything so that the post-dividend retained earnings become negative or a debit balance.

2.20 Application of International Accounting Standards (IASs):

IAS- 1	Presentation of Financial Statements
IAS- 2	Inventories
IAS- 7	Statement of Cash Flows
IAS- 8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS- 10	Events after the Reporting Period
IAS- 12	Income Taxes
IAS- 16	Property, Plant and Equipment
IAS- 19	Employees Benefit
IAS- 23	Borrowing Cost
IAS- 24	Related Party Disclosure
IAS- 32	Financial Instruments Presentation
IAS- 37	Provisions, Contingent Liabilities and Contingent Assets
IAS- 39	Financial Instruments : Recognition and Measurement

- IFRS- 7 Financial Instruments : Disclosures
 IFRS- 13 Fair Value Measurement
 IFRS- 15 Revenue from Contracts with Customers
 IFRS- 16 Leases

2.21 Components of the Financial Statements

- Statement of Financial Position as at June 30, 2020;
- Statement of Profit or Loss and Other Comprehensive Income for the year ended June 30, 2020;
- Statement of Changes in Equities for the year ended June 30, 2020;
- Statement of Cash Flows for the year ended June 30, 2020;
- Accounting policies and explanatory Notes to the Financial Statements for the year ended June 30, 2020.

2.22 Employee Summary

Sl.	Particulars	June 30, 2020	June 30, 2019
a)	Managers & Officers	252	237
b)	Office Assistant, Cableman & Others	229	217
	Total	481	454

2.23 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. These contributions are duly deposited to separate bank account and invested according to prescribed guide line of Bangladesh Labor Law.

B) Insurance

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

C) 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 Bangladesh Labor Amendment Act 2013 and is payable to workers as defined in these Laws.

2.24 Financial risk management

The 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 adjust with the changes in market conditions and the company's Activities. The company has exposure to the following risks with regard to financial instruments.

- Credit risk
- Liquidity risk
- Market risk

Credit risk

Credit risk is the risk of financial loss to the company if a customer or a counterpart to a financial

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 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 based on time line of payment of the financial obligation and accordingly arrange 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

a) Currency risk

As at June 30, 2019 there was little exposure to currency risk as there were very few 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. Interest rate fluctuation probability is very minimal and within tolerable range. The company has been not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

2.25 Comparative Information:

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.

2.26 General

i) 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".

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

3.00 Property Plant and Equipment :

The break up of the amount is as follows:

Particulars	Unit-1 Taka	Unit-2 Taka	Unit-3 Taka	Amount in Taka	
				2019-2020	2018-2019
A) Cost:					
Opening Balance	748,879,638	50,789,256	28,636,540	828,305,434	763,499,306
Addition during the year	37,153,977	339,300	3,409,677	40,902,954	64,806,128
Less: Adjustment during the year	-	-	-	-	-
Closing Balance	786,033,615	51,128,556	32,046,217	869,208,388	828,305,434
B) Accumulated Depreciation:					
Opening Balance	405,751,738	44,568,090	16,199,371	466,519,199	417,631,081
Add: Charged during the year	46,488,545	1,034,336	2,369,036	49,891,917	48,888,118
Less: Adjustment during the year	-	-	-	-	-
Closing Balance	452,240,283	45,602,426	18,568,407	516,411,116	466,519,199
WDV 30/06/2020(A-B)	333,793,332	5,526,130	13,477,810	352,797,272	-
WDV 30/06/2019(A-B)	343,127,900	6,221,166	12,437,169	361,786,235	361,786,235

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

3.01 Right of use of Assets

Right of use of Assets	26,119,611	-
	26,119,611	-

IFRS 16 requires as lessees to adopt a uniform approach to the presentation of leases. Correspondingly, assets must be recognized for the right of use received and liabilities must be recognized for payment obligations entered into for all leases.

4.00 Long term deposit & prepayment :

The break up of the amount is as follows:

Particulars	2019-2020	2018-2019
BTCL for telephone line	5,000	5,000
Security against bandwidth (BTCL & others)	142,065	142,065
Security against E1 & others (BTCL)	35,084	35,084
Prepayment to BEZA	51,202,981	25,555,963
Others deposit	2,664,000	3,184,800
Total Taka	54,049,130	28,922,912

5.00 Inventories :

The break up of the amount is as follows:

Particulars	Notes	2019-2020	2018-2019
Accessories	Notes- 5.01	181,384	291,247
GLP & GPRS modem & Accessories	Notes- 5.02	4,177,386	4,587,513
IP telephony hardware	Notes- 5.03	2,744,735	3,177,014
Modem, Media converter & Concentrators		1,052,508	1,128,380
Switch, Router, Equipments & Others		5,774,233	7,424,800
Stationery		19,037	27,292
Fiber optic cable		1,129,290	278,422
Radio equipment		3,028,642	2,851,665
Total Taka		18,107,215	19,766,333

5.01 Accessories :

The break up of the amount is as follows:

Particulars	2019-2020	2018-2019
Broadband Accessories	119,262	250,486
UTP Cable	62,122	40,761
Total Taka	181,384	291,247

5.02 GLP, GPRS modem & Accessories :

The break up of the amount is as follows:

Particulars	2019-2020	2018-2019
Geographical Location Platform (GLP)	4,177,386	4,587,513
Total Taka	4,177,386	4,587,513

5.03 IP telephony hardware :

The break up of the amount is as follows:

Particulars

IP Telephone set

IP Telephony Equipment

Total Taka

Amount in Taka	
2019-2020	2018-2019
2,278,932	2,738,011
465,803	439,003
2,744,735	3,177,014

6.00 Advances, Deposits & Pre-payments :

The break up of the amount is as follows:

Particulars
A) Advances :

Against Salary

Advance to suppliers and others

Advance Vat

Advance for Material

Total

2,665,139	2,236,641
7,430,817	3,947,080
4,967,515	3,072,173
2,931,257	2,643,006
17,994,728	11,898,900

B) Deposits :

Security deposit / Earnest money

Total

9,504,836	8,296,709
9,504,836	8,296,709

C) Pre-payments
Total (A+B+C)

497,262	440,340
27,996,826	20,635,949

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 :

The break up of the amount is as follows:

Particulars

Opening balance

Add: Addition during the year

Notes- 7.01

Less: Adjustment for the year IY-2018-19

Total Taka

36,668,911	22,629,741
21,732,217	27,033,210
58,401,128	49,662,951
(25,939,774)	(12,994,040)
32,461,354	36,668,911

7.01 Advance income Tax:

The break up of the amount is as follows:

Particulars

Tax deducted on interest income

Tax deducted on supply & sales and others

Total Taka

2,706,693	2,629,130
19,025,524	24,404,080
21,732,217	27,033,210

8.00 Trade Receivables :

The break up of the amount is as follows:

Particulars

Internet & Data Service

Notes- 8.01

IP Telephone Service

Notes- 8.02

Web page, Software & Data Transmit

Notes- 8.03

Hardware, Switch & Others

Notes- 8.04

Total Taka

135,051,855	115,134,898
22,609,488	13,323,106
35,561,686	30,218,289
860,951	1,677,630
194,083,980	160,353,923

 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

Corporate Internet

Notes- 8.01.01

Broad Band Internet

Data Connectivity

Notes- 8.01.02

Total Taka

33,909,258	24,186,190
8,496,897	6,835,410
92,645,700	84,113,298
135,051,855	115,134,898

8.01.01 Corporate Internet :

The break up of the amount is as follows:

Particulars

 Corporate Internet
 Less: Provision for Bad & Doubtful Debts
Total Taka

Amount in Taka	
2019-2020	2018-2019
33,909,258	30,305,683
-	(6,119,493)
33,909,258	24,186,190

8.01.02 Data Connectivity :

The break up of the amount is as follows:

Particulars

 Data Connectivity
 Less: Provision for Bad & Doubtful Debts
Total Taka

92,645,700	84,778,494
-	(665,196)
92,645,700	84,113,298

8.02 IP Telephone Service :

The break up of the amount is as follows:

Particulars

 Monthly rent & others
 Inter-Connectivity
Total Taka

Notes- 8.02.01

15,645,248	10,205,079
6,964,240	3,118,027
22,609,488	13,323,106

8.02.01 Monthly Rent & Others :

The break up of the amount is as follows:

Particulars

 Monthly rent & others
 Less: Provision for Bad & Doubtful Debts
Total Taka

15,645,248	11,522,679
-	(1,317,600)
15,645,248	10,205,079

8.03 Web page, Software & Data Transmit :

The break up of the amount is as follows:

Particulars

 Software Development
 Domain Hosting & Registration
 AVLS
 Graphics Design
Total Taka

Notes- 8.03.01

Notes- 8.03.02

Notes- 8.03.03

Notes- 8.03.04

65,714	65,712
4,248,679	3,734,212
30,632,357	25,508,802
614,936	909,563
35,561,686	30,218,289

8.03.01 Software Development :

The break up of the amount is as follows:

Particulars

 Software Development
 Less: Provision for Bad & Doubtful Debts
Total Taka

65,714	475,031
-	(409,319)
65,714	65,712

8.03.02 Domain Hosting & Registration :

The break up of the amount is as follows:

Particulars

 Domain Hosting & Registration
 Less: Provision for Bad & Doubtful Debts
Total Taka

4,248,679	4,257,537
-	(523,325)
4,248,679	3,734,212

8.03.03 AVLS :

The break up of the amount is as follows:

Particulars

 AVLS
 Less: Provision for Bad & Doubtful Debts
Total Taka

30,632,357	27,970,162
-	(2,461,360)
30,632,357	25,508,802

8.03.04 Graphics Design :

The break up of the amount is as follows:

Particulars

 Graphics Design
 Less: Provision for Bad & Doubtful Debts
Total Taka

614,936	2,582,691
-	(1,673,128)
614,936	909,563

Amount in Taka	
2019-2020	2018-2019

8.04 Hardware, Switch & Others :

The break up of the amount is as follows:

Particulars

 Hardware, Switch & Others
 Less: Provision for Bad & Doubtful Debts
Total Taka

860,951	1,885,150
-	(207,520)
860,951	1,677,630

9.00 Others Receivables :

The break up of the amount is as follows:

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	Amount in Taka	
				2019-2020	2018-2019
FDR Interest Receivables	16,678,457	101,876	-	16,780,333	11,278,193
Total Taka	16,678,457	101,876	-	16,780,333	11,278,193

10.00 Investment In Share (At market value):

The break up of the amount is as follows:

Particulars

 AB Bank Limited
 IFADAUTOS
 AGISYSL
 Saif Powertec Limited
Total Taka

981,750	1,443,750
2,541,000	5,352,600
737,000	1,111,000
148,824	209,520
4,408,574	8,116,870

11.00 Investment in FDR :

The break up of the amount is as follows:

Particulars

Prime Bank Ltd	2127418012614
Prime Bank Ltd	127419010187
Prime Bank Ltd	2127416004761
Eastern Bank Ltd.	1084980177164
Bank Asia Ltd.	2155008365
IDLC Finance td.	11253117203701
IDLC Finance td.	11254717203701
IDLC Finance td.	11252217203702
IDLC Finance td.	11252217203703
IFIC Bank Ltd.	0000509038200
IFIC Bank Ltd.	1025509038203
IFIC Bank Ltd.	1025509038202
IFIC Bank Ltd.	1006522930201
IFIC Bank Ltd.	1025509038204
IFIC Bank Ltd.	1025509038205
Exim Bank Ltd.	2860100371355
IPDC Finance Ltd.	000121000001136
IPDC Finance Ltd.	000121000001139
Uttara Finance & Invest.Ltd.	0100120059314
Uttara Finance & Invest.Ltd.	0100120019615
Uttara Finance & Invest.Ltd.	0100120019815
Uttara Finance & Invest.Ltd.	0100120025615
Uttara Finance & Invest.Ltd.	0100360000515
Uttara Finance & Invest.Ltd.	0100120006418
Delta Brac Husing & Finance Ltd.	71000182218
NRB Commercial Bank Ltd.	011171200000036
NRB Commercial Bank Ltd.	011171200000024
NRB Commercial Bank Ltd.	011171200000037
NRB Commercial Bank Ltd.	011147600000003

2,791,914	2,637,313
2,504,173	2,335,982
11,036,541	10,413,836
-	2,702,500
16,172,345	15,046,830
-	7,151,828
-	6,049,135
5,486,722	-
25,674,865	-
25,200,000	25,200,000
33,544,000	28,000,000
10,078,004	9,265,000
7,845,726	7,212,803
14,093,949	-
15,050,000	-
6,869,051	6,367,603
48,694,492	44,308,000
15,855,383	14,427,100
7,557,491	7,557,491
6,877,135	6,877,135
27,498,780	27,498,780
6,758,167	6,228,160
6,481,500	6,481,500
-	23,244,000
7,050,000	-
-	6,758,682
-	4,051,232
-	6,758,682
-	6,433,200

Union Bank Limited	0622060000344
Lanka Bangla Finance Ltd.	001022800000127
Lanka Bangla Finance Ltd.	001029400000001
Lanka Bangla Finance Ltd.	0010228000000760
Total Taka	

Amount in Taka	
2019-2020	2018-2019
-	5,000,000
6,790,850	5,959,500
7,303,099	-
11,837,606	11,837,606
329,051,793	305,803,898

12.00 Cash and Cash Equivalent :

The break up of the amount is as follows:

Particulars

Cash in Hand	
Cash at Bank	
Cash Available in BD-Smartpay	
Cash Available in SSL	
Cash Available in bkaash	
Cash Available in BO Account (Daulatunnessa Equities Ltd.)	
Total Taka	

Notes- 12.01

1,190,037	92,060
64,515,018	43,315,822
153,807	73,262
56,081	-
138,850	-
89,582	89,582
66,143,375	43,570,726

12.01 Cash at Bank :

The break up of the amount is as follows:

Particulars
CD Accounts

	Account Numbers
Eastern Bank Ltd.	1061060000757
First Security Bank Ltd.	010811100001575
Sonali Bank Ltd.	001017833
Bank Asia Ltd.	06933000002
Bank Asia Ltd.	02133001275

STD Accounts

Prime Bank Ltd	12732030003986	1,907,809	317,350
Prime Bank Ltd	12732080003998	4,850,248	787,674
Prime Bank Ltd	12731080017622	103,512	102,666
Prime Bank Ltd	12711020027776	3,185,196	2,571,771
Prime Bank Ltd (ERQ)	12751050019650	6,500,880	4,864,068
UCBL	0841301000000255	90,116	126,468
UCBL	0841301000000266	650,267	2,296,261
UCBL	0841301000000277	(45,037)	344
UCBL	0841301000000244	149,711	108,604
Rupali Bank Ltd.	240000338	13,492,423	12,881,067
Pubali Bank Ltd.	3478102001001	19,833,807	14,167,933
Dutch-Bangla Bank Ltd	171120344	6,172,907	855,991
Dutch-Bangla Bank Ltd	1711200002011	3,614,238	2,035,150
Dutch-Bangla Bank Ltd	1000000000130	68,889	9,204
Islami Bank BD. Ltd.	20502050900011812	482,077	27,493
Shahjalal Islami Bank Ltd.	400113100002817	677,590	108,158
Al-Arafah Bank Ltd.	0311220001107	83,934	107,110
Midland Bank Ltd.	0081090000066	420,492	541,673

Total Taka

872,988	358,527
143,498	144,568
354,651	350,491
11,794	12,484
893,028	540,767
1,907,809	317,350
4,850,248	787,674
103,512	102,666
3,185,196	2,571,771
6,500,880	4,864,068
90,116	126,468
650,267	2,296,261
(45,037)	344
149,711	108,604
13,492,423	12,881,067
19,833,807	14,167,933
6,172,907	855,991
3,614,238	2,035,150
68,889	9,204
482,077	27,493
677,590	108,158
83,934	107,110
420,492	541,673
64,515,018	43,315,822

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
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Issued, Subscribed and Paid-up Capital :

51,779,138 Ordinary shares of Taka. 10 each

51,779,138	488,482,430
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13.01 Compositions of Shareholdings

The break up of the amount is as follows:

Particulars	As on 30.06.2020		As on 30.06.2019	
	No. of Shares	% of holdings	No. of Shares	% of holdings
Sponsor/Director	15,535,560	30.00	11,285,192	23.10
Institutions	13,503,721	26.08	14,507,482	29.70
General Public	22,739,857	43.92	23,055,569	47.20
Total Taka	51,779,138	100.00	48,848,243	100.00

Amount in Taka	
2019-2020	2018-2019

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

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

Shareholders Range (in number of Shares)	As on 30.06.2020		As on 30.06.2019	
	Shareholders	No. of Shares	Shareholders	No. of Shares
Less than 500 shares	2,429	344,352	2,444	337,318
500 to 5,000 Shares	2,440	3,883,587	2,234	3,760,142
5001 to 10,000 shares	335	2,387,446	301	2,270,228
10,001 to 20,000 shares	203	2,794,543	210	3,145,954
20,001 to 30,000 shares	73	1,763,496	63	1,584,584
30,001 to 40,000 shares	30	1,037,831	32	1,151,683
40,001 to 50,000 shares	20	891,884	29	1,353,983
50,001 to 100,000 shares	33	2,286,242	44	3,318,271
100,001 to 1,000,000 shares	53	14,694,460	56	15,204,681
Over 1,000,000 shares	9	21,695,297	7	16,721,399
Total Taka	5,625	51,779,138	5,420	48,848,243

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 17.00 (High-Taka.17.00 , Low-Taka.17.00) per share and Taka 17.20 (High-Taka.17.20 Low-Taka.17.20) per share in the Dhaka and Chittagong Stock Exchange respectively as of June 30, 2020.

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
Total Taka		119,504,000

15.00 Retained Earnings

The break up of the amount is as follows:

Particulars		
Opening balance	152,664,831	124,642,157
Add: Net profit after tax during the year	59,359,248	83,849,238
	212,024,079	208,491,395
Less: Stock dividend (FY: 2018-19) @ 6%	(29,308,950)	(23,261,069)
Less: Cash dividend (FY : 2018-19) @ 6%	(29,308,950)	(32,565,495)
	153,406,179	152,664,831

16.00 Long Term Loan :

The break up of the amount is as follows:

Particulars	Account Numbers		
A) Shahjalal Islami Bank Ltd.(Motor Vehicle)	4001 36400000423	7,850,049	9,718,770
Less: Short term		(2,068,898)	(2,753,640)
Total Taka (A)		5,781,151	6,965,130
B) Shahjalal Islami Bank Ltd.(Motor Vehicle)	4001 36400000435	1,336,087	-
Less: Short term		(236,715)	-
Total Taka (B)		1,099,372	-
Total Taka (A+B)		6,880,523	6,965,130

Amount in Taka	
2019-2020	2018-2019

16.01 Lease Liability

Lease Liability

24,058,054

24,058,054

IFRS 16 requires as lessees to adopt a uniform approach to the presentation of leases. Correspondingly, assets must be recognized for the right of use received and liabilities must be recognized for payment obligations entered into for all leases.

17.00 Deferred Tax Liabilities :

The break up of the amount is as follows:

Particulars	Carrying Amount (Tk.)	Tax Base (Tk.)	Taxable/(Deductible) temporary
As at June 30, 2020			
Property, Plant & Equipment (Excluding Land)	325,797,272	259,605,656	66,191,616
Net Taxable Temporary Difference			66,191,616
Applicable Tax Rate			25%
			16,547,904
Add: Deferred Tax Provision on unrealization Loss on Shares			(820,237)
Deferred Tax Liability (A)			15,727,667
Deferred Tax Liability as at June 30, 2020			15,727,667
As at June 30, 2019			
Property, Plant & Equipment (Excluding Land)	334,786,235	272,167,144	62,619,091
Net Taxable Temporary Difference			62,619,091
Applicable Tax Rate			25%
			15,654,773
Add: Deferred Tax Provision on Realization Loss on Shares			(762,649)
Deferred Tax Liability (B)			14,892,124
Unrealized (Loss)/Gain on Investment in shares during the year			(449,408)
Deferred Tax Liability as at June 30, 2019			14,442,716
Deferred Tax (Income)/Expenses (A-B)			1,284,951
Deferred Tax on Unrealized (Loss)/Gain on Investment in shares			(449,408)
Total Deferred Tax (Expenses)/Income			(835,543)

18.00 Trade Payable :

The break up of the amount is as follows:

Particulars

Sundry Creditors

161,642,854 103,486,683

Total Taka
161,642,854 103,486,683
19.00 Others Payable :

The break up of the amount is as follows:

Particulars

Liability for Expenses

Notes- 19.01

12,123,044 10,445,653

Liability for Other Finance

Noted- 19.02

31,981,486 21,353,128

Unpaid Dividend

5,706,033 4,862,002

Total Taka
49,810,563 36,660,783
19.01 Liability for Expenses :

The break up of the amount is as follows:

Particulars

Salaries & Allowances

11,613,412 10,029,006

Outstanding Expenses

394,632 301,647

Audit Fee Payable

115,000 115,000

Total Taka
12,123,044 10,445,653

Amount in Taka	
2019-2020	2018-2019

19.02 Liability for Other Finance :

The break up of the amount is as follows:

Particulars

Tax deducted on Employees Salaries	1,034,807	1,386,870
Employees Provident Fund	13,383,363	5,027,105
Tax deducted at Source	3,468,188	2,629,467
Security Deposit -Broadband	10,350	10,350
Security Deposit -Others	1,071,885	1,047,221
Contribution to WPPWF @ 5%	3,929,274	5,547,468
VAT at Source & Others	692,117	1,280,716
Advance Agst. Sales (Broadband Internet)	940,052	961,035
Advance Agst. Sales (Data Connectivity)	3,148,348	93,713
Advance Agst. Sales (Corporate Internet)	1,528,964	1,246,735
Advance Agst. Sales (Domain & Web Hosting)	278,178	117,992
Advance Agst. Sales (Graphic Design)	15,069	15,069
Advance Agst. Sales (AVLS)	351,811	333,129
Advance Agst. Sales (Monthly Rent/ Tel Call)	2,129,081	1,656,258
Total Taka	31,981,486	21,353,128

20.00 Provision for Income Tax:
Current Tax

Opening Balance

Add : Provision made during the year (Note:20.01)

Add : Short Provision made 2017-18

Less : Adjustment for the AY-2019-20

Closing Balance

Opening Balance	25,939,774	12,994,040
Add : Provision made during the year (Note:20.01)	18,153,452	24,062,458
Add : Short Provision made 2017-18	-	1,877,316
	44,093,226	38,933,814
Less : Adjustment for the AY-2019-20	(25,939,774)	(12,994,040)
Closing Balance	18,153,452	25,939,774

20.01 Current Tax:

The break up of the amount is as follows:

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	Amount in Taka	
				2019-2020	2018-2019
Net Profit Before WPPWF	60,482,512	8,114,555	13,668,589	82,265,656	116,247,738
Less : Contribution to WPPWF @ 5%	2,880,120	386,408	650,885	3,917,413	5,535,607
Profit Before Tax	57,602,392	7,728,147	13,017,704	78,348,243	110,712,132
Less : Tax Exempted Profit (Note-20.01.01)	883,080	7,488,325	1,992,872	10,364,277	31,120,971
Net Profit Before Tax	56,719,312	239,822	11,024,832	67,983,966	79,591,161
Add: Accounting Depreciation	46,488,545	1,034,336	2,369,036	49,891,917	48,888,118
Less: Tax Depreciation	(50,015,900)	(957,779)	(2,490,763)	(53,464,442)	(39,855,934)
Add: Net unrealized Loss/(Gain) on sale of shares	8,202,370	-	-	8,202,370	7,626,488
Taxable Profit	61,394,327	316,379	10,903,105	72,613,811	96,249,833
Provision for Income Tax @ 25%	15,348,581	79,095	2,725,776	18,153,452	24,062,458
Short provision for Income Tax 2018-19	-	-	-	-	1,877,316
Total provision for Income Tax	15,348,581	79,095	2,725,776	18,153,452	25,939,774

20.01.01 Tax Exempted Profit:

The break up of the amount is as follows:

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	Amount in Taka	
				2019-2020	2018-2019
Tax exempted revenue during the year	8,456,227	7,488,325	7,128,674	23,073,226	43,430,193
Less : Expense of tax exempted profit	(7,573,147)	-	(5,135,802)	(12,708,949)	12,309,222
Tax Exempted Profit	883,080	7,488,325	1,992,872	10,364,277	31,120,971

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.

21.00 Short Term Loan :

The break up of the amount is as follows:

<u>Particulars</u>	<u>Account Number</u>
Prime Bank Ltd.-SOD A/C	12777590042804
Prime Bank Ltd.-SOD A/C	2127725016503
Shahjalal Islami Bank Ltd.(Motor Vehicle)	4001 36400000423
Shahjalal Islami Bank Ltd.(Motor Vehicle)	4001 36400000435
Bank Asia Ltd. (Machinery)	02135001282
Bank Asia Ltd. (Motor Vehicle)	02135001299
Bank Asia Ltd. (Motor Vehicle)	02135001339
Total Taka	

Amount in Taka	
2019-2020	2018-2019
9,862,651	16,974,637
20,780,393	8,137,041
2,068,898	2,753,640
236,715	-
-	1,854,800
43,063	585,500
477,193	940,774
33,468,913	31,246,392

22.00 Revenue From Sales, Services & Others :

The break up of the amount is as follows:

<u>Particulars</u>	
Revenue from Unit -1	Notes-22.01
Revenue from Unit -2	Notes-22.02
Revenue from Unit -3	Notes-22.03
Total Taka	

551,590,897	495,216,137
42,160,456	64,853,325
46,565,444	42,029,963
640,316,797	602,099,425

22.01 Revenue From Unit -1 :

The break up of the amount is as follows:

<u>Particulars</u>
Revenue from Internet/Data Connectivity Services
Revenue from IT Enable Services
Revenue from Sale of Hardware
Revenue from Internet (Educational Institutions)
Total Taka

532,980,745	477,056,927
8,456,227	7,373,811
5,199,520	2,028,431
4,954,405	8,756,968
551,590,897	495,216,137

22.02 Revenue From Unit -2 :

The break up of the amount is as follows:

<u>Particulars</u>
Revenue from Software & Graphic Design
Revenue from AVLS Support & Service
Revenue from Web Development, Hosting & Domain Reg.
Revenue from Web Maintenance (Application)
Revenue from AVLS Supply
Total Taka

7,488,325	9,860,369
19,378,891	16,197,635
6,209,338	18,446,426
-	14,099,349
9,083,902	6,249,546
42,160,456	64,853,325

22.03 Revenue From Unit -3 :

The break up of the amount is as follows:

<u>Particulars</u>
Revenue from IP Telephony Monthly Rent
Revenue from IP Telephony Outgoing NWD Call
Revenue from IP Telephony Outgoing ISD Call
Revenue from IP Telephony Incoming NWD Call
Revenue from IT Enable Services
Revenue from Sale of Hardware & Equipments
Total Taka

6,729,707	3,040,448
15,079,937	16,375,402
9,492,581	7,941,055
7,089,070	4,931,566
7,128,674	7,749,587
1,045,475	1,991,905
46,565,444	42,029,963

23.00 Cost of Sales & Services :

The break up of the amount is as follows:

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	Amount in Taka	
				2019-2020	2018-2019
Services & Others (Notes- 23.01)	276,538,902	7,637,562	11,519,437	295,695,901	250,851,242
Hardware & Others(Notes-23.02)	4,621,168	6,271,092	960,604	11,852,864	7,532,109
Total Taka	281,160,070	13,908,654	12,480,041	307,548,765	258,383,351

Amount in Taka	
2019-2020	2018-2019

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	
				2019-2020	2018-2019
Bandwidth Charges	60,272,025	114,474	113,160	60,499,659	40,053,924
Electricity Charges	4,872,218	609,027	609,027	6,090,272	6,067,287
Telephone Charges	1,310,579	3,316,807	-	4,627,386	5,579,145
Domain Registration Exp.	-	1,037,238	-	1,037,238	743,671
Data Connectivity (NTTN)	101,954,607	-	-	101,954,607	83,146,275
Data Connectivity (Site Sharing)	28,140,964	-	-	28,140,964	24,421,935
E1, Server Rent and Inter connectivity	-	-	10,024,473	10,024,473	10,636,575
Cost of Software (GLP & Others)	688,765	626,097	-	1,314,862	2,545,525
IT Support & Service	47,890,621	685,170	751,942	49,327,733	49,034,464
Electrical Goods & Installation	509,422	-	20,835	530,257	- 474,390
Direct Salary & Allowances	30,899,701	1,248,749	-	32,148,450	28,148,051
Total Taka	276,538,902	7,637,562	11,519,437	295,695,901	250,851,242

23.02 Hardware & Others:

The break up of the amount is as follows:

Particulars	UNIT-I ISP	UNIT-II SDP	UNIT-3 IPTSP	Amount in Taka	
				2019-2020	2018-2019
Broadband Modem Concentrator & others	63,691	-	-	63,691	308,316
Cost of sales of Hardware & Others	4,397,447	6,271,092	960,604	11,629,143	6,972,044
Cost of Sales of Optical Fiber/Cable	160,030	-	-	160,030	251,749
Total Taka	4,621,168	6,271,092	960,604	11,852,864	7,532,109

24.00 Administrative and Marketing Expenses :

The break up of the amount is as follows:

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	Amount in Taka	
				2019-2020	2018-2019
Directors Remuneration (Notes-24.01)	3,888,061	-	-	3,888,061	3,225,000
Salary and Allowances	107,915,787	14,321,375	10,892,863	133,130,025	107,915,438
Traveling and Conveyance	8,187,078	199,008	108,306	8,494,392	7,745,271
Uniform & Others	77,288	-	-	77,288	127,729
Office Rent	10,393,238	2,668,884	2,668,884	15,731,006	11,812,919
VAT on Office Rent	1,374,770	294,593	294,593	1,963,956	1,285,195
Electricity Charges	541,358	67,670	67,670	676,697	674,142
Telephone Charges	436,860	-	-	436,860	365,348
Printing and stationeries	1,065,582	134,084	133,374	1,333,040	1,017,302
Courier & Postage Charges	508,218	960	-	509,178	701,359
CSR Expenses	-	-	-	-	100,000
Advertisement Expenses	1,028,676	51,051	55,889	1,135,616	328,081
News Papers & Periodicals	7,464	1,599	1,599	10,662	14,337
Entertainment	3,700,560	118,357	8,220	3,827,137	3,192,748
Security charges	654,280	-	-	654,280	426,075
Installation & Maintenance	21,956,431	19,645	-	21,976,076	31,263,130
Repair & Maintenance	2,038,421	369,545	374,433	2,782,399	3,394,498
Utility Charges	495,699	104,550	104,550	704,799	638,586
Car Rent & Maintenance	6,220,737	-	522,016	6,742,753	5,809,031
Annual Listing Fee (DSE, CSE, CDBL, BAPLC)	606,912	130,052	130,052	867,016	1,127,631
License Registration & Renewal Fees	674,543	356,821	680,000	1,711,364	2,645,638
Municipal Tax	137,858	-	-	137,858	137,808
Insurance Premium	1,615,929	138,508	135,609	1,890,046	1,619,973
Fees & Professional Charges	240,100	51,450	51,450	343,000	382,101
Consultancy & Legal Fee	-	-	-	-	799,167
AGM Expenses	330,481	70,817	70,817	472,115	1,143,896
Promotional exp.	2,136,542	200,000	-	2,336,542	2,206,901
Audit Fee	69,000	51,750	23,000	143,750	115,000
Contribution to Employees PF	4,530,190	618,238	586,523	5,734,951	4,306,886
Training Expenses	18,850	-	5,020	23,870	93,300

				Amount in Taka	
	2019-2020	2018-2019	2017-2018	2019-2020	2018-2019
Tender Participation	79,975	-	2,000	81,975	104,455
Annual Refreshment Expenses	-	-	-	-	632,045
Revenue Sharing with BTRC	-	195,589	1,111,396	1,306,985	1,498,306
General Expenses	1,259,212	25,950	-	1,285,162	2,190,040
Total Taka	182,190,099	20,190,496	18,028,264	220,408,859	199,039,336

The number of employees (both casual and permanent of the company as at 30 June 2020 was 481 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:

Name	Designation	Yearly Remuneration	Festival Bonus	2019-2020	2018-2019
S.M. Golam Faruk Alamgir	Managing Director	3,685,561	202,500	3,888,061	3,225,000
Total Taka		3,685,561	202,500	3,888,061	3,225,000

25.00 Financial Charges :

The break up of the amount is as follows:

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	Amount in Taka	
				2019-2020	2018-2019
Bank Interest	3,573,664	-	-	3,573,664	2,480,396
Bank Charges & Others	597,023	156,062	24,072	777,157	890,412
Total Taka	4,170,687	156,062	24,072	4,350,821	3,370,808

26.00 Non Operating Income :

The break up of the amount is as follows:

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	Amount in Taka	
				2019-2020	2018-2019
Bank Interest (FDR A/C.)	30,446,033	986,965	-	31,432,998	30,605,080
Bank Interest (SND A/C)	657,353	107,289	4,558	769,200	656,855
Foreign Currency Gain	-	40,573	-	40,573	57,480
Dividend on Marketable Security	-	108,820	-	108,820	137,000
Total Taka	31,103,386	1,243,647	4,558	32,351,591	31,456,415

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

This represents the sum of loss (Difference of cost and sale price) on sale of investment made in the share of listed companies during the year the break up of the amount is as follows:

Particulars	2019-2020	2018-2019
Cost Value of Investment in Shares:		
SAFKOSPINN	-	1,067,189
SHEPHERD	-	699,634
Saif Power Ltd.	244,093	433,944
IFADAUTOS	7,852,332	-
AGISYSL	1,271,203	-
GBB Power Ltd.	-	16,229,604
AB Bank Ltd.	3,243,316	-
Total Price of Investment in Shares	12,610,944	18,430,371
Less:Market value of investment in shares as at June 30, 2020	4,408,574	-
Less:Realized value from sales of shares	-	10,803,883
Net Realized Profit/(Loss) from Sales of Shares	(8,202,370)	(7,626,488)

28.00 AFS Reserve

Opening balance	(4,044,667)	(7,314,903)
Add: Adjustment with unrealised (loss)/gain on sale of securities	4,044,667	-
	-	(7,314,903)
Less: Adjustment against unrealized Gain/(loss) on investment in share (Note- 29)	-	3,633,596
Less: Related Deferred Tax	-	(363,360)
Net AFS Reserve	-	(4,044,667)

AFS Reserve are treated as financial asset as per IAS 32: "Financial Instruments: Presentation", classified as financial asset at fair value through profit and loss as per IFRS 9: "Financial Instruments: Recognition and Measurement" and transfer to Statement of Profit or Loss and Other Comprehensive Income.

Amount in Taka	
2019-2020	2018-2019

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

The break up of the amount is as follows:

Particulars	30-06-2020	30-06-2019
IFADAUTOS	7,852,332	7,852,332
Saif Powertec Limited	244,093	244,093
AGISYSL	1,271,203	1,271,203
AB Bank Ltd.	3,243,316	3,243,316
Total Cost Value as at June 30, 2020	12,610,944	12,610,944
Less: Fair market value of investment in shares as at June 30, 2020	4,408,574	8,116,870
Total Estimated Profit/(Loss) on Marketable Securities	(8,202,370)	(4,494,074)
Adjustment up to June 30, 2020	4,044,667	8,127,670
Adjustment with AFS Reserve	(4,044,667)	-
Total Estimated Profit/(Loss) on Marketable Securities	(8,202,370)	3,633,596

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

Profit attributable to the ordinary equity holders

Number of Shares

Earning Per Share

59,359,248	83,849,238
59,359,248	83,849,238
51,779,138	51,779,138
1.15	1.62

Revenue of 2019-20 is Tk. 38.22 million higher than that of 2018-19. EPS has declined mainly due to un-realized loss on investment in share of listed companies, increase cost of sales & services and administrative & marketing expenses to the tune of Tk. 8.20 million, Tk.49.17 million and Tk.21.37 million respectively. Due to this reason the EPS in the 2019-20 has dropped to 1.15 compared to the EPS of 1.62 in the 2018-19.

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.

31.00 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 profit before tax	78,348,243	110,712,131
Add/Less : Unealized Loss/(gain) on sale of security instrument	8,202,370	7,626,488
Less: Non-operating income	(31,582,391)	(30,799,560)
Less: Tax payment	(21,732,217)	(27,033,210)
Less: Non-Cash Expense (Lease Rent)	(2,061,557)	-
Add: Depreciation	49,891,917	48,888,118
Add/(Less) : Changes in working Capital :		
Inventory	1,659,118	(5,377,527)
Trade receivables	(33,730,057)	(20,091,500)
Advance deposit prepayments	(33,007,895)	(29,772,169)
Liability for expenses	1,677,391	973,106
Liability for other finance	10,628,359	6,461,975
Trade payable	58,156,171	4,668,000
Net cash provided by/(used in) operation activities	86,449,452	66,255,852

32.00 Net Operation Cash Flows Per Share (NOCFPS):

The break up of the amount is as follows:

Particulars

Net cash generated from operating activities

Number of Shares

Net Operation Cash Flows Per Share (Reported)

86,449,452	66,255,852
86,449,452	66,255,852
51,779,138	48,848,243
1.67	1.36

We could not make a huge payment to Supplier for pandemic situation. Due to this major cash inflow, NOCFPS has been increased in that period.

Amount in Taka	
2019-2020	2018-2019

33.00 Net Asset Value Per Share (NAVPS):

The break up of the amount is as follows:

Particulars

Total Assets	1,121,999,463	996,903,950
Total Liabilities	(309,742,026)	(218,741,478)
Net Asset Value (NAV)	812,257,437	778,162,472
Number of Shares	51,779,138	48,848,243
Net Asset Value Per Share (Reported)	15.69	15.93
Net Asset Value (NAV)	-	778,162,472
Number of Shares	-	51,779,138
Net Asset Value Per Share (Adjusted)	-	15.03

34.00 Related Party Disclosures :
34.01 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	Relationship with company	Nature of Transaction	Balance 30.06.2020 (Tk.)	Remarks
Fiber @ Home Ltd.	7,580,069	Concern Under Common Mgt.	IIG Bandwidth	9,631,162	Trade Creditors
Fiber @ Home Ltd.	16,842,575	Concern Under Common Mgt.	NTTN Service	30,702,856	Trade Creditors
Norban Fashion Ltd.	532,496	Concern Under Common Mgt.	Internet & others	221,838	Trade Debtors
Norban Comtex Ltd.	662,962	Concern Under Common Mgt.	Internet & others	319,751	Trade Debtors

34.02 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	June 30, 2020 (Taka)
Mr.S.M Golam Faruk Alamgir	Managing Director (MD)	3,888,061
Mr.S.M Kamruzzaman	Chief Technical Officer (CTO)	2,790,708
Mr.A.K.M Kutub Uddin	ED Admin & CS	2,572,974
Mr. Gazi Zehadul Kabir	Chief Strategy Officer (CSO)	2,102,200
Mr. Anwar Hasan Sabir	Chief Information Officer (CIO)	2,099,500

BDCOM ONLINE LTD.
Property, Plant & Equipment
For the year ended June 30, 2020

(Amount in BDT)
Schedule-A/1

Particulars	Cost			Rate of Dep. %	Depreciation			W.D.V. as at 30.06.20
	Opening Balance as at 01.07.19	Additions during the year	Adjustment during the year		Total as at 30.06.20	Charged during the year	Adjustment during the year	
Land	27,000,000	-	-	-	27,000,000	-	-	27,000,000
Building (Floor Space)	67,286,909	-	-	2.5%	67,286,909	1,374,472	-	13,682,487
Internet System Hardware	248,364,814	27,162,641	-	18%	275,527,455	19,333,745	-	172,466,703
Furniture & Fixture	4,119,244	214,749	-	10%	4,333,993	198,507	-	2,447,018
Office Renovation	12,357,201	1,154,440	-	18%	13,511,641	709,041	-	9,304,261
Sundry Assets	845,535	-	-	10%	845,535	19,669	-	668,513
Crockeries & Cutleries	244,393	26,870	-	10%	271,263	16,443	-	107,906
A. C. Installation	4,645,758	38,915	-	18%	4,684,673	268,015	-	3,460,475
PABX Installation	342,783	-	-	18%	342,783	2,292	-	332,344
Office Equipments	21,235,756	1,061,102	-	15%	22,296,858	1,331,224	-	14,362,394
V-Sat Tower	3,919,414	-	-	15%	3,919,414	46,550	-	3,655,632
Telephone & Installation	10,585,914	-	-	15%	10,585,914	102,944	-	10,002,564
Motor Vehicles	31,310,505	257,180	-	15%	31,567,685	2,970,518	-	14,713,317
Generator/Online UPS	18,945,108	1,471,940	-	15%	20,417,048	1,627,969	-	10,227,741
Cable Installation	18,494,304	168,192	-	15%	18,662,496	1,318,297	-	11,093,961
Broad Band Equipments	58,041,190	73,417	-	18%	58,114,607	2,337,054	-	47,403,932
Radio Equipments	52,647,876	1,590,084	-	18%	54,237,960	4,198,782	-	34,247,376
Electrical Installation	1,977,482	27,950	-	15%	2,005,432	90,942	-	1,467,813
Optical Fiber Deployment	131,316,091	3,281,599	-	15%	134,597,690	8,332,629	-	85,410,337
Neon Sign & Others	18,767	-	-	20%	18,767	375	-	17,268
Base Tower & Installation	28,002,616	624,898	-	10%	28,627,514	1,914,303	-	11,169,357
WIFI Base Station	7,177,978	-	-	20%	7,177,978	294,774	-	5,998,884
Sub Total	748,879,638	37,153,977	-		786,033,615	46,488,545	-	452,240,283
					405,751,738	46,488,545	-	333,793,332



BDCOM ONLINE LTD.
Property, Plant & Equipment
For the year ended June 30, 2020

(Amount in BDT)
Schedule-A/2

Unit-2 (SDP) Particulars	Cost			Rate of Dep. %	Depreciation			W.D.V. as at 30.06.20
	Opening Balance as at 01.07.19	Additions during the year	Adjustment during the year		Total as at 30.06.20	Charged during the year	Adjustment during the year	
System Hardware	12,438,595	336,500	-	18%	12,775,095	425,739	-	10,723,450
Furniture & Fixture	637,019	-	-	10%	637,019	11,186	-	536,344
Office Renovation	1,625,370	-	-	18%	1,625,370	18,492	-	1,541,127
Sundry Assets	86,212	-	-	10%	86,212	2,007	-	68,153
Books & Periodicals	73,226	-	-	10%	73,226	1,225	-	62,200
A. C. Installation	256,790	-	-	18%	256,790	1,562	-	249,672
Electric Installation	150,494	-	-	18%	150,494	851	-	146,618
Peripheral Equipment	4,754,188	2,800	-	15%	4,756,988	83,334	-	4,283,829
Software Development	28,355,296	-	-	15%	28,355,296	461,196	-	25,741,851
Telephone & Installation	1,800,785	-	-	15%	1,800,785	22,713	-	1,672,077
Auto Generator	607,201	-	-	15%	607,201	5,957	-	573,448
Crockeries & Cutleries	4,080	-	-	15%	4,080	74	-	3,658
Sub Total	50,789,256	339,300	-		51,128,556	1,034,336	-	45,602,426
								5,526,130



BDCOM ONLINE LTD.
Property, Plant & Equipment
For the year ended June 30, 2020

(Amount in BDT)
Schedule-A/3

Particulars	Cost			Rate of Dep. %	Depreciation			W.D.V. as at 30.06.20	
	Opening Balance as at 01.07.19	Additions during the year	Adjustment during the year		Opening Balance as at 01.07.19	Charged during the year	Adjustment during the year		Total as at 30.06.20
System Hardware	20,199,883	1,211,516	-	18%	11,980,918	1,584,728	-	13,565,646	7,845,753
Furniture & Fixture	22,850	-	-	10%	22,850	1,453	-	9,778	13,072
Motor Vehicles	1,781,000	1,595,500	-	15%	3,376,500	312,908	-	712,520	2,663,980
Telephone Installation-IP	2,428,554	602,661	-	15%	3,031,215	305,005	-	1,009,200	2,022,015
Software Development	4,153,435	-	-	15%	4,153,435	162,605	-	3,232,007	921,428
Electric Installation	21,180	-	-	15%	21,180	822	-	16,519	4,661
Radio Equipment	29,638	-	-	18%	29,638	1,515	-	22,737	6,901
Sub Total	28,636,540	3,409,677	-		16,199,371	2,369,036	-	18,568,407	13,477,810
Grand Total as at June 30, 2020	828,305,434	40,902,954	-		466,519,199	49,891,917	-	516,411,116	352,797,272
Grand Total as at June 30, 2019	763,499,306	64,806,128	-		417,631,081	48,888,118	-	466,519,199	361,786,235



Ageing Summary of Trade Receivable

Schedule - B

	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	20,247,923	3,797,673	3,075,093	2,816,964	2,338,289	10,130,213	42,406,155
Data Connectivity	45,625,013	11,865,696	10,499,385	5,875,963	5,855,136	12,924,507	92,645,700
Sub Total-A	65,872,936	15,663,369	13,574,478	8,692,927	8,193,425	23,054,720	135,051,855
Hardware/ Switch :							
Switch, Router, Hardware etc.	-	-	32,000	-	-	725,830	757,830
Fiber Optic	-	-	-	-	-	103,121	103,121
Sub Total- B	-	-	32,000	-	-	828,951	860,951
IP Telephone Service :							
Monthly Rent	8,008,119	1,105,822	1,145,333	2,415,475	658,492	2,312,007	15,645,248
Inter Connectivity Charges	2,378,181	1,473,494	19,463	730,062	621,718	1,741,322	6,964,240
Sub Total- C	10,386,300	2,579,316	1,164,796	3,145,537	1,280,210	4,053,329	22,609,488
Web Page, Software & Data Transmit :							
Software Development	-	-	-	-	-	65,714	65,714
Domain Hosting & Registration	1,434,151	524,637	416,050	537,237	(7,100)	1,343,704	4,248,679
AVLS	984,268	(18,373)	1,251,819	1,019,360	2,979,161	24,416,122	30,632,357
Graphics Design	35,702	-	10,919	27,912	(115)	540,518	614,936
Sub Total-D	2,454,121	506,264	1,678,788	1,584,509	2,971,946	26,366,058	35,561,686
Grand Total (A+B+C+D)	78,713,357	18,748,949	16,450,062	13,422,973	12,445,581	54,303,058	194,083,980

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



 **AHMED ZAKER & Co.**
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