



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

### Dear Shareholders

The Directors of BDCOM Online limited welcome you all at the 20<sup>th</sup> Annual General Meeting and have the pleasure of presenting the Director's Report of your company together with audited financial statements for the year ended June 30, 2016.

### Enhanced value of Shareholder's Investment:

In the year under review, Revenue was Tk.444.68 million with 22.99% increase compared to the revenue of previous year. The significant growth in revenue was mainly from nationwide data service (Intranet service).

The Directors take pleasure in reporting the financial results of the Company for the year ended June 30, 2016 (as mentioned in the Statement of Profit & Loss and Other Comprehensive Income). Details of the same are given below.

Description	June 30, 2016	June 30, 2015
Gross Profit	260,406,564	214,272,355
Operating Profit	65,381,690	57,869,533
Non-Operating Income	18,938,504	15,483,867
Net Profit before Provision & Tax	84,320,194	73,353,400
Provision for WPPWF	4,216,010	3,667,670
Provision for Income Tax	12,191,478	9,331,572
Provision for Deferred Tax	827,908	571,182
<b>Net Profit after Tax</b>	<b>67,084,798</b>	<b>59,782,977</b>
Less: Dividend Distribution of Previous Year	57,511,418	50,009,929
Less :Prior Year Adjustment	2,805,770	-
Add: Profit brought forward	77,269,935	67,496,887
<b>Surplus Available for Appropriation</b>	<b>84,037,545</b>	<b>77,269,935</b>

### The Board of Directors recommendation for

Cash Dividend @5%	20,704,110
Stock dividend @7%	28,985,755

**Retained Earnings after Proposed Dividend** **34,347,679**

### Dividend

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

### Directors

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

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

### Auditors

The office of the present Auditor M/S. Ahmed Zaker & Co., Chartered Accountants will expire with the completion of 20<sup>th</sup> Annual General Meeting and are eligible and offer themselves for appointment as Statutory Auditors and the Board of Directors recommended M/S. Ahmed Zaker & Co., BSEC Penal Auditor as Statutory Auditors for the year ended June 30, 2017 with re-fixation of remuneration and seek shareholders' approval.

## Additional Statements

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

- a) The Financial statements prepared by the management for the year ended 30 June 2016 give a true and fair view of the state of the company about the result of its operation, cash flows and changes of equity.
- b) Proper books of accounts as required by the prevailing laws have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparing the financial statement and that the accounting estimates are based on reasonable prudent judgment.
- d) The financial statements have been prepared in accordance with applicable IAS/BAS/IFRS/BFRS.
- e) The system of internal control and check are in effect and maintained properly.
- f) The company has sound and strong operational strengths and ability to continue as a going concern. As such, there is no doubt of its continuity.
- g) There is no deviation from last year operating results.
- h) The key operating and financial data for the proceeding five years have been shown in the Financial History of Five years ( Annexure -1, Page-19)
  - i) During the year Twenty Two (22) Board of Directors meeting were held and the attendance by each directors is given bellow:

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

- j) The pattern of shareholding:
  - i) Parent/Subsidiary /Associate Companies
  - ii) Sponsor , Directors, Managing Director, Chief Financial Officer, Company Secretary, Head of Internal Audit and their spouse and minor children:

		Shares Qty. as	Shares Qty. as	%	%
		at 30-Jun-16	at 30-Jun-15	2016	2015
a) Mr. Wahidul Haque Siddiqui	Chairman	- 2,203,371	2,040,159	5.32	5.32
b) Mrs. Qurratul Ann Siddiqui	Director	- 3,980,226	2,991,386	9.61	7.80
c) M/s. Hornbill Apparel Ltd.	Director	- 2,976,430	1,830,029	4.77	4.77
d) Mr. Das Deba Prashad	Independent Director	- -	-	-	-
e) Mr. S. M. Golam Faruk Alamgir	Managing Director	- -	-	-	-
f) Mr. Sumon Ahmed Sabir	Sponsor	- 611,705	566,394	1.48	1.48
g) Mr. Mohd. Zulfikar Hafiz	Sponsor	- 454,185	420,542	1.10	1.10
h) Mr. A.T.M Sayeeduzzaman	Sponsor	- 340,453	315,235	0.82	0.82
i) A. K. M. Kutub Uddin	Company Secretary	- -	-	-	-
j) Md. Robiul Alam Chowdhury	Chief Financial officer	- -	-	-	-
k) Mr. Swapan Kumar saha	Head of Internal Audit	- -	-	-	-

### iii) Executives:

a) Mr. S. M. Kamruzzaman	Chief Technical Officer	-	-	-	-
b) Mr. Gazi Zehadul Kabir	General Manager	-	-	-	-
c) Mr. Anowar Hasan Sabir	General manager	-	-	-	-
d) Mr. Bipul Ranjan Saha	Asstt. General Manager	-	-	-	-
e) Mr. Sharif Shabbirul Alam	Asstt. General Manager	-	-	-	-

### iv) Shareholders holding 10% or more voting interest in the company

a) ICB	-	5,464,425	5,058,838	13.1	13.19
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## Duties of Managing Director and Chief Financial officer

As per condition 6 of the Corporate Governance Guidelines, the managing Director and Chief Financial Officer (CFO) has certified to the Board that-

- to the best of their knowledge and belief, they have reviewed financial statements for the year ended 30th June 2016 and that to the best of their knowledge and belief:
- the financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- the financial statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- there were, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.

## Brief Resume of the Director

### Mr. Wahidul Haque Siddiqui

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

### Mrs. Qurratul Ann Siddiqui

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

### M/S. Hornbill Apparel Limited

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

### Mr. Das Deba Prashad

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

### Mr. S. M. Golam Faruk Alamgir

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

## Achievement & Future Plan

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

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

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

## Corporate Governance

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

## Acknowledgement

The Board of Directors like to express their gratitude to all honorable shareholders, valued clients for their patronage. The Directors also express their thanks and profound appreciation for the immense support and co-operation received from Registrar of Joint Stock Companies & Firms (RJSC), Bangladesh Securities And Exchange Commission (BSEC), Dhaka Stock Exchange Ltd (DSE), Chittagong Stock Exchange Ltd (CSE) and Central Depository of Bangladesh Ltd (CDBL). The Board of Directors pleased to put on record their appreciation for the teamwork, prompt and prudent decision making, efficient and cordial service and contribution made by the management as well as the employees towards the growth and progress of the Company.

Thanks & regards

For and on behalf of the Board of Directors



Wahidul Haque Siddiqui  
Chairman