



DIRECTORS' REPORT TO THE SHAREHOLDERS FOR THE YEAR ENDED JUNE 30, 2022

Dear Fellow Shareholders,

The Board of Directors of BDCOM Online Ltd. with immense pleasure takes this opportunity of presenting the Annual Report and the Audited Financial Statements for the year ended June 30, 2022 together with the Report of the Auditors to the shareholders on the occasion of 26th Annual General Meeting of the Company for valued consideration, approval and adoption.

Enhanced value of Shareholder's Investment:

During the year under review, net revenue was Tk. 727.38 Million with 10.61% increase compared to the revenue of previous year.

The Directors take pleasure in reporting the financial results of the Company for the year ended June 30, 2022 (as mentioned in the Statement of Profit or Loss and Other Comprehensive Income). Details of the same are given below:

Description	June 30, 2022	June 30, 2021
Gross Profit	393,268,964	347,972,299
Operating Profit	84,460,762	47,681,631
Non-Operating Income	26,924,902	27,437,633
Net Profit before WPPF & WF	110,751,362	77,351,919
Provision for WPPF & WF	(5,273,874)	(3,683,426)
Provision for Income Tax	(26,057,174)	(13,180,259)
Provision for Deferred Tax	758,930	(457,576)
Net Profit after Tax	80,179,244	60,030,658
Less: Dividend Distribution of Previous Year	(27,184,040)	(51,779,140)
Add: Profit brought forward	161,657,697	153,406,179
Surplus Available for Appropriation	214,652,901	161,657,697



Dividend recommendation of 10% Cash Dividend:

The Board of Directors pleased to recommend 10% Cash Dividend for the year ended 30th June, 2022 which will be confirmed in the 26th Annual General Meeting to be held on 14th Dec 2022.

Disclosure on Dividend Distribution:

BDCOM pay off the dividend to the shareholders within 30 days of approval and submit a compliance report to the Exchanges and to the Commission in respect of dividend payment within 7(seven) working days.

Interim Dividend

No bonus share or stock dividend has been declared by the Board as interim dividend and there was no effect of such in the Company's financial position.

Retirement and Re-election of Directors:

As per Companies Act, 1994, each year one-third of the Directors retire from office at the Annual General Meeting and if eligible, may offer themselves for re-election by shareholders at the Annual General Meeting. In line with the Companies Act, 1994, the following Directors will retire at the 26th Annual General Meeting:

1. Mrs. Quamrun Nahar Begum - (Rep: Hornbill Apparel Ltd.)
2. Mr. Shafiqul Alam (Sumon) - (Rep: Norban Fashion Ltd.)

The above Directors are eligible, offer themselves for re-election for the next term.

Appointment of Auditors:

The office of the present Auditor M/S. Ahmed Zaker & Co., Chartered Accountants will expire with the completion of 26th Annual General Meeting. The Audit Committee scrutinized and reviewed the proposal of M/S. Islam Quazi Shafique & Co., Chartered Accountants and recommended to the Board to appoint as the Statutory Auditors of the Company for the year 2022-2023 and the Board of Directors placed this before the general body of shareholders for approval with a remuneration of BDT 1,30,000.00 excluding applicable VAT & TAX .

Appointment of Compliance Professionals for the certificate on compliance with the Corporate Governance Code of BSEC:

As per notification no. BSEC/CMRRCD/2006-158/207/Admin/80: dated June 03, 2018, The Board recommended the appointment of M/S. Atik Khaled Chowdhury, Chartered Accountants, to issue "Corporate Governance Compliance Certificate" of the Company for the year 2022-2023 and to fix their remuneration BDT 25,000.00 excluding applicable VAT & TAX for approval of the shareholders in the 26th Annual General Meeting.

Directors Responsibilities for Financial Statements:

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

The Financial statements prepared by the management for the year ended 30 June 2022 give a true and fair view of the state of the company about the result of its operation, cash flows and changes of equity.

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

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

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

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

The company has sound and strong operational strengths and ability to continue as a going concern. As such, there is no doubt of its continuity.

There is no deviation from last year operating results.

The key operating and financial data for the proceeding five years have been shown in the Financial History of Five years: Annexed herewith. (Page-22)

Corporate Governance Code:

BDCOM Online Ltd. is pledge bound to adopt necessary measures of good governance abiding by all prevailing Rules and Regulations. Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of Securities and Exchange Ordinance, 1969 is annexed herewith. (Page-41)

Board of Directors Meeting and attendance:

The Company conducts its Board meetings and record the minutes of the meetings as well as keep required books and record in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB).

During the year twenty-four (24) Board of Directors meeting were held and the attendance by each director is given bellow

Mr. Wahidul Haque Siddiqui	-	Chairman	-	24
Mrs. Qurratul Ann Siddiqui	-	Director	-	24
Mrs. Quamrun Nahar Begum (Rep: Hornbill Apparel Ltd.)	-	Director	-	19
Mr. Shafiqul Alam (Sumon) (Rep: Norban Fashion Ltd.)	-	Director	-	18
Mr. Md. Khalid Hussain, FCA	-	Independent Director	-	05
Mr. S M Golam Faruk Alamgir	-	Managing Director	-	24

Directors remuneration and fees: Given separately. (Page-87)

The pattern of shareholding:

		Shares Qty as	Shares Qty as	%	%
		At 30 June 22	at 30 June 21	2022	2021
(a) Parent or Subsidiary or Associate Companies or other related parties:		-	-	-	-
(b) Sponsor, Directors, Managing Director, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children:					
01) Mr. Wahidul Haque Siddiqui	Chairman	- 3,037,623	2,892,975	5.32	5.32
02) Mrs. Qurratul Ann Siddiqui	Director	- 5,487,245	5,225,948	9.61	9.61
03) Mrs. Quamrun Nahar Begum	Director	- 2,724,753	2,595,004	4.77	4.77
	(Rep: M/S. Hornbill Apparel Ltd.)				
04) Mr. Md. Shafiqul Alam (Sumon)	Shareholders Director	- 3,939,519	3,751,923	6.90	6.90
	(Rep: M/S. Norban Fashion Ltd.)				
05) Mr. Md. Khalid Hussain FCA	Independent Director	- -	-	-	-
06) Mr. S M Golam Faruk Alamgir	Managing Director	- -	-	-	-
07) Mr. Sumon Ahmed Sabir	Sponsor	- 843,305	803,149	1.48	1.48
08) Mr. Mohd. Zulfiquar Hafiz	Sponsor	- 626,145	596,330	1.10	1.10
09) Mr. A.T.M Sayeeduzzaman	Sponsor	- 469,354	447,004	0.82	0.82
10) Mr. A. K. M. Kutub Uddin	ED & Company Secretary	- -	-	-	-
11) Mr. Faker Ahmed FCA	Chief Financial Officer	- -	-	-	-
12) Mr. Mohammad Ali ACCA	Head of Internal Audit	- -	-	-	-
(c) Executives:					
01) Mr. S. M. Kamruzzaman	Chief Technology Officer-	- -	-	-	-
02) Mr. Gazi Zehadul Kabir	Chief Strategy Officer	- -	-	-	-
03) Mr. Anowar Hasan Sabir	Chief Information Officer	- -	-	-	-
04) Mr. Bipul Ranjan Saha	General Manager	- -	-	-	-
05) Mr. Sharif Shabbirul Alam	General Manager	- -	-	-	-
d) Shareholders holding 10% or more voting interest		- -	-	-	-
	in the company				

Management Discussion and Analysis:

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

Duties of Managing Director and Chief Financial Officer:

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



to the best of their knowledge and belief, they have reviewed financial statements for the year ended 30th June 2022 and that to the best of their knowledge and belief:

- (a) the financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- (b) the financial statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (c) there were, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.

Related party transactions:

We as IT Sector Company, for IT related services and data connectivity we have to purchase Bandwidth and use NTTN (Nationwide Telecommunication Transmission Network) transmission line as rental basis from service provider companies. Regarding Bandwidth a few and for NTTN transmission line only few companies in Bangladesh. Fiber@home Global Ltd., and Fiber@Home Ltd. is our related party. We have transactions with these companies regarding Bandwidth purchase & NTTN transmission line rent as a part of normal course of regular business operation. All transactions involving related parties arising are conducted on an arm's length basis at commercial rates on the same terms and conditions as applicable to the third parties. Details of transactions with related parties and balances with them as at 30 June 2022 has been provided in note no. 37.00 (Page-89).

In the 25th AGM held on 17 December 2021 the general body of Company's Shareholder approved the matter for that year and onward for smooth and uninterrupted transmission/operations of the Company in line with BSEC Notification No. BSEC/CMRRCD/2009-193/10/Admin/118 dated 22 March 2021 clause (1) (b).

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

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

Achievement & Future Plan:

As we celebrate what's been achieved over the last quarter century, we also look towards the next 25 years of Technology impacts - and an even brighter golden anniversary! Our future impact on future technology adoption and global Internet Ecology will be shaped by our dedicated employees and the local community - and we are excited by what BDCOM has to offer in the coming days.

BDCOM has secured Bronze Award under the Telecommunication and IT Category in the ICMAB Best Corporate Award – 2021 Competition after a thorough evaluation of performance on the 2021 Annual Report of BDCOM Online Ltd. This remains as a recognition of our efforts and dedication. This is 3rd time BDCOM has secured this prestigious national level award.



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

The enhancement and upgrade of our MPLS backbone from 10G to 40G was almost hindered due to the pandemic and still stagnant as the trailing effects of the endemic. But the work was already accomplished in Metro areas with utmost success. Our focus and time investment on countrywide data network expansion was hampered due to scarcity of essential accessories like Fiber cables, routers, etc., during the local and global halt of the supply chain. Moreover, the regular aerial cable cut in Dhaka, Sylhet, Chattogram, Mymensingh, etc. districts tremendously impaired the expansion and development of the robust network of BDCOM. The BDCOM MPLS network is now available in all the districts of the country, also, the last mile is mostly converted to FTTx technology adopting the most successful GPON technology. Our specialty with the GPON technology is that we can connect any last-mile endpoint up to 10Gbps max which is still very much rare in the Bangladesh ISP industry.

Our Software department is turning back. Their developed HRMS is now Smart and Intelligent Management Process that, Legitimate the Information along with Futuristic Innovation which is Empowered Digitally. The successful deployment of the software in an industrial sector is the starting of a new era for BDCOM.

The government in their mandate has promised in ensuring internet facilities to the marginalized people. They had announced a special tariff – Ek Desh Ek Rate (one country one rate) – to ensure broadband internet supply to the marginal level. At BDCOM we were more than ready for the announcement. The initiative “Internet for All” was announced last year in our success story. Thus we were completely compliant at the zero hours of the announcement as we already rationalized the package “Internet for All” as a Smile Broadband package which echoed the promise of the current Government. With the “Internet for All” package SMILE Broadband is thinking beyond closing the digital divide to investing in the development of a robust digital ecosystem that can facilitate participation in the Fourth Industrial Revolution — intelligent automation ensuring every individual participation in the Internet World.

We have launched “Broadband360” in 2020 as the most significant outcome of our commitment to the nation and to the vision 2041 of the Digital Bangladesh Government. As the product was designed in accordance with our Social Responsibility, Ethical Business Practices and for the greater protection of the next generation from the vicious effects of abuse, violence & pornography in digital media, our journey has seen bright promise in the society in last one year and now is recognized in the industry as a milestone for safe Internet experience through ultrafast connectivity.



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

BDCOM is the first ISP in the country to deploy a DR for its entire network resources. We are working relentlessly so that our existing network does not feel any bumps or spikes during business hours. Not only that all Point-to-Point connectivity and existing EPON networks are changing to GPON.

As mentioned last year, BDCOM was more focused on the home segment, prioritizing corporate sectors services side by side – this year the focus will remain the same. After lots of hurdles, networks and other infrastructure are now readier than before for earning Market Leadership. BDCOM is committed to bringing disruptive technologies including safe, stable and eco-friendly Internet, Phone, and other related services to the community; also is ensuring round-the-clock more efficient helpdesk to leverage the trust and faith of our valued customers towards our services. We highly appreciate Government's initiative in this regard.

At this age of globalization, the window of opportunity remains vast because we still believe that our capacity to solve problems and adopt New-Normal technologies are boundless. BDCOM is planning on creating innovative technological advanced products and services in the industrial plot that has been awarded in the Mirsarai Economic Zone, the largest economic zone of the country. The true emphasis remains on the continuation of business development activities and identifying new opportunities to secure a sustainable growth of the company.

Corporate Social Responsibility:

Corporate Social Responsibility (CSR) has become a vital activity for any business. We at BDCOM, strongly believe in the CSR activities in which we engage in. One of the key activities we do is that we invest in the development of the youth in our country. The youth hold the key to the future, not just of our company, but also of the ICT sector of Bangladesh. The interns who work in our organization are an integral part of our future plans. The internship opportunity provides them with a solid platform to kick launch their professional careers in the ICT sector of Bangladesh. The skills they develop during their internship period helps them tackle everyday challenges in the corporate world. It also helps them in their decision making process. The corporate culture itself is such in BDCOM that the employees themselves help out the interns by training them, sharing their knowledge and experience and making them aware of the future potential challenges which lie ahead. Under the guidance and supervision of our highly qualified employees, the interns flourish. The ones who leave are well equipped to tackle any kind of challenges and thus end up getting quality jobs in the competitive ICT job market. Hence, if we look at the bigger picture, this eventually goes on to help in developing the labor force of our country in the ICT sector.

BDCOM also financially help several NGOs and they all work for a noble cause.

Acknowledgement:

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

Thanks & regards

For and on behalf of the Board of Directors



Wahidul Haque Siddiqui
Chairman