



DIRECTORS' REPORT TO THE SHAREHOLDERS FOR THE YEAR ENDED JUNE 30, 2021

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, 2021 together with the Report of the Auditors to the shareholders on the occasion of 25th 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. 657.61 Million with 2.70% 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, 2021 (as mentioned in the Statement of Profit or Loss and Other Comprehensive Income). Details of the same are given below:

Description	June 30, 2021	June 30, 2020
Gross Profit	347,972,299	332,768,032
Operating Profit	47,681,631	58,116,435
Non-Operating Income	27,437,633	32,351,591
Net Profit before WPP & WF	77,351,919	82,265,656
Provision for WPP & WF	(3,683,426)	(3,917,413)
Provision for Income Tax	(13,180,259)	(18,153,452)
Provision for Deferred Tax	(457,576)	(835,543)
Net Profit after Tax	60,030,658	59,359,248
Less: Dividend Distribution of Previous Year	51,779,140	(58,617,900)
Add: Profit brought forward	153,406,179	152,664,831
Surplus Available for Appropriation	161,657,697	153,406,179

Dividend and explanation regarding recommendation of Stock Dividend:

The Board of Directors pleased to recommend 5% Cash Dividend & 5% Stock Dividend for the year ended 30th June, 2021 which will be confirmed in the 25th Annual General Meeting to be held on 17th Dec 2021. And-

- a) 5% Bonus shares amount will be utilized for the network expansion.
- b) The bonus shares is declared out of share premium.
- c) The bonus share is not declared from capital reserve or revaluation reserve or any unrealized gain or out of profit earned prior to incorporation of the company or through reducing paid up capital or through doing anything so that the post-dividend retained earnings become negative or a debit balance.

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 (except Independent Director) 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 25th Annual General Meeting:

1. Mr. Wahidul Haque Siddiqui
2. Mrs. Qurrattul Ann Siddiqui.

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

Appointment of Independent Director:

The Board of Directors appointed Mr. Md. Khalid Hussain, FCA as Independent Director of the Company for next 3(three) years as per BSEC Notification No. BSEC/CMR-RCD/2006-158/207/Admin/80 dated 03 June, 2018 is placed before the shareholders in the 25th Annual General Meeting for approval.

Appointment of Auditors:

The office of the present Auditor M/S. Ahmed Zaker & Co., Chartered Accountants will expire with the completion of 25th Annual General Meeting and the Board of Directors recommended the appointment of M/S. Ahmed Zaker & Co., Chartered Accountants, BSEC Penal Auditor as statutory auditors for the year ended June 30, 2022 and to fix their remuneration BDT 1,10,000.00 plus VAT for approval of the shareholders in the 25th Annual General Meeting.



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 2021-2022 and to fix their remuneration BDT 25,000.00 plus VAT for approval of the shareholders in the 25th 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 2021 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: (Annual Report 2020 - 2021, Page - 23)

Corporate Governance:

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. (Annual Report 2020 - 2021, Page - 40)

Board of Directors Meeting and attendance:

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

During the year twenty two (22) Board of Directors meeting were held and the attendance by each directors is given bellow-

Mr. Wahidul Haque Siddiqui	-	Chairman	-	22
Mrs. Qurrattul Ann Siddiqui	-	Director	-	22
Mrs. Quamrun Nahar Begum (Rep: Hornbill Apparel Ltd.)	-	Director	-	19
Mr. Shafiqul Alom (Sumon) (Rep: Norban Fashion Ltd.)	-	Director	-	16
Mr. Jashim Uddin Ahmed Chowdhury	-	Independent Director	-	02
Mr. Md. Khalid Hussain, FCA	-	Independent Director	-	02
Mr. S M Golam Faruk Alamgir	-	Managing Director	-	22

Directors remuneration and fees: Annual Report 2020 - 2021 page no. 85 (Note - 25.01).

The pattern of shareholding:

		Shares Qty as At 30 June 21	Shares Qty as at 30 June 20	% 2021	% 2020
(a) Parent or Subsidiary or Associate Companies or other related parties:		-	-	-	-
(b) Sponsor, Directors, Managing Director, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children:					
01) Mr. Wahidul Haque Siddiqui	Chairman	- 2,892,975	2,755,215	5.32	5.32
02) Mrs. Qurrattul Ann Siddiqui	Director	- 5,225,948	4,977,094	9.61	9.61
03) Mrs. Quamrun Nahar Begum (Rep: M/S. Hornbill Apparel Ltd)	Director	- 2,595,004	2,471,433	4.77	4.77
04) Mr. Md. Shafiqul Alom (Sumon) (Rep: M/S. Norban Fashion Ltd)	Shareholders Director	- 3,751,923	3,573,260	6.90	6.90
05) Mr. Md. Khalid Hussain, FCA	Independent Director	- -	-	-	-
06) Mr. S M Golam Faruk Alamgir	Managing Director	- -	-	-	-
07) Mr. Sumon Ahmed Sabir	Sponsor	- 803,149	764,905	1.48	1.48
08) Mr. Mohd. Zulfiquar Hafiz	Sponsor	- 596,330	567,934	1.10	1.10
09) Mr. A.T.M Sayeeduzzaman	Sponsor	- 447,004	425,719	0.82	0.82
10) Mr. A. K. M. Kutub Uddin	ED & Company Secretary	- -	-	-	-
11) Mr. CA Faker Ahmed, FCA	Chief Financial Officer	- -	-	-	-
12) Mr. Mohammad Moniruzzaman	Head of Internal Audit	- -	-	-	-
(c) Executives:					
01) Mr. S. M. Kamruzzaman	Chief Technical Officer	- -	-	-	-
02) Mr. Gazi Zehadul Kabir	Chief Strategy Officer	- -	-	-	-
03) Mr. Anowar Hasan Sabir	Chief Information Officer	- -	-	-	-
04) Mr. M. Shykot Raihan	General Manager	- -	-	-	-
05) Mr. Bipul Ranjan Saha	Deputy General Manager	- -	-	-	-
(d) Shareholders holding 10% or more voting interest in the company		- -	-	-	-



Management Discussion and Analysis:

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

Duties of Managing Director and Chief Financial Officer:

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

to the best of their knowledge and belief, they have reviewed financial statements for the year ended 30th June 2021 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:

In compliance with the Bangladesh Securities and Exchange Commission Notification No. We as IT Sector Company for IT related services and data connectivity we are 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 2 companies in Bangladesh. One is Fiber @ Home Ltd. and is our related party. We have transactions with this company 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 2021 has been provided in note no. 33.01

(Annual Report 2020 - 2021, page no. 87)

Now for smooth and uninterrupted transmission/operations as per BSEC Notification No. BSEC/CMRRCD/2009-193/10Admin/118 dated 22 March 2021 clause (1)(b) our transactions related to BANDWIDTH purchase & NTTN transmission line rent amounting 10% and above of the total revenue or turnover as shown in the statement of profit or loss and comprehensive income for the immediate preceding financial year are placed before the shareholders for approval within guided voting procedure as per BSEC notification in the 25th Annual General Meeting of the Company.

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:

BDCOM Online Ltd. has always prioritized delivering operationally efficient and quality services to our clients. The substantial growth of BDCOM over the last 24 years exhibits our commitment to our priorities. The pandemic has hindered business activities along with disruptions in global and local supply chain, damaged business confidence index, and spiraling business loss. We at BDCOM are adopting this new normal and are conducting our business with this host of new challenges brought forward from the epidemic and realize our vision of "Progress is Possible " in any circumstances. The systemic financial stress-associated with long-lasting economic damage-has been largely avoided so far, owing to the unprecedented dynamic policy actions taken. However, the path to recovery remains challenging, especially for companies with limited fiscal space, like ours, and is made harder by the differential impact of the pandemic.

The Management team with their entrepreneurial mindset has taken bold decisions to overcome the challenges in this turbulent economy. The emphasis has been on continuation of business development activities and exploring new sectors without relaxing the rules of hygiene to achieve a sustainable economic growth of the Company. This past year the head office has shifted from Dhanmondi to the corporate hub of Gulshan-1. This new premise covers an area of 13,000 square feet to conduct the activities with due diligence.

The Government is committed to realize their goal of 'Vision 2021'. The vision implies integrating the use of technology in a range of sectors education, employment, healthcare, and poverty reduction. In par with this vision 'The Ek Desh Ek Rate' (one country one rate) - program has been introduced to ensure broadband internet supply to the marginal level. We at BDCOM have successfully implemented this initiative "Internet for All", this was announced last year in our success story. We were completely compliant at the zero hour 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.

The "Broadband360" is our most significant outcome of our commitment to the nation and to the vision 2021 of the Digital Bangladesh Government. As the product was designed in accordance with our Social Responsibility, Ethical Business Practice. This program has seen remarkable success in this past year and now is recognized in the industry as a milestone for safe Internet experience through ultrafast connectivity.

In the past year the enhancement of MPLS backbone from 10G to 40G was successfully upgraded. This ambitious vision of BDCOM was successfully completed in the time of pandemic. The work was already accomplished in Metro areas with utmost success. The focus and time investment on countrywide data network expansion was hampered due to scarcity of essential accessories like Fiber Cable, router due to the local and global disrupted supply chain. Moreover, the regular aerial cable cuts in Dhaka, Sylhet, Chattogram, Mymensingh and other 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 maximum which is still very much rare in Bangladesh ISP industry. The Software team at BDCOM has developed Human Resources Management System (HRMS) software which is now a Smart and Intelligent software which records all activities of Human resource over an employee life cycle. The successful deployment of this software in the industrial sector is the starting of a new era for BDCOM.

We at BDCOM are broadening our capacity to diversify to different sectors as we believe our magnitude of solving problems is still boundless. We always are focusing to integrate technology to different platforms for creating innovative products and services. The testimonies of our clients motivate us to leap forward with new goals. The sustainable growth of BDCOM is also reflected when we were awarded an industrial plot at Mirsarai Economic Zone, the largest economic zone in Bangladesh. Since 1997, we are working to ensure access to quality internet for all. This is still a work in progress as we will work relentlessly till the remotest areas of Bangladesh are connected with internet service. As we firmly believe the access to ICT services will bring positive change in this society and realize our vision of 'Progress is Possible'.

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 Ltd. (CSE)

(CSE) and Central Depository of Bangladesh Limited (CDBL) for their patronage and immense support and co-operation received. The Board of Directors pleased to put on record their appreciation for the teamwork, prompt and prudent decision making, efficient and cordial service and contribution made by the management as well as the employees towards the growth and progress of the Company.

Thanks & regards

For and on behalf of the Board of Directors



Wahidul Haque Siddiqui
Chairman