



Annual Report 2010 - 2011



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The document provided you with detailed and comprehensive information about the overall performance of BDCOM Online Limited as on June 30, 2011.

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CORPORATE DIRECTORY

BOARD OF DIRECTORS

| | |
|----------------------|--|
| CHAIRMAN | : MR. WAHIDUL HAQUE SIDDIQUI |
| MANAGING DIRECTOR | : MR. SUMON AHMED SABIR |
| DIRECTORS | : MRS. QURRATUL ANN SIDDIQUI MR. A.T.M. SAYEEDUZZAMAN MR. MOHD. ZULFIQUAR HAFIZ M/S. HORNBILL APPAREL LTD. |
| PUBLIC DIRECTOR | : MR. JASHIM UDDIN AHMED CHOWDHURY |
| INDEPENDENT DIRECTOR | : MR. RUHUL QUADER CHOWDHORY |
| COMPANY SECRETARY | : A.K.M. KUTUB UDDIN |
| REGISTERED OFFICE | : RANGS NILU SQUARE (5th Floor) SATMOSJID ROAD, HOUSE-75, ROAD- 5/A DHANMONDI R/A, DHAKA-1209 |
| BRANCH OFFICES | : 1/B, DIT AVENUE, CAFEJHEEL BUILDING (10th Floor), MOTIJHEEL, DHAKA - 1000 TEL: 7162347-8 FIROZ TOWER, 152/3B-GREEN ROAD PANTHOPATH, DHAKA, TEL: 8157920-21 HOUSE: 138 EASTERN NIBASH, ROAD-01 FLAT-01, GULSHAN-2, DHAKA-1212 1646 SK.MUJIB ROAD, LOKMAN TOWER (6TH FLOOR), PATHANTULI, CTG-4100 HOLLY VIEW COMPLEX (3RD FLOOR) 121/18 EAST DARGHA GATE, SYLHET |
| SHARE OFFICE | : RANGS NILU SQUARE (5th Floor) SATMOSJID ROAD, HOUSE-75, ROAD- 5/A DHANMONDI R/A, DHAKA-1209 |
| AUDITOR | : M/S. AHMED ZAKER & CO. CHARTERED ACCOUNTANTS |
| BANKERS | : PRIME BANK LIMITED EASTERN BANK LIMITED FIRST SECURITY BANK LIMITED NCC BANK LIMITED UNITED COMMERCIAL BANK LIMITED PUBALI BANK LIMITED DUTCH BANGLA BANK LIMITED RUPALI BANK LIMITED |
| INSURER | : ASIA PACIFIC GENERAL INSURANCE CO. LTD. |

Registered Office

RANGS Nilu Square (5th Floor), Satmosjid Road
House- 75, Road- 5/A, Dhanmondi R/A, Dhaka - 1209

Branch Office

1) 1/B, DIT Avenue Cafejheel Building (10th floor)
Motijheel C/A, Dhaka-1000, Tel: 8802-7162347-8

2) Firoz Tower, 152/3B Green Road, Panthppath Dhaka
Tel: 880-2-8157921; 8157923

3) House: 138 Eastern Nibash, Road - 01, Flat-01
Gulshan-2, Dhaka-1212

Share Office

RANGS Nilu Square (5th Floor), Satmosjid Road
House- 75, Road- 5/A, Dhanmondi R/A, Dhaka - 1209

Date of Incorporation

February 12, 1997

Date of Commercial Operation

February 12, 1997

ISO 9001:2000 Certification

Received on 25th February, 2005

Legal Status

Public Limited Company Registered with the Joint
Stock Company in Bangladesh

Regulatory Authority

Securities And Exchange Commission (SEC)

Listed in Stock Market

Dhaka Stock Exchange Limited (DSE)
Chittagong Stock Exchange Limited (CSE)

Authorized Capital

Taka 100.00 Crore

Paid up Capital

Taka 26.24 Crore

Number of Shareholders

9,376

Number of Employees

237

BDCOM'S PROFILE

Nature of Business Activities

Nationwide ISP Service

Nationwide data service

IP Telephony Service

Software Development

Automatic Vehicle Location System (AVLS)

Business Process Outsourcing

ICT Consultancy Service

Network Product and Fiber Optic Cable sales

NOTICE OF THE 15TH ANNUAL GENERAL MEETING

Notice is hereby given that the 15th Annual General Meeting of the shareholders of BDCOM Online Limited will be held on Thursday, the December 22, 2011 at 11:30 a.m. at the Multipurpose Hall of Institute of Diploma Engineers, Bangladesh, IDEB Bhaban, 160/A, Kakrail, Dhaka-1000 to transact the following business.

AGENDA:

1. To receive, consider and adopt the audited accounts for the year ended June 30, 2011 together with the reports of the Auditors and the Directors thereon.
2. To declare a STOCK DIVIDEND @ 5%.
3. To elect Directors and re-appointment of Managing Directors.
4. To appoint Auditors for the year ended June 30, 2012 and to refix their remuneration.
5. To transact any other business with the permission of the Chair.

By order of the Board

Sd/-
(A.K.M. Kutub Uddin)
Company Secretary

Dated: Oct 30, 2011

Notes:

1. The Record Date in lieu of Book closer shall be on November 22, 2011.
2. A Member entitled to attend and vote at the annual general meeting and also may appoint a proxy to attend the meeting and vote in his/her stead. The proxy form with revenue stamp of tk.10/= must be deposited at the share office, not later than forty eight (48) hours before the time fixed for the meeting.
3. Members are requested to notify changes of address, if any to the company's share office.
4. Entrance into the meeting hall will be strictly on submission of the attendance slip attached with the proxy form.

বিডিকম অনলাইন লিমিটেড

র্যাংগস নীলু স্কয়ার (৬ষ্ঠ তলা), সাত মসজিদ রোড, বাড়ী-৭৫, সড়ক-৫/এ
ধানমন্ডি আবাসিক এলাকা, ঢাকা-১২০৯

১৫তম বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

এই বিজ্ঞপ্তির মাধ্যমে জানানো যাচ্ছে যে, বিডিকম অনলাইন লিমিটেড এর ১৫তম বার্ষিক সাধারণ সভা নিম্নলিখিত বিষয়াদি সম্পাদনকল্পে আগামী ডিসেম্বর ২২, ২০১১ বৃহস্পতিবার সকাল ১১.৩০ ঘটিকায় মাল্টিপারপাস হল অব ইন্সটিটিউট অব ডিপ্লোমা ইঞ্জিনিয়ার্স বাংলাদেশ, আইডিইবি ভবন, ১৬০/এ কাকরাইল, ঢাকা-১০০০, ঢাকায় অনুষ্ঠিত হবে।

- ১। ২০১১ সালের ৩০ জুন তারিখে সমাপ্ত অর্থ বছরের নিরীক্ষিত হিসাব-নিকাশ এবং এ সম্পর্কে পরিচালনা পর্ষদ ও নিরীক্ষকের প্রতিবেদন গ্রহণ ও অনুমোদন।
- ২। ৫% বোনাস শেয়ার ঘোষণা।
- ৩। পরিচালক নির্বাচন এবং ব্যবস্থাপনা পরিচালকের মেয়াদ পুনঃনিয়োগ।
- ৪। ২০১২ সালের ৩০ জুন অর্থ-বছরের জন্য নিরীক্ষক নিয়োগ ও পারিতোষিক নির্ধারণ।
- ৫। সভাপতির অনুমতিক্রমে যে কোন বিষয়ের উপর আলোচনা।

পরিচালনা পর্ষদের নির্দেশক্রমে

স্বাক্ষর

(এ. কে. এম. কুতুব উদ্দিন)
কোম্পানী সচিব

তারিখ: অক্টোবর ৩০, ২০১১

দ্রষ্টব্য :

- ১। কোম্পানীর শেয়ার হস্তান্তর বই এর পরিবর্তে রেকর্ডভুক্ত করার তারিখ নভেম্বর ২২, ২০১১।
- ২। শেয়ার হোল্ডারবৃন্দ এই সাধারণ সভায় উপস্থিত থাকতে এবং ভোট প্রদান করতে পারেন অথবা স্বপক্ষে উপস্থিত হয়ে ভোট দিতে একজন প্রক্সি নিয়োগ করতে পারেন। প্রক্সি ফরম যথাযথভাবে পূরণ করে সভার নির্ধারিত সময়ের আটচল্লিশ (৪৮) ঘন্টা পূর্বে কোম্পানীর শেয়ার অফিসে জমা দিতে হবে।
- ৩। শেয়ারহোল্ডারগণের ঠিকানা পরিবর্তনের তথ্যাদি, যদি থাকে কোম্পানীকে লিখিতভাবে জানানোর জন্য অনুরোধ করা যাচ্ছে।
- ৪। প্রক্সি ফরমের সাথে প্রেরিত উপস্থিতপত্র জমাদান পূর্বক হলে প্রবেশ করতে শেয়ারহোল্ডারগণকে অনুরোধ করা যাচ্ছে।

Directors' Report To The Shareholders For The Year Ended June 30, 2011

Honorable Shareholders

The Board of Directors of BDCOM Online Limited welcomes you all to the 15th Annual General Meeting of the company. We are pleased to present before you the audited financial statements of the company for the year ended June 30, 2011.

Financial Results and Appropriation:

The Directors take pleasure in reporting the following financial results of the company for the ended June 30, 2011:

| | JUNE 30, 2011 | JUNE 30, 2010 |
|---|----------------------|----------------------|
| Profit before tax | 32,986,570 | 17,213,599 |
| Less: Provision for tax | (4,843,664) | (1,086,153) |
| Net Profit | 28,142,906 | 16,127,446 |
| Add: Un-appropriated profit brought forward | 17,060,505 | 13,157,249 |
| Adjustment in respect of previous year | - | 95,810 |
| Profit available for appropriation | 45,203,411 | 29,380,505 |
| APPROPRIATION RECOMMENDED: | | |
| Cash Dividend @ 10% (Ordinary Shares) | - | (12,320,000) |
| Stock Dividend @ 13% (2009 - 2010) | (16,016,000) | - |
| Cash Dividend @ 12% (Preference Shares) | (14,784,000) | - |
| Un-appropriated profit carried forward | 14,403,411 | 17,060,505 |

Dividend

The Board of directors pleased to recommend for declaration of a STOCK DIVIDEND @ of 5% on the basis of the approval by the shareholders at the 15th Annual General Meeting of the company. It may be mentioned here that, during the year company declared and paid a cash dividend @12% for 6 (six) months maturity preference share on February, 2011.

Directors

The directors retire by rotation in terms of Articles of Association of the company and being eligible offer themselves for re-election are Mr. Wahudul Haque Siddiqui and Mrs. Qurratul Ann Siddiqui.

Office of the public elected director Mr. Jashim Uddin Ahmed Chowdhury expire in this Annual General Meeting and his place one new director will be re-elected.

Office of the Managing Directors expires as per Section 110 of company Act 1994 and as such the board of directors re-appointed Mr. Sumon Ahmed Sabir as Managing Director for next one (01) year, now seek shareholders post-pecto approval.

Auditors

Auditor M/S Ahmed Zaker & Co. Chartered Accountants retire at the 15th Annual General Meeting and being eligible offer themselves for re-appointment for the year ended June 30, 2012 with re-fixation of their remuneration.

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 2011 give a true and fair view of the state of the company about the result of its operations, cash flows and changes of equities.
- b) Proper books of accounts of the company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgement.
- d) In preparation of the financial statements the International Accounting standard, as applicable in Bangladesh have been followed and there has been no departure from the policies.
- e) The system of internal control and internal 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 years 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-I)

i) The directors have recommended a STOCK DIVIDEND @ 5%

j) During the year Eleven (11) Board of Directors meeting were held and the attendance by each directors is given below:

| | | |
|-------------------------------------|---|----|
| 1) Mr. Wahidul Haque Siddiqui | - | 11 |
| 2) Mr. Sumon Ahmed Sabir | - | 11 |
| 3) Mrs.Qurratul Ann Siddiqui | - | 11 |
| 4) Mr. A.T.M. Sayeeduzzaman | - | 09 |
| 5) Mr. Mohd. Zulfiquar Hafiz | - | 11 |
| 6) M/s. Hornbill Apparel Ltd. | - | 10 |
| 7) Mr. Jashim Uddin Ahmed Chowdhury | - | 07 |
| 8) Mr. Ruhul Quader Chowdhury | - | 08 |

k) The pattern of shareholding:

i) Directors:

| | | |
|-------------------------------------|---|------------------|
| a) Mr. Wahidul Haque Siddiqui | - | 1,396,344 shares |
| b) Mr. Sumon Ahmed Sabir | - | 387,658 shares |
| c) Mrs. Qurratul Ann Siddiqui | - | 2,047,389 shares |
| d) Mr. A.T.M. Sayeeduzzaman | - | 215,758 shares |
| e) Mr. Mohd. Zulfiqar Hafiz | - | 287,833 shares |
| f) M/S Hornbill Apparel Ltd. | - | 1,252,526 shares |
| g) Mr. Jashim Uddin Ahmed Chowdhury | - | 75,528 shares |
| h) Mr. Ruhul Quader Chowdhury | - | NIL |

Company Secretary, Chief Financial Officer and their spouses and minor children: NIL

Head of Internal Audit: Mr. Mohd. Zulfiqar Hafiz-Director - 287,833 shares

iii) Executives - NIL

iv) Shares holders holding 10% or more voting interest in the company: NIL

Achievement

Country is going digital and BDCOM has passed another very busy year in the Information Service Sector. Like previous year BDCOM has continued its noticeable growth in Data Service market. BDCOM now connecting more than 800 branches and ATM booths of the major commercial banks of Bangladesh. In spite of stiff competition with Mobile broadband BDCOM achieved to retain its Internet Service revenue by providing reliable and innovative services. Strong presence in IP Telephony Service market is yet another success story of year 2010-2011. BDCOM holds largest market share in IP Telephony Service Market.

Future Plan

BDCOM has build a strong presence all over the country and providing very reliable Data and Internet Service throughout the country. In the coming year BDCOM expects similar growth in Data and Internet Service which we have achieved last year. BDCOM IP Telephony Service all ready gained reputation for its efficiency and diversity. BDCOM will promote few new value added service based on IPTSP Services like Hosted PBX, Call Center Solution, Audio and Video Conference Bridge etc. BDCOM Vehicle Tracking Service may get momentum in this year, as it is gaining popularity for its very useful nature.

Status of Compliance

Corporate Governance Compliance Report Report on compliance as stated is Securities and Exchange Commission (SEC) order dated 20th Feb 2006 is annexed. (Annexure-II)

Acknowledgement

The Board of Directors records their appreciation for the contribution made by the employees to the operation of the company. The Board also wishes thanks to the valued shareholders, customers, regulatory bodies and other business partners for their outstanding help and support.

On behalf of the Board

Sd/-

(Sumon Ahmed Sabir)

Managing Director

Annexure-1**Key Operating and Financial Data:**

Figures in thousand taka.

| Particulars | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 |
|----------------------------------|-----------|-----------|---------|---------|---------|
| Authorized Capital | 1,000,000 | 1,000,000 | 250,000 | 250,000 | 250,000 |
| Paid-up Capital | 262,416 | 123,200 | 123,200 | 112,000 | 100,000 |
| Tax holiday reserve | 21,555 | 21,555 | 21,555 | 21,555 | 21,555 |
| Reserve & Surplus | 14,403 | 17,060 | 13,157 | 13,848 | 15,827 |
| Share holders equities | 421,575 | 161,816 | 157,913 | 147,403 | 137,383 |
| Current Liabilities & Provisions | 45,886 | 53,204 | 52,213 | 12,305 | 9,619 |
| Cash Dividend (Pref. Share) | 14,784 | – | – | – | – |
| Cash Dividend (Ordinary Share) | – | – | 12,320 | – | – |
| Dividend (Stock) | 13,121 | 16,016 | – | 11,200 | 12,000 |
| Turnover | 172,717 | 126,138 | 88,583 | 98,790 | 76,913 |
| Non operating Income | 5,350 | 1,428 | 900 | 672 | 265 |
| Operating Expenses | 63,630 | 42,585 | 19,827 | 22,993 | 33,166 |
| Administrative & Marketing O/H | 55,562 | 44,677 | 36,814 | 27,567 | 22,492 |
| Depreciation | 23,505 | 20,025 | 12,863 | 13,203 | 13,449 |
| Taxation | 4,843 | 1,086 | 426 | 552 | 492 |
| Property Plant & Equipment | 243,795 | 121,572 | 117,718 | 70,964 | 76,522 |
| Deferred Expenses (Net) | 1,174 | 1,132 | 518 | - | 851 |
| Long Term Security | 6,906 | 6,272 | 5,709 | 2,209 | 1,229 |
| Inventories | 19,781 | 13,631 | 12,893 | 15,473 | 10,711 |
| Advance, Deposits & Prepayment | 23,523 | 21,790 | 18,208 | 21,654 | 18,043 |
| Bills Receivable | 53,819 | 34,362 | 31,657 | 32,028 | 29,991 |
| Cash & Cash Equivalent | 96,393 | 13,150 | 21,643 | 14,565 | 10,278 |
| Gross Profit | 109,087 | 83,552 | 56,248 | 46,754 | 43,747 |
| Net Profit | 28,142 | 16,127 | 10,586 | 10,272 | 6,701 |

Annexure-2
Corporate Governance Compliance Report:

Status of compliance with the condition imposed by the Commission's Notification No.: SEC/CMRRD/2006-158/Admin/02-08 dated February 20, 2006 issued under section 2CC of the Securities and Exchange Ordinance, 1969.

(Report under Condition No. 5.00)

| Condition no. | Title | Compliance status | | Explanation for non-compliance with the condition |
|---------------|--|-------------------|--------------|---|
| | | Complied | Non Complied | |
| 1.1 | Board size | ✓ | | |
| 1.2(i) | Independent Director(s) | ✓ | | |
| 1.2(ii) | Independent Directors Appointment | ✓ | | |
| 1.3 | Chairman & Chief Executive | ✓ | | |
| 1.4(a) | The financial statements prepared by the management present fairly its state of affairs the result of its operations cash flows and changes in equity. | ✓ | | |
| 1.4(b) | Proper books of account of the company have been maintained. | ✓ | | |
| 1.4(c) | Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgement. | ✓ | | |
| 1.4(d) | International Accounting standards as applicable in Bangladesh have been followed in preparation of the financial statements and any departure there from has been adequately disclosed. | ✓ | | |
| 1.4(e) | The system of internal control is sound in design and has been effectively implemented and monitored. | ✓ | | |
| 1.4(f) | There are no significant doubts upon the Companies ability to continue as a going concern. | ✓ | | |
| 1.4(g) | Significant deviations from last years operating result of the Company should be highlighted and reasons thereof should be explained. | ✓ | | |
| 1.4(h) | Key operating and financial data of at least preceding five years should be summarized. | ✓ | | |
| 1.4(i) | Reason for not declaring dividend. | ✓ | | Not applicable |
| 1.4(j) | The number of Board meeting held during the year and attendance by each Director should be disclosed. | ✓ | | |
| 1.4(k) | Disclosure of pattern of shareholdings. | ✓ | | |
| 2.1 | Appointment of a Chief Financial Officer, Head of Internal Audit and Company Secretary and define their respective rules, responsibilities and duties. | ✓ | | |
| 2.2 | The CFO and the Company Secretary should attend the Board of Directors meeting. | ✓ | | |
| 3.00 | The Company should have an Audit Committee as a Sub-committee of the Board of Directors. | ✓ | | |
| 3.1(i) | The Audit Committee should be composed of at least 3 members. | ✓ | | |
| 3.1(ii) | The Board of Directors should appoint members of Audit Committee from the members of the Board with at least one Independent Director. | ✓ | | |
| 3.1(iii) | Filling up of vacancy caused in the Audit Committee. | ✓ | | |
| 3.2(ii) | Qualification of the Chairman of the audit committee. | ✓ | | |
| 3.3.1(i) | Audit Committee should report on the activities to the Board of Directors. | ✓ | | |
| 3.3.1(ii)(a) | Report on conflict of interest | ✓ | | Does not arise |
| 3.3.1(ii)(b) | Suspected or presumed fraud or irregularity or material defect in the internal control system. | ✓ | | No such incidence |
| 3.3.1(ii)(c) | Suspected infringement of laws, including securities related laws, rules and regulations. | ✓ | | Does not arise |
| 3.3.1(ii)(d) | Any other matters which should be disclosed to the Board of Directors immediately. | ✓ | | |
| 3.3.2 | Reporting of any material impact on financial condition and result of operation, unreasonably ignored by the management should report such findings to the Commission. | ✓ | | |
| 3.4 | Reporting to the shareholders through Annual Report the activities of the . Audit Committee under the signature of the Chairman of the Audit Committee. | ✓ | | No such reporting issues |
| 4.00(i) | No appraisal or valuation services or fairness opinions done by external/statutory auditors. | ✓ | | |
| 4.00(ii) | No financial information system design and implementation done by the external/statutory auditors. | ✓ | | |
| 4.00(iii) | No Bookkeeping or other services related to the accounting records or financial statements done by external/statutory auditors. | ✓ | | |
| 4.00(iv) | No Broker dealer services done by the external/statutory auditors. | ✓ | | |
| 4.00(v) | No Actuarial services carried out by the external/statutory auditors. | ✓ | | |
| 4.00(vi) | No internal audit services done by the external/statutory auditors. | ✓ | | |
| 4.00(vii) | No other services that the Audit Committee determines done by the external/statutory auditors. | ✓ | | |

পরিচালকমন্ডলীর প্রতিবেদন

সন্মানিত শেয়ারহোল্ডারবৃন্দ

বিডিকম অনলাইন লিমিটেড এর ১৫-তম বার্ষিক সাধারণ সভায় পরিচালনা পর্ষদের পক্ষ থেকে সবাইকে স্বাগত জানাচ্ছি। আমরা অত্যন্ত আনন্দের সাথে আপনাদের সামনে জুন ৩০, ২০১১ সমাপ্ত বছরের নিরীক্ষিত আর্থিক বিবরণী উপস্থাপন করছি।

আর্থিক ফলাফল এবং বন্টন:

| বিবরণী | ৩০.০৬.২০১১ | ৩০.০৬.২০১০ |
|---------------------------------------|--------------|--------------|
| করপূর্ব মুনাফা | ৩২,৯৮৬,৫৭০ | ১৭,২১৩,৫৯৯ |
| আয়কর সঞ্চিতি | (৪,৮৪৩,৬৬৪) | (১,০৮৬,১৫৩) |
| নীট মুনাফা | ২৮,১৪২,৯০৬ | ১৬,১২৭,৪৪৬ |
| বিগত বছরের উদ্ধৃত | ১৭,০৬০,৫০৫ | ১৩,১৫৭,২৪৯ |
| বিগত বছরের সমন্বয় | - | ৯৫,৮১০ |
| বন্টনযোগ্য মুনাফা | ৪৫,২০৩,৪১১ | ২৯,৩৮০,৫০৫ |
| বন্টনের জন্য সুপারিশকৃত: | | |
| কর অবকাশ সংরক্ষিত তহবিলে স্থানান্তর | - | - |
| নগদ লভ্যাংশ @ ১০% (সাধারণ শেয়ার) | - | (১২,৩২০,০০০) |
| বোনাস শেয়ার @ ১৩% (২০০৯ - ২০১০) | (১৬,০১৬,০০০) | - |
| নগদ লভ্যাংশ @ ১২% (অগ্রাধিকার শেয়ার) | (১৪,৭৮৪,০০০) | - |
| স্থানান্তরিত অবন্টিত মুনাফা | ১৪,৪০৩,৪১১ | ১৭,০৬০,৫০৫ |

লভ্যাংশ:

পরিচালক পর্ষদ ৩০শে জুন ২০১১ইং সমাপ্ত বছরের জন্য প্রতিটি ১০ টাকা মূল্যের সাধারণ শেয়ারের উপর ৫% বোনাস শেয়ার সুপারিশ করেছেন, যা ১৫তম বার্ষিক সাধারণ সভায় সন্মানিত শেয়ারহোল্ডারগণের অনুমোদনের জন্য পেশ করা হল।

পরিচালকমন্ডলী:

জনাব ওয়াহিদুল হক সিদ্দিকী এবং জনাবা কুররাতুল আন সিদ্দিকী নিয়ম অনুযায়ী বোর্ড থেকে অবসর গ্রহণ করেছেন এবং যোগ্য বিধায় পুনঃনির্বাচিত হওয়ার প্রস্তাব করেছেন। কোম্পানী আইন ১৯৯৪, কার্যবিধী ১১০ অনুসারে ব্যবস্থাপনা পরিচালকের পদ শূন্য হওয়ায় পরিচালক মন্ডলী জনাব সুমন আহমেদ সাবিরকে পরবর্তী এক (১) বছরের জন্য ব্যবস্থাপনা পরিচালক হিসাবে পুনঃনিয়োগ দান করেছেন এখনে তা আপনাদের অনুমোদন জন্য পেশ করা হলো। পাবলিক নির্বাচিত পরিচালক জনাব জসিম উদ্দিন আহমেদ চৌধুরীর মেয়াদ অত্র বার্ষিক সাধারণ সভায় শেষ হয়ে যাওয়ায় তাঁর স্থানে নতুন একজন পরিচালক নির্বাচিত হবেন।

নিরীক্ষক নিয়োগ:

মেসার্স আহমেদ জাকের এন্ড কো: চার্টার্ড একাউন্ট্যান্টস এর কার্যকাল ১৫তম বার্ষিক সাধারণ সভায় সমাপ্ত হচ্ছে এবং ২০১১ - ২০১২ অর্থ বছরের জন্য পুনঃনিয়োগ লাভের ইচ্ছা প্রকাশ করেছেন এবং পারিতোষিক পুনঃনির্ধারণের অনুরোধ করেছেন।

অতিরিক্ত প্রতিবেদন :

পরিচালনা পর্ষদ, কোম্পানী আইন ১৯৯৪, কার্যবিধি ১৮৪ অনুসারে নিম্নলিখিত প্রতিবেদন আপনাদের সামনে উপস্থাপন করেছে ;

ক. কোম্পানীর ৩০ জুন ২০১১ সালের আর্থিক বিবরণী, লেনদেন বিবরণী, পরিচালনের ফলাফল, নগদ প্রবাহ এবং ইকুইটি পরিবর্তন সংক্রান্ত বিবরণী সুষ্ঠুভাবে উপস্থাপন করা হয়েছে।

খ. কোম্পানীর হিসাব বহিসমূহ যথাযথভাবে সংরক্ষণ করা হয়েছে।

গ. আর্থিক বিবরণীতে উল্লেখিত বিষয় সমূহ ব্যতীত, হিসাব বিবরণী প্রস্তুতের ক্ষেত্রে যথাযথ হিসাব নীতি অনুসরণ করা হয়েছে এবং হিসাবের ধারণাসমূহ সুনির্দিষ্টকরণ এবং বিচক্ষণতার সাথে প্রাক্কলন করা হয়েছে।

ঘ. আর্থিক বিবরণী প্রস্তুত করার ক্ষেত্রে বাংলাদেশে প্রযোজ্য আন্তর্জাতিক হিসাব মানসমূহ অনুসরণ করা হয়েছে।

ঙ. কোম্পানীর অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা সুষ্ঠু এবং যথাযথভাবে বাস্তবায়ন ও তত্ত্বাবধান করা হয়েছে।

চ. চলমান হিসাব ধারণা অনুযায়ী কোম্পানী পরিচালিত হতে যে সক্ষম, এ সম্পর্কে সন্দেহের কোন অবকাশ নেই।

ছ. মূল অপারেশন এবং বিগত পাঁচ বছরের আর্থিক পরিসংখ্যান "পরিশিস্ট-১" এ সংযোজন করা হলো:

জ. পরিচালনা পর্ষদ ৫% বোনাস শেয়ার এর প্রস্তাব অনুমোদনের জন্য পেশ করেছেন।

ঝ. নিম্নে চলতি বছরে পরিচালনা পর্ষদের ১১টি বোর্ড মিটিং এর উপস্থিতি দেয়া হল:

| পরিচালকদের নাম | সভায় উপস্থিতি সংখ্যা |
|-----------------------------------|-----------------------|
| ১) জনাব ওয়াহিদুল হক সিদ্দিকী - | ১১ |
| ২) জনাব সুমন আহমেদ সাবির - | ১১ |
| ৩) জনাবা কুররাতুল আন সিদ্দিকী- | ১১ |
| ৪) জনাব এটিএম সাইদুজ্জামান - | ০৯ |
| ৫) জনাব মো: জুলফিকার হাফিজ- | ১১ |
| ৬) হর্ণবিল এপারেল লিঃ - | ১০ |
| ৭) জনাব জসিম উদ্দিন আহমেদ চৌধুরী- | ০৭ |
| ৮) জনাব রুহুল কাদের চৌধুরী - | ০৮ |

এ৩. পোর্টার্স অব শেয়ার হোল্ডিং:**অ. পরিচালকবৃন্দ:**

| পরিচালক | শেয়ার |
|--|-------------|
| ১) জনাব ওয়াহিদুল হক সিদ্দিকী | - ১,৩৯৬,৩৪৪ |
| ২) জনাব সুমন আহমেদ সাবির | - ৩৮৭,৬৫৮ |
| ৩) জনাবা কুররাতুল আন সিদ্দিকী | - ২,০৪৭,৩৮৯ |
| ৪) জনাব এটিএম সাইদুজ্জামান | - ২১৫,৭৫৮ |
| ৫) জনাব মো: জুলফিকার হাফিজ | - ২৮৭,৮৩৩ |
| ৬) জনাব জসিম উদ্দিন আহমেদ চৌধুরী | - ৭৫,৫২৮ |
| ৭) মেসার্স হরনবিল এপারেল লিমিটেড (উদ্যোক্তা) - | ১,২৫২,৫২৬ |

কোম্পানী সচিব / চিফ ফাইনেঙ্গিয়েল অফিসার এবং তাদের পোষ্য: কোন শেয়ার নাই।

হেড অব ইনটার্নাল অডিট:

জনাব মো: জুলফিকার হাফিজ - (পরিচালক) - ২৮৭,৮৩৩ শেয়ার

আ. এক্সিকিউটিভ:

নাই।

ই. কোম্পানীর ১০% এর উপরের শেয়ার হোল্ডার বৃন্দ:

নাই।

কর্পোরেট পরিচালন প্রক্রিয়া পরিপালন প্রতিবেদন:

সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের দাবি অনুযায়ী "কর্পোরেট পরিচালন প্রক্রিয়া পরিপালন প্রতিবেদন" পরিশিস্ট-২ এ সংযোজন করা হলো।

অর্জন

দেশের ডিজিটাল বিপ্লবের সাথে একাত্ম হয়ে, তথ্য প্রযুক্তি সেবা মানের উন্নয়নে আরও একটি কর্মব্যস্ত বছর পার হল। গত বছরের ধারাবাহিকতায় এবছরও ডেটা সার্ভিস খাতে উলেখযোগ্য প্রসার ঘটিয়েছে বিডিকম। এ মূহুর্তে বিডিকম দেশের পধান প্রধান ব্যাংকগুলোর প্রায় ৮০০টি ব্রাঞ্চ ও এটিএম বুথকে সংযুক্ত করেছে। মোবাইল ব্রডব্যান্ড সেবার তীব্র প্রতিযোগিতা সত্ত্বেও বিশ্বস্ত ও সৃজনশীল সেবার মাধ্যমে বিডিকম ইন্টারনেট সেবা খাতে আয় বৃদ্ধির ধারাবাহিকতা বজায় রেখেছে। আইপি টেলিফোন সেবা খাতে বিডিকমের অবস্থান সুদৃঢ় ভিত্তির উপর প্রতিষ্ঠিত হয়েছে।

ভবিষ্যৎ পরিকল্পনা

সময়ের পরিক্রমায় বিডিকম সারা দেশ ব্যাপি বিশ্বস্ত ও উন্নতমানের ইন্টারনেট ও ডেটা সার্ভিস অবকাঠামো গড়ে তুলেছে। তাই আমাদের প্রত্যাশা, গত বছরের মত এবছরও এই ধারাবাহিক প্রবৃদ্ধি বজায় থাকবে। বিডিকমের আইপি টেলিফোন সেবা তার বৈচিত্র ও নির্ভরশীলতা প্রমাণ করে ইতিমধ্যেই গ্রাহকদের আস্থার প্রতীক এ পরিনত হয়েছে। তারই ধারাবাহিকতায় এবছর আইপি টেলিফোন নির্ভর সেবা, যেমন হোস্টেড পিবিএন্ড, কল সেন্টার সলুশন, অডিও ও ভিডিও কনফারেন্স সার্ভিস শুরু করছে। বিডিকমের ভ্যাহিক্যাল ট্র্যাকিং সেবা গ্রাহকদের মাঝে তার প্রয়োজনীয়তা প্রমানে সমর্থ হয়েছে এবং এবছরে তা আরও ব্যাপক ভাবে বৃদ্ধি হবার সম্ভাবনা সৃষ্টি করেছে।

স্বীকৃতি :

আমরা ধন্যবাদ জানাচ্ছি, কোম্পানীর কর্মকর্তা-কর্মচারীদের নিবেদিত প্রাণ ও কঠোর পরিশ্রমের জন্য এবং আরো ধন্যবাদ জানাচ্ছি, আমাদের শেয়ার হোল্ডার, গ্রাহক, ব্যাংক এবং নিয়ন্ত্রণকারী সংস্থার অকুণ্ঠ সাহায্য ও সহযোগিতার জন্য।

ধন্যবাদান্তে

পরিচালকমন্ডলীর পক্ষে

স্বাক্ষর

(সুমন আহমেদ সাবির)

ব্যবস্থাপনা পরিচালক

Auditors' Report

We have audited the accompanying financial statements of BDCOM Online Limited, which comprise the Statement of Financial Position as at June 30, 2011, and the Statement of Comprehensive Income, statement of changes in equity and Statement cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing, those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of BDCOM Online Limited as of June 30, 2011 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act 1994, Securities and Exchange Commission Rule 1987 and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

We also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) The company's Statement of Financial Position, Statement of Comprehensive Income and Statement of cash flow dealt with by the report are in agreement with the books of accounts;
- d) The financial position of the Company as at June 30, 2011 and the profit for the year then ended have been properly reflected in the Financial Statements, and the Financial Statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applicable in Bangladesh.
- e) The expenditures incurred during the year were for the purpose of the business of the Company;

Sd/-

Ahmed Zaker & Co.
Chartered Accountants

Date: Dhaka
October 31, 2011

BDCOM ONLINE LIMITED
STATEMENT OF FINANCIAL POSITION
As at June 30, 2011

| Particulars | Notes | Amount In Taka | |
|--|--------------|-----------------------|--------------------|
| | | 30.06.2011 | 30.06.2010 |
| A. Non-Current Assets | | 253,978,036 | 132,085,230 |
| Goodwill | | 228,000 | 228,000 |
| Property, Plant and Equipment (At cost less accumulated depreciation) | 03 | 243,795,467 | 121,571,916 |
| Deferred Revenue Expenditure (Net) | 04 | 3,047,982 | 4,013,767 |
| Long Term Security Deposit | 05 | 6,906,587 | 6,271,547 |
| B. Current Assets | | 213,483,866 | 82,934,805 |
| Inventories | 06 | 19,781,631 | 13,631,338 |
| Advance, Deposits & Prepayments | 07 | 16,370,221 | 15,673,451 |
| Advances Income Tax & VAT | 08 | 7,153,209 | 6,117,312 |
| Bills Receivable | 09 | 53,819,343 | 34,362,074 |
| Investment In Shares | 10 | 19,966,332 | - |
| Cash and Cash Equivalents | 11 | 96,393,130 | 13,150,630 |
| C. Current Liabilities and Provisions | | 45,886,613 | 53,203,652 |
| Accounts Payable & Other Liabilities | 12 | 36,292,949 | 28,514,765 |
| Provision for Income Tax | 13 | 4,843,664 | 1,086,153 |
| Short Term Loan | 14 | 4,750,000 | 23,602,734 |
| D. Net Current Assets (B - C) | | 167,597,253 | 29,731,153 |
| E. Total Net Assets (A + D) | | 421,575,289 | 161,816,383 |
| F. Financed By : | | | |
| Shareholders' Equity: | | | |
| Share Capital | 15 | 262,416,000 | 123,200,000 |
| Share Premium | | 123,200,000 | - |
| Tax Holiday Reserve | | 21,555,878 | 21,555,878 |
| Retained Earnings | 16 | 14,403,411 | 17,060,505 |
| Total Equity & Liabilities | | 421,575,289 | 161,816,383 |

Note 1-22 are the integral part of these financial statements should be read in conjunction with the above notes.

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Managing Director

Signed in terms of our separate report on same date.

Date: Dhaka
 October 31, 2011

Sd/-
Ahmed Zaker & Co.
 Chartered Accountants

BDCOM ONLINE LIMITED
STATEMENT OF COMPREHENSIVE INCOME
 For the year ended June 30, 2011

| Particulars | Notes | Amount in Taka | | | | |
|---|--------------|-----------------------|-----------------------|-------------------------|-----------------------------|-----------------------------|
| | | Unit-1 ISP | Unit-2 SDP | Unit-3 IPTSP | Total 30.06.2011 | Total 30.06.2010 |
| Revenue from Sales & Services | 17 | 135,668,292 | 30,149,549 | 6,899,534 | 172,717,375 | 126,138,066 |
| Operating Expenses | 18 | (57,107,335) | (3,832,561) | (2,690,439) | (63,630,335) | (42,585,523) |
| Gross Profit: A | | 78,560,957 | 26,316,988 | 4,209,095 | 109,087,040 | 83,552,543 |
| Administrative and Marketing Expenses | 19 | (44,947,134) | (8,351,050) | (2,264,555) | (55,562,739) | (44,676,730) |
| Amortization of Deferred Expenses | 04 | (355,307) | (499,263) | (320,004) | (1,174,574) | (1,132,817) |
| Depreciation on Fixed Assets | 03 | (19,522,933) | (2,766,115) | (1,216,096) | (23,505,144) | (20,025,320) |
| Financial Charges | 20 | (1,156,750) | (45,679) | (6,358) | (1,208,787) | (1,932,525) |
| Total Expenses: B | | (65,982,124) | (11,662,107) | (3,807,013) | (81,451,244) | (67,767,392) |
| Operating Profit: A-B | | 12,578,833 | 14,654,881 | 402,082 | 27,635,796 | 15,785,151 |
| Non-Operating Income | 21 | 4,621,719 | 718,366 | 10,689 | 5,350,774 | 1,428,448 |
| Net Profit before Tax | | 17,200,552 | 15,373,247 | 412,771 | 32,986,570 | 17,213,599 |
| Provision for Income Tax | 13 | (4,730,152) | - | (113,512) | (4,843,664) | (1,086,153) |
| Net Profit After Tax | | 12,470,400 | 15,373,247 | 299,259 | 28,142,906 | 16,127,446 |
| Net Profit (transferred to P/L App. Account) | | 12,470,400 | 15,373,247 | 299,259 | 28,142,906 | 16,127,446 |

Note 1-22 are the integral part of these financial statements should be read in conjunction with the above notes.

Sd/-

Company Secretary

Sd/-

Director

Sd/-

Managing Director

Signed in terms of our separate report on same date.

Date: Dhaka
 October 31, 2011

Sd/-

Ahmed Zaker & Co.
 Chartered Accountants

BDCOM ONLINE LIMITED
STATEMENT OF COMPREHENSIVE INCOME APPROPRIATION

For the year ended June 30, 2011

| Particulars | Amount in Taka | | | | |
|---|-------------------|-------------------|------------------|----------------------------|------------------------------|
| | Unit-1 ISP | Unit-2 SDP | Unit-3 IPTSP | Total As on 30.06.11 | Total As on 30.06.2010 |
| Last year's Balance | 8,737,534 | 9,255,383 | (932,412) | 17,060,505 | 13,157,249 |
| Prior year's adjustment | - | - | - | | 95,810 |
| Current Year's Profit | 12,470,400 | 15,373,247 | 299,259 | 28,142,906 | 16,127,446 |
| Profit Available for distribution | 21,207,934 | 24,628,630 | (633,153) | 45,203,411 | 29,380,505 |
| Appropriations : | | | | - | |
| Stock Dividend (2009-2010) | (8,016,000) | (8,000,000) | - | (16,016,000) | - |
| Cash Dividend on Pref. Share | (8,131,200) | (6,652,800) | - | (14,784,000) | (12,320,000) |
| Retained Earnings | 5,060,734 | 9,975,830 | (633,153) | 14,403,411 | 17,060,505 |
| Earning Per Share (EPS) Note - 22.00 | | | | 0.51 | 0.61 |

Note 1-22 are the integral part of these financial statements should be read in conjunction with the above notes.

Sd/-

Company Secretary

Sd/-

Director

Sd/-

Managing Director

Signed in terms of our separate report on same

Date: Dhaka
 October 31, 2011

Sd/-

Ahmed Zaker & Co.
 Chartered Accountants

BDCOM ONLINE LIMITED
STATEMENT OF CHANGES IN EQUITIES

For the year ended June 30, 2011

Amount in Taka

| Particulars | Share Capital | Preference Share | Tax Holiday Reserve | Share Premium | Retained Earnings | Total Equity 30.06.2011 | Total Equity 30.06.2010 |
|--------------------------------------|--------------------|------------------|---------------------|--------------------|-------------------|-------------------------|-------------------------|
| Balance as on 01.07.10 | 123,200,000 | | 21,555,878 | - | 17,060,505 | 161,816,383 | 157,913,127 |
| Net Profit After Tax | - | | - | - | 28,142,906 | 28,142,906 | 16,127,446 |
| Preference Share Issued | | 123,200,000 | | | | | |
| Ordinary Share after Conversion** | 123,200,000 | (123,200,000) | | | | 123,200,000 | |
| Share Premium | - | | - | 123,200,000 | - | 123,200,000 | - |
| Stock Dividend 13% | 16,016,000 | | - | - | (16,016,000) | - | |
| Cash Dividend (Pref. share 6 months) | - | | - | | (14,784,000) | (14,784,000) | (12,320,000) |
| Prior Year Adjustment | - | | - | | | - | 95,810 |
| Balance as on 30.06.2011 | 262,416,000 | - | 21,555,878 | 123,200,000 | 14,403,411 | 421,575,289 | 161,816,383 |

| | | |
|---------------------------------------|-------------------|-------------------|
| Number of Ordinary Shares | 26,241,600 | 12,320,000 |
| Face Value Per Share | 10 | 10 |
| Shareholders' Equity Per Share | 16.07 | 13.13 |

24,640,000 nos. of Preference Shares of BDCOM Online Ltd. has been converted into Ordinary Shares on the basis of 2:1 shares

Note 1-22 are the integral part of these financial statements should be read in conjunction with the above notes.

Sd/-

Company Secretary

Sd/-

Director

Sd/-

Managing Director

Signed in terms of our separate report on same

Date: Dhaka
 October 31, 2011

Sd/-

Ahmed Zaker & Co.
 Chartered Accountants

BDCOM ONLINE LIMITED
STATEMENT OF CASH FLOW
 For the year ended June 30, 2011

| <u>Particulars</u> | <u>Amount In Taka</u> | |
|--|-----------------------|---------------------|
| | <u>30.06.2011</u> | <u>30.06.2010</u> |
| CASH FLOWS FROM OPERATING ACTIVITIES :A | | |
| Receipts from Sales and Services & Others | 130,788,588 | 120,540,641 |
| Cash Payments to Creditors and Others | (132,798,353) | (104,687,286) |
| NET CASH PROVIDED/USED IN OPERATING ACTIVITIES: | (2,009,765) | 15,853,355 |
| CASH FLOWS FROM INVESTING ACTIVITIES :B | | |
| Acquisition of Tangible Assets | (145,728,695) | (23,783,591) |
| Long Term Security Deposit | (635,041) | (562,772) |
| NET CASH USED IN INVESTING ACTIVITIES: | (146,363,736) | (24,346,363) |
| CASH FLOWS FROM FINANCING ACTIVITIES :C | | |
| Cash dividend paid on Preference Share | (14,784,000) | - |
| Preference Shares | 123,200,000 | - |
| Share Premium | 123,200,000 | - |
| | - | - |
| NET CASH PROVIDED BY FINANCING ACTIVITIES: | 231,616,000 | - |
| NET CASH OUT FLOW DURING THE YEAR:(A+B+C) | 83,242,500 | (8,493,008) |
| Cash & Cash Equivalent at the beginning of the year | 13,150,630 | 21,643,638 |
| Cash & Cash Equivalent at the closing of the year | 96,393,130 | 13,150,630 |

Sd/-

Company Secretary

Sd/-

Director

Sd/-

Managing Director

Signed in terms of our separate report on same

Date: Dhaka
 October 31, 2011

Sd/-

Ahmed Zaker & Co.
 Chartered Accountants

BDCOM ONLINE LIMITED
Notes to the Financial Statements
For the year ended June 30, 2011

01. Status and Nature of the company:

01.01 Legal Form:

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

01.02 Registered office:

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

01.03 Nature of business:

The Company is primarily engaged as an Internet Service Provider (ISP) in Bangladesh, which includes Dial-up Internet Access, Web Page Software Design & Hosting, Leased Port Internet Access and Total Network Solutions. In addition, the Company is conducting Customized Software Development, Broadband Internet, Automatic Vehicle Location System (AVLS), Business Process Outsourcing, Fiber Optic and Hardware Sales.

02. Significant Accounting Policies:

02.01 Basis of Preparation of Financial Statements

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

02.02 Going Concern:

This financial statement has been prepared on the assumption that the entity is a going concern and will continue its business for the foreseeable future. Hence it is assumed that the entity has neither the intention nor the need to liquidate or curtail materially the scale of its operation. With a bid to augment its revenue followed by its financial position the company had acquired some technological establishment which envisages company's ability to continue as a going concern.

02.03 Cash Flow Statement:

Cash Flow Statement is prepared in accordance with BAS 7 "Cash Flow Statement" and the Securities and Exchange Rules, 1987 and the cash flow from the operating activities are shown under the direct method as prescribed.

02.04 Reporting period

These financial statements cover a period from July 01, 2010 to June 30, 2011.

02.05 Revenue Recognition:**Service income**

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

Interest income

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

Other income

Other incomes are recognized in the accounts on cash basis when the income was actually received during the year as per BAS-18 "Revenue".

02.06 Assets and basis of their valuation:**Cash and cash equivalents**

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

Valuation of Fixed Assets:**Property, Plant and Equipment**

a) All fixed assets are stated at cost less accumulated depreciation as per BAS-16 "Property, Plant and Equipment". The costs of acquisition of assets comprises of purchase price and are directly attributable to cost for bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

b) The Company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefit embodied with the item will flow to the company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the year in which it is incurred.

c) Depreciation is charged on Fixed Assets at the following rates on reducing balance method from the date of acquisition.

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

Details of Property, Plant and Equipment are provided under the **Schedule-A** annexed to the financial statements.

d) In case of disposal of fixed assets, depreciation is not charged for the month the assets are disposed off. The cost and accumulated depreciation of disposed assets are eliminated from the fixed assets schedule and gain or loss on such disposal is reflected in the income statement.

Long Term Security Deposit

These amounts were deposited with BTCL in connection with the telephone lines and bandwidth and Mango Tele services Ltd for bandwidth.

Valuation of Inventories

In compliance with the requirements of BAS 2 "Inventories", the Inventories have been valued at weighted average method, which is consistent in line with the previous year's practice.

Bills Receivable

These are carried forward at their original invoiced value amount and represents net realizable value. Management considered the entire bills receivable as good and is collectable and therefore, no amount was provided for as bad debt in the current year's account.

Other Current Assets

Current assets are shown at realizable value save investment in shares which has been shown at cost during the ordinary course of Company's business.

02.07 Basis for valuation of liabilities and provisions:

Provision for taxation

Provision for current income tax has been made to the tune of Taka 4,843,664 at the rate of 27.5% as prescribed in the Finance Act, 2011 on the accounting profit made by the Company in compliance with BAS-12 "Income Taxes".

Deferred taxation

Deferred tax liabilities are the amount of income taxes payable in future years in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future years in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted at the balance sheet date. The impact on the account of changes in the deferred tax assets and liabilities for the year ended June 30, 2011 has not been recognized in the profit and loss account as per BAS-12 "Income Taxes".

Dividend Payments

Final dividend is recognized whenever the shareholders approve it and right to receive the dividend is established to the shareholder.

Benefits to the employees

The Company did not operate any Benevolent Fund and did not account for employee benefit paid to the employees in accordance with the provisions of Bangladesh Accounting Standard-19, "Employee Benefit".

02.08 Earnings per share:

The company calculates Earning per Share (EPS) in accordance with BAS-33 "Earning Per Share" which has been shown on the face of the Profit and Loss account.

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 | June 30, 2011 | June 30, 2010 |
|---------|--|---------------|---------------|
| a) | Earnings attributable to the ordinary shareholders Less Preference Share Dividend | 13,358,906 | 16,127,446 |
| b) | Number of Ordinary Shares. | 26,241,600 | 26,241,600 |
| c) | Earning Per Share | 0.51 | 0.61 |

Weighted average number of ordinary shares outstanding during the period

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of shares issued during the year multiplied by a time-weighted factor is the number of months the specific shares is outstanding as a proportion of the total number of months in the period.

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 review.

02.09 Tax Holiday Reserve

Software Development Project (SDP), Unit-II 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.

02.10 Reporting Currency and Foreign Currency Transactions:

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

02.11 Information about business segments:

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

02.12 Impairment:

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

02.13 Financial Instruments:

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

02.14 Borrowing Cost:

The borrowing cost were capitalized unless active development of related assets were interrupted or cease when the active development were cease the borrowing cost directly transferred to the Profit and Loss account as per BAS-23 "Borrowing Cost".

02.15 Related Parties Transactions:

The party is related to the company if the party cast significant influence over the subject matters and also holding 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 BAS-24 "Related Party Disclosure". During the year under audit there are no such related party transaction that were made which has influenced the company's business.

02.16 Events after the Reporting date:

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

- o Those that provide evidence of conditions that existed at the end of the reporting year (adjusting events after balance sheet date); and
- o Those that are indicative of conditions that arose after the reporting year (Non-adjusting events after balance sheet date).

The company has declared 5% Stock Dividend, which is recommended by the Board of Directors in their meeting held at the company's head office on October 30, 2011 which would be confirmed in the 15th Annual General Meeting (AGM) by the shareholders.

02.17 Contingent Liabilities:

Contingent liabilities are those which arise due to the past event which shall settled in the future on the occurrence or non occurrence of some uncertain event, Cost of which cannot be measured reliably as per BAS -37 "Provision and Contingent Assets and liabilities" In the year under review there is no any contingent liabilities as well as no commitments is made to be settled in the future.

02.18 Components of the Financial Statements

- a) Statement of Financial Position (Balance Sheet) as at June 30, 2011;
- b) Statement of Comprehensive Income (Profit and Loss Account) for the year ended June 30, 2011
- c) Statement of Comprehensive Income Appropriation (Profit & Loss Appropriation Account) for the year ended June 30, 2011;
- d) Statement of changes in equities for the year ended June 30, 2011;
- e) Statement of Cash flow for the year ended June 30, 2011;
- f) Accounting policies and explanatory Notes.

02.19 Comparative:

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

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

02.20 General

- i) Wherever considered necessary, previous year's figures have been rearranged for the purpose of comparison;
- ii) Figures appearing in the Financial Statements have been rounded off to the nearest Taka.

Explanatory Notes to the Financial Statements
03. Property Plant and Equipments : Taka 243,795,467

Amount in Taka
30.06.2011 30.06.2010

The break up of the amount is as follows:

| Particulars | Unit-1 Taka | Unit-2 Taka | Unit-3 Taka | Total | Total |
|---|---------------------------|--------------------------|-------------------------|---------------------------|---------------------------|
| Balance as at 30.06.2010 | 196,908,883 | 45,605,143 | 5,952,206 | 248,466,232 | 224,682,641 |
| Addition during the year | 140,770,028 | 551,567 | 4,407,099 | 145,728,694 | 23,783,591 |
| | <u>337,678,911</u> | <u>46,156,710</u> | <u>10,359,305</u> | <u>394,194,926</u> | <u>248,466,232</u> |
| Add: Adjustment during the year | - | - | - | - | - |
| | 337,678,911 | 46,156,710 | 10,359,305 | 394,194,926 | 248,466,232 |
| Less: Depreciation upto 30.06.2010 | 98,947,081 | 27,790,139 | 157,096 | 126,894,316 | 106,964,806 |
| | <u>238,731,830</u> | <u>18,366,571</u> | <u>10,202,209</u> | <u>267,300,610</u> | <u>141,501,426</u> |
| Less: Depreciation adjustment during the year | - | - | - | - | (95,810) |
| | 238,731,830 | 18,366,571 | 10,202,209 | 267,300,610 | 141,597,236 |
| Less: Depreciation during the year | 19,522,933 | 2,766,115 | 1,216,096 | 23,505,144 | 20,025,320 |
| Balance as at 30.06.2011 | <u>219,208,897</u> | <u>15,600,457</u> | <u>8,986,113</u> | <u>243,795,467</u> | <u>121,571,916</u> |

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

04. Deferred Revenue Expenditure : Taka 3,047,982

The break up of the amount is as follows:

| | | |
|------------------------------------|-------------------------|-------------------------|
| Balance as at 01.07.2010 | 5,664,087 | 2,587,515 |
| Addition during the year | 208,789 | 3,076,572 |
| | <u>5,872,876</u> | <u>5,664,087</u> |
| Less: Amortization upto 30.06.2010 | 1,650,321 | 517,503 |
| | <u>4,222,555</u> | <u>5,146,584</u> |
| Less: Amortization during the year | 1,174,574 | 1,132,817 |
| Balance as at 30.06.2011 | <u>3,047,982</u> | <u>4,013,767</u> |

Details are shown in the Schedule-B

05. Long Term Security Deposit : Taka 6,906,587

The break up of the amount is as follows:

| | | |
|--|------------------|------------------|
| BTCL for Telephone Line | 1,026,300 | 1,026,300 |
| Security Agst. Bandwidth (BTCL & Mango Teleservices) | 4,937,000 | 4,556,000 |
| Security Deposit-Others | 943,287 | 689,247 |
| | <u>6,906,587</u> | <u>6,271,547</u> |

06. Inventories : Taka 19,781,631

The break up of the amount is as follows:

| | | |
|--|-------------------|-------------------|
| Modem, Media Converter & Concentrators | 2,835,255 | - |
| Switch, Router, Equipments & Others | 5,091,336 | - |
| Stationery | 6,460 | 31,225 |
| Accessories (Note-6.01) | 2,363,155 | 882,348 |
| Telecommunication | - | 490,792 |
| Stock of Fiber Optic | 946,961 | 3,236,586 |
| GLP & GPRS Modem & Accessories (Note-6.02) | 1,699,091 | 4,266,001 |
| Material In Transit (MIT) (Note-6.03) | 1,175,619 | 808,262 |
| IP Telephony Hardware (Note-6.04) | 2,810,066 | 1,911,094 |
| Radio Equipment | 2,853,688 | 2,005,031 |
| | <u>19,781,631</u> | <u>13,631,338</u> |

| | <u>Amount in Taka</u> | |
|---|-----------------------|-------------------|
| | <u>30.06.2011</u> | <u>30.06.2010</u> |
| 06.01 Accessories : Taka 2,363,155 | | |
| The break up of the amount is as follows: | | |
| Computer Accessories | - | 77,504 |
| Stock-Accessories | 685,133 | 481,844 |
| Stock-UTP Cable | 1,678,022 | 323,000 |
| | <u>2,363,155</u> | <u>882,348</u> |

06.02 GLP & GPRS Modem & Accessories : Taka 1,699,091

The break up of the amount is as follows:

| | | |
|------------|------------------|------------------|
| Modem | - | 709,657 |
| Stock-GLP | 1,699,091 | 3,397,252 |
| GPRS Modem | - | 159,092 |
| | <u>1,699,091</u> | <u>4,266,001</u> |

06.03 Material In Transit (MIT) : Taka 1,175,619

The break up of the amount is as follows:

| | | |
|------------------|------------------|----------------|
| L/C Margin | - | 794,057 |
| GLP | 1,175,619 | - |
| Insurance Charge | - | 3,773 |
| Bank Commission | | 10,432 |
| | <u>1,175,619</u> | <u>808,262</u> |

06.04 IP Telephony Hardware : Taka 2,810,066

The break up of the amount is as follows:

| | | |
|------------------|------------------|------------------|
| IP Telephone set | 2,761,566 | 1,911,094 |
| IP Telephony | - | - |
| IP Server | 48,500 | |
| | <u>2,810,066</u> | <u>1,911,094</u> |

07. Advances, Deposits & Pre-payments : Taka 16,370,221

The break up of the amount is as follows:

a) Advance :

| | | |
|---------------------------------|-------------------|-------------------|
| Against Salary | 515,338 | 94,977 |
| Advance to suppliers and others | 12,567,523 | 12,720,448 |
| Total | <u>13,082,861</u> | <u>12,815,425</u> |

b) Deposits :

| | | |
|----------------------------------|------------------|------------------|
| Security Deposit / Earnest Money | 3,285,056 | 2,780,722 |
| Against Fax to Fax | 2,304 | 77,304 |
| Total | <u>3,287,360</u> | <u>2,858,026</u> |

c) Pre-payments

| | | |
|----------------------|-------------------|-------------------|
| | - | - |
| Total (a+b+c) | <u>16,370,221</u> | <u>15,673,451</u> |

The advances are unsecured but considered good by the Management. there ars no such amount that fallen due by the director , managing director of the company

Amount in Taka
30.06.2011 30.06.2010

08. Advance Income Tax and VAT : Taka 7,153,209

The break up of the amount is as follows:

| | | |
|--|-------------------------|-------------------------|
| Advance Income Tax | 3,885,691 | 2,219,282 |
| Advance VAT (Note-8.01) | 2,043,197 | 1,334,406 |
| Tax Deducted at source (Interest Income) | 583,158 | 173,332 |
| Tax Deducted at source (U/S-82C) (Note-8.02) | 641,163 | 2,390,292 |
| | <u>7,153,209</u> | <u>6,117,312</u> |

08.01 Advance VAT : Taka 2,043,197

The break up of the amount is as follows:

| | | |
|----------------------------|-------------------------|-------------------------|
| VAT Treasury Account | 105,490 | 97,420 |
| VAT Procurement Account | 780,083 | |
| VAT Against Supply & Sales | 1,157,624 | 1,236,986 |
| | <u>2,043,197</u> | <u>1,334,406</u> |

08.02 Tax Deducted at source (U/S-82C) : Taka 641,163

The break up of the amount is as follows:

| | | |
|-----------------------|-----------------------|-------------------------|
| AIT (Import) | - | 2,317,189 |
| AIT on Supply & Sales | 641,163 | 73,103 |
| | <u>641,163</u> | <u>2,390,292</u> |

09. Bill Receivable : Taka 53,819,343

The break up of the amount is as follows:

| | | |
|--|--------------------------|--------------------------|
| Internet (Note-9.01) | 22,953,636 | 8,732,608 |
| Hardware / Switch (Note-9.02) | 2,115,244 | 2,887,208 |
| IP Telephone Service (Note-09.03) | 1,258,882 | 28,098 |
| Web page, Software & Data Transmit (Note-9.04) | 27,491,581 | 22,714,160 |
| | <u>53,819,343</u> | <u>34,362,074</u> |

09.01 Internet : Taka 22,953,636

The break up of the amount is as follows:

| | | |
|------------------------|--------------------------|-------------------------|
| Internet & Fax | 2,820,208 | 1,255,620 |
| Reseller | 341,252 | 82,664 |
| Installation | 510,870 | 250 |
| Corporate B.W | 4,034,533 | 3,771,630 |
| Service rent/Configar | 27,922 | 8,222 |
| Video Confer./Training | 5,293 | 5,293 |
| Prepaid dist. | 56,971 | 42,098 |
| Broad Band Internet | 701,884 | 1,116,846 |
| Data Connectivity | 14,454,703 | 2,449,986 |
| | <u>22,953,636</u> | <u>8,732,608</u> |

09.02 Hardware / Switch : Taka 2,115,244
Amount in Taka
30.06.2011 30.06.2010

The break up of the amount is as follows:

| | | |
|---------------------|------------------|------------------|
| Hardware / Switch | - | 1,378,670 |
| Fiber Optic | 236,145 | 151,504 |
| DSL setup charge | 638,199 | 105,500 |
| Cable & Cabling | - | 10,634 |
| Computer & hardware | 1,240,900 | 1,240,900 |
| | 2,115,244 | 2,887,208 |

09.03 IP Telephone : Taka 1,258,882

| | | |
|--------------------|------------------|---------------|
| Monthly rent | 619,310 | 300 |
| Inter-Connectivity | 13,875 | 298 |
| Equipment/IPT set | 625,697 | 27,500 |
| | 1,258,882 | 28,098 |

09.04 Web page, Software & Data Transmit : Taka 27,491,581

The break up of the amount is as follows:

| | | |
|-------------------|-------------------|-------------------|
| Software | 22,346,169 | 18,665,317 |
| Web sales | 61,617 | 276,582 |
| Data transmit | 1,009,103 | 655,872 |
| Iptalk | 2,067,173 | 2,067,173 |
| Domain | 197,319 | 10,338 |
| Bangsee word/mail | 15,200 | 15,200 |
| Dialer | 101,000 | 101,000 |
| Video Conference | 13,000 | 13,000 |
| Avls | 257,225 | 165,285 |
| Consultancy | 155,534 | 155,536 |
| Graphice | 1,268,241 | 588,858 |
| | 27,491,581 | 22,714,160 |

The above Receivable amount is unsecured but considered good by the management. We have issued letters to confirm the individual balances but till to date we have not yet received responses from the parties. No amount was due by the Directors , Managing Director of the company.

10. Investment In Shares : Taka 19,966,332

The break up of the amount is as follows:

| <u>Particulars</u> | <u>No. of Share</u> | <u>Rate per Share</u> | | |
|-------------------------|---------------------|-----------------------|-------------------|----------|
| ICB Islami Bank at cost | 1005000 | 19.866997 | 19,966,332 | - |
| | | | 19,966,332 | - |

11. Cash and Cash Equivalent : Taka 96,393,130

The break up of the amount is as follows:

| | | |
|---|-------------------|-------------------|
| 11.01 Cash in Hand | 376,453 | 315,577 |
| 11.02 Cash at Bank | 95,983,009 | 12,835,053 |
| Cash Available in Share BO Account | 33,668 | - |
| | 96,393,130 | 13,150,630 |

11.01 Cash in Hand : Taka 376,453
Amount in Taka
30.06.2011 30.06.2010

The break up of the amount is as follows:

| | | |
|--------------|----------------|----------------|
| Cash in hand | 376,453 | 315,577 |
| | 376,453 | 315,577 |

11.02 Cash at Bank : Taka 95,983,009

The break up of the amount is as follows:

| CD Accounts | A/C No. | | |
|--------------------------|-----------------|-------------------|-------------------|
| Eastern Bank Ltd. | 1061060000757 | 437,865 | 928,943 |
| Eastern Bank Ltd. | 01061060001684 | 39,208 | 41,513 |
| First Security Bank Ltd. | 010811100001575 | 188,425 | 452,677 |
| Sub-Total | | 665,498 | 1,423,133 |
| STD Accounts | | | |
| Eastern Bank Ltd. | 01061040000139 | 103,958 | 98,389 |
| Prime Bank Ltd | 12732030003986 | (435,385) | 742,962 |
| Prime Bank Ltd | 12732080003998 | 10,831,041 | 193,836 |
| Prime Bank Ltd | 12731080017622 | 50,476,635 | 3,939 |
| NCC Bank Ltd. | 100210004661 | 8,068 | 9,219 |
| Prime Bank Ltd | 12751050019650 | 686,057 | 74,760 |
| First Security Bank Ltd. | 010813100000055 | 695 | 1,977 |
| UCBL | 8413100000199 | 719,112 | 427,488 |
| UCBL | 8413100000216 | 275,394 | 1,884,904 |
| UCBL | 1310000274 | 377,208 | 16,002 |
| UCBL | 8413100000147 | 3,276,436 | 14,911 |
| Rupali Bank Ltd. | 240000338 | 22,541 | - |
| Pubali Bank Ltd. | 1001 | 240,203 | - |
| Dutch-Bangla Bank Ltd | 171120344 | 182,724 | - |
| Prime Bank Ltd. (SOD) | 320007485 | 14,486,158 | - |
| Sub-Total | | 81,250,845 | 3,468,387 |
| FDR Account | | | |
| Prime Bank Ltd | 1274106000996-7 | 1,477,915 | 1,359,866 |
| Prime Bank Ltd | 12741020010005 | 1,293,409 | 1,197,439 |
| Prime Bank Ltd | 12741070010994 | 6,012,153 | 5,386,228 |
| UCBL | 41100009331 | 5,283,189 | - |
| Sub-Total | | 14,066,666 | 7,943,533 |
| Grand Total | | 95,983,009 | 12,835,053 |

The above balances represent Bank balance maintained by the company with the different banks. We have obtained all bank statements and FDR statements along with reconciliation statements and those were found to be in order. The total FDR value is under lien to Prime Bank Ltd. against Short Term Loan.

12. Accounts Payable & Other Liabilities : Taka 36,292,949

| | | |
|-------------------------------------|-------------------|-------------------|
| Audit Fee Payable | 63,000 | 54,000 |
| Sundry Creditors | 15,544,147 | 19,590,489 |
| Unpaid Dividend | 8,443,173 | 1,918,892 |
| Other Liabilities (Note-12.01) | 7,384,639 | 2,284,982 |
| Liability for Expenses (Note-12.02) | 4,857,990 | 4,666,402 |
| | 36,292,949 | 28,514,765 |

12.01 Other Liabilities : Taka 7,384,639

The break up of the amount is as follows:

| | Amount in Taka | |
|----------------------------|-----------------------|-------------------|
| | 30.06.2011 | 30.06.2010 |
| Staff income tax | 393,386 | 380,787 |
| Tax deducted at source | 820,629 | 349,806 |
| Security refundable | 315,000 | 285,000 |
| Leaseline | - | 800 |
| Broadband security deposit | 1,261,050 | 1,181,050 |
| Sister Concern Loan | 4,507,034 | - |
| Company's Income Tax | 87,540 | 87,540 |
| | 7,384,639 | 2,284,982 |

12.02 Liability for Expenses : Taka 4,857,990

The break up of the amount is as follows:

| | | |
|-------------------------|------------------|------------------|
| Provision for expenses | 816,260 | 583,772 |
| Salary Payable Account | 3,395,217 | 4,082,152 |
| VAT At Source | 646,513 | 1,650 |
| VAT Procurement Account | - | (1,172) |
| | 4,857,990 | 4,666,402 |

13. Provision for Income Tax : Taka 4,843,664

The break up of the amount is as follows:

| | | |
|---------------------------------|------------------|------------------|
| Opening Balance | 1,086,153 | 426,339 |
| Provision made during the year | 4,843,664 | 1,086,153 |
| | 5,929,817 | 1,512,492 |
| Less : Tax paid during the year | 1,086,153 | 426,339 |
| | 4,843,664 | 1,086,153 |

14. Short Term Loan : Taka 4,750,000

The break up of the amount is as follows:

| | | | |
|-----------------|---------------|------------------|-------------------|
| Prime Bank Loan | 1277733023932 | 4,750,000 | 22,949,334 |
| UCBL (Car loan) | | - | 653,400 |
| | | 4,750,000 | 23,602,734 |

15. Share Capital
15.1. Authorized Capital : Taka 1000,000,000

| | | |
|--|---------------------|---------------------|
| 100,000,000 Ordinary shares of Taka. 10 each | 1000,000,000 | 1000,000,000 |
|--|---------------------|---------------------|

15.2. Issued, Subscribed and Paid-up Capital : Taka 262,416,000

| | | |
|---|-------------|-------------|
| 26,241,600 Ordinary shares of Taka. 10 each | 262,416,000 | 123,200,000 |
|---|-------------|-------------|

15.3. Compositions of Shareholdings

| Particulars | As on 30.06.2011 | | As on 30.06.2010 | |
|--|-------------------|---------------|-------------------|---------------|
| | No. of Shares | % of holdings | No. of Shares | % of holdings |
| Sponsor/Director | 5,587,508 | 21.29 | 1,696,200 | 13.77 |
| ICB (M. Fund, UNIT, Capital Management) | 207,900 | 0.79 | 221,468 | 1.80 |
| Financial Institution's, ICB - IA A/C & Other Investors A/C. | 2,909,978 | 11.09 | 2,748,344 | 22.31 |
| General Public | 17,536,214 | 66.83 | 7,653,988 | 62.13 |
| Total | 26,241,600 | 100 | 12,320,000 | 100 |

15.4. Distribution Schedule-Disclosure under the Listing Regulations of Stock Exchange

This distribution schedule showing the number of Shareholders and their Shareholdings in percentage has been disclosed as on June 30, 2011 :

| Shareholders Range (in number of Shares) | Shareholders | | Shares | |
|---|--------------|---------------|--------------|---------------|
| | No. | % | No. | % |
| Less than 500 shares | 4,118 | 43.92 | 952 | 16.62 |
| 500 to 5,000 Shares | 4,760 | 50.77 | 4,455 | 77.79 |
| 5001 to 10,000 shares | 283 | 3.02 | 189 | 3.30 |
| 10,001 to 20,000 shares | 97 | 1.03 | 72 | 1.26 |
| 20,001 to 30,000 shares | 28 | 0.30 | 22 | 0.38 |
| 30,001 to 40,000 shares | 12 | 0.13 | 8 | 0.14 |
| 40,001 to 50,000 shares | 9 | 0.10 | 9 | 0.16 |
| 50,001 to 100,000 shares | 43 | 0.46 | 13 | 0.23 |
| 100,001 to 1,000,000 shares | 23 | 0.25 | 7 | 0.12 |
| Over 1,000,000 shares | 3 | 0.03 | - | - |
| Total | 9,376 | 100.00 | 5,727 | 100.00 |

15.5. 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.

15.6. Market Price

The shares of the Company are listed in the Dhaka and Chittagong Stock Exchanges and quoted at Taka 36.20 (High-Taka 36.80, Low-Taka.36.00) per share and Taka 36.20 (High-Taka.36.90 Low-Taka.36.10) per share in the Dhaka and Chittagong Stock Exchange respectively as of June 30, 2011

15.7. Voting Rights

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

16. Retained Earnings : Taka 14,403,411

Amount in Taka

30.06.2011 **30.06.2010**

The break up of the amount is as follows:

| | | |
|---|-------------------|-------------------|
| Balance as at 01.07.2010 | 17,060,505 | 13,157,249 |
| Add: Profit during the year | 28,142,906 | 16,127,446 |
| | 45,203,411 | 29,284,695 |
| Less: Stock Dividend (2009-10) | 16,016,000 | - |
| | 29,187,411 | |
| Less : Cash Dividend (Pref. Share) | 14,784,000 | 12,320,000 |
| | 14,403,411 | 29,284,695 |
| Add: Prior year adjustment made during the year | - | 95,810 |
| Balance as at 30.06.2011 | 14,403,411 | 29,380,505 |

17. Revenue From Sales & Services : Taka 172,717,375

The break up of the amount is as follows:

| | | | |
|--|--------------|--------------------|--------------------|
| Revenue from Internet, Software & Other Services | Notes-17 (a) | 155,536,500 | 114,434,649 |
| Sale of Hardware, Fiber Optic & Other | Notes-17 (b) | 17,180,875 | 11,703,417 |
| Revenue From Sales & Services | | 172,717,375 | 126,138,066 |

Amount in Taka

17 (a). Revenue from Internet, Software & Other Services: Taka 155,536,500 **30.06.2011** **30.06.2010**

The break up of the amount is as follows:

| | | |
|---|--------------------|--------------------|
| Sales of Internet Services | 62,567,200 | 41,963,223 |
| Less: Deductible (VAT) | 9,385,080 | 6,294,483 |
| Net sales of Internet Services | 53,182,120 | 35,668,740 |
| Sales of web page, software and data transmission | 102,354,380 | 78,765,909 |
| Net sales of Internet & Services | 155,536,500 | 114,434,649 |

17 (b). Sale of Hardware, Fiber Optic & Others: Taka 17,180,875

The break up of the amount is as follows:

| | | |
|---|-------------------|-------------------|
| Sale of Hardware, Fiber Optic & Others | 17,986,325 | 11,881,644 |
| Less : VAT | 805,450 | 178,227 |
| Net sales of Hardware, Fiber Optic & Other | 17,180,875 | 11,703,417 |

18. Operating Expenses : Taka 63,630,335

The break up of the amount is as follows:

| | | | |
|--------------------------------------|---------------------|-------------------|-------------------|
| Operating Expenses Services & Others | Notes-18 (a) | 56,734,180 | 36,180,449 |
| Operating Expenses Hardware & Others | Notes-18 (b) | 6,896,155 | 6,405,074 |
| | | 63,630,335 | 42,585,523 |

18 (a) Operating Expenses Services & Others: Taka 56,734,180

The break up of the amount is as follows:

| Particulars | UNIT-1 ISP | UNIT-2 SDP | UNIT-3 IPTSP | Total | Total |
|--|-------------------|------------------|-----------------|-------------------|-------------------|
| Bandwidth Charges | 29,856,822 | - | - | 29,856,822 | 24,915,982 |
| Electricity Charges | 2,340,582 | 69,033 | 69,992 | 2,479,607 | 1,751,492 |
| Telephone Charges | 1,271,060 | 42,354 | - | 1,313,414 | 1,204,180 |
| Domain Registration Exp. | - | 86,854 | - | 86,854 | 74,250 |
| Data Connectivity & Optical Fiber Rent/Interconnectivity | 18,805,437 | - | 468,962 | 19,274,399 | 7,282,841 |
| Installation Charge | 21,500 | - | 20,700 | 42,200 | 195,473 |
| Filtering Charge | 70,000 | - | - | 70,000 | 85,916 |
| Cost of Software (A.V & Others) | - | 3,610,280 | - | 3,610,280 | 663,195 |
| Freight & Carriage | 604 | - | - | 604 | 6,120 |
| DDN Charges | - | - | - | - | 1,000 |
| Total | 52,366,005 | 3,808,521 | 559,654 | 56,734,180 | 36,180,449 |

18 (b) Operating Expenses Hardware & Others: Taka 6,896,155

The break up of the amount is as follows:

| Particulars | UNIT-I ISP | UNIT-II SDP | UNIT-3 IPTSP | Total | Total |
|--------------------------------|------------------|----------------|------------------|------------------|------------------|
| Broadband Modem Concentrator | 716,702 | - | - | 716,702 | 1,834,172 |
| Cost of sales of Hardware | 2,112,385 | 24,040 | 2,130,785 | 4,267,210 | 542,850 |
| Cost of Sales of Optical Fiber | 1,791,072 | - | - | 1,791,072 | 4,028,052 |
| Radio Equipment | 98,000 | - | - | 98,000 | - |
| Internet & Telecommunications | 23,171 | - | - | 23,171 | - |
| Total | 4,741,330 | 24,040 | 2,130,785 | 6,896,155 | 6,405,074 |

19. Administrative and Marketing Expenses : Taka 55,562,739**Amount in Taka****30.06.2011 30.06.2010**

The break up of the amount is as follows:

| Particulars | UNIT-1 ISP | UNIT-2 SDP | UNIT-3 IPTSP | Total | Total |
|-------------------------------------|-------------------|------------------|------------------|-------------------|-------------------|
| Directors Remuneration | 2,100,000 | 480,000 | - | 2,580,000 | 3,483,500 |
| Salary and Allowances | 28,823,851 | 6,623,604 | 1,170,767 | 36,618,222 | 29,020,473 |
| Traveling and Conveyance | 2,089,757 | 13,546 | 59,283 | 2,162,586 | 1,688,943 |
| Office Rent | 4,715,473 | 340,410 | 347,388 | 5,403,271 | 4,580,934 |
| Printing and stationaries | 738,628 | 64,351 | 14,980 | 817,959 | 965,526 |
| Courier & Postage Charges | 168,581 | - | - | 168,581 | 149,037 |
| Photo copy Charges | 3,390 | - | - | 3,390 | 457 |
| Advertisement Expenses | 281,845 | 3,000 | - | 284,845 | 301,551 |
| News Papers & Periodicals | 18,309 | 1,955 | - | 20,264 | 20,659 |
| Entertainment | 441,530 | 14,446 | 3,263 | 459,239 | 189,319 |
| Security charges | 149,754 | - | - | 149,754 | 99,420 |
| Repair & Maintenance | 1,264,839 | 73,758 | 15,500 | 1,354,097 | 1,164,781 |
| Utility Charges | 578,564 | 3,780 | - | 582,344 | 143,458 |
| Car Maintenance | 852,276 | - | 78,889 | 931,165 | 555,607 |
| License Registration & Renewal Fees | 690,197 | 312,440 | 542,945 | 1,545,582 | 738,526 |
| Insurance Premium | 149,003 | - | - | 149,003 | 103,404 |
| Fees & Professional Charges | 52,400 | - | - | 52,400 | 144,900 |
| AGM Expenses | 609,248 | - | - | 609,248 | 294,431 |
| Promotional exp. | 417,039 | 382,660 | 11,200 | 810,899 | 259,452 |
| Audit Fee | 30,000 | 20,000 | 20,000 | 70,000 | 60,000 |
| Commission on Sales | 208,786 | - | - | 208,786 | 170,896 |
| Tender Participation | 40,370 | 10,000 | - | 50,370 | 40,936 |
| Sundry Exp. | 523,294 | 7,100 | 340 | 530,734 | 500,520 |
| Total | 44,947,134 | 8,351,050 | 2,264,555 | 55,562,739 | 44,676,730 |

The number of employees (both casual and permanent of the company as at June 30, 2011) was 237 and all of them received salary and allowances above Taka. 36,000 per year.

20. Financial Charges : Taka 1,208,787

The break up of the amount is as follows:

| Particulars | UNIT-1 ISP | UNIT-2 SDP | UNIT-3 IPTSP | Total | Total |
|-----------------------|------------------|---------------|-----------------|------------------|------------------|
| Bank Interest | 982,081 | - | - | 982,081 | 1,692,323 |
| Bank Charges & Others | 174,669 | 45,679 | 6,358 | 226,706 | 240,202 |
| Total | 1,156,750 | 45,679 | 6,358 | 1,208,787 | 1,932,525 |

21. Non Operating Income : Taka 5,350,774

The break up of the amount is as follows:

| Particulars | UNIT-1 ISP | UNIT-2 SDP | UNIT-3 IPTSP | Total | Total |
|---------------------------------|------------------|----------------|-----------------|------------------|------------------|
| Bank Interest (FDR & STD A/C.) | 4,519,719 | 718,366 | 10,689 | 5,248,774 | 694,989 |
| Other Income | 102,000 | - | - | 102,000 | 733,459 |
| Total | 4,621,719 | 718,366 | 10,689 | 5,350,774 | 1,428,448 |

22. Earning Per Share (EPS)

| | | |
|--|-------------------|-------------------|
| Profit From Continuing Operation attributable to the ordinary Equity holders | 28,142,906 | 16,127,446 |
| Less: Preference Share Dividend | 14,784,000 | - |
| Profit attributable to the ordinary equity holders | 13,358,906 | 16,127,446 |
| Total outstanding shares as on June 30, 2011 | 26,241,600 | 26,241,600 |
| Earning Per Share (EPS) | 0.51 | 0.61 |

BDCOM ONLINE LIMITED
Fixed Assets Schedule

For the year ended June 30, 2011

Schedule A/1

| Particulars | Cost | | | | Rate of Dep. | Depreciation | | | | W.D.V. as at 30.06.2011 |
|---------------------------|--------------------------------|---------------------------|----------------------------|----------------------|--------------|--------------------------------|-------------------------|----------------------------|----------------------|-------------------------|
| | Opening Balance as at 01.07.10 | Additions during the year | Adjustment during the year | Total as at 30.06.11 | | Opening Balance as at 01.07.10 | Charged during the year | Adjustment during the year | Total as at 30.06.11 | |
| Internet System Hardware | 94,394,543 | 11,506,344 | - | 105,900,887 | 18% | 56,126,957 | 7,585,861 | - | 63,712,818 | 42,188,069 |
| Furniture & Fixture | 2,101,073 | 260,650 | - | 2,361,723 | 10% | 906,717 | 135,634 | - | 1,042,351 | 1,319,372 |
| Office Renovation | 2,844,176 | 303,896 | - | 3,148,072 | 18% | 1,971,042 | 189,373 | - | 2,160,415 | 987,657 |
| Sundry Assets | 755,785 | 81,650 | - | 837,435 | 10% | 342,490 | 46,718 | - | 389,208 | 448,227 |
| Crockeries & Cutleries | 58,422 | - | - | 58,422 | 10% | 36,185 | 2,224 | - | 38,409 | 20,013 |
| A. C. Installation | 1,676,314 | 100,365 | - | 1,776,679 | 18% | 1,186,048 | 103,302 | - | 1,289,350 | 487,329 |
| PABX Installation | 330,783 | - | - | 330,783 | 18% | 271,605 | 10,652 | - | 282,257 | 48,526 |
| Office Equipments | 9,139,007 | 1,697,003 | - | 10,836,010 | 15% | 5,666,655 | 615,926 | - | 6,282,581 | 4,553,429 |
| V-Sat Tower | 3,919,414 | - | - | 3,919,414 | 15% | 2,579,560 | 200,978 | - | 2,780,538 | 1,138,876 |
| Telephone & Installation | 9,911,442 | 309,810 | - | 10,221,252 | 15% | 7,869,284 | 330,227 | - | 8,199,511 | 2,021,741 |
| Motor Vehicles | 3,888,100 | 1,788,133 | - | 5,676,233 | 15% | 1,409,356 | 548,422 | - | 1,957,778 | 3,718,455 |
| Generator/Online UPS | 1,697,114 | 2,114,830 | - | 3,811,944 | 15% | 744,661 | 308,608 | - | 1,053,269 | 2,758,675 |
| Cable Installation | 1,556,376 | 1,877,726 | - | 3,434,102 | 15% | 1,161,599 | 188,845 | - | 1,350,444 | 2,083,658 |
| Broad Band Equipments | 28,081,313 | 8,540,706 | - | 36,622,018 | 18% | 10,390,716 | 3,776,100 | - | 14,166,816 | 22,455,202 |
| Radio Equipments | 5,569,380 | 4,775,111 | - | 10,344,491 | 18% | 2,980,866 | 887,335 | - | 3,868,201 | 6,476,290 |
| Electrical Installation | 728,016 | 54,400 | - | 782,416 | 15% | 308,177 | 68,416 | - | 376,593 | 405,823 |
| Optical Fiber Deployment | 30,238,858 | 8,099,933 | - | 38,338,791 | 15% | 4,990,360 | 4,292,249 | - | 9,282,609 | 29,056,182 |
| Neon Sign & Others | 18,767 | - | - | 18,767 | 20% | 4,803 | 2,792 | - | 7,595 | 11,172 |
| Base Tower & Installation | - | 2,342,418 | - | 2,342,418 | 10% | - | 88,514 | - | 88,514 | 2,253,904 |
| WiFi Base Station | - | 2,815,145 | - | 2,815,145 | 20% | - | 140,757 | - | 140,757 | 2,674,388 |
| Land & Building | - | 94,101,909 | - | 94,101,909 | - | - | - | - | - | 94,101,909 |
| Sub Total | 196,908,883 | 140,770,029 | - | 337,678,911 | | 98,947,081 | 19,522,933 | - | 118,470,014 | 219,208,897 |

BDCOM ONLINE LIMITED
Fixed Assets Schedule

For the year ended June 30, 2011

| Particulars | Cost | | | | Rate of Dep. | Depreciation | | | W.D.V. as at 30.06.11 |
|--------------------------|--------------------------------|---------------------------|----------------------------|----------------------|--------------|-------------------------|----------------------------|----------------------|-----------------------|
| | Opening Balance as at 01.07.10 | Additions during the year | Adjustment during the year | Total as at 30.06.11 | | Charged during the year | Adjustment during the year | Total as at 30.06.11 | |
| | Unit-2 (SDP) | | | | | | | | |
| System Hardware | 7,949,990 | 484,000 | - | 8,433,990 | 18% | 440,084 | - | 6,033,661 | 2,400,329 |
| Furniture & Fixture | 680,719 | - | - | 680,719 | 10% | 31,102 | - | 400,802 | 279,917 |
| Office Renovation | 1,585,873 | 39,497 | - | 1,625,370 | 18% | 108,355 | - | 1,122,789 | 502,581 |
| Sundry Assets | 77,212 | 9,000 | - | 86,212 | 10% | 4,263 | - | 39,597 | 46,615 |
| Books & Periodicals | 73,226 | - | - | 73,226 | 10% | 3,162 | - | 44,769 | 28,457 |
| A. C. Installation | 256,790 | - | - | 256,790 | 18% | 9,320 | - | 214,330 | 42,460 |
| Electric Installation | 150,494 | - | - | 150,494 | 18% | 5,076 | - | 127,368 | 23,126 |
| Peripheral Equipment | 4,445,341 | 13,550 | - | 4,458,891 | 15% | 263,609 | - | 2,958,516 | 1,500,375 |
| Software Development | 28,002,242 | - | - | 28,002,242 | 15% | 1,784,574 | - | 17,889,655 | 10,112,587 |
| Telephone & Installation | 1,777,986 | 5,520 | - | 1,783,506 | 15% | 93,405 | - | 1,250,761 | 532,745 |
| Auto Generator | 601,190 | - | - | 601,190 | 15% | 22,843 | - | 471,748 | 129,442 |
| Crockeries & Outfaries | 4,080 | - | - | 4,080 | 15% | 322 | - | 2,257 | 1,823 |
| Sub Total | 45,605,143 | 551,567 | - | 46,156,710 | | 2,766,115 | - | 30,556,253 | 15,600,457 |

BDCOM ONLINE LIMITED

Fixed Assets Schedule

For the year ended June 30, 2011

| Particulars | Cost | | | | Rate of Dep. | Depreciation | | | W.D.V. as at 30.06.11 |
|---------------------------|--------------------------------|---------------------------|----------------------------|----------------------|--------------|-------------------------|----------------------------|----------------------|-----------------------|
| | Opening Balance as at 01.07.10 | Additions during the year | Adjustment during the year | Total as at 30.06.11 | | Charged during the year | Adjustment during the year | Total as at 30.06.11 | |
| | | | | | | | | | |
| System Hardware | 2,190,000 | 4,297,132 | - | 6,487,132 | 18% | 658,692 | - | 722,142 | 5,764,990 |
| Telephone Installation-IP | 112,206 | 52,822 | - | 165,028 | 15% | 18,215 | - | 20,611 | 144,417 |
| Software Development | 3,650,000 | 35,965 | - | 3,685,965 | 15% | 538,130 | - | 629,380 | 3,056,585 |
| Electric Installation | - | 21,180 | - | 21,180 | 15% | 1,059 | - | 1,059 | 20,121 |
| Sub Total | 5,952,206 | 4,407,099 | - | 10,359,305 | | 1,216,096 | - | 1,373,192 | 8,986,113 |
| Grand Total | 248,466,232 | 145,728,695 | - | 394,194,926 | | 23,505,144 | - | 150,399,459 | 243,795,467 |

BDCOM ONLINE LIMITED
Schedule of Deferred Revenue Expenditure
 For the year ended June 30, 2011

| Particulars | Original Amount | | | Rate of Amortisation | Amortization Amount | | | Schedule-B Net Amount | |
|-------------------------------------|--------------------------|--------------------------|------------------------|----------------------|--------------------------|-------------------------|------------------------|--------------------------|------------------|
| | Balance As on 01.07.2010 | Addition during the year | Balance As On 30.06.11 | | Balance As on 01.07.2010 | Charged during the year | Balance As On 30.06.11 | As on 30.06.11 | |
| | | | | | | | | | |
| Deferred Revenue Expenses | 91,200 | - | 91,200 | 20% | 36,480 | 18,240 | 54,720 | 36,480 | 36,480 |
| Capital Issue Expenses (Pref.share) | 1,476,554 | 208,789 | 1,685,343 | 20% | 295,310 | 337,067 | 632,377 | 1,052,966 | 1,052,966 |
| Pre-Operation Expenses (IPTSP) | 1,600,018 | - | 1,600,018 | 20% | 320,004 | 320,004 | 640,008 | 960,010 | 960,010 |
| Graphic Design Project Exp. | 2,496,315 | - | 2,496,315 | 20% | 998,527 | 499,263 | 1,497,790 | 998,526 | 998,526 |
| Total | 5,664,087 | 208,789 | 5,872,876 | | 1,650,321 | 1,174,574 | 2,824,895 | 3,047,982 | 3,047,982 |

As per decision of the Management of the company following steps has been taken :

- 1) To amortize deferred expenses over period of (Five) years commencing from 01.07.2009
- 2) To amortize preference share issue expenses amounting is TK. 208,759 of IP Telephony over a period of 5 (Five) years effective July 01,2010.

partnering ICT with trust



14 Years of ICT Service Experience Portfolio



Largest Broadband Network



"KOTHA" IP Telephony Service

BDCOM Online Limited

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