

Annual Report
2019 - 2020



.com.bd

and 360

KT GENERATION

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The Document provided you with detailed and comprehensive information about the overall performance of BDCOM Online Ltd. as on 30th June 2020.

Table of Contents

Particulars	Page
Notice of the 24th Annual General Meeting	02
Corporate Information	03
Major Point of Presence (POP) Offices	04
Vision, Mission and Values	05
History & Milestones	06
Products & Services	07
Objectives	08
Award Achieved	09
Profile of BDCOM	10
Code of Conduct	16
Message from the Chairman	17
Review from the Managing Director	19
Financial History of Five Years	21
Graphical View of Selected Growth Indicators for the Last 5 Years	22
Brief Resume of the Director	24
Picture at a Glance (23rd AGM)	26
Directors' Report	27
Declaration of Managing Director and Chief Financial Officer	34
Audit Committee Report	36
Nomination and Remuneration Committee Report	38
Status of Compliance with Corporate Governance Code	40
Corporate Governance Compliance Certificate	54
Independent Auditors' Report	55
Statement of Financial Position	61
Statement of Profit or Loss and Other Comprehensive Income	62
Statement of Changes in Equity	63
Statement of Cash Flows	64
Notes to the Financial Statements	65
Compliance of IAS & IFRS	96
Proxy Form & Attendance Slip - Enclosed herewith	

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

NOTICE OF THE 24TH ANNUAL GENERAL MEETING

Notice is hereby given that, the 24th Annual General Meeting of the shareholders of BDCOM Online Ltd. will be held on Thursday the December 17, 2020 at 11:00 a.m. by using Digital Platform in accordance with the Bangladesh Securities and Exchange Commission (BSEC) order SEC/SRMIC/94-231/25 dated July 08, 2020 to transact the following business.

AGENDA:

ORDINARY BUSINESS:

1. To receive and adopt the Directors' and Auditors' Report and the Audited Financial Statements of the Company for the year ended June 30, 2020.
2. To declare Dividend for the year ended June 30, 2020.
3. To elect Directors
4. To approve the Re-appointment of Managing Director.
5. To appoint Statutory Auditors for the year ended June 30, 2021 and to fix their remuneration.
6. To appoint Corporate Governance Compliance Auditors and to fix their remuneration.

By order of the Board



(A.K.M. Kutub Uddin)
Executive Director
&
Company Secretary
October 28, 2020

Notes:

Members whose names appeared in the Members/Depository Register on Record date i.e. November 19, 2020 will be eligible to attend/participate and vote in the Annual General Meeting through Digital Platform and to receive Dividend.

A Member entitled to attend/participate and vote in the Annual General Meeting, may appoint a proxy in his/her stead. The proxy form, duly stamped, must be mailed to the email at bdcomshare@office.bdcom.com not later than 48 hours before the time fixed for the meeting.

Pursuant to the BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20 2018, soft copy of the Annual Report 2019-2020 will be sent to the Members respective email addresses as available with us. The Annual Report 2019-2020 will also be available in the Company's website at www.bdcom.com.

AGM Notice, link for joining in the Digital Platform (audio visual meeting) and detail login process will be mailed to the respective Member's email address available with us.

Members, whose email addresses updated/subsequently, are requested to email us at bdcomshare@office.bdcom.com to get the digital platform meeting invitation.

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

<p>REGISTERED OFFICE RANGS Nilu Square (5th Floor), Satmosjid Road House No-75, Road-5/A Dhanmondi R/A, Dhaka-1209</p> <p>CORPORATE OFFICE JL Bhaban (5th floor), House # 01, Road # 01 Gulshan Avenue, Gulshan # 01, Dhaka-1212 Bangladesh</p> <p>LEGAL STATUS Public Limited Company Registered with the Joint Stock Companies & Firm, Bangladesh</p> <p>DATE OF INCORPORATION Certificate of Incorporation No. C-32328(1449)/97 Dated: February 12, 1997</p> <p>DATE OF COMMERCIAL OPERATION February 12, 1997</p> <p>REGULATORY AUTHORITY</p> <ul style="list-style-type: none"> • Registrar of Joint Stock Companies and Firms (RJSC) • National Board of Revenue (NBR) <ul style="list-style-type: none"> • Bangladesh Telecommunication Regulatory Commission (BTRC) • Bangladesh Securities And Exchange Commission (BSEC) <p>LISTED IN STOCK MARKET</p> <ul style="list-style-type: none"> • Dhaka Stock Exchange Ltd. • Chittagong Stock Exchange Ltd. <p>AUTHORIZED CAPITAL Taka 1000m</p> <p>PAID-UP CAPITAL Taka 517m</p> <p>NUMBER OF SHAREHOLDERS 5625</p> <p>NUMBER OF EMPLOYEE 481</p>	<p>ISO ISO 9001:2008 Certified Certificate No. 63806/A/0001/UK/En May 11, 2015 Upto May 10, 2018</p> <p>CREDIT RATING by EMERGING Credit Rating Ltd, Bangladesh On Dec 30, 2019 Upto Dec 29, 2020 Long Term Rating: A+ Short Term Rating: ECRL-2 Outlook : Stable</p> <p>SHARE OFFICE JL Bhaban (5th floor), House # 01, Road # 01 Gulshan Avenue, Gulshan # 01 Dhaka-1212, Bangladesh Phone : +88 09666333666, 01716 057251 +88 09666333697, 01713 339850 +88 09666333610, 01741 896081 Fax : +88 029124849 Email : bdcshare@office.bdc.com</p> <p>AUDITORS M/S. Ahmed Zaker & Co. Chartered Accountants</p> <p>BANKERS & FINANCIAL INSTITUTIONS</p> <ul style="list-style-type: none"> • Al-Arafa Islami Bank Ltd. • MidLand Bank Ltd. • Bank Asia 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. • Shahjalal Islami Bank Ltd. • Islami Bank Bangladesh Ltd. • Lanka Bangla Finance Ltd. • Delta Brac Housing Finance Corporation Ltd. • IDLC Finance Ltd. • Uttara Finance & Investment Ltd. • IPDC Finance Ltd. <p>INSURER</p> <ul style="list-style-type: none"> • Asia Pacific General Insurance Co. Ltd. • Delta Life Insurance Co. Ltd.
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MAJOR POINT OF PRESENCE (POP) OFFICES

Dhanmondi, Dhaka

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

Motijheel, Dhaka

Monjuri Bhaban (3rd Floor)
8, DIT Avenue, Motijheel
Dhaka-1000

Paltan, Dhaka

Sultan Ahmed Plaza
(6th Floor), Suite: 605
32, Purana Paltan
Dhaka- 1000

Panthapath Dhaka

Firoz Tower (15th Floor), 152/3B
Bir Uttam Nuruzzaman Sarak
Panthapath, Dhaka-1205

Gulshan, Dhaka

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

Banasree Rampura, Dhaka

House # 32 (Ground Floor)
Road # 2, Block # A Banasree
Rampura, Dhaka-1219

Bashundhara, Dhaka

House # 749 (Ground Floor)
Road # 23, Block # G
Bashundhara, Dhaka

Mirpur # 3, Dhaka

House # 3 (Ground Floor)
Road # 2, Block- D
Mirpure # 3, Dhaka

Mirpur DOHS, Dhaka

House # 1252 (Ground Floor)
Road # 9, Mirpur DOHS, Dhaka

Uttara, Sector # 11

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

Uttara, Sector # 7

Sayed Grand Center
(5th Floor) House # 89,
Road # 28, Sector # 7
Uttara, Dhaka-1230

Comilla

Artisan Nasir Center
Holding No. # 491,
Nazrul Avenue,
Kandirpar, Comilla

Narayanganj

1/1 (4th Floor), Alam Khan Lane
BB Road, Narayanganj

Bogra

739/A Rabu Tower (5th Floor)
Bogra Rangpur Road
Borogola, Bogra

Chittagong

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

GEC, Chittagong

GEC Dampara (Ground Floor)
18 Zakir Hossain Road
Chittagong

Sylhet

Ananda Tower & Shopping
Complex (6th Floor), Flat-7/A
Jail Road, Dopa Uttor Par, Sylhet

Amborkhana Point

Flat # 5/1 (4th Floor)
Sylhet

Khulna

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

Rangpur

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

Rajshahi

Jed's Plate (4th Floor)
133/1 Rampur, Kumarpara
Rajshahi

Kushtia

44/1 (Ground Floor)
Khodadad Khan Road
Thanapara , Kushtia

Tangail

House # 388 (Ground Floor)
Choy Ani Pukur Par
Tangail Sadar, Tangail



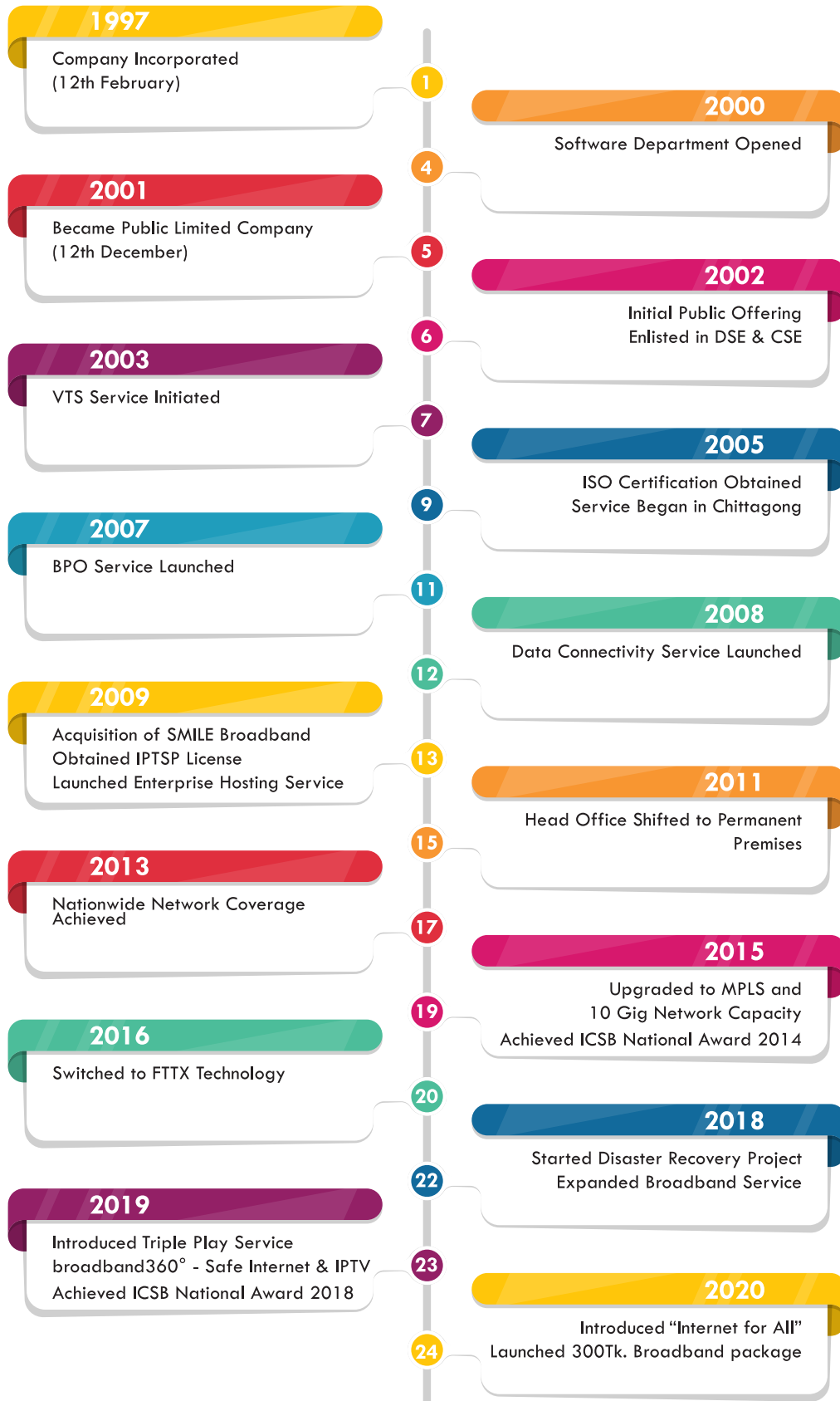
OUR VISION
Digitally Empowered Lifestyle

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.

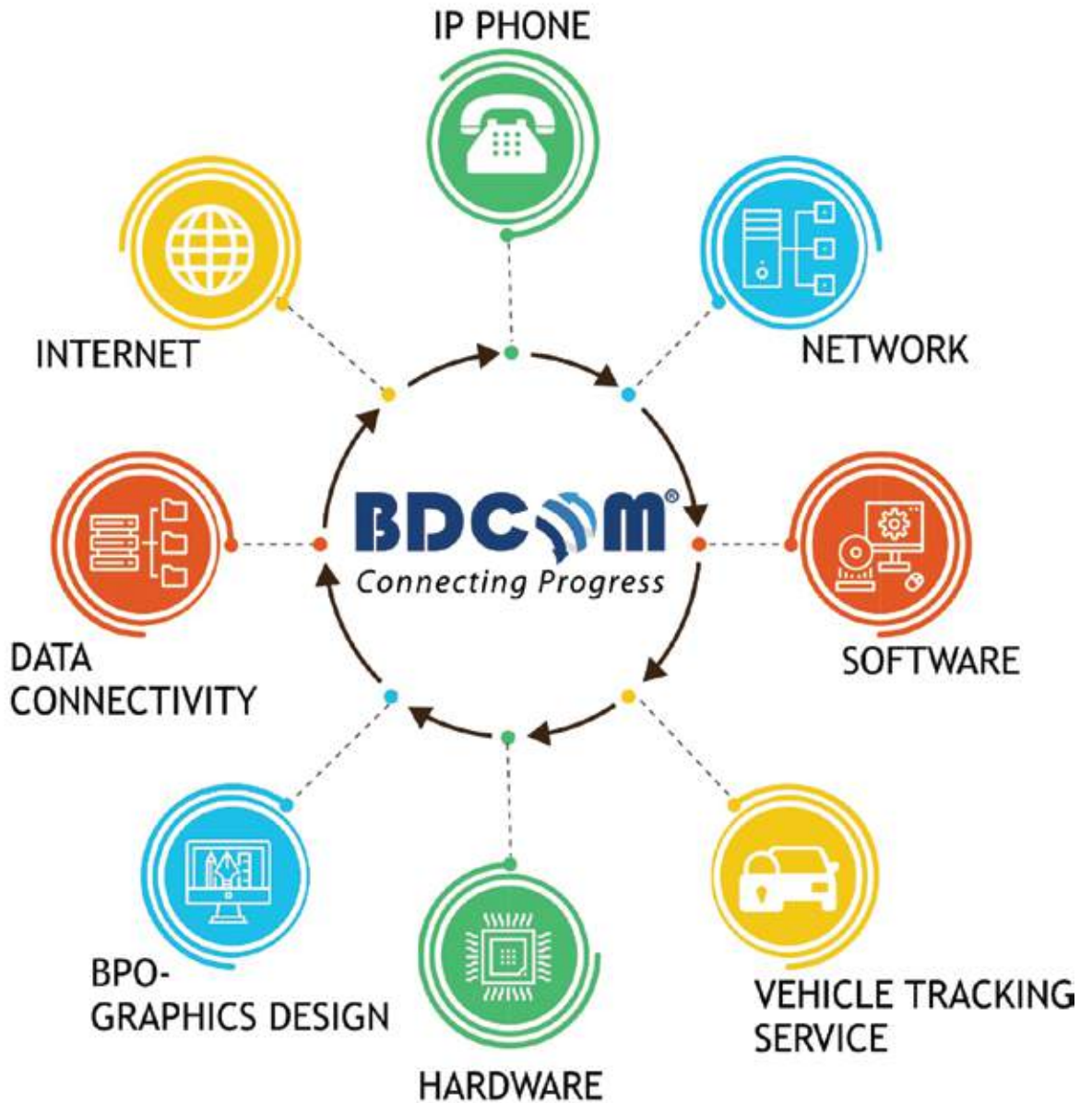
OUR VALUES

<p>Enhance Lives</p> <p>BDCOM Online Ltd. is committed to provide highly integrated solutions to its customers by sorting out different technological services into simplified solutions</p> <p>1</p>	<p>Envision Business</p> <p>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.</p> <p>2</p>	<p>Enrich Deliveries</p> <p>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.</p> <p>3</p>	<p>Effective Associations</p> <p>Through establishment of effective communication, accurate planning and capacity scheduling, we thrive to set up complete linkage between up, mid and downstream sectors.</p> <p>4</p>
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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

ICSB NATIONAL AWARDS

for Corporate Governance Excellence

2018



2014



BDCOM Online Ltd. won the prestigious ICSB National award Two Times in 2014 and 2018. 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 and Firms of Bangladesh. Subsequently, the Company has converted into a public limited company in 2001 with a view to float its share to the public. Fast forward 24 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 total of 2.74 billion Taka in sales revenue. This year alone, our sales have been increased by around 6.00% 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, NBFIs, corporate, telecom and home users. Having 481 employees with 252 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

Mrs. Qurrattul Ann Siddiqui

Director

Mrs. Quamrun Nahar Begum.

Director (Representative of Hornbill Apparel Ltd.)

Mr. Md. Shafiqul Alom (Sumon)

Director (Representative of Norban Fashion Ltd.)

Mr. Jashim Uddin Ahmed Chowdhury

Independent Director

Mr. S M Golam Faruk Alamgir

Managing Director

Mr. A.K.M.Kutub Uddin

Company Secretary

EXECUTIVE COMMITTEE

Mr. Wahidul Haque Siddiqui

Chairman

Mrs. Qurrattul Ann Siddiqui

Director

Mr. S M Golam Faruk Alamgir

Managing Director

Chairman

Member

Member

AUDIT COMMITTEE

Mr. Jashim Uddin Ahmed Chowdhury Independent Director	Chairman
Mrs. Qurrattul Ann Siddiqui Director	Member
Mrs. Quamrun Nahar Begum Director (Representative of Hornbill Apparel Ltd.)	Member

NRC COMMITTEE

Mr. Jashim Uddin Ahmed Chowdhury Independent Director	Chairman
Mrs. Qurrattul Ann Siddiqui Director	Member
Mrs. Quamrun Nahar Begum Director (Representative of Hornbill Apparel Ltd.)	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. CA Faker Ahmed FCA Chief Financial Officer	Member
Mr. S.M. Kamruzzaman Chief Technology Officer	Member
Mr. Gazi Zehadul Kabir Chief Strategy Officer	Member
Mr. Anowar Hasan Sabir Chief Information Officer	Member
Mr. Kazi Md. Abdullah General Manager & Head of Graphics	Member
Mr. M. Shyko Raihan General Manager	Member

PURCHASE COMMITTEE

Mr. A.K.M. Kutub Uddin Executive Director & Company Secretary	Chairman
Mr. S.M. Kamruzzaman Chief Technology Officer	Member Secretary
Mr. CA Faker Ahmed FCA Chief Financial Officer	Member

HUMAN RESOURCES

We believe that our human resources are our finest asset which significantly contributes to the company's growth and success in both the short run as well as the long run. Dynamism in a corporate body has a close relationship with the development of human resources. In line with this perception we have sharpened our focus on recruiting, training and developing our human resources by a series of development activities throughout the year. We have also created a sense of community among the employees, encouraging them to interact with each other in numerous Management Committee meetings across all departments. These discussions have helped the employees to learn each other's responsibility, grow their individual skill and develop a deep understanding about the company's culture as a whole through interpersonal communication. This in turn, has led to a development of mutual respect among the employees and a positive atmosphere in the workplace.

The company also provides festival bonus, incentive bonus, provident fund and Worker's Profit Participation & Welfare 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 thirteen major departments and 252 highly qualified, trained and skilled personnel and 229 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 effort from the stakeholders and support from every segment of the society in pursuit of achieving its goals. BDCOM believes that the society, which enable the company to flourish, deserve to get back from the company. Sustainable initiatives are an intrinsic way of working that goes beyond simple financial result of 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 the Bangladesh.

To better equip the youth of our country, BDCOM initiated the internship program. The interns are an integral part of the future plans of the company. 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 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 jobs in the competitive ICT job market.

EMPLOYEE BENEFITS AND RESOURCES 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 Term Life Insurance scheme and Hospitalization Insurance scheme.

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

Provision for Workers Profit Participation & Welfare 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

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. 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 from customers. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Risk exposures from other financials assets, i.e. cash at bank and other external receivable are nominal.

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.

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, 2020 there was little exposure to currency risk as there were very few foreign currency transaction made during the reviews.

b) Interest 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 derivation instrument in order to hedge interest rate risk 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 and the purpose of these codes is to ensure that all the employees, managers and executives within BDCOM Online Ltd. act in accordance with these values and principals respecting the core value of the company. These codes are designed in a way as to give a clear perception about what is expected from the people inside the company. We are always committed to conduct our business in an ethical, legal and responsible way.

The codes are as follows:

1. Legal Compliances

BDCOM Online Ltd. ensures that all its business activities adhere to all applicable National Legal requirement and are well maintained within the set policies by the Government. BDCOM also comply with the applicable anti bribery/anti-corruption rules and regulations in its business activities.

2. Confidentiality in Work

BDCOM works with multiple clients from multiple industries and it is very important to maintain confidentiality while dealing with sensitive issues within each company. BDCOM always ensures that client's data and other information is well protected and are not disclosed to any third party. BDCOM achieved the trust of hundreds of clients with these strict rules of confidentiality in every deal.

3. Employee Participation

BDCOM Online Ltd. is 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

The company 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 equipment social rooms, built and maintained in accordance with applicable legal requirements.

5. Work Environment

BDCOM ensure an exciting and progressive working environment for its employees which is free from all type of discriminations and harassments. The company ensures that all the employees acts professionally and refrain from 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,

Assalamu Alaikum Warahmatullahi Wabarakatuh.

I would like to welcome you all to the 24th Annual General Meeting of BDCOM Online Ltd. We are using the digital platform to hold 24th AGM to abide by the health and safety regulations by the authorities.

Firstly, I would like to offer my condolences to all shareholders who have lost their loved ones to COVID-19. This past year has been challenging in all forms of emotional and financial complications. I sincerely hope all of us are blessed with good health this upcoming year.

BDCOM has been working relentlessly to develop IT ecosystem in Bangladesh. We have always prioritized sustainability in our business ethos. In time and again we have identified our key sustainable factors and renewed our promise in enhancing them over the years. This year the backbone network of BDCOM has been completely restructured so that it supports higher capacity of data. Hence, the network remains strong and robust across Bangladesh. We have achieved a rare feat in Bangladesh of connecting the last mile end port up to a speed of 10Gbps maximum. Currently we are offering our customers with unparallel internet service in the industry through “SMILE Broadband” and our newly launched “broadband360°”. The Data Center of BDCOM has shifted from Dhanmondi to Gulshan C/A.

This past year we have met with some unanticipated challenges. As the country went into lockdown from the end of March, we suffered from the abrupt shortfall in business activities. Since the lockdown, a major number of private and public offices have adopted the concept of work from home as well as educational institutions have been utilizing the digital platform to reach students. In order to support our customers with uninterrupted network, all our engineers have been serving amid this pandemic. They are working to ensure our network remains sustainable all over the nation. We have preserved our commitment diligently to our customers in these desperate times.

The COVID-19 has spread rapidly, with millions infected. As countries are placing movement restrictions to limit the spread of the virus, many global business houses have suffered critical setbacks. With the supply chain being disrupted for months the production process comes to a halt. This resulted into an upward trend in unemployment and the economic shocks are inevitable. The Bangladesh Government has supported economic activities by offering bail out packages. The ICT sector is already a turbulent market is facing immense challenges. This industry will require fiscal policy support in order to serve proficiently. The Government and ICT industry through mutual discussion needs to devise a long-term plan to limit the economic damage and through fiscal support.

BDCOM Online Ltd. has surpassed the challenges of this year through efficient strategies formulated by the management. The key to our success is the customers and shareholders who have been supporting us over the years. We feel privileged to have you by our side. I believe your support will encourage us to expand in the upcoming years. As we intend to diversify our portfolio by investing more into research and development into the IoT, Smart Home, Smart City, Artificial Intelligence, Big Data markets. I am confident integrating technology into our daily lives will solve the underlying problems in our communities. With our progressing technological and human resources, we aim to take BDCOM into the global platform with the belief "PROGRESS IS POSSIBLE".

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



Wahidul Haque Siddiqui

Chairman

BDCOM Online Ltd.



Review From The

Managing Director

Distinguished Shareholders,

Assalamu Alaikum.

It is my great pleasure to welcome you all to the 24th Annual General Meeting of BDCOM Online Ltd., celebrating not only our financial year 2019-20 successful accomplishments, but also 24 years worth of exemplary achievements of team work, especially during this COVID-19 pandemic period. On behalf of the Board of Directors and myself, would like to express my sincere gratitude and profound appreciation to you for your continuing interest in and support for the Company. It is your kind patronage and continued support that have always resulted in sustainable development and progress of the Company.

During this fragility and vulnerability of the World Economy due to Corona Pandemic, in spite of the adverse economic situations, regulatory hardship and massive fiber cut, the company was able to underwrite substantial business, and this was possible due to earnest commitment and relentless effort by all of our fellow colleagues, support from the honorable clients and stakeholders and above all, the valuable inputs and direct monitoring of our Honorable Chairman and the Board.

We congratulate you all for the support rendered by the downstream support team who distinctively kept all our services alive during this period where the country - the world was in a halt. In fact every employee of BDCOM worked by heart as a result of which they did not work 9 to 5, 5 days a week but everyone worked 7 days a week, 24/7, almost transgressing all the private life, always online, always instant responsive. Again a very dedicated and fearless ground team moved all over the country to make the business wheel move effectively, to uphold our belief "Progress Possible".

The recovery is significant, we started our office just after the initial wave of the Pandemic. Now the confidence level of all BDCOM employees are sky high to face the challenges. After all these personal endeavors and health hazards our motivation is still very remarkable. We are extremely blessed by Almighty, very proud to mention that our health conditions are stable so far, except for a few cases where the company earnestly supported both mentally and physically those who were affected by COVID-19 virus. But all of them recovered and joined the company with sheer enthusiasm. Along with the health hazard, the company was also suffering from barred Cash Flow which we are recovering in full swing. Thanks again to all who supported us from every corner.

Despite the communication and economic consequences posed by the Pandemic, our capacity building and network expansion to cover every part of the country is still going on. Our rejuvenated Software Department designed and completed development of very modern and effective HRM software for all industrial verticals, a major milestone already established with commissioning the software in an Apparel Industry. Last year we launched “Broadband360”, a true and first ever Triple Play service in the country. We designed Broadband360° in accordance with our Social Responsibility, Ethical Business Practice and for the greater protection of our next generation from the vicious effects of violence & pornography in digital media. We are getting steady growth in the acceptance of such prolific triple play service. Thus we kept our Security and Awareness work in progress.

We already proved our place in the IP Telephony sector in the country, soon another milestone will be achieved by launching the SMS service through the IP Telephone. We believe this will result in another very promising source of revenue for the company.

The robust performance is a testimonial to our Company’s commitment to ensure best in operational efficiencies across the country. We respect our heritage and are committed to BDCOM’s sustainable growth. The trust and confidence of our stakeholders including you, our valued shareholders, have been the vital fuel in our unstoping journey of steady growth and improvement. BDCOM always considers its employees’ welfare first so that they can keep their focus on the customers all the time. The brains behind BDCOM, in the form of “True Leadership & Effective Teamwork”, are still very much cynical and opportunistic to exploit chances offered by the new normal circumstances to make new plans that will provide diverse platforms for disruptive and innovative technological advanced products and services in the country.

On behalf of the Board of Management and Leadership Team, I extend our sincere thanks to all of my colleagues for their commitment and dedication, which enabled us to deliver on all our promises this year. We would also like to thank our valued customers for their continued trust, which motivates us on a daily basis. And finally, we would like to thank our honorable shareholders for the confidence that they have shown in our business and their ongoing support for our strategy - “Connecting Progress”.

With Best Regards,



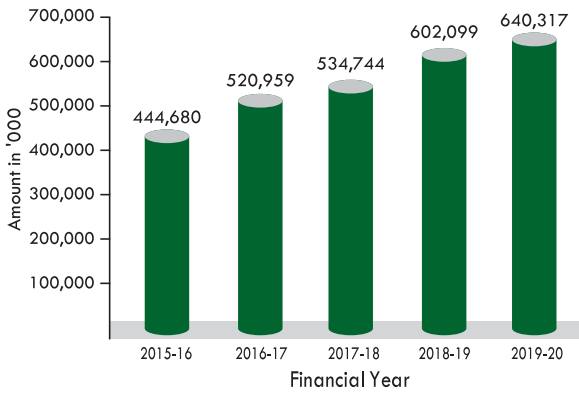
S M Golam Faruk Alamgir
Managing Director
BDCOM Online Ltd.

FINANCIAL HISTORY OF FIVE YEARS

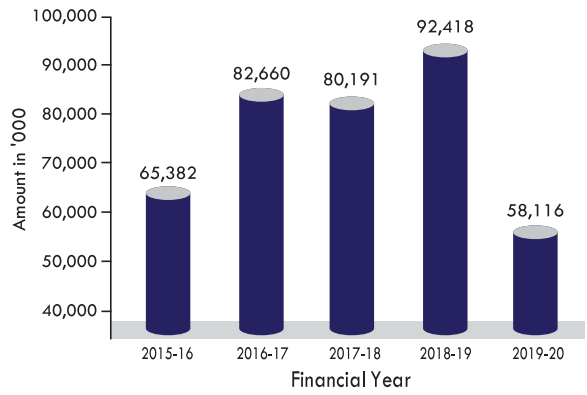
Particulars	Figure in Thousand Taka				
	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
Authorized Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Paid-up Capital	517,791	488,482	465,221	443,067	414,082
Tax holiday reserve	21,556	21,556	21,556	21,556	21,556
Retained Earnings	153,406	152,665	124,642	98,640	84,038
Shareholders' equity	812,257	778,162	723,608	677,301	623,388
Current Liabilities	263,076	197,334	165,558	164,988	134,744
Deferred Tax Liabilities	15,728	14,443	13,156	10,935	4,628
Cash Dividend	25,890	29,309	32,565	22,153	20,704
Dividend (Stock)	25,890	29,309	23,261	22,153	28,986
Revenue from Sales and Services	640,317	602,099	534,744	520,959	444,680
Non-Operating Income	32,352	31,456	19,629	16,101	18,939
Cost of Sales & Service	307,549	258,383	238,126	229,888	184,274
Administrative & Marketing Expenses	220,409	199,039	162,856	152,170	148,825
Depreciation on fixed assets	49,892	48,888	46,521	47,430	41,532
Provision for Income Tax	18,153	25,940	12,994	14,491	12,191
Property Plant & Equipment	352,797	361,786	345,868	343,922	346,362
Long Term Security	54,049	28,923	3,926	3,851	3,966
Inventories	18,107	19,766	14,389	15,819	15,381
Advance, Deposits & Prepayment	27,997	20,636	15,003	12,903	17,243
Trade & Others Receivable	210,864	171,632	163,108	147,809	91,555
Cash & Cash Equivalent	66,143	43,571	32,571	40,098	18,855
Gross Profit	332,768	343,716	296,618	291,071	260,407
Net Profit after Tax	59,359	83,849	79,726	64,293	67,085

GRAPHICAL VIEW OF SELECTED GROWTH INDICATORS FOR THE LAST 5 YEARS

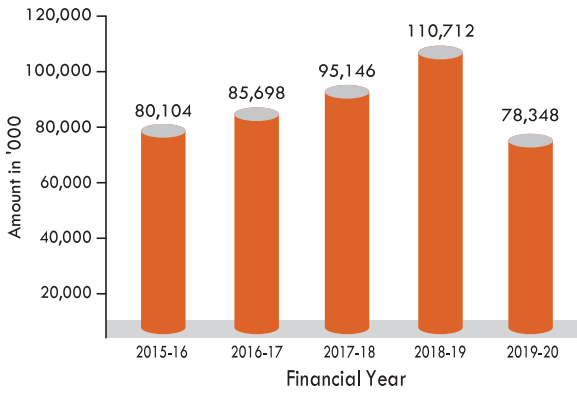
Revenue (Net of VAT)



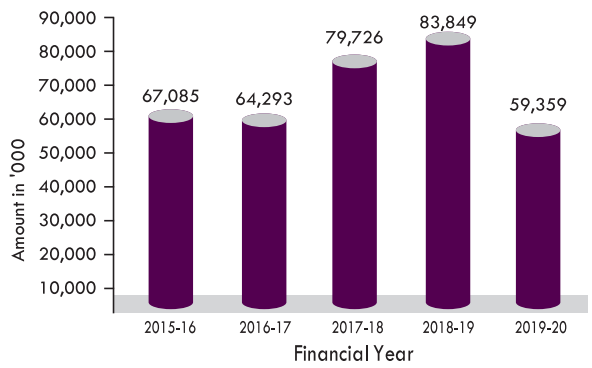
Operating Profit



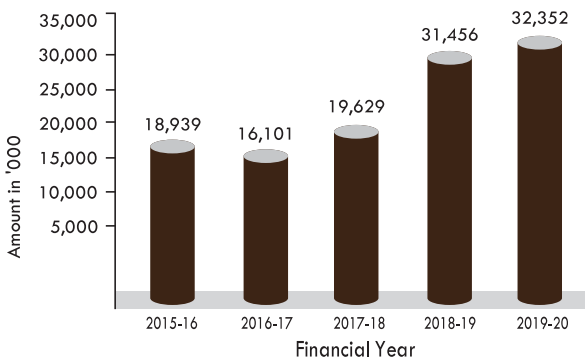
Net Profit Before Tax



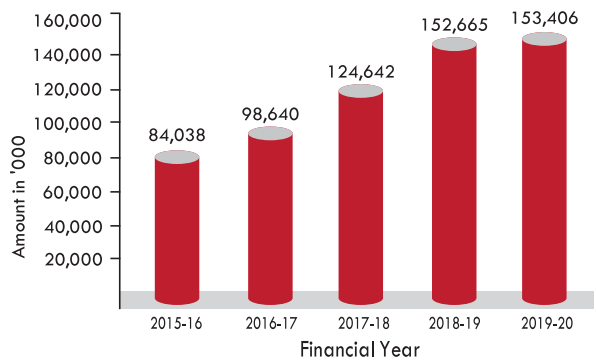
Net Profit After Tax



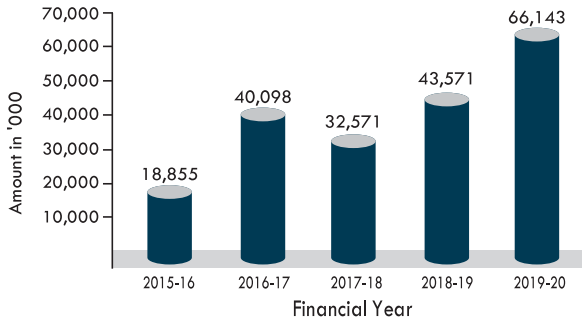
Non Operating Income



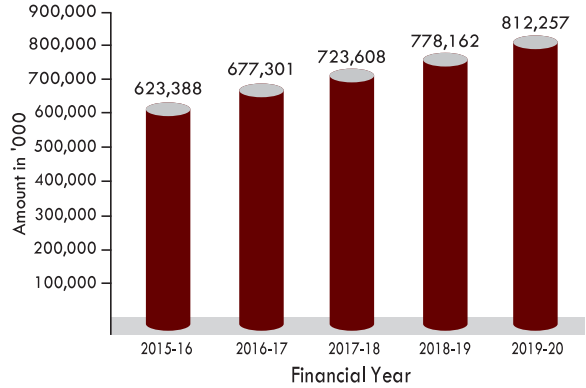
Retained Earnings



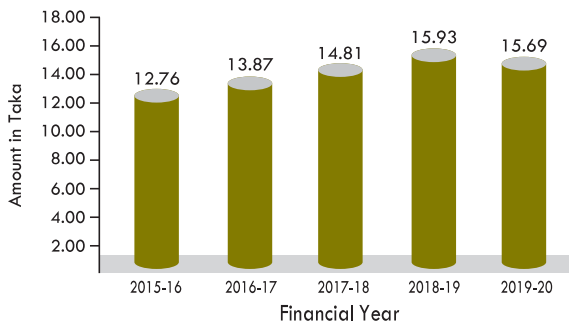
Cash & Cash Equivalent



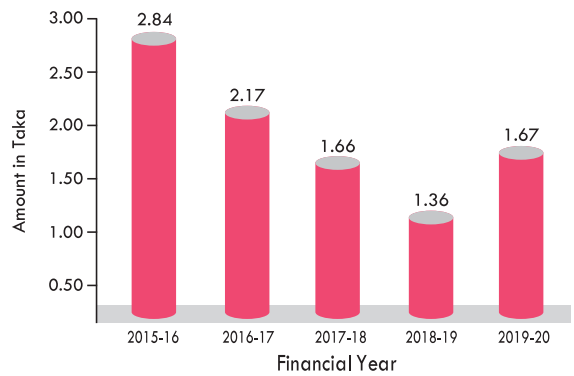
Shareholders' Equity



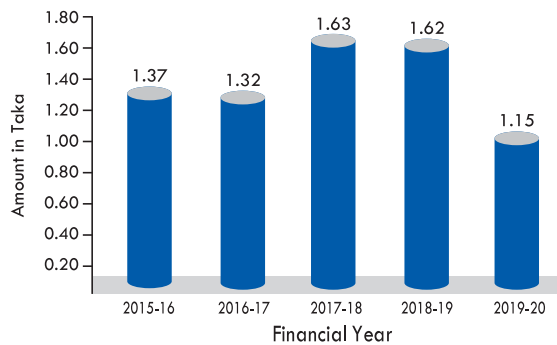
NAV Per Share



NOCF Per Share



Basic Earnings Per Share (Adjusted)



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 1998. 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 are appreciated at home and abroad. He is actively associated with several charity organizations.

Mrs. Qurrattul Ann Siddiqui

Mrs. Qurrattul 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.

Hornbill Apparel Ltd.

Hornbill Apparel Ltd. is the corporate sponsor and director (Represented by Mrs. Quamrun Nahar Begum) of the company. They have been successfully engaged with apparel business in Bangladesh for a long period of time.

Norban Fashion Ltd.

Norban Fashion Ltd. represented by Md. Shafiqul Alom (Sumon) has been successfully engaged with RMG sector for a long period of time.

Mr. Jashim Uddin Ahmed Chowdhury

Mr. Chowdhury has a strong presence in number of industries in RMG, Real Estate sector. He occupies position in the Board of Sar & Co. Ltd. As Chairman, Director in the Titan Company Limited & Nassa Holdings Limited, Managing Director in Rainbow Embroidery and Deputy Managing Director in Nassa Design & Development Ltd.

He is member of Sheikh Jamal Dhanmondi Club & Shamoli Club, contributed and participated in establishing & managing of numerous Schools, Hospitals, Mosques & Orphanages.

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 30 years. He has participated in many local and international events, trainings and workshops.

23rd ANNUAL GENERAL MEETING PICTURE AT A GLANCE



DIRECTORS' REPORT TO THE SHAREHOLDERS FOR THE YEAR ENDED JUNE 30, 2020

Dear Fellow Shareholders,

On behalf of the Board of Directors' and Management, I welcome you all to the 24th Annual General Meeting of BDCOM Online Ltd. We have the pleasure to place herewith the Director's Report and the Auditors' Report, together with Audited Financial Statements of the Company, for the year ended June 30, 2020 for your valued consideration, approval and adoption.

Enhanced value of Shareholder's Investment:

During the year under review, net revenue was Tk. 640.32 Million with around 6.00% 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, 2020 (as mentioned in the Statement of Profit or Loss and Other Comprehensive Income). Details of the same are given below:

Description	June 30, 2020	June 30, 2019
Gross Profit	332,768,032	343,716,074
Operating Profit	58,116,435	92,417,812
Non-Operating Income	32,351,591	31,456,415
Net Profit before WPP & WF	82,265,656	116,247,739
Provision for WPP & WF	(3,917,413)	(5,535,607)
Provision for Income Tax	(18,153,452)	(25,939,774)
Provision for Deferred Tax	(835,543)	(923,120)
Net Profit after Tax	59,359,248	83,849,238
Less: Dividend Distribution of Previous Year	(58,617,900)	(55,826,564)
Add: Profit brought forward	152,664,831	124,642,157
Surplus Available for Appropriation	153,406,179	152,664,831

Dividend and Explanation regarding recommendation of Stock Dividend:

The Board of Directors pleased to recommend 5% Cash Dividend & 5% Stock Dividend for the year ended 30th June, 2020 which will be confirmed in the 24th Annual General Meeting to be held on 17th Dec 2020. And-

- 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.

Retirement and Re-appointment of Directors by rotation:

The Directors retire by rotation in terms of Articles of Association of the Company and being eligible, offer themselves for re-election is Mr. Md. Shafiqul Alom (Sumon) Representative of Norban Fashion Ltd. and Mrs. Quamrun Nahar Begum Representative of Hornbill Apparel Ltd.

Re-appointment of Managing Director:

The Board of Directors re-appointed Mr. S M Golam Faruk Alamgir as Managing Director of the Company for next 3 (three) years upto 07 March 2023 and now seek approval from the shareholders.

Appointment of Auditors:

The office of the present Auditor M/S. Ahmed Zaker & Co., Chartered Accountants will expire with the completion of 24th Annual General Meeting and the Board of Directors recommended the appointment of M/S. Ahmed Zaker & Co., Chartered Accountants, BSEC Panel Auditor as statutory auditors for the year ended June 30, 2021 and to fix their remuneration for approval of the shareholders in the 24th 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 Board recommended the appointment of Atik Khaled Chowdhury, Chartered Accountant, to issue "Corporate Governance Compliance Certificate" of BDCOM Online Ltd. for the year 2020-2021 and to fix the remuneration for approval of the shareholders of the Company in the 24th Annual General Meeting.

Directors Responsibilities for Financial Statements:

The Board is responsible to present a fair, balanced and understandable assessment of the Company's position and prospect as a part of good governance and to that end the Directors' confirm to the best of their knowledge that:

The Financial statements prepared by the management for the year ended 30 June 2020 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.

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 proceeding five years have been shown in the Financial History of Five years: Annexed on page no. 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 annexed on page no. 40

Board of Directors Meeting and attendance:

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 Five (25) Board of Directors meeting were held and the attendance by each directors is given bellow-

Mr. Wahidul Haque Siddiqui	-	Chairman	-	25
Mrs. Qurrattul Ann Siddiqui	-	Director	-	25
Mrs. Quamrun Nahar Begum (Rep: M/S. Hornbill Apparel Ltd.)	-	Director	-	21
Mr. Md. Shafiqul Alom (Sumon) (Rep: M/S. Norban Fashion Ltd.)	-	Director	-	18
Mr. Jashim Uddin Ahmed Chowdhury	-	Independent Director	-	06
Mr. S M Golam Faruk Alamgir	-	Managing Director	-	25

Directors remuneration and fees: Annexed on page no. 87 (Note - 24.01)

The pattern of shareholding:

		Shares Qty as At 30 June20	Shares Qty as at 30 June 19	% 2020	% 2019
(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	- 2,755,215	2,599,260	5.32	5.32
02) Mrs. Qurratul Ann Siddiqui	Director	- 4,977,094	4,695,372	9.61	9.61
03) Mrs. Quamrun Nahar Begum (Rep: M/S. Hornbill Apparel Ltd)	Director	- 2,471,433	2,331,542	4.77	4.77
04) Mr. Md. Shafiqul Alom (Sumon) (Rep: M/S. Norban Fashion Ltd)	Shareholders Director	- 3,573,260	3,371,000	6.90	6.90
05) Mr. Jashim Uddin Ahmed Chowdhury	Independent Director	- -	-	-	-
06) Mr. S M Golam Faruk Alamgir	Managing Director	- -	-	-	-
07) Mr. Sumon Ahmed Sabir	Sponsor	- 764,905	721,609	1.48	1.48
08) Mr. Mohd. Zulfiquar Hafiz	Sponsor	- 567,934	535,787	1.10	1.10
09) Mr. A.T.M Sayeeduzzaman	Sponsor	- 425,719	401,622	0.82	0.82
10) Mr. A. K. M. Kutub Uddin	ED & Company Secretary	- -	-	-	-
11) Mr. CA Faker Ahmed, FCA	Chief Financial Officer	- -	-	-	-
12) Mr. Mohammad Moniruzzaman	Head of Internal Audit	- -	-	-	-
(c) Executives:					
01) Mr. S. M. Kamruzzaman	Chief Technical Officer	- -	-	-	-
02) Mr. Gazi Zehadul Kabir	Chief Strategy Officer	- -	-	-	-
03) Mr. Anowar Hasan Sabir	Chief Information Officer	- -	-	-	-
04) Mr. M. Shykot Raihan	General Manager	- -	-	-	-
05) Mr. Sharif Shabbirul Alam	Deputy General Manager	- -	-	-	-
06) Mr. Bipul Ranjan Saha	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-

to the best of their knowledge and belief, they have reviewed financial statements for the year ended 30th June 2020 and that to the best of their knowledge and belief:

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

Sponsor and Directors all the time jointly holding of minimum 30% (thirty percent) shares of the paid-up capital of the Company:

In compliance with the Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2009-193/217/Admin/90 dated 21st May 2019, Jointly shareholdings of the Sponsors and Directors of the Company is 30% of the paid-up capital.

Achievement & Future Plan

The coronavirus pandemic has already had severe impacts on BDCOM's usual growth but the very dynamic Management of the company has emphasized the need for continuing development activities without relaxing the rules of hygiene in order to achieve development and sustainable economic growth of the Company. Our mission "Progress Possible" has proved to be realistic even at the deadly halt of the world due to Covid-19 Pandemic. As most local and global companies are still being shuttered with employees working from home, the impact of business growth has been stagnated and the ripple has been felt in the industry that has never been experienced. Due to the cancellation or postponing of projects and works in such an unexpected event, business continuity is in serious trouble, resulting in local companies facing cash crunches. As a result of this economic halt, local clients are stalling payment leading to cash flow challenges. But still the promise is kept with many milestones during this fiscal year 2019-2020.

We were advocating all these years to upgrade our MPLS backbone from 10G to 40G. The work is already accomplished in Metro areas with utmost success. Our focus and time investment on countrywide data network expansion is not hampered at all due to scarcity of essential accessories like Fiber Cable, router, etc., during the local and global halt of supply chain. Moreover, the regular aerial cable cut in Dhaka, Sylhet, Chattogram, Mymensingh, etc. districts tremendously impaired the expansion and development of the robust network of BDCOM. The BDCOM MPLS network is now available in all the districts of the country; also, the last mile is mostly converted to FTTx technology adopting the most successful GPON technology. Our specialty with the GPON technology is that we can connect any last mile endpoint upto 10Gbps max which is still very much rare in Bangladesh ISP industry.

As mentioned earlier, the substantial performance of BDCOM is the testimonial to our commitment to ensure best in operational efficiencies across the country. The most significant outcome of this commitment came with the initiative “Internet for All”. The internet is now a pervasive, fundamental commodity part of daily life that continues to deliver massive economic and social benefits around the world. Although much progress has been made in closing the digital divide, the challenge remains huge, complex and multidimensional. With the “Internet for All” package SMILE Broadband is thinking beyond closing the digital divide to investing in the development of a robust digital ecosystem that can facilitate participation in the Fourth Industrial Revolution — intelligent automation ensuring every individual participation in the Internet World.

We strive to unfold the true potential within the Government to create remarkable innovations that can ease and improve the lives of the citizens of Bangladesh. As the flagship programme of the Digital Bangladesh agenda, we hope to inspire developing our Nation on Public Service Innovation and Transformation by sharing our groundbreaking insights supported by the revolution “Internet for All”. Thus, an increasingly ubiquitous, open, fast and content-rich Internet from BDCOM will be able to change the way many people live, communicate and do business.

We launched “Broadband360^o” as one of the most significant outcome of our commitment to the nation and to the vision 2021 of the Digital Bangladesh Government. As the product was designed in accordance with our Social Responsibility, Ethical Business Practice and for the greater protection of our next generation from the vicious effects of abuse, violence & pornography in digital media, our journey has seen bright promise in the society in last one year and now is recognized in the industry as a milestone for safe Internet experience through ultrafast connectivity.

Last one decade has been the landmark for BDCOM in case of Enterprise Hosting catering hosting services for all the major news sites of the country including Prothom Alo, The Daily Star and so on. The service was mostly homegrown open source based technology capacitating both conventional and virtualized environments. However, being one of the biggest computing trends that impact major business sectors across the globe, the cloud has run its roots deep into business processes, bringing a new face to how organizations operate and people work in the modern era. Bringing cloud technology into businesses changes the economics of innovation. Cloud makes it cheaper and faster for businesses to simplify, modernize aging infrastructure, integrate emerging technologies into existing business systems and become data-driven. The resilient and innovative engineers of BDCOM are very proud to announce it’s yet another homegrown cloud platform this year that would take its businesses to the next level.

Since the beginning, BDCOM is very proud of its Software development team, who already developed its own operational workground by which it is running all these years. The team was mainly focused on its own production environment development, maintenance and up gradation. This year BDCOM is rejuvenating its Software Department to focus on disruptive innovation in Software development for the commercial segment within the country and out to the global market. Also, the magnificent team is working relentlessly to match the pace of the modern era of Smart Living that includes Robotics, IoT, IoE, IoNT, SmartHome, SmartCity, AI, ML and BigData to drive new business models with business potential in various sectors such as surveillance, manufacturing, utilities, transport and logistics, agriculture, power and smart cities.

Our sky is still very much expanded because we still believe that our capacity to solve problems and adopt new normal technologies are boundless. The brains behind BDCOM still very much cynical and opportunistic to exploit chances offered by the new normal circumstances to make new plans that will provide diverse platforms for disruptive and innovative technological advanced products and services in the country.

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 help several NGOs 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 And Regulatory Commission (BTRC), Bangladesh Securities And Exchange Commission (BSEC), Dhaka Stock Exchange Ltd. (DSE), Chittagong Stock Exchange Ltd. (CSE) and Central Depository of Bangladesh Limited (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 Managing Director and Chief Financial Officer

Date : October 28, 2020

The Board of Directors
BDCOM Online Ltd.
JL Bhaban (5th floor), House # 01
Road # 01, Gulshan Avenue
Gulshan -1, Dhaka-1212

Subject: Declaration on Financial Statements for the year ended on June 30, 2020

Dear Sirs,

Pursuant to the condition No. 1(5) (xxvi) impose 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, 2020 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, 2020 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



(CA Faker Ahmed FCA)
Chief Financial Officer

AUDIT COMMITTEE REPORT

For the year ended on 30 June 2020

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

The Audit Committee of BDCOM Online 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. Jashim Uddin Ahmed Chowdhury, Independent Director
Member	: Mrs. Qurrattul Ann Siddiqui, Director
Member	: Mrs. Quamrun Nahar Begum, Director (Representative of Hornbill Apparel Ltd.)
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 2019-2020. Attendance of the Members was as follows:

Name of the Member	No. of Meeting Held	No. of Meeting Attendance
Mr. Jashim Uddin Ahmed Chowdhury	4	4
Mrs. Qurrattul Ann Siddiqui	4	4
Mrs. Quamrun Nahar Begum (Representative of Hornbill Apparel Ltd.)	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 extent permitted by the relevant law, rules and regulations.
- To exercise its 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 2019-2020

The Committee held 4 (Four) meeting during the financial year 2019-2020. The Managing Directors, Chief Financial Officer and Head of Internal Audit attended meeting on invitation. The major activities of the Audit Committee in 2019-2020 are stated below-

- reviewed the internal Control System and the financial statements of first quarter, half year, third quarter and annual financial statements for the year ended June 30, 2020 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 2020.
- 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 Ahmed Zaker & Co, Chartered Accountants (BSEC panel Auditors) as the Statutory Auditors of the Company for the year 2020-2021.

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



Jashim Uddin Ahmed Chowdhury

Chairman, Audit Committee

28 October, 2020

Nomination and Remuneration Committee Report for the year ended June 30, 2020

The Board of Directors of BDCOM Online Ltd., has duly constituted a Nomination and Remuneration Committee (NRC) as per the requirements of the BSEC Code of Corporate Governance.

The NRC Committee of BDCOM comprises of the following Members:

Mr. Jashim Uddin Ahmed Chowdhury, Independent Director	-	Chairman
Mrs. Qurrattul Ann Siddiqui, Director	-	Member
Mrs. Quamrun Nahar Begum, Director (Representative of Hornbill Apparel Ltd.)	-	Member

Company Secretary acts as the Member Secretary to the Committee.

Objectives and purpose of the NRC policy:

- a. NRC shall be independent and responsible or accountable to the Board and to the shareholders.
- b. NRC shall oversee, among others, the following matters and make report with recommendation to the Board:
 - (i) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:
 - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
 - (b) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (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;
 - (ii) Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
 - (iii) Identifying persons who are qualified to become directors 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;
 - (iv) Formulating the criteria for evaluation of performance of independent directors and the Board;
 - (v) Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
 - (vi) Developing, recommending and reviewing annually the company's human resources and training policies;

Implementation:

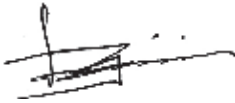
- a. The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- b. The Committee may delegate any of its powers to one or more of its members.

The activities of the NRC during the year were as follows:

The NRC Committee held one meeting during the year. The Managing Director, Chief Financial Officer and Head of Internal Audit attended the meeting by invitation of the Committee-

- i) Reviewed the existing policy relating to the remuneration of the Managing Director, top level executives and employees of the Company.
- ii) Reviewed the criteria for determining the qualifications, positive attributes and independence of Directors.
- iii) Reviewed the criteria for recruitment, replacement and promotion at different levels of the Company.

On behalf of the NRC Committee



Jashim Uddin Ahmed Chowdhury

Chairman, NRC

Date: 28 October, 2020

[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 clause "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 independent 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;	√		

Condition No.	Title	Compliance Status (Put “√” in appropriate column)		Remarks (if any)
		Complied	Not Complied	
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	√		
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 case in the FY: 2019-20
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 local/international chamber of commerce or business associate;	--	--	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 autonomous 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

Condition No.	Title	Compliance Status (Put “√” in appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(3)(c)	The independent director shall have at least 10 (Ten) 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;	√		
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 absence of the regular 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 activities and their implications (gain or loss);	--	--	N/A

Condition No.	Title	Compliance Status (Put “√” in appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(vi)	A details discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions 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 operations, 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;	√		
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 departure 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;	√		

Condition No.	Title	Compliance Status (Put "√" in appropriate column)		Remarks (if any)
		Complied	Not Complied	
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 director.	√		
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 Associate 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 immediately 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 Secretaries of Bangladesh (ICSB).	√		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer:			

Condition No.	Title	Compliance Status (Put “√” in appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√		
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;	√		

Condition No.	Title	Compliance Status (Put "√" in appropriate column)		Remarks (if any)
		Complied	Not Complied	
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 case in the FY: 2019-20
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 statements that might be misleading; and	√		
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:			

Condition No.	Title	Compliance Status (Put "√" in appropriate column)		Remarks (if any)
		Complied	Not Complied	
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 Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		
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 case in the FY: 2019-20
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 directors.	√		
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;	√		

Condition No.	Title	Compliance Status (Put "√" in appropriate column)		Remarks (if any)
		Complied	Not Complied	
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 case in the FY: 2019-20
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;	√		
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 financial 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 case in the FY: 2019-20

Condition No.	Title	Compliance Status (Put "√" in appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required 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 purposes 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.	--	--	N/A
6	Nomination and Remuneration Committee (NRC) :			
6(1)	Responsibility to the Board of Directors:			
6(1)(a)	The company shall have a Nomination and Remuneration 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 qualifications, 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;	√		

Condition No.	Title	Compliance Status (Put "√" in appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(2)(d)	The Board shall have 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 case in the FY: 2019-20
6(2)(f)	The chairperson of the committee may appoint or co-opt any external expert to the committee as advisor;	--	--	No such case in the FY: 2019-20
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 at least an Independent Director;	√		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly any remuneration for any advisory or consultancy 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 duly recorded in the minutes;	--	--	No such case in the FY: 2019-20
6(3)(c)	The Chairperson of the NRC shall attend the AGM to answer the queries of the shareholders.	√		
6(4)	Meeting of the NRC:			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	--	--	No such case in the FY: 2019-20
6(4)(c)	The quorum of the meeting of the NRC shall be constituted 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);	√		
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.	√		

Condition No.	Title	Compliance Status (Put "√" in appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(5)	Role of the NRC:			
6(5)(a)	NRC shall be independent and responsible or 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 directors 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.	√		
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;	√		

Condition No.	Title	Compliance Status (Put “√” in appropriate column)		Remarks (if any)
		Complied	Not Complied	
7(1)(viii)	Audit or Certification Services on compliance of Corporate 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 said company during the tenure of assignment.	√		
7(3)	Representative of external auditors or statutory auditors present in the shareholders' meeting (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 date of listing.	√		
8(3)	The company shall make available the details disclosures 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 salutory 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 24 th 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, 2020. 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 Institute 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 Institute 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 Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The governance of the company is satisfactory.

Place: Dhaka
Dated: 12 November, 2020



Atik Khaled Chowdhury
Chartered Accountants

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	
Appropriateness of revenue recognition and disclosures on the impact of the initial application of IFRS 15.	How the matter was addressed in our audit
See Notes-22 to the financial statements	
<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. • 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,</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;

<p>and the judgments required in making appropriate provisions.</p>	<ul style="list-style-type: none"> 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, unprovided 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>
<p>Key audit matter</p>	
<p>Property, plant and equipment (PPE)</p>	<p>How the matter was addressed in our audit</p>
<p>See Notes-03 to the financial statements</p>	
<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. 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>	<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> <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 atthe 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

	<ul style="list-style-type: none"> - 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 15,727,667 as 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.


 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 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 Realized 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	29	-	-	-	-	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

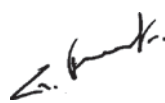
The accompanying policies and explanatory notes 1-34 form an integral part of these Financial Statements.



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 Earning	Amount in Taka	
						30.06.2020	30.06.2019
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 Earning	Amount in Taka	
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	-	-	-	-	-	-	
Related Deferred Tax	-	-	-	3,633,596	-	3,633,596	
Sustainable Estimated Profit/(Loss) on Marketable Securities	-	-	-	(363,360)	-	(363,360)	
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	


Chief Financial Officer

Company Secretary

Managing Director

Director

Chairman

Signed in terms of our separate report on same date

Place: Dhaka

Date: October 28, 2020


Ahmed Zaker & Co.
Chartered Accountants

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

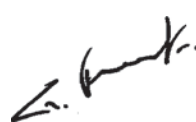
Particulars	Amount in Taka	
	2019-2020	2018-2019
A. Cash Flows from Operating Activities :		
Receipts from sales, services & others	606,586,740	582,007,925
Bank Interest - STD & Others	769,200	656,855
WPP & WF payment	(5,535,607)	(4,757,293)
Payment of Income Tax	(21,732,217)	(27,033,210)
Cash payment 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



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.**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 Flow 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 and 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 shareholders	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.

- a) Credit risk
- b) Liquidity risk
- c) Market risk

Credit risk

Credit risk is the risk of financial loss to the company if a customer or a counterpart to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables from customers. 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 are 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 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 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, 2020 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

[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

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

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

Amount in Taka	
2019-2020	2018-2019

5.01 Accessories :

The break up of the amount is as follows:

Particulars

Broadband Accessories

UTP Cable

Total Taka

119,262	250,486
62,122	40,761
181,384	291,247

5.02 GLP, GPRS modem & Accessories :

The break up of the amount is as follows:

Particulars

Geographical Location Platform (GLP)

Total

4,177,386	4,587,513
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

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

		Amount in Taka	
		2019-2020	2018-2019
7.01	Advance income Tax:		
	The break up of the amount is as follows:		
	Particulars		
	Tax deducted on interest income	2,706,693	2,629,130
	Tax deducted on supply & sales and others	19,025,524	24,404,080
	Total Taka	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	135,051,855	115,134,898
	IP Telephone Service Notes- 8.02	22,609,488	13,323,106
	Web page, Software & Data Transmit Notes- 8.03	35,561,686	30,218,289
	Hardware, Switch & Others Notes- 8.04	860,951	1,677,630
	Total Taka	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	33,909,258	24,186,190
	Broad Band Internet	8,496,897	6,835,410
	Data Connectivity Notes- 8.01.02	92,645,700	84,113,298
	Total Taka	135,051,855	115,134,898
8.01.01	Corporate Internet :		
	The break up of the amount is as follows:		
	Particulars		
	Corporate Internet	33,909,258	30,305,683
	Less: Provision for Bad & Doubtful Debts	-	(6,119,493)
	Total Taka	33,909,258	24,186,190
8.01.02	Data Connectivity :		
	The break up of the amount is as follows:		
	Particulars		
	Data Connectivity	92,645,700	84,778,494
	Less: Provision for Bad & Doubtful Debts	-	(665,196)
	Total Taka	92,645,700	84,113,298
8.02	IP Telephone Service :		
	The break up of the amount is as follows:		
	Particulars		
	Monthly rent & others Notes- 8.02.01	15,645,248	10,205,079
	Inter-Connectivity	6,964,240	3,118,027
	Total Taka	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

Amount in Taka	
2019-2020	2018-2019
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

Notes- 8.03.01

Domain Hosting & Registration

Notes- 8.03.02

AVLS

Notes- 8.03.03

Graphics Design

Notes- 8.03.04

Total Taka

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

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

Amount in Taka	
2019-2020	2018-2019

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

Prime Bank Ltd

Prime Bank Ltd

Eastern Bank Ltd.

Bank Asia Ltd.

IDLC Finance td.

IDLC Finance td.

IDLC Finance td.

IDLC Finance td.

IFIC Bank Ltd.

IFIC Bank Ltd.

IFIC Bank Ltd.

IFIC Bank Ltd.

IFIC Bank Ltd.

IFIC Bank Ltd.

Exim Bank Ltd.

IPDC Finance Ltd.

IPDC Finance Ltd.

Uttara Finance & Invest.Ltd.

Uttara Finance & Invest.Ltd.

Uttara Finance & Invest.Ltd.

Uttara Finance & Invest.Ltd.

Uttara Finance & Invest.Ltd.

Uttara Finance & Invest.Ltd.

Uttara Finance & Invest.Ltd.

2127418012614	2,791,914	2,637,313
127419010187	2,504,173	2,335,982
2127416004761	11,036,541	10,413,836
1084980177164	-	2,702,500
2155008365	16,172,345	15,046,830
11253117203701	-	7,151,828
11254717203701	-	6,049,135
11252217203702	5,486,722	-
11252217203703	25,674,865	-
0000509038200	25,200,000	25,200,000
1025509038203	33,544,000	28,000,000
1025509038202	10,078,004	9,265,000
1006522930201	7,845,726	7,212,803
1025509038204	14,093,949	-
1025509038205	15,050,000	-
2860100371355	6,869,051	6,367,603
000121000001136	48,694,492	44,308,000
000121000001139	15,855,383	14,427,100
0100120059314	7,557,491	7,557,491
0100120019615	6,877,135	6,877,135
0100120019815	27,498,780	27,498,780
0100120025615	6,758,167	6,228,160
0100360000515	6,481,500	6,481,500
0100120006418	-	23,244,000

		Amount in Taka	
		2019-2020	2018-2019
11.00	Delta Brac Husing & Finance Ltd. 71000182218	7,050,000	-
	NRB Commercial Bank Ltd. 011171200000036	-	6,758,682
	NRB Commercial Bank Ltd. 011171200000024	-	4,051,232
	NRB Commercial Bank Ltd. 011171200000037	-	6,758,682
	NRB Commercial Bank Ltd. 011147600000003	-	6,433,200
	Union Bank Limited 0622060000344	-	5,000,000
	Lanka Bangla Finance Ltd. 001022800000127	6,790,850	5,959,500
	Lanka Bangla Finance Ltd. 001029400000001	7,303,099	-
	Lanka Bangla Finance Ltd. 0010228000000760	11,837,606	11,837,606
	Total Taka	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		1,190,037	92,060
Cash at Bank	Notes- 12.01	64,515,018	43,315,822
Cash Available in BD-Smartpay		153,807	73,262
Cash Available in SSL		56,081	-
Cash Available in bKash		138,850	-
Cash Available in BO Account (Daulatunnessa Equities Ltd.)		89,582	89,582
Total Taka		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	872,988	358,527
First Security Bank Ltd.	010811100001575	143,498	144,568
Sonali Bank Ltd.	001017833	354,651	350,491
Bank Asia Ltd.	06933000002	11,794	12,484
Bank Asia Ltd.	02133001275	893,028	540,767

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

		Amount in Taka	
		2019-2020	2018-2019
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		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

517,791,380	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 Jun 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

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 Jun 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.

		Amount in Taka	
		2019-2020	2018-2019
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		
	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
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 differences
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
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Total Taka

161,642,854	103,486,683
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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
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10,445,653

Liability for Other Finance

Noted- 19.02

31,981,486	21,353,128
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21,353,128

Unpaid Dividend

5,706,033	4,862,002
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4,862,002

Total Taka

49,810,563	36,660,783
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36,660,783

Amount in Taka	
2019-2020	2018-2019

19.01 Liability for Expenses :

The break up of the amount is as follows:

Particulars

Salaries & Allowances

Outstanding Expenses

Audit Fee Payable

Total Taka

11,613,412	10,029,006
394,632	301,647
115,000	115,000
12,123,044	10,445,653

19.02 Liability for Other Finance :

The break up of the amount is as follows:

Particulars

Tax deducted on Employees Salaries

Employees Provident Fund

Tax deducted at Source

Security Deposit -Broadband

Security Deposit -Others

Contribution to WPP & WF @ 5%

VAT at Source & Others

Advance Agst. Sales (Broadband Internet)

Advance Agst. Sales (Data Connectivity)

Advance Agst. Sales (Corporate Internet)

Advance Agst. Sales (Domain & Web Hosting)

Advance Agst. Sales (Graphic Design)

Advance Agst. Sales (AVLS)

Advance Agst. Sales (Monthly Rent/Tel Call)

Total Taka

1,034,807	1,386,870
13,383,363	5,027,105
3,468,188	2,629,467
10,350	10,35
1,071,885	1,047,221
3,929,274	5,547,468
692,117	1,280,716
940,052	961,035
3,148,348	93,713
1,528,964	1,246,735
278,178	117,992
15,069	15,069
351,811	333,129
2,129,081	1,656,258
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

25,939,774	12,994,040
18,153,452	24,062,458
-	1,877,316
44,093,226	38,933,814
(25,939,774)	(12,994,040)
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:

Particulars	Account Number	Amount in Taka	
		2019-2020	2018-2019
Prime Bank Ltd.-SOD A/C	12777590042804	9,862,651	16,974,637
Prime Bank Ltd.-SOD A/C	2127725016503	20,780,393	8,137,041
Shahjalal Islami Bank Ltd.(Motor Vehicle)	4001 36400000423	2,068,898	2,753,640
Shahjalal Islami Bank Ltd.(Motor Vehicle)	4001 36400000435	236,715	-
Bank Asia Ltd. (Machinery)	02135001282	-	1,854,800
Bank Asia Ltd. (Motor Vehicle)	02135001299	43,063	585,500
Bank Asia Ltd. (Motor Vehicle)	02135001339	477,193	940,774
Total Taka		33,468,913	31,246,392

22.00 Revenue From Sales, Services & Others :

The break up of the amount is as follows:

Particulars

		Amount in Taka	
		2019-2020	2018-2019
Revenue from Unit -1	Notes-22.01	551,590,897	495,216,137
Revenue from Unit -2	Notes-22.02	42,160,456	64,853,325
Revenue from Unit -3	Notes-22.03	46,565,444	42,029,963
Total Taka		640,316,797	602,099,425

22.01 Revenue From Unit -1 :

The break up of the amount is as follows:

Particulars

Revenue from Internet/Data Connectivity Services	532,980,745	477,056,927
Revenue from IT Enable Services	8,456,227	7,373,811
Revenue from Sale of Hardware	5,199,520	2,028,431
Revenue from Internet (Educational Institutions)	4,954,405	8,756,968
Total Taka	551,590,897	495,216,137

22.02 Revenue From Unit -2 :

The break up of the amount is as follows:

Particulars

Revenue from Software & Graphic Design	7,488,325	9,860,369
Revenue from AVLS Support & Service	19,378,891	16,197,635
Revenue from Web Development, Hosting & Domain Reg.	6,209,338	18,446,426
Revenue from Web Maintenance (Application)	-	14,099,349
Revenue from AVLS Supply	9,083,902	6,249,546
Total Taka	42,160,456	64,853,325

22.03 Revenue From Unit -3 :

The break up of the amount is as follows:

Particulars

Revenue from IP Telephony Monthly Rent	6,729,707	3,040,448
Revenue from IP Telephony Outgoing NWD Call	15,079,937	16,375,402
Revenue from IP Telephony Outgoing ISD Call	9,492,581	7,941,055
Revenue from IP Telephony Incoming NWD Call	7,089,070	4,931,566
Revenue from IT Enable Services	7,128,674	7,749,587
Revenue from Sale of Hardware & Equipments	1,045,475	1,991,905
Total Taka	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

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-1 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

Particulars	UNIT-1 ISP	UNIT-2 SDP	UNIT-3 IPTSP	Amount in Taka	
				2019-2020	2018-2019
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
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.

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

The break up of the amount is as follows:

	Amount in Taka	
	2019-2020	2018-2019
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

59,359,248	83,849,238
59,359,248	83,849,238

Number of Shares
Earning Per Share

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 : Unrealized 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)	-

	Amount in Taka	
	2019-2020	2018-2019
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	86,449,452	66,255,852
	86,449,452	66,255,852
Number of Shares	51,779,138	48,848,243
Net Operation Cash Flows Per Share (Reported)	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.

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

Amount in Taka	
2019-2020	2018-2019

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 30.06.2019 (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	3,888,061
Mr. A.K.M Kutub Uddin	Executive Director & Company Secretary	2,572,974
Mr. S.M Kamruzzaman	Chief Technical Officer	2,790,708
Mr. Gazi Zehadul Kabir	Chief Strategy Officer	2,102,200
Mr. Anwar Hasan Sabir	Chief Information Officer	2,099,500

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

(Amount in BDT)
 Schedule-A/1

Unit-1 (ISP)

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
Building (Floor Space)	67,286,909	-	-	2.5%	1,374,472	-	13,682,487	53,604,422
Internet System Hardware	248,364,814	27,162,641	-	18%	19,333,745	-	172,466,703	103,060,752
Furniture & Fixture	4,119,244	214,749	-	10%	198,507	-	2,447,018	1,886,975
Office Renovation	12,357,201	1,154,440	-	18%	709,041	-	9,304,261	4,207,380
Sundry Assets	845,535	-	-	10%	19,669	-	668,513	177,022
Crockeries & Cutleries	244,393	26,870	-	10%	16,443	-	107,906	163,357
A. C. Installation	4,645,758	38,915	-	18%	268,015	-	3,460,475	1,224,198
PABX Installation	342,783	-	-	18%	2,292	-	332,344	10,439
Office Equipments	21,235,756	1,061,102	-	15%	1,331,224	-	14,362,394	7,934,464
V-Sat Tower	3,919,414	-	-	15%	46,550	-	3,655,632	263,782
Telephone & Installation	10,585,914	-	-	15%	102,944	-	10,002,564	583,350
Motor Vehicles	31,310,505	257,180	-	15%	2,970,518	-	14,713,317	16,854,368
Generator/Online UPS	18,945,108	1,471,940	-	15%	1,627,969	-	10,227,741	10,189,307
Cable Installation	18,494,304	168,192	-	15%	1,318,297	-	11,093,961	7,568,535
Broad Band Equipments	58,041,190	73,417	-	18%	2,337,054	-	47,403,932	10,710,675
Radio Equipments	52,647,876	1,590,084	-	18%	4,198,782	-	34,247,376	19,990,584
Electrical Installation	1,977,482	27,950	-	15%	90,942	-	1,467,813	537,619
Optical Fiber Deployment	131,316,091	3,281,599	-	15%	8,332,629	-	85,410,337	49,187,353
Neon Sign & Others	18,767	-	-	20%	375	-	17,268	1,499
Base Tower & Installation	28,002,616	624,898	-	10%	1,914,303	-	11,169,357	17,458,157
WiFi Base Station	7,177,978	-	-	20%	294,774	-	5,998,884	1,179,094
Sub Total	748,879,638	37,153,977	-		46,488,545	-	452,240,283	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

Unit-3 (IPTSP)

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	20,199,883	1,211,516	-	18%	1,584,728	-	13,565,646	7,845,753
Furniture & Fixture	22,850	-	-	10%	1,453	-	9,778	13,072
Motor Vehicles	1,781,000	1,595,500	-	15%	312,908	-	712,520	2,663,980
Telephone Installation-IP	2,428,554	602,661	-	15%	305,005	-	1,009,200	2,022,015
Software Development	4,153,435	-	-	15%	162,605	-	3,232,007	921,428
Electric Installation	21,180	-	-	15%	822	-	16,519	4,661
Radio Equipment	29,638	-	-	18%	1,515	-	22,737	6,901
Sub Total	28,636,540	3,409,677	-		2,369,036	-	18,568,407	13,477,810
Grand Total as at 30 Jun 2020	828,305,434	40,902,954	-		49,891,917	-	516,411,116	352,797,272
Grand Total as at 30 Jun 2019	763,499,306	64,806,128	-		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).

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 Balance Sheet Date	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rate	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefits Plans	26	Applied
Separate Financial Statements	27	N/A
Investment in Associates and Joint Venture	28	N/A
Financial Instruments Presentation	32	Applied
Earnings Per Share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Applied
Investment Property	40	N/A
Agriculture	41	N/A
Name of the IFRS	IFRS no	Status
First Time Adaption 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	N/A
Joint Arrangements	11	N/A
Disclosure of Interests in Other Entities	12	N/A
Fair Value Measurement	13	Applied
Regulatory Deferral Accounts	14	N/A
Revenue from Contracts with Customers	15	Applied
Leases	16	Applied

PROXY FORM

Register Folio /BO No.

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No. of Shares hold.....

The Directors

BDCOM ONLINE LTD.

JL Bhaban (5th floor), House # 01, Road # 01
Gulshan Avenue, Gulshan # 01, Dhaka-1212, Bangladesh
Ph: +88 09666 333 666

I/We

.....
being member (s) of BDCOM ONLINE LTD. hereby appoint
as my / our Proxy to attend and vote for me/us on my/our behalf at the 24th BDCOM ONLINE LTD.
of the Company to be held Virtually by using Digital Platform through the link
<http://bdcom24agm.digitalagmbd.net> on Thursday the 17 December 2020 at 11.00 A.M
any adjournment therefore.

As witness my/our hands thisday of2020

Revenue Stamp Tk. 20.00

Signature of the Proxy

R.Folio / BO No

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Signature of the Shareholder

R.Folio / BO No

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No. of shares held

Note:

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

BDCOM ONLINE LTD.

JL Bhaban (5th floor), House # 01, Road # 01
Gulshan Avenue, Gulshan # 01, Dhaka-1212, Bangladesh
Ph: +88 09666 333 666

SHAREHOLDERS ATTENDANCE SLIP

I do hereby record my attendance at the 24th Annual General Meeting of BDCOM Online Ltd. being held Virtually by using Digital Platform through the link <http://bdcom24agm.digitalagmbd.net> on Thursday the 17 December 2020 at 11.00 A.M

Name of Shareholder

Register Folio/BO No

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Number of Shares held by Shareholder.....

SIGNATURE OF SHAREHOLDER /PROXY

| BDCOM.COM |

broadb

INTERNET FOR NEXT