

**ADN TELECOM LIMITED**

**AUDITOR'S REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**Independent Auditor's Report  
To the Shareholders of ADN Telecom Limited**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the Financial Statements of ADN Telecom Limited, which comprise the Statement of Financial Position as at June 30, 2021 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the Financial Position of the Company as at June 30, 2021, and its Financial Performance and its Cash Flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Financial Statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current year. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
<b>Revenue Recognition</b>	
At year end the Company reported net revenue of BDT 1,141,044,570 of which Local Services, IT Support & Service and Export Services amounted to BDT 190,760,497, BDT 451,100,822 & BDT 499,183,251 respectively.	Our audit procedures included, among others, the following:  We evaluated the revenue recognition principles applied by the Company towards applicable accounting standards;
The Company has multiple revenue units including Internet Service, Data Connectivity-IPVPN, IP (Internet Protocol), Telephony Services, Telehouse & Hosting, Digital Business, Equipment Sales, MPLS and IPLC.	We evaluated the revenue recognition of different segments of revenue in relation to the terms of the service terms;
The company has complex terms of contracts, which require significant management estimation and judgment in determining the timing of revenue recognition and measurement.	We tested the key controls over the calculation, authorization and the approval of bills forwarded to customers and the capturing and recording of revenue transactions;
Revenue is derived from several business segments and agreement with customers contain more than one performance obligation. Hence the management needs to determine the basis for allocating the consideration received between the separate performance obligations based on relative standard selling price. This matter is considered a key audit matter due to the level of judgment required to determine the timing of revenue recognition and measurement.	We tested the timing of the revenue recognition;
	We evaluated the appropriateness of the notes related to the company's revenue
	We critically assessed manual journals posted to revenue to identify unusual or irregular items; and
	Finally assess the appropriateness and presentation of disclosures against relevant accounting standards.
See note no. 22.00 to the Financial Statements	

<b>Measurement of Deferred Tax Liability</b>	
<p>The Company reported net deferred tax liability totaling BDT 135,909,619 as at 30 June 2021. Because of reduction in the rate of tax during the year there has been income in deferred tax for Tk. 7,665,021.</p> <p>Significant judgment is required in relation to deferred tax liability as their adjustability is dependent on forecasts of future.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of deferred tax liability and the assumptions used in estimating the Company's future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We also assessed the appropriateness of presentation of disclosures against IAS 12 "Income Tax".</p> <p>We also used the 3rd schedule of the Income Tax Ordinance (ITO 1984) for the calculation of deferred tax.</p>
See note no <b>20.02 &amp; 28.00</b> to the Financial Statements	
<b>Provision for Current Income Tax</b>	
<p>Provision for the income tax requires the consideration of income from Local Sales, IT Support &amp; Services and Export Sales also consider the previous year's shortfall provision.</p>	<p>We reviewed the tax calculation work flows and related details. To be specific, our substantive testing procedures included the following:</p> <p>Current tax has been calculated on the basis of add and back of some inadmissible and admissible expenses respectively as per ITO 1984.</p> <p>Tax on Incomes from Export was derived properly.</p> <p>Exclusions as allowable by the 6<sup>th</sup> Schedule Part- A of ITO 1984 were applied duly.</p>
See note no <b>20.01 &amp; 28.00</b> to the Financial Statements	
<b>Acquisition of Property, Plant &amp; Equipment</b>	
<p>At the end of the year the Company recorded total Property, Plant and Equipment BDT 1,222,023,149 (Carrying Amount) The company made a number of significant acquisitions for BDT 203,005,043 during the year.</p> <p>There is a risk that the assets being overvalued, either by inflating cost or valuation.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of Property, Plant &amp; Equipment and reviewed:</p> <p>The company actually owning the assets.</p> <p>Checked the purchase invoice for the assets purchases.</p> <p>Checked the bank statement and proper calculation of LC related works.</p> <p>Checked the due amount that related to suppliers of Property, Plant and Equipment.</p>
See note no <b>4.00 &amp; Annexure-A</b> to the Financial Statements	
<b>Provision for Gratuity</b>	
<p>The Company reported Provision for Gratuity totaling BDT 54,030,709 as at 30 June 2021.</p> <p>This matter is considered a key audit matter due to the level of judgment. It is unfunded and no actuarial valuation has been done.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of provision for gratuity.</p> <p>We tested the key controls over the calculation.</p> <p>We tested the timing of the record as expenses and adjustment.</p>
See note no <b>17.00</b> to the Financial Statements	

Legal and regulatory matters	
<p>We focused on this area because the company operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the company's best estimate for existing legal matters that have a probable and estimable impact on the company's Financial position</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the company's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters. We enquired of the company's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We also received formal confirmations from external counsel.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the company's provisions and contingent liabilities disclosure</p>

#### **Reporting to other information**

The Directors as well as Management are responsible for other information. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error. In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Company's Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules, 2020, we also report the following:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts as required by law have been kept by the ADN Telecom Limited so far as it appeared from our examination of these books;
- c) The Statements of Financial Position as at June 30, 2021 and Statements of Profit or Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of accounts and returns; and
- d) The expenditure incurred was for the purposes of the Company's business.

FOR A. WAHAB & CO.  
CHARTERED ACCOUNTANTS

  
Md. Showkat Hossain, FCA  
Partner

Enrolment No.-196

DVC: 2110310196AS938920


Dated: Dhaka, October 31, 2021




**ADN TELECOM LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2021**


Particulars	Notes	30-06-2021	30-06-2020
<b>ASSETS</b>			
<b>Non-Current Assets</b>		<b>1,237,142,467</b>	<b>1,143,041,677</b>
Property, Plant and Equipment	4.00	1,222,023,149	1,130,596,707
Intangible Assets	5.00	631,401	775,196
Investment in Associates	6.00	14,487,916	11,669,774
<b>Current Assets</b>		<b>1,100,154,547</b>	<b>1,090,589,603</b>
Investment in FDR	7.00	52,965,500	70,000,000
Trade and Other Receivables	8.00	553,673,046	434,397,359
Advance, Deposits and Prepayments	9.00	223,173,486	197,192,642
Cash and Cash Equivalents	10.00	270,342,515	388,999,602
<b>Total Assets</b>		<b>2,337,297,014</b>	<b>2,233,631,280</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital &amp; Reserves</b>		<b>1,678,810,891</b>	<b>1,633,531,883</b>
Share Capital	11.00	646,516,660	646,516,660
Share Premium	12.00	413,704,659	413,704,659
Retained Earnings	13.00	618,589,572	573,310,564
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>		<b>202,868,019</b>	<b>183,458,294</b>
Long Term Loan	14.00	28,424,800	-
Lease Liabilities	15.00	38,533,600	39,883,654
Deferred Tax Liability	20.00	135,909,619	143,574,640
<b>Current Liabilities</b>		<b>455,618,104</b>	<b>416,641,102</b>
Current Portion of Long Term Loan	14.00	15,573,133	-
Current Portion of Lease Liabilities	15.00	40,464,542	31,141,653
Short Term Loan	16.00	15,111,378	37,077,068
Accrued Expenses	17.00	115,279,225	100,486,263
Provision for Workers' Participation and Welfare Fund	18.00	9,443,343	7,786,474
Trade and Other Payables	19.00	227,820,597	208,829,837
Provision for Tax Liability	20.00	31,487,399	31,319,807
Unclaimed Dividend	21.00	438,486	-
<b>Total Equity and Liabilities</b>		<b>2,337,297,014</b>	<b>2,233,631,280</b>
<b>Net Asset Value (NAV) Per Share</b>	31.00	<b>25.97</b>	<b>25.27</b>


The annexed Notes from 1 to 53 form an integral part of these financial statements.

  
Mohammed Abdul Alim, FCA  
Chief Financial Officer

  
Md. Monir Hossain, FCS  
Company Secretary

  
Henry Hiton  
Managing Director

  
Md. Moinul Islam  
Director

  
Asif Mahmood  
Chairman

Subject to our separate report of even date.




  
(A. WAHAB & CO.)

CHARTERED ACCOUNTANTS  
Signed By: Md. Showkat Hossain, FCA  
Enrolment No.-196  
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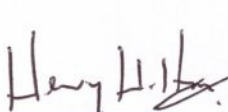
**ADN TELECOM LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Particulars	Notes	30-06-2021	30-06-2020
Net Revenue	22.00	1,141,044,570	1,129,619,018
Cost of Goods Sold & Services	23.00	(685,222,930)	(713,006,415)
<b>Gross Profit</b>		<b>455,821,640</b>	<b>416,612,603</b>
<b>Operating Expenses</b>			
Administrative Expenses	24.00	(158,523,115)	(145,792,777)
Distribution and Marketing Expenses	25.00	(101,253,820)	(105,793,964)
<b>Total Operating Expenses</b>		<b>(259,776,935)</b>	<b>(251,586,741)</b>
<b>Operating Profit</b>		<b>196,044,705</b>	<b>165,025,862</b>
Other Non-Operating Income	26.00	15,770,719	14,109,601
Financial Expense	27.00	(13,505,221)	(15,619,504)
		<b>198,310,202</b>	<b>163,515,959</b>
Provision for Workers' Participation and Welfare Fund	18.00	(9,443,343)	(7,786,474)
Share of profit/(loss) of associates	6.00	818,142	894,185
<b>Profit before Income Tax</b>		<b>189,685,001</b>	<b>156,623,670</b>
<b>Provision for Tax</b>			
Current Tax	28.00	(31,487,399)	(15,387,165)
Deferred Tax	28.00	7,665,021	20,231,886
<b>Total Provision for Tax</b>		<b>(23,822,379)</b>	<b>4,844,721</b>
<b>Net Profit After Tax</b>		<b>165,862,622</b>	<b>161,468,391</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<b>165,862,622</b>	<b>161,468,391</b>
<b>Basic Earnings Per Share (EPS)</b>	30.01	<b>2.57</b>	<b>2.86</b>
<b>Diluted Earnings Per Share (EPS)</b>	30.02	<b>2.57</b>	<b>2.50</b>

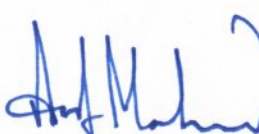
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Dated: Dhaka, October 31, 2021

**ADN TELECOM LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2021**

Particulars	Ordinary Share Capital	Share Premium	Retained Earnings	Total
Balance as at 1st July 2020	646,516,660	413,704,659	573,310,564	1,633,531,883
Dividend for the year 2020	-	-	(96,977,499)	(96,977,499)
Adjustment during the year- Income Tax short provision for 30-06-2019 & 30-06-2020	-	-	(23,606,115)	(23,606,115)
Net Profit after tax for the year	-	-	165,862,622	165,862,622
<b>Balance as at 30 June 2021</b>	<b>646,516,660</b>	<b>413,704,659</b>	<b>618,589,572</b>	<b>1,678,810,891</b>
Balance as at 1st July 2019	448,600,000	83,005,464	411,842,173	943,447,637
Addition during the year	197,916,660	372,083,342	-	570,000,002
Adjustment during the year	-	(41,384,147)	-	(41,384,147)
Net Profit after tax	-	-	161,468,391	161,468,391
<b>Balance as at 30 June 2020</b>	<b>646,516,660</b>	<b>413,704,659</b>	<b>573,310,564</b>	<b>1,633,531,883</b>

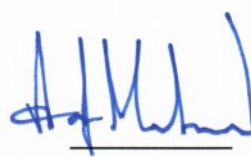
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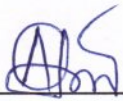
Dated: Dhaka, October 31, 2021




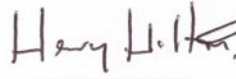
**ADN TELECOM LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2021**


Particulars	Notes	30-06-2021	30-06-2020
<b>Cash Flow from Operating Activities</b>			
Cash Received from Customers	34.00	1,025,080,834	1,062,727,681
Cash Paid to Suppliers & Others	35.00	(574,690,488)	(626,255,129)
Paid for Operating Expenses	36.00	(272,459,257)	(199,544,595)
<b>Cash generated from Operations</b>		<b>177,931,089</b>	<b>236,927,957</b>
Finance Expenses Paid	37.00	(13,721,522)	(16,369,684)
Interest Received on Short term deposit	39.00	10,744,105	6,188,324
Paid for WPPF	18.00	(7,786,474)	(8,009,194)
Income Tax Paid	38.00	(31,319,807)	(38,220,700)
<b>Net Cash Flow from Operating Activities</b>	33.00	<b>135,847,391</b>	<b>180,516,703</b>
<b>Cash Flow from Investing Activities</b>			
Acquisition of Property, Plant & Equipments and Intangible Assets	40.00	(162,398,751)	(204,377,315)
Investment in FDR	7.01	17,034,500	(70,000,000)
Investment in Sister Concern	6.01	(2,000,000)	-
<b>Net Cash Flows from /(used) for Investing Activities</b>		<b>(147,364,251)</b>	<b>(274,377,315)</b>
<b>Cash Flow from Financing Activities</b>			
Repayment of Long Term Borrowing	41.00	(6,002,067)	(77,957,842)
Receipt of Long Term Borrowing	14.01	50,000,000	-
Proceeds from issuance of share capital		-	197,916,660
Proceeds from issuance of share capital-Premium		-	330,699,195
Repayment of Short Term Borrowing	42.00	(65,240,497)	(73,203,677)
Receipt of Short Term Borrowing	43.00	43,274,806	98,504,840
Dividend Paid		(96,539,013)	(655,775)
Repayment to Lease Finance	44.00	(32,633,457)	(38,546,909)
Fund Received from Lease Finance		-	4,800,000
<b>Net Cash Flows from/ (used) for Financing Activities</b>		<b>(107,140,227)</b>	<b>441,556,492</b>
<b>Net Cash Increase/(Decrease) during the year</b>		<b>(118,657,087)</b>	<b>347,695,880</b>
Opening Cash and Cash Equivalents	10.00	388,999,602	41,303,722
<b>Closing Cash and Cash Equivalents</b>	10.00	<b>270,342,515</b>	<b>388,999,602</b>
<b>Net Operating Cash Flow per share</b>	32.00	<b>2.10</b>	<b>2.79</b>


The annexed Notes from 1 to 53 form an integral part of these financial statements.

  
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Chief Financial Officer

  
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Company Secretary

  
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CHARTERED ACCOUNTANTS  
Signed By: Md. Showkat Hossain, FCA  
Enrolment No.-196  
DVC: 2110310196AS938920

**ADN Telecom Limited**  
**Notes to the Financial Statements**  
**For the year ended June 30, 2021**

**1.00 Company and its activities**

**a) Company Profile:**

ADN Telecom Limited (formerly Advanced Data Networks System Limited) was incorporated on 22 September, 2003 Vide registration # C-50557 (852)/2003 as a Private Limited Company by shares under The Companies Act, 1994. The company was converted into a public limited company by shares on 25 July, 2012. The company has been listed with both the Dhaka and Chittagong Stock Exchanges on December 2019.

The registered office of the company is located at Red Crescent Concord Tower, (19th Floor), 17 Mohakhali C/A, Dhaka- 1212, Bangladesh.

**b) Nature of Business:**

ADN Telecom Ltd. is the prime service provider for domestic and international connectivity services and solutions duly authorized by the Bangladesh Telecommunication Regulatory Commission (BTRC). The principal activities of the company are providing seamless, secured data & internet connectivity to various grades of customers using fiber, satellite and wireless solutions since 2003.

ADN Telecom is a first tier Telecom service provider as well as an IT Enabler Service provider. It's range of products allow it to deliver service to mostly corporate, B2B, government, financial institutions, etc. There are future plans to expand coverage to include B2C products and services.

**c) Legal Compliance:**

The financial statements have been prepared and the disclosures of information made in accordance with the requirements of The Companies Act 1994, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS).

**d) Compliance with International Financial Reporting Standards:**

IAS	Title	Remarks
IAS 1	Presentation of Financial Statements	Complied
IAS 2	Inventory	Complied
IAS 7	Statement of Cash Flows	Complied
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
IAS 10	Events after the Reporting Period	Complied
IAS 12	Income Taxes	Complied
IAS 16	Property, Plant and Equipment	Complied
IAS 17	Leases	N/A
IAS 19	Employee Benefits	Complied
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance	N/A
IAS 21	The Effects of Changes in Foreign Exchange Rates	Complied
IAS 23	Borrowing Costs	Complied
IAS 24	Related Party Disclosures	Complied
IAS 26	Accounting and Reporting by Retirement Benefit Plans	N/A
IAS 27	Separate Financial Statements	N/A
IAS 28	Investments in Associates and Joint Ventures	Complied
IAS 31	Interests in Joint Ventures	N/A
IAS 32	Financial Instruments: Presentation	Complied
IAS 33	Earnings per Share	Complied
IAS 34	Interim Financial Reporting	Complied
IAS 36	Impairment of Assets	Complied
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	Complied
IAS 38	Intangible Assets	Complied
IAS 39	Financial Instruments: Recognition and Measurement	Complied
IAS 40	Investment Property	N/A
IAS 41	Agriculture	N/A
IFRS 1	First Time Adoption	N/A
IFRS 2	Share Based Payment	N/A
IFRS 3	Business Combinations	N/A



IAS	Title	Remarks
IFRS 4	Insurance Contracts	N/A
IFRS 5	Non-Current Assets Held for Sale and Discontinued Operations	N/A
IFRS 6	Exploration for and Evaluation of Mineral Resources	N/A
IFRS 7	Financial Instruments : Disclosures	Complied
IFRS 8	Operating Segments	N/A
IFRS 10	Consolidated Financial Statements	N/A
IFRS 11	Joint Arrangements	N/A
IFRS 12	Disclosure of Interests in Other Entities	Complied
IFRS 13	Fair Value Measurement	Complied
IFRS 14	Regulatory Deferral Accounts	N/A
IFRS 15	Revenue from contracts with customers	Complied
IFRS 16	Leases	Complied

## **2.00 Significant Accounting Policies and Basis of Preparation**

The accounting policies set out below, which comply with International Financial Reporting Standards (IFRSs), have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the company.

### **2.01 Statement of Compliance:**

These financial statements of ADN Telecom Limited have been prepared on a going concern basis under historical cost convention in accordance with International Financial Reporting Standards (IFRSs). The disclosures of information are made in accordance with the requirements of the Companies Act 1994, the Securities and Exchange Rules 1987 and the financial statements have been prepared in accordance with International Accounting Standard (IAS) -1 using the accrual basis of accounting. In the preparation of these financial statements, management used available information to make judgments, estimate and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from those estimates.

### **2.02 Going Concern:**

The Company has adequate resources to continue in operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. It is to be mentioned that, license from BTRC is being regularly renewed by them since 2003 and ADN Telecom Limited has already got the renewed ISP, VSAT and IPTSP license from BTRC in due time. It is expected that BTRC will continue the renewal of license in future.

### **2.03 Functional and Presentation Currency:**

Items included in these financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). These financial statements are presented in Bangladesh Taka (Taka/Tk./BDT) which is also the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest Taka.

### **2.04 Reporting Period:**

These financial statements cover one year starting from July 01, 2020 to June 30, 2021.

### **2.05 Comparative Information and Rearrangement thereof:**

Comparative information has been disclosed in respect of the year for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements. Figures for prior year have been re-arranged, wherever considered necessary, to ensure better comparability with current year.

### **2.06 Risk and uncertainty for use of estimates and Judgments:**

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRSs) requires management to make judgments, estimates and assumptions that affect the applicable of accounting policies and the reported amounts of assets, liabilities, income and expenses, and disclosure requirements for contingent assets and liabilities during and at the date of the financial statements. Actual result may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised in any future years affected as required by IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors."



**2.07 Materiality and Aggregation:**

Each material item considered by management as significant has been presented separately in financial statements. No amount has been set off unless the ADN Telecom Ltd. has a legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards.

**2.08 Consistency:**

In accordance with IFRS framework for the presentation of financial statements together with IAS-1 and IAS-8, ADN Telecom Limited discloses its information consistently from one period to the next. Where selecting and applying new accounting policies, changes in accounting policies, correction of errors, the amount involved are accounted for and disclosed retrospectively in accordance with the requirement of IAS-8. However, for changes in the accounting estimates the related amount is recognized prospectively in the current period and in the next period or periods.

**2.09 Foreign Currency Transactions and Translations:**

**a) Foreign currency transactions:**

Transactions/Day End Balances in foreign currencies are converted into respective functional currencies at the rate of exchange ruling at the date of transactions as per IAS 21 'The Effects of Changes in Foreign Exchange Rates'. Effects of Exchange rate differences (rates at which transactions were initially recorded and the rate prevailing on the reporting date/date of settlements) applied on the monetary assets or liabilities of the Company are recorded in the Statement of Profit or Loss and Other Comprehensive Income.

**b) Foreign currency translations:**

Assets and liabilities have been presented into Taka (which is functional currency of the Company) using year end spot rate of exchange of the Company and incomes and expenses are translated using spot rate of exchange. The foreign currency translation difference is a net result of exchange difference of year end standard mid rate and monthly average of standard mid rate arising from translation of functional currency to presentation currency.

**2.10 Statement of Cash Flows:**

IAS 1 requires that a complete set of financial statement requires preparation of statement of cash flows. The statement of cash flows is prepared as it provides information about cash flows of the enterprise which is useful in providing users of financial statements with the information about ability of the enterprise to generate cash and utilization of those cash.

Statement of cash flows has been prepared under the direct method for the year end, classified by operating, investing and financing activities as prescribed in paragraph 10 and 18(a) of IAS 7 Statement of Cash Flows.

As per Clause No. 5 (2) (e) of Notification No. BSEC/CMRRCD/2006-158/208/Admin/81, Dated: 20 June 2018. A reconciliation of Net Cash Flow from Operating Activities between Direct method and Indirect method is shown in Note: 33.00.

**2.11 Statement of Changes in Equity:**

The Statement of Changes in Equity reflects information about the increase or decrease in net assets or wealth. The statement also shows item-wise movement along with the description of changes from the end of last year to the end of current year.

**2.12 Property, Plant and Equipment:**

**a) Recognition and measurement:**

In pursuant to IAS 16: "Property, Plant and Equipment", the cost of an item of property, plant and equipment is recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably.

Property, Plant & Equipment have been accounted for at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs of enhancement of existing assets are recognized as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of such items can be measured reliably. All other expenditures are charged to the Statement of Profit or Loss and Other Comprehensive Income in the financial year which they are incurred.



**b) Assets Obtained under Lease Agreements:**

IFRS 16: "Leases" has come into force on 1 January 2019, ADN Telecom Limited applied IFRS 16 its financial statements using modified retrospective approach where the company measured the lease liability at the present value of the remaining lease payments, discounted it using the incremental borrowing rate at the date of initial application, and recognized a right-of-use asset at the date of initial application on a lease by lease basis. Due to applying modified retrospective effect, prior year results have not been restated.

**Right-of-use assets (ROU)**

The ADN Telecom Limited recognizes right-of-use assets at the date of initial application of IFRS 16. The ROU asset is initially measured at cost at the amount of the lease liability plus any initial direct costs incurred by the lessee and depreciated using the straight line methods from the commencement date (from the beginning of July 2019) to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The ROU assets are presented under Property, Plant and Equipment (note 4).

Lease Liability at the commencement date of lease, the ADN Telecom Limited recognizes lease liabilities measured at the present value of the lease payments to be made over the lease term using incremental borrowing rate at the date of initial application. Lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments.

**Short-term lease and leases of low value assets:**

The ADN Telecom Limited has elected not to recognize ROU assets and lease liabilities for leases of low value assets less than valuing of BDT 240,000 and short term lease, i.e. for which the lease term ends within 12 months of the date of initial application. The ADN Telecom Limited recognizes lease payments associated with these leases as an expense.

The impact of the new standard on lessees' financial statements are:

- An increase in recognized assets and liabilities;
- More lease expenses recognized in early periods of lease, and less in the later periods of a lease;
- A shift in lease expense classification from rental expenses to interest expense and depreciation

As per IFRS 16: "Leases", summary of lease related information is provided in the table below:

**Summary of IFRS 16:**

Particulars	ROU Assets	Lease Liability
Opening Balance	100,827,318	71,025,307
Addition	40,606,292	40,606,292
Depreciation/Interest Expense	37,505,640	8,440,043
Accumulated Depreciation/ Lease Payment	69,919,624	41,073,500
Closing Balance ( <b>Notes 4.00 &amp; Annexure-A</b> )	71,513,986	78,998,142

**c) Depreciation:**

No depreciation is charged on land as the land has unlimited useful life. Depreciation on assets is calculated using the Reducing Balance Method to allocate the cost amount over their estimated useful lives. In respect of addition of Property, Plant & Equipment, depreciation is charged from the date of use. No depreciation is charged in the month of disposal.

Depreciation is charged using the following rates on the Property, Plant & Equipment except ROU assets, ROU assets depreciation is calculated on straight line basis:

Assets Category	2020	2019
Land and Land Development	0%	0%
Radio Link, Infrastructure & Backbone Equipments	5%	5%
Data Centre	5%	5%
Fiber Equipment & Accessories	5%	5%
Computer & Accessories	30%	30%
Office Equipments	20%	20%
Optical Fiber	30%	30%
Furniture & Fittings	10%	10%
IPTSP & Video Conference Equipment	20%	20%
Motor Vehicle	20%	20%
Support Equipment	5%	5%

**d) Gain or Loss on Disposal:**

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized as profit or loss. However, No disposal occurred during the year.

**e) Compliance of VAT and TAX:**

ADN Telecom Limited complies all rules and regulations of IT-1984 and VAT and supplementary Act, 2012 for addition of all Property, Plant and Equipment.

**f) Capitalization of Borrowing Costs:**

As per the requirements of IAS 23: "Borrowing Costs", directly attributable borrowing costs are capitalized during construction period for all qualifying assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are those borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made. All other borrowing costs are recognized as profit or loss in the period in which they are incurred.

**2.13 Intangible Assets:**

Intangible assets (IAS - 38 Para -8) that are acquired by the Company such as computer software and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses, if any. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. Intangible assets are amortized on a reducing balance method and charged in statement of profit or loss and other comprehensive income. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**2.14 Impairment of Assets:**

**a) Non-derivative financial assets**

Financial assets not classified as at fair value through profit or loss, are assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

**b) Non-financial assets**

The carrying amount of the non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the assets' recoverable amounts are estimated. For intangible assets that have indefinite lives, recoverable amount is estimated at each reporting date. An impairment loss is recognized if the carrying amount of an asset or its cash generating unit (CGU) exceeds its estimated recoverable amount.

**2.15 Investment in Associates:**

As per IAS-28: "Investments in Associates and Joint Ventures" this investment is required to be treated as Investment in Associate using Equity Accounting Method. Under Equity Accounting the carrying value of the Investment is equal to cost plus any profit earned after acquisition.

**2.16 Trade and Other Receivables:**

Accounts Receivable represent the amounts due from subscribers and other parties for services. Accounts Receivable are measured at the original invoice amount. Accounts Receivables are stated net of allowance for doubtful debts. Other receivables comprise other non-trade receivables and interest receivables. Other receivables are stated net of provision for doubtful debts, if any.

**2.17 Advance, Deposit & Prepayments:**

Advances are initially measured at cost. After initial recognition, advance are carried at cost less deduction, adjustment or charges to other account heads. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to Statement of Profit or Loss and Other Comprehensive Income.

**2.18 Cash & Cash Equivalents:**

Cash and cash equivalents comprise cash balances and call deposits with maturity of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the company in the management of its short term commitments.

**2.19 Provisions, Contingent Liabilities and Contingent Assets:**

The preparation of financial statements in conformity with IAS-37: "Provision, Contingent Liabilities and Contingent Assets", requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities, and the disclosure requirements for contingent assets and liabilities during and at the date of the financial statements. Due to the inherent uncertainty involved in making estimates, actual result reported could differ from those estimates. All provisions are recognized by making the best estimate of the amounts.

**2.20 Trade & Other Payables:**

Trade & other payables for goods and services received have been accounted for those goods and services for which no payment has been made. Payables are not interest bearing and are stated at their normal value.

**2.21 Financial Instruments**

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

**2.22 Employee Benefits:**

**(a) Provident Fund:**

The company operates a contributory provident fund for its permanent employees, which is funded by contribution partly from the employee and partly from the company at predetermined rates. This contribution is invested separately from the company's assets. It is administered by a Board of Trustees.

**(b) Group Insurance Benefit:**

The permanent employees of the company are covered under a Group Term Health Insurance Scheme. Premium of which is being charged to Statement of Profit or Loss and Other Comprehensive Income. All regular employees are entitled to the benefits of the Group term insurance coverage from the date of joining.

**(c) Gratuity Benefit:**

The Company has an unfunded and unrecognized gratuity scheme for all permanent employees under which an employee is entitled to the benefit depending on length of service with the Company.

**(d) Workers' Profit Participation Fund:**

The company has made a provision for Workers' Profit Participation Fund (WPPF) for the year ended June 30, 2021. The Company provides 5% of its net profit before tax after charging such expense as Workers' Profit Participation Fund in accordance with Bangladesh Labour Act, 2006 as amended 2013.

**2.23 Income Tax Expenses:**

Income Tax Expenses comprise current and deferred taxes. Income tax expense is recognized in the Statement of Profit or Loss and Other Comprehensive Income except to the extent it relates to items recognized directly in equity, in which case it is recognized in equity.

**a) Current Tax:**

Current Tax is the tax payable on the taxable income for the year, using tax rates as applicable for the respective concern year as per Income Tax Ordinance (ITO) 1984, and any adjustment to tax payable in respect of previous years. Current Tax has been calculated on the basis of add and back of some inadmissible and admissible expenses respectively as per ITO 1984. The tax rate used for the reporting period (Except revenue earned from export service) is as follows:

Year:	Tax rate:
2020-2021	22.50%
2019-2020	25.00%

The tax rate used for revenue earned from export service is 11.25% as per The Sixth Schedule- (Part A, Para 28), ITO 1984.

**b) Deferred Tax:**

Deferred tax is recognized in accordance with the provision of IAS-12. Deferred tax arises due to temporary difference deductible or taxable for the events of transactions recognized in the statement of comprehensive income. A temporary difference is the difference between the tax base of an asset or liability and its carrying amount/ reported amount in the financial statement. Deferred tax asset or liability is the amount of income tax payable or recoverable in future period(s) recognized in the current period. The deferred tax asset/ income or liability/ expense does not create a legal liability/ recoverability to and from the income tax authority. This is recognized for book purpose as equalization item presented in the financial statements to show the retained earnings as a consistent reflection of the business events. The nature and amount of a change as deferred tax in an accounting estimate that has an effect in the current period or is expected to have an effect in future periods.



## **2.24 Capital / Shareholder's Equity:**

### **a) Authorized Capital:**

Authorized capital is the maximum amount of share capital that the Company is authorized by its Memorandum and Articles of Association to issue to shareholders.

### **b) Paid-up Capital:**

Paid-up Capital represents total amount of shareholders capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholder's meetings. In the event of a winding-up of the company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

### **c) Share Premium:**

The share premium represents the excess amount received by the Company from its shareholders over the nominal/par value of its share. The amount of share premium may be utilized as per the provision of Section 57 of The Companies Act, 1994.

### **d) Retained Earnings:**

The surplus amount after appropriation of profit is kept in Retained Earnings.

## **2.25 Proposed Dividend:**

The amount of proposed dividend has not been accounted for but disclosed in the notes to accounts along with the dividend per share in accordance with the requirement of IAS 1: "Presentation of Financial Statements". Also, the proposed dividend has not been considered as "Liability" in accordance with the requirements of IAS 10: "Events after the Reporting Period", because no obligation exists in the time of approval of accounts and recommendation of dividend by the Board of Directors.

Dividend proposed by the Board of Directors for the period under review shall be accounted for after the approval of shareholders in the Annual General Meeting and the period of such approval.

## **3.00 Revenue Recognition, Measurement and Presentation**

Revenues are recognized when goods are delivered or services rendered, to the extent that it is probable that the economic benefits from the transactions will flow to the company and the revenues can be reliably measured. Revenues are measured at the fair value of the consideration received or receivable, net of discounts and sales related taxes. These taxes are regarded as collected on behalf of the authorities.

Revenue from rendering services include the following:

1. Internet Service
2. Data Service-IPVPN-IT Support & Service
3. IP Telephony Service
4. Telehouse & Hosting
5. Digital Business-IT Support & Service
6. Project Sales
7. Multiprotocol Label Switching (MPLS)-IT Support & Service
8. International Private Leased Circuit (IPLC)-IT Support & Service

Company provides these services to the client on a monthly basis, and it is charged to the clients as prepaid or postpaid basis. The company recognizes revenue on the following basis:

- a. The company recognizes service as revenue when invoice is raised at the beginning of the month for prepaid customers and at the end of the month for the post paid customers.
- b. Interest income on bank deposits and short-term investments is recognized on receipt or accrual basis.
- c. All other income is recognized on receipt or due basis.
- d. As per Income Tax Ordinance 1984. Sixth Schedule Part-A, Para-28, the company enjoyed export service for MPLS and IPLC services.

## **3.01 Earnings Per Share (EPS):**

The Company calculates Earnings Per Share (EPS) in accordance with IAS 33 "Earnings Per Share" which has been shown on the face of Statement of Profit or Loss and Other Comprehensive Income. Earnings per share (EPS) has been calculated by dividing the net profit after tax by the total number of ordinary shares outstanding at the end of the period. Details are shown in note 30 to the financial statements.

**a) Basic Earnings per Share:**

Basic EPS is calculated by dividing profit or loss attributable to ordinary equity holders of the entity (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period.

**b) Diluted Earnings per Share:**

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the total number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

**3.02 Related Party Disclosure:**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged as per IAS 24 'Related Party Disclosures', BSEC guidelines. Details of the related party transactions have been disclosed in note 49.

**3.03 Components of Financial Statements:**

- a) Statement of Financial Position
- b) Statement of Profit or Loss and Other Comprehensive Income
- c) Statement of Changes in Equity
- d) Statement of Cash Flows; and
- e) Notes, comprising a summary of significant accounting policies and other explanatory information.

**3.04 Other Regulatory Compliances:**

The company is also required to comply with the following major legal provisions in addition to The Companies Act, 1994 and other applicable laws and regulations but not limited to:

- i) The Income Tax Ordinance & Rules, 1984
- ii) The Value Added Tax Act, 2012 & Rules, 2016
- iii) Bangladesh Telecommunication Regulatory Commission Act, 2001
- iv) The Customs Act, 1969
- v) Bangladesh Labour Act, 2006 (Amended in 2013)
- vi) Bangladesh Labour Rules, 2015
- vii) The Bangladesh Securities and Exchange Commission Act, 1993
- viii) The Securities and Exchange Ordinance, 1969
- ix) The Securities and Exchange Rules, 2020
- x) DSE & CSE Listing Regulations
- xi) Corporate Governance Code of BSEC.

**3.05 Events after the reporting period**

As per IAS -10: "Events after the Reporting Period" are those events 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:

\*Those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and

\*Those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

Details are shown in note 53 to the financial statements.

**3.06 Reconciliation of Books and Accounts:**

Books of account in regard to Parties (in Bangladesh and outside Bangladesh) as well as Bank are reconciled at regular intervals to keep the unreconciled balances within non-material level.



**4.00 Property, Plant & Equipment:**

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Freehold Property, Plant & Equipment	4.01	1,150,509,163	1,062,183,374
Right of Use of Assets (ROU)	4.02	71,513,986	68,413,333
		<b>1,222,023,149</b>	<b>1,130,596,707</b>

Details of Property, Plant & Equipment are shown in "Annexure- A"

**4.01 Freehold Property, Plant & Equipment:**

The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Land and Land Development	54,876,546	54,876,546
Radio Link, Infrastructure & Backbone Equipments	506,261,050	478,294,762
Data Centre	18,244,174	3,632,717
Fiber Equipment	172,261,001	176,070,054
Computer & Computer Equipments	17,545,414	15,484,968
Office Equipment	22,833,107	18,699,462
Optical Fiber	37,843,911	34,933,507
Furniture & Fittings	20,525,607	13,819,712
IPTSP & Video Conference Equipment	36,336,161	15,817,097
Motor Vehicle	12,100,010	14,803,915
Support Equipment	251,682,183	235,750,635
<b>Total Freehold Property, Plant &amp; Equipment</b>	<b>1,150,509,163</b>	<b>1,062,183,374</b>

**4.02 Right of Use of Assets (ROU)**

The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
ROU Assets	71,513,986	68,413,333
<b>Total Right of Use of Assets (ROU)</b>	<b>71,513,986</b>	<b>68,413,333</b>

**5.00 Intangible Assets:**

The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Software	631,401	775,196
<b>Total</b>	<b>631,401</b>	<b>775,196</b>

Details of Intangible Assets are shown in "Annexure- B"

**6.00 Investment in Associates:**

The movement of the investment is as below:

Particulars	30-06-2021	30-06-2020
Opening Balance	11,669,774	10,775,589
Add: Addition during the year	2,000,000	-
	<b>13,669,774</b>	<b>10,775,589</b>
Add: Share of profit of Associates	818,142	894,185
<b>Closing Balance</b>	<b>14,487,916</b>	<b>11,669,774</b>

**6.01 The details break-up is made up as follows:**

Particulars	Notes	30-06-2021	30-06-2020
My Tel Limited	6.01.01	8,958,702	9,242,212
ADN International Gateway Limited	6.01.02	3,539,191	2,427,563
ADN Diginet Ltd.	6.01.03	1,990,023	-
<b>Total</b>		<b>14,487,916</b>	<b>11,669,775</b>

**6.01.01 My Tel Limited:**

The movement is as below:

Particulars	30-06-2021	30-06-2020
Opening Balance	9,242,212	9,265,275
Add: Addition during the year	-	-
	<b>9,242,212</b>	<b>9,265,275</b>
Less: Share of loss of Associates	(283,510)	(23,063)
<b>Closing Balance</b>	<b>8,958,702</b>	<b>9,242,212</b>

ADN Telecom Limited holds 32% shares of My Tel Limited. As per IAS 28 this investment is required to be treated as Investment in Associated using Equity Accounting Method. Under Equity Accounting the carrying value of the Investment in My Tel Ltd. is equal to cost plus any profit earned or loss incurred after acquisition.

**6.01.02 ADN International Gateway Limited:**

The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Opening Balance	2,427,563	1,510,314
Add: Addition/adjustment during the year	-	-
	<b>2,427,563</b>	<b>1,510,314</b>
Add: Share of profit of associates	1,111,628	917,249
<b>Closing Balance</b>	<b>3,539,192</b>	<b>2,427,563</b>

ADN Telecom Limited acquired 40% shares of ADN International Gateway Limited. As per IAS 28 this investment is required to be treated as Investment in Associate using Equity Accounting Method. Under Equity Accounting the carrying value of the Investment in ADN International Gateway Limited is equal to cost plus any profit earned after acquisition.

**6.01.03 ADN Diginet Ltd.**

The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Opening Balance	-	-
Add: Additions during the year	2,000,000	-
	<b>2,000,000</b>	-
Add: Share of profit of associates	(9,976)	-
<b>Closing Balance</b>	<b>1,990,024</b>	-

ADN Telecom Limited acquired 40% shares of ADN Diginet Ltd. As per IAS 28 this investment is required to be treated as Investment in Associate using Equity Accounting Method. Under Equity Accounting the carrying value of the Investment in ADN Diginet Ltd. is equal to cost plus any profit earned after acquisition.

**7.00 Investment in FDR**

The details break-up is made up as follows:

Name of the Bank	FDR No.	Date of Issue	Date of Last Maturity	30-06-2021	30-06-2020
Eastern Bank Ltd	1045450448024	05-01-2020	04-07-2021	42,372,400	40,000,000
Eastern Bank Ltd	1045450448034	05-01-2020	04-07-2021	10,593,100	10,000,000
Prime Finance Ltd	TDR-10698/20	09-03-2020	08-09-2020	-	20,000,000
<b>Total</b>				<b>52,965,500</b>	<b>70,000,000</b>

The above balances are in agreement with the respective FDR statements issued by the bank.

**8.00 Trade and Other Receivables:**

The details break-up is made up as below:

Particulars	Notes	30-06-2021	30-06-2020
Trade Receivable	8.01	429,117,792	312,796,916
Other Receivable	8.02	124,555,255	121,600,443
<b>Total</b>		<b>553,673,046</b>	<b>434,397,359</b>

**8.01 Trade Receivables:**

The movement is as below:

Particulars	Notes	30-06-2021	30-06-2020
Opening Balance		312,796,916	245,252,904
Add: Addition during the year	22.00	1,141,044,570	1,158,881,328
		<b>1,453,841,485</b>	<b>1,404,134,232</b>
Less: Received during the year		1,024,723,694	1,091,337,316
<b>Closing Balance</b>		<b>429,117,792</b>	<b>312,796,916</b>

**8.02 Other Receivables:**

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Mobile Bill Receivable		8,889	8,682
ADN Technologies Ltd.		20,140,837	20,167,595
InGen Technology Ltd.		37,608,879	37,608,879
ADN Eduservices Ltd.		40,472,362	38,722,362
VAT Receivable from Customers		-	2,079,658
BDNews24.Com		4,250,000	4,250,000
Industrial and Infrastructure Development Finance Company Ltd (IIDFC)		-	1,715,593
		<b>102,480,967</b>	<b>104,552,769</b>
Interest Receivable		22,074,288	17,047,674
<b>Total</b>		<b>124,555,255</b>	<b>121,600,443</b>

**8.02.01 Interest Receivable:**

The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Opening Balance	17,047,674	9,126,397
Add: Addition During the year	8,838,957	8,939,908
	<b>25,886,631</b>	<b>18,066,305</b>
Less: Adjustment during the year	3,812,343	1,018,631
<b>Closing Balance</b>	<b>22,074,288</b>	<b>17,047,674</b>

The amount is receivable on FDR & Sister Concerns.

**8.02.01(a) The details break-up is made up as follows:**

Particulars	Opening Balance	Addition	Adjustment	Closing Balance
ADN Edu Service Ltd.	7,442,814	2,981,735	-	10,424,549
ADN Technologies Ltd.	726,631	1,781,038	-	2,507,669
BD News24.com	815,000	-	-	815,000
InGen Technology Ltd.	5,473,366	2,125,788	-	7,599,154
FDR	2,589,863	1,950,396	3,812,343	727,916
<b>Interest Receivable</b>	<b>17,047,674</b>	<b>8,838,957</b>	<b>3,812,343</b>	<b>22,074,288</b>

**9.00 Advance, Deposits and Prepayments:**

This is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Advance	9.01	188,867,522	168,069,209
Deposits	9.02	34,305,963	29,123,433
<b>Total</b>		<b>223,173,486</b>	<b>197,192,642</b>

All the above Advance, Deposits & Prepayments are considered secured by the management.

**9.01 Advance:**

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Advance against Staff Salary		2,895,750	4,061,750
Advance against Imprest Fund		1,072,139	1,285,864
Advance against Expenses	9.01.01	14,038,723	17,736,548
Advance against Employee Laptop Scheme		796,486	998,320
Advance against Letter of Credit (L/C)		10,300,719	12,504,930
Advance Income Tax	9.01.02	31,487,399	60,696,538
Advance Rent- POP and Office		1,991,355	1,509,268
Advance to Others	9.01.03	126,284,951	69,275,990
<b>Total</b>		<b>188,867,522</b>	<b>168,069,209</b>

**9.01.01 Advance against Expenses:**

The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Advance to employees	6,691,835	2,432,615
Advance to vendors	7,346,888	15,303,933
<b>Total</b>	<b>14,038,723</b>	<b>17,736,548</b>

**9.01.02 Advance Income Tax:**

a) The movement of the Advance Income Tax is as below:

Particulars	30-06-2021	30-06-2020
Opening Balance	60,696,538	35,371,148
Add: Addition during the year	31,487,399	25,325,390
	92,183,937	60,696,538
Less: Adjustment during the year	60,696,538	-
<b>Closing Balance</b>	<b>31,487,399</b>	<b>60,696,538</b>

b) The details break-up of addition during the year is as follows:

Particulars	30-06-2021	30-06-2020
Advance Income Tax (AIT) Deducted at Source	31,487,399	-
Advance Tax Paid	-	-
<b>Total</b>	<b>31,487,399</b>	<b>-</b>

c) Year wise break up is as follows:

Income Year	Assessment year	30-06-2021	30-06-2020
2018-2019	2019-2020	-	35,371,148
2019-2020	2020-2021	-	25,325,390
2020-2021	2021-2022	31,487,399	-
<b>Total</b>		<b>31,487,399</b>	<b>60,696,538</b>



**9.01.03 Advance to Others:**

The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Advance for Land purchase- ADN Technologies Ltd.	12,506,655	12,506,655
Advance against Bandwidth Purchase-AIG	14,856,869	14,856,869
Advance against Bandwidth Purchase-BD Link	6,615,000	6,615,000
AB Hightech Consortium Ltd.	-	2,400,000
Tech Valley Networks Ltd.	67,474,018	7,575,057
BASE Ltd.	900,000	400,000
Facility Bigdata II Ltd.	7,000,000	7,000,000
Devo Tech Technologies Ltd.	2,475,000	3,465,000
My Tel Limited	14,457,409	14,457,409
<b>Total</b>	<b>126,284,951</b>	<b>69,275,990</b>

**9.02 Deposits:**

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Bank Guarantee Margin for Tender Security	9.02.01	9,355,139	6,746,671
Earnest Money for Tender Security	9.02.02	964,990	796,290
Security Deposit	9.02.03	23,985,834	21,580,472
<b>Total</b>		<b>34,305,963</b>	<b>29,123,433</b>

**9.02.01 Bank Guarantee Margin for Tender Security:**

a) The movement of the Bank Guarantee Margin for Tender Security is as below:

Particulars	30-06-2021	30-06-2020
Opening Balance	6,746,671	3,407,733
Add: Addition during the year	4,591,220	5,966,688
	<b>11,337,891</b>	<b>9,374,421</b>
Less: Adjustment during the year	1,982,752	2,627,750
<b>Closing Balance</b>	<b>9,355,139</b>	<b>6,746,671</b>

b) The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Establishment of iv-Tier Nation	1,950,000	1,950,000
Bangladesh Power Development Board	4,980	4,980
Bangladesh-India Friendship Power Co.-Internet Connectivity	8,910	-
Bangladesh Krishi Bank - Tender of Data Connectivity	1,179,436	704,678
Bangladesh Agriculture Development Corporation (BADC)- Data Connectivity	12,000	-
Bangladesh Computer Council (BCC)-IPVPN Connectivity	1,496,250	-
Bangladesh Metrological Department-WAN Connectivity	180,000	-
BTRC-IP Telephony Service	100,000	100,000
Civil Aviation Authority of Bangladesh (CAAB)	875,000	-
Dhaka Metropolitan Police (DMP)-Internet Connectivity	21,000	-
Dhaka Power Distribution Company (DPDC) -WAN Connectivity	607,458	333,598
Hazrat Shahjalal International Airport- Wifi Connectivity	50,000	50,000
IFIC Bank Ltd.-Data Connectivity	15,000	-
Local Govt. Engineering Department (LGED)-Internet Connectivity	20,000	-
National University-Internet Connection	26,900	26,900
Roads and Highway Department (RHD)-Internet and Data Connectivity	22,500	-
Robi Axiata Ltd- 3Z Antenna Alignment Tool	46,820	46,820
Rupali Bank Ltd.-Data Connectivity	36,190	-
Sonali Bank Ltd - WAN Connectivity	800,644	712,644
Titas Gas Transmission-Internet and Data Connectivity	52,500	-
Dhaka Water Supply and Sewerage Authority (WASA)-Internet Connectivity	30,000	-
Bangladesh Communication Satellite Co. Ltd.	1,714,597	1,714,597
Info Sarker-Data Connectivity	-	997,500
Bangladesh Securities and Exchange Commission (BSEC) Internet Connectivity	60,000	60,000
Army HQ, Dhaka Cantonment WiFi Project	24,454	24,454
Bangladesh Inland Water Transport Authority (BIWTA)	5,500	5,500
Rajshahi Krishi Unnayan Bank-Data Connectivity	15,000	15,000
<b>Total</b>	<b>9,355,139</b>	<b>6,746,671</b>



**9.02.02 Earnest Money for Tender Security:**

a) The movement of the Earnest Money for Tender Security is as below:

Particulars	30-06-2021	30-06-2020
Opening Balance	796,290	632,340
Add: Addition during the year	3,395,000	173,950
	<b>4,191,290</b>	<b>806,290</b>
Less: Adjustment during the year	3,226,300	10,000
<b>Closing Balance</b>	<b>964,990</b>	<b>796,290</b>

b) The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Naval Store Depo-Internet Connectivity	220,000	-
Immigration & Passport Office-Internet Connectivity	120,000	120,000
Chittagong Port Authority - WAN Connectivity	100,000	100,000
Investment Corporation of Bangladesh - Internet Connectivity	25,000	25,000
Jamuna Oil Company Ltd- WAN Connectivity	126,000	126,000
Janata Bank Ltd- WAN Connectivity	1,450	1,450
Payra Port Authority- WAN Connectivity	30,000	30,000
Rajshahi Krishi Unnayan Bank - WAN Connectivity	230,000	230,000
Rupali Bank Ltd - WAN Connectivity	65,000	65,000
Bangladesh Army - Cantonment WiFi Project	30,000	30,000
UCEP Bangladesh - WAN Connectivity	12,500	63,800
Bangladesh Krishi Bank - WAN Connectivity	5,040	5,040
<b>Total</b>	<b>964,990</b>	<b>796,290</b>

**9.02.03 Security Deposits-Office & POP Rent and Security Deposits to Others:**

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Security Deposits-Office & POP Rent	9.02.03(a)	9,835,225	9,608,175
Security Deposits to Others	9.02.03(b)	14,150,609	11,972,297
<b>Total</b>		<b>23,985,834</b>	<b>21,580,472</b>

**9.02.03(a) Security Deposits-Office & POP Rent:**

i) The movement of the Security Deposits is as below:

Particulars	30-06-2021	30-06-2020
Opening Balance	9,608,175	9,662,181
Add: Deposit during the year	301,500	250,000
	<b>9,909,675</b>	<b>9,912,181</b>
Less: Refund/Adjustment during the year	74,450	304,006
<b>Closing Balance</b>	<b>9,835,225</b>	<b>9,608,175</b>

ii) The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Agrabad POP	300,000	300,000
Badda Store	375,000	375,000
Banani POP	30,000	30,000
Baridhara POP	136,000	136,000
RCC Tower office Rent (3rd & 4th Floor)	1,229,760	1,229,760
Narayangonj POP	40,000	40,000
BEPZA POP	150,000	150,000
Bogra Office	46,500	52,500
Chittagong Office	500,000	500,000
Chittagong Port-POP	15,000	15,000
Dhanmondi Office Rent	450,000	450,000
Faridpur POP	50,000	50,000
Gazipur Store	75,000	75,000
Gazipur POP	370,000	370,000
Gulshan-1 POP	48,000	48,000
Gulshan-2 POP	100,000	100,000
Gulshan Office-3 A (Navana Shefali)	150,000	150,000
Gulshan Office-3 C (Navana Shefali)	150,000	150,000
Gulshan Office- (Technical & Customare Care)	300,000	-



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Particulars	30-06-2021	30-06-2020
JBT Tower POP & Office Rent	243,714	243,714
Kalurghat POP	90,000	90,000
KEPZ POP	41,727	41,727
Kawranbazer POP-2-SD-POP	100,000	100,000
Khulna (Shib Bari) POP	20,000	20,000
Mawna POP	72,000	72,000
Mirpur-10 POP	21,000	21,000
RCC Tower (19th floor) Office Rent	753,750	753,750
Nowabpur-POP	300,000	300,000
Rajshahi Krishi Unnayan Bank	-	50,000
Rangpur Office	50,000	50,000
Shanti Nagar POP	60,000	60,000
Sylhet Office Rent	50,000	50,000
Sylhet POP	27,000	27,000
Sylhet POP-1	50,000	50,000
Tongi (SKS) POP	100,000	100,000
Uttara POP-1	72,000	72,000
Uttara POP-3	50,000	50,000
Uttara POP-2	50,000	50,000
Uttara Support Office Rent	120,000	120,000
Devo Tech-Office	1,650,000	1,650,000
Red Crescent Society. (5th)	897,840	897,840
Ashulia POP	135,000	135,000
BEPZA (CEPZ)	96,934	95,884
CTG NOC	69,000	87,000
Mymensingh Office	200,000	200,000
<b>Total</b>	<b>9,835,225</b>	<b>9,608,175</b>

**9.02.03(b) Security Deposits to Others:**

i) The movement of the Security Deposits Others is as below:

Particulars	30-06-2021	30-06-2020
Opening Balance	11,972,297	14,319,756
Add: Deposit during the year	3,717,912	2,043,684
	<b>15,690,209</b>	<b>16,363,440</b>
Less: Refund/Adjustment during the year	1,539,600	4,391,143
<b>Closing Balance</b>	<b>14,150,609</b>	<b>11,972,297</b>

ii) The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Agrani Bank Ltd.-Data Connectivity	25,000	25,000
Bangla Phone- WAN Connectivity Purpose	35,000	35,000
Bangladesh House Building Finance - WAN Connectivity	5,000	5,000
Bangladesh Marine Academy-Internet Connectivity	7,000	-
Bangladesh Navy-Khulna Internet Connectivity	50,000	50,000
Bangladesh Open University Internet Connectivity	25,000	-
Bangladesh Police Data Connectivity	240,000	-
Bangladesh Power Development Board-WAN Connectivity	33,800	-
Bangladesh Secretariat- WAN Connectivity	22,700	22,700
Bangladesh Shipping Corporation	10,000	-
Bangladesh Submarine Cable Limited- Bandwidth Bill	2,452,502	1,891,290
BD Link Communication Ltd- Bandwidth Bill	1,913,508	1,913,508
BD-India Friendship Power Co.-WAN Connectivity	8,000	-
BEPZA at Comilla EPZ - WAN Connectivity	200,000	200,000
BGB Bibidho Fund-WAN Connectivity	253,408	253,408
BIGM-Data Connectivity	15,000	-
BSMRMU General Fund-Internet Connectivity	35,000	-
BTRC Submarine Cable- Data Connectivity	2,000,000	2,000,000
Cable Entertainment Ltd- Fiber Connectivity Purpose	225,000	225,000
Central Depository BD Ltd.-Data Connectivity	500,000	500,000
Coast Guard Force. HQ-Internet Connectivity	20,000	-
Commandant, MIST Internet Connectivity	50,000	-
Commanding Officer, Naval Store-Internet Connectivity	-	600,000
CPA, Bander SDO-Internet Connectivity	20,000	-



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Particulars	30-06-2021	30-06-2020
DC Logistics Division Police-Data Connectivity	340,000	-
Department of Inspection for Factories & Establishments-Internet Connectivity	96,000	96,000
Electricity Generation Co. -Internet Connectivity	17,000	-
Fiber @ Home- Underground Cabling Bill	300,000	300,000
HASIA -WAN Connectivity	6,500	6,500
ICOM (CoLoCity)- Colocation Rent	36,000	36,000
Immigration & Passports-Internet Connectivity	700,000	-
Islami Bank Bangladesh Ltd- Internet Connectivity	10,000	10,000
Janata Bank Ltd -WAN Connectivity	100,300	100,300
Karnaphuli Gas Distribution Co.-Internet Connectivity	25,000	-
ADN International Gateway Ltd. - WAN Connectivity Purpose	2,246,533	2,246,533
Mango Tele services Internet Bandwidth Bill	354,000	354,000
Mir Telecom Ltd- Interconnectivity Bill	100,000	100,000
National Board of Revenue-Internet Connectivity	22,000	-
National University-Internet Connectivity	150,000	150,000
Novotel Ltd- Inter Connectivity	100,000	100,000
NRB Telecom Ltd- Interconnectivity Bill	11,000	11,000
Payra Port Authority-Internet Connectivity	64,857	64,857
PKSF-Internet Connectivity	145,752	127,752
RAB- Internet Connectivity	-	160,000
Rupali Bank Ltd-Internet Connectivity	69,000	69,000
Secretary National Curriculum -Internet Connectivity	21,000	-
Security Against -T&T-Internet Connectivity	94,500	94,500
Shahjalal Islami Bank Ltd- WAN Connectivity	20,000	20,000
Sonali Bank Ltd-Internet Connectivity	695,100	97,800
Standard Bank Ltd.- WAN Connectivity	45,000	15,000
Sub Divisional Engineer ICT- WAN Connectivity	30,000	-
Supreme Court of Bangladesh- WAN Connectivity	14,524	14,524
Surveyor General of Bangladesh-Internet Connectivity	13,000	-
Sylhet Cable Systems Ltd -Fiber Connectivity	9,000	9,000
Uttara Bank Ltd-WAN Connectivity	20,000	20,000
West Zone Power Distribution Company Ltd.-Internet Connectivity	148,625	48,625
<b>Total</b>	<b>14,150,609</b>	<b>11,972,297</b>

**10.00 Cash and Cash Equivalents:**

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Cash in Hand	10.01	852,441	1,100,355
Cash at Bank	10.02	269,490,074	387,899,247
<b>Total</b>		<b>270,342,515</b>	<b>388,999,602</b>

**10.01 Cash in Hand:**

The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Chattogram Office	70,000	70,000
Dhaka Office	772,441	1,020,355
Sylhet Office	10,000	10,000
<b>Total</b>	<b>852,441</b>	<b>1,100,355</b>

The above cash in hand at year end has been counted and certified by the management.



**10.02 Cash at Bank:**

This is made up as follows:

<b>Current A/C</b>	<b>30-06-2021</b>	<b>30-06-2020</b>
Bank Asia Ltd., A/C # 02833000153, Mohakhali Branch	326	1,016
BRAC Bank Ltd., A/C # 1501202526004001, Gulshan Branch	187,029	43,460
Community Bank, A/C # 31101 Police Plaza	232,252	-
Dutch Bangla Bank Ltd., A/C # 114.110.9273, Mohakhali Branch	11,928,945	1,903,739
Eastern Bank Ltd., A/C # 1041070145438, Gulshan Branch	342,906	967,598
Global Islami Bank- A/C # 1111000005423, Mohakhali Branch	5,442,721	9,880,036
Islami Bank Bangladesh Ltd. A/C # 20501910100306007 Mohakhali Branch	458,204	302,453
Janata Bank Ltd. A/C # 001-101602, Mohakhali Branch	543,693	154,725
Mercantile Bank Ltd., A/C # 11311100002377, Mohakhali Branch	771	678,650
Mutual Trust Bank Ltd., A/C # 460210003615, Corporate Branch	623,979	36,477
NRBC Bank Ltd., A/C # 012133300000536 Banani Branch	1,290	-
Pubali Bank Ltd., A/C # 3677102002013 Mohakhali Branch	624,954	-
Rupali Bank Ltd A/C # 0620020001466 Gulshan Branch	66,250	2,662,282
The City Bank Ltd., CD A/C # 1101361323001, Gulshan Branch	2,363,623	546,202
The City Bank Ltd., A/C # 1101361323002, Gulshan Branch	7,369	7,714
	<b>22,824,310</b>	<b>17,184,350</b>
<b>Short Term Deposit A/C</b>		
Bank Asia Ltd., Dividend A/C # 02836000222 Mohakhali Branch	438,486	-
Dutch Bangla Bank Ltd., A/C # 114.120.2440, Mohakhali Branch	1,056,337	816,807
IFIC Bank, A/C # 0180032429041 Mohakhali Branch	8,190	-
Mutual Trust Bank Ltd., A/C # 0046132001329, Corporate Branch	243,503,929	309,044,150
One Bank Ltd., A/C # 0023000000963 Gulshan Branch	246,651	5,600,850
The City Bank Ltd., A/C # 3101361323001, Gulshan Branch	977,000	287,454
United Commercial Bank Ltd., A/C # 0781301000000427-Mohakhali Branch	435,171	1,513,484
	<b>246,665,764</b>	<b>317,262,745</b>
<b>Foreign Currency A/C</b>		
One Bank Ltd. USD A/C 21130000128 Gulshan Branch US\$.@TK.	-	53,354,921
One Bank Ltd. EURO A/C 21130000139 Gulshan Branch US\$.@TK.	-	97,231
	-	<b>53,452,152</b>
<b>Total</b>	<b>269,490,074</b>	<b>387,899,247</b>

Bank balances are reconciled at regular intervals to keep the unreconciled balances within non-material level. The above balances have been confirmed and reconciled with the respective bank statement balances.

**11.00 Share Capital:**

**11.01 Authorized Capital:**

200,000,000 -Ordinary Shares of Tk. 10 each

	2,000,000,000	2,000,000,000
<b>Total</b>	<b>2,000,000,000</b>	<b>2,000,000,000</b>

**11.02 Issued, Subscribed, and Paid-up Capital:**

64,651,666 Ordinary Shares of Tk. 10 each

	646,516,660	646,516,660
<b>Total</b>	<b>646,516,660</b>	<b>646,516,660</b>

**11.03 The Detail Shareholding positions are as follows:**

Name of Shareholders	30-06-2021		30-06-2020	
	% of Holding	Amount in Taka	% of Holding	Amount in Taka
<b>Sponsors and Directors:</b>				
Asif Mahmood	19.18%	124,000,000	19.18%	124,000,000
Md. Moinul Islam	10.07%	65,100,000	10.07%	65,100,000
Md. Mahfuz Ali Sohel	10.07%	65,100,000	10.07%	65,100,000
Savoy Ice Cream Factory Ltd.	2.08%	13,450,000	2.08%	13,450,000
Vanguard AML BD Finance Mutual Fund One	2.06%	13,333,340	2.06%	13,333,340
Henry Hilton	0.19%	1,240,000	0.19%	1,240,000
Md. Abu Yousof Zakaria	2.64%	17,050,000	2.64%	17,050,000
Mohammad Ali Sarker	2.64%	17,050,000	2.64%	17,050,000
Mamonoor Rashid	2.64%	17,050,000	2.64%	17,050,000
<b>Sub-Total</b>	<b>51.56%</b>	<b>333,373,340</b>	<b>51.56%</b>	<b>333,373,340</b>
<b>Other than Sponsors and Directors</b>	<b>48.44%</b>	<b>313,143,320</b>	<b>48.44%</b>	<b>313,143,320</b>
<b>Total</b>	<b>100%</b>	<b>646,516,660</b>	<b>100%</b>	<b>646,516,660</b>

**11.04 Share Holding Percentage by category:**

This is made up as follows:

	Percentage 30-06-2021	Percentage 30-06-2020
<b>Shareholders</b>		
Sponsors / Director	51.56	51.56
Government	-	-
Institute	21.77	13.20
Foreign	1.99	1.99
General Public	24.68	33.25
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

**11.05 Distribution Schedule of the Shares:**

Range of Shareholdings	Number of Shareholders	Total Number of Shares	Percentage 30-06-2021	Percentage 30-06-2020
0-5,000	5,121	3,204,309	4.96	7.85
5,001-50,000	497	7,706,912	11.92	14.30
50,001-200,000	50	5,853,708	9.05	9.09
200,001-500,000	16	5,363,110	8.30	5.31
500,001-1,000,000	7	4,804,461	7.43	2.94
1,000,001-64,651,666	11	37,719,166	58.34	60.51
<b>Total</b>		<b>64,651,666</b>	<b>100.00</b>	<b>100.00</b>

**11.06 Utilization of IPO Proceeds:**

The details break-up is made up as follows:

Purpose Mentioned in the Prospectus	Amount as per Prospectus	Utilized Amount	Un-Utilized Amount
BMRE for Infrastructure Development	326,660,018	64,804,954	261,855,064
Data Centre Setup	93,236,609	74,589,287	18,647,322
Loan Repayment	120,603,373	120,603,373	-
IPO Expenses	29,500,000	29,500,000	-
<b>Total</b>	<b>570,000,000</b>	<b>289,497,615</b>	<b>280,502,385</b>

**11.06.01** The Un-utilized amount is lying with the following Bank Accounts which includes interest.

Name of the Bank	Accounts No.	Unutilized Amount	Interst Amount	Amount
Mutual Trust Bank Ltd.	46132001329	230,502,385	1,042,375	231,544,760
Eastern Bank Ltd	1045450448024	40,000,000	2,372,400	42,372,400
Eastern Bank Ltd	1045450448034	10,000,000	593,100	10,593,100
One Bank Ltd.	0023000000963	-	246,651	246,651
<b>Total</b>		<b>280,502,385</b>	<b>4,254,526</b>	<b>284,756,911</b>

**12.00 Share Premium:**

The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Opening Balance	413,704,659	83,005,464
Add: Received during the year	-	372,083,342
	<b>413,704,659</b>	<b>455,088,806</b>
Less: Adjustment during the year	-	41,384,147
<b>Closing Balance</b>	<b>413,704,659</b>	<b>413,704,659</b>

**13.00 Retained Earnings:**

The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Opening Balance	573,310,564	411,842,173
Net Profit after Tax for the year	165,862,622	161,468,391
	<b>739,173,186</b>	<b>573,310,564</b>
Dividend for the year 2020	(96,977,499)	-
Adjustment during the year for Income Tax short provision for 30-06-2019 & 30-06-2020	(23,606,115)	-
<b>Closing Balance</b>	<b>618,589,572</b>	<b>573,310,564</b>



**14.00 Long Term Loan:**

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
IDLC	14.01	43,997,933	-
		<b>43,997,933</b>	-
Current Portion of Term Loan		(15,573,133)	-
<b>Total</b>		<b>28,424,800</b>	-

The above balances have been confirmed by IDLC.

**14.01 IDLC Finance Limited (IDLC)- Term Loan:**

a) The movement is as follows:

Particulars	Notes	30-06-2021	30-06-2020
Opening Balance		-	42,104,677
Add: Received during the year		50,000,000	-
Add: Interest Charged during the year	27.01	2,182,633	2,648,893
		<b>52,182,633</b>	<b>44,753,570</b>
Less: Paid during the year		8,184,700	44,753,570
<b>Closing Balance</b>		<b>43,997,933</b>	-

**15.00 Lease Liabilities:**

The movement is as follows:

Particulars	30-06-2021	30-06-2020
Opening Balance	71,025,307	104,772,216
Add: During the year*	40,606,292	4,800,000
Add: Interest charged during the year	8,440,043	7,585,632
	<b>120,071,642</b>	<b>117,157,848</b>
Less: Paid during the year	41,073,500	46,132,541
<b>Closing Balance</b>	<b>78,998,142</b>	<b>71,025,307</b>

\*Lease liabilities addition in this year is under IFRS 16 and it does not consider in the Statement of Cash Flow.

**15.01** The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Payment Less than 1 Year	40,464,542	31,141,653
Payment 2 to 5 Years	38,533,600	39,883,654
<b>Total</b>	<b>78,998,142</b>	<b>71,025,307</b>

**16.00 Short Term Loan:**

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Community Bank Ltd. Loan Against Trust Receipts (LATR)	16.02	1,547,281	-
Eastern Bank Ltd. Bank A/C 1042040369502 Gulshan Branch		-	3,937,909
The City Bank Ltd. Loan Against Trust Receipts (LATR)	16.01	8,642,396	29,018,287
The City Bank Ltd. A/C# 6331361323001, Gulshan Branch	16.03	4,921,701	4,120,871
		<b>15,111,378</b>	<b>37,077,068</b>

The above balances are in agreement with the respective loan statement issued by the bank.

**16.01** The movement of The City Bank Ltd. loan against LATR is as follows:

Particulars	Notes	30-06-2021	30-06-2020
Opening Balance		29,018,287	7,329,055
Add: Addition During the year		36,513,167	87,843,709
		<b>65,531,454</b>	<b>95,172,764</b>
Less: Repayment during the year		56,889,059	66,154,477
<b>Closing Balance</b>	16.01.01	<b>8,642,396</b>	<b>29,018,287</b>



**16.01.01** The details break-up is made up as follows:

<b>Short Term Loan No</b>	<b>30-06-2021</b>	<b>30-06-2020</b>
LATR # 23032 (LC-90150)	2,505,057	-
LATR # 23033 (LC-90175)	4,072,558	-
LATR # 23034 (LC-10475)	2,064,781	-
LATR # 000124 (LC-10158)	-	2,330,979
LATR # 00019 (LC-10112)	-	2,018,487
LATR # 23016 (LC-115)	-	343,204
LATR # 23017 (LC-10311)	-	5,213,999
LATR # 23018 (LC-377)	-	597,750
LATR # 23019 (LC-360)	-	12,445,863
LATR # 23020 (LC-470)	-	1,542,614
LATR # 23021 (LC-310)	-	4,525,392
<b>Total</b>	<b>8,642,396</b>	<b>29,018,287</b>

**16.02** The movement of The Community bank Loan Against Trust Receipts (LATR) accounts is as follows:

<b>Particulars</b>	<b>30-06-2021</b>	<b>30-06-2020</b>
Opening Balance	-	-
Add: Addition during the year	1,547,281	-
	<b>1,547,281</b>	<b>-</b>
Less: Repayment during the year	-	-
<b>Closing Balance</b>	<b>1,547,281</b>	<b>-</b>

**16.03** The movement of The City Bank Ltd. Overdraft Accounts is as follows:

<b>Particulars</b>	<b>30-06-2021</b>	<b>30-06-2020</b>
Opening Balance	4,120,871	-
Add: Addition During the year	5,214,359	9,070,072
	<b>9,335,230</b>	<b>9,070,072</b>
Less: Repayment during the year	4,413,529	4,949,200
<b>Closing Balance</b>	<b>4,921,701</b>	<b>4,120,871</b>

**17.00** **Accrued Expenses:**

The details break-up is made up as follows:

<b>Particulars</b>	<b>Notes</b>	<b>30-06-2021</b>	<b>30-06-2020</b>
Salaries & Allowance		22,536,460	21,192,139
Director Remuneration		-	179,000
Bandwidth and Fiber Rent		27,555,723	16,876,521
IPTSP Interconnection Charges		1,815,609	1,662,565
Overtime, Holiday Allowance & Conveyance		1,731,279	2,647,257
Provision for Rent		721,096	656,478
Provision for Bad debts		3,325,194	3,303,794
Vehicle Expense		1,024,000	1,353,600
Mobile Bill		517,502	543,193
Provision for Gratuity	17.01	54,030,709	49,375,668
Provision for Consultancy Fee		-	616,000
Utilities Expense		2,021,653	2,080,048
<b>Total</b>		<b>115,279,225</b>	<b>100,486,263</b>

**17.01** **Provision for Gratuity {Note: 2.22(c)}**

The Gratuity Fund is unfunded and no actuarial valuation has been done. The movement is as follows:

<b>Particulars</b>	<b>30-06-2021</b>	<b>30-06-2020</b>
Opening Balance	49,375,668	36,400,117
Add: Provision during the year	12,412,098	16,943,559
	<b>61,787,766</b>	<b>53,343,676</b>
Less: Disbursement during the year	7,757,057	3,968,008
<b>Closing Balance</b>	<b>54,030,709</b>	<b>49,375,668</b>

**18.00** **Provision for Workers' Participation and Welfare Fund:**

The movement is as follows:

<b>Particulars</b>	<b>30-06-2021</b>	<b>30-06-2020</b>
Opening Balance	7,786,474	8,009,194
Add: Provision during the year	9,443,343	7,786,474
	<b>17,229,817</b>	<b>15,795,668</b>
Less: Disbursement during the year	7,786,474	8,009,194
<b>Closing Balance</b>	<b>9,443,343</b>	<b>7,786,474</b>

As per Bangladesh Labor Act, 2006 as amended in 2013, the amount is computed @ 5% of net profit before Income Tax.

**19.00 Trade and Other Payables:**  
The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Trade Payables	19.01	164,020,737	158,604,222
Others Payables	19.02	63,799,860	50,225,615
<b>Total</b>		<b>227,820,597</b>	<b>208,829,837</b>

**19.01 Trade Payables:**  
a) The movement is as follows:

Particulars	30-06-2021	30-06-2020
Opening Balance	158,604,222	170,159,034
Add: Addition During the year	466,035,342	533,857,402
	<b>624,639,564</b>	<b>704,016,435</b>
Less: Adjustment during the year	460,618,827	545,412,213
<b>Closing Balance</b>	<b>164,020,737</b>	<b>158,604,222</b>

**19.02 Others Payable:**  
The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Advance Technology Computers Ltd.		4,061,427	4,061,427
Employee PF Payable	19.02.01	7,696,659	4,287,054
Security Deposit from Customer		413,041	413,041
Deferred Letter of Credit	19.02.02	18,352,796	18,211,954
Withholding Tax Payable	19.02.03	12,277,605	12,080,759
Withholding VAT Payable	19.02.04	20,727,739	10,796,913
C&F Agents		270,593	374,467
<b>Total</b>		<b>63,799,860</b>	<b>50,225,615</b>

**19.02.01 Employee Provident Fund Payable:**

a) The movement is as follows:

Particulars	30-06-2021	30-06-2020
Opening Balance	4,287,054	1,879,507
Add: Addition during the year	24,865,206	27,746,717
	<b>29,152,260</b>	<b>29,626,224</b>
Less: Adjustment during the year	21,455,601	25,339,170
<b>Closing Balance</b>	<b>7,696,659</b>	<b>4,287,054</b>

b) Financial Reporting Council (FRC) notification no.179/FRC/FRM/CIRCULAR/2020/2 dated 07 July 2020 states that any fund forfeited as per rule must be returned to the company's account in the same fiscal year. Amount of Tk. 941,026/- forfeited and returned to company's account in the current year and shown as Other Non-Operating Income (Note - 26).

**19.02.02 Deferred Letter of Credit:**  
The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Opening Balance	18,211,954	18,309,460
Add: Exchange Loss/(Gain)	140,842	(97,505)
	<b>18,352,796</b>	<b>18,211,954</b>
Less: Payment/Adjustment During the Year	-	-
<b>Total</b>	<b>18,352,796</b>	<b>18,211,954</b>

**19.02.03 Withholding Tax Payable:**  
The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Employees Tax Payable		4,178,668	2,187,370
Director Remuneration Tax Payable		-	63,000
Rent Tax Payable		1,101,820	157,954
Suppliers Tax Payable	19.02.03(a)	6,997,117	9,672,435
		<b>12,277,605</b>	<b>12,080,759</b>



**19.02.03(a) Suppliers Tax Payable:**

The details movement is as follows:

Particulars	30-06-2021	30-06-2020
Opening Balance	9,672,435	5,725,431
Add: Addition During the year	13,937,030	15,992,486
	<b>23,609,465</b>	<b>21,717,917</b>
Less: Adjustment during the year	16,612,348	12,045,482
<b>Closing Balance</b>	<b>6,997,117</b>	<b>9,672,435</b>

**19.02.04 Withholding VAT Payable:**

The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Rent VAT Payable	4,389	1,526,988
Suppliers VAT Payable	12,964,418	9,269,925
Sales VAT Payable	7,758,933	-
<b>Total:</b>	<b>20,727,739</b>	<b>10,796,913</b>

**20.00 Provision for Tax Liability:**

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
For Current Tax	20.01	31,487,399	31,319,807
For Deferred Tax	20.02	135,909,619	143,574,640
<b>Total</b>		<b>167,397,018</b>	<b>174,894,447</b>

**20.01 Provision for Current Tax:**

The movement is as follows:

Particulars	Notes	30-06-2021	30-06-2020
<b>Opening Balance</b>		31,319,807	28,827,952
Add: Provision made during the year	28.00	31,487,399	15,387,165
		<b>62,807,206</b>	<b>44,215,117</b>
Less: Adjustment & Paid during the year	20.01.01	31,319,807	12,895,310
<b>Closing Balance</b>		<b>31,487,399</b>	<b>31,319,807</b>

**20.01.01 Adjustment & Paid During the year:**

The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Tax Paid	429,382	12,895,310
Adjusted with Advance income tax	30,890,425	-
<b>Total</b>	<b>31,319,807</b>	<b>12,895,310</b>

**20.02 Provision for Deferred Tax:**

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Opening Balance		143,574,640	163,806,526
Add: Provision made during the year		-	-
		<b>143,574,640</b>	<b>163,806,526</b>
Less: Provision realized during the year	28.00	(7,665,021)	(20,231,886)
<b>Closing Balance</b>		<b>135,909,619</b>	<b>143,574,640</b>

**20.02.01 Calculation of Deferred Tax:**

The details break-up is made up as follows:

Particulars	Carrying Amount	Tax Base	Temporary Difference
<b>As on 30 June, 2020</b>			
Property, Plant & Equipment	1,062,183,374	487,884,808	574,298,566
Applicable Tax Rate			25%
<b>Deferred Tax Liability</b>			<b>143,574,642</b>
<b>As on 30 June, 2021</b>			
Property, Plant & Equipment	1,150,509,163	546,466,403	604,042,760
Applicable Tax Rate			22.50%
<b>Deferred Tax Liability</b>			<b>135,909,621</b>

Deferred Tax has been calculated on taxable temporary differences only as per Prudent Concept. ROU Assets is not considered to calculation of deferred tax.



**21.00 Unclaimed Dividend**

In compliance with the clause 3 (vii) of the BSEC Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January 2021, the summary of the unclaimed dividend is as follows which includes Bank interest and others:

Particulars	Year of Distribution	30-06-2021	30-06-2020
Unclaimed Dividend	Financial Year 2019-2020	438,486	-
<b>Total</b>		<b>438,486</b>	<b>-</b>

**22.00 Net Revenue:**

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Local Services	22.01	190,760,497	193,785,850
IT Support & Services:	22.02	451,100,822	360,267,180
Export Services-Foreign Currency	22.03	499,183,251	575,565,987
<b>Total</b>		<b>1,141,044,570</b>	<b>1,129,619,018</b>

**22.01 Local Service:**

The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Internet Services	137,463,883	133,779,708
IP Telephony Services	17,786,172	18,025,064
Telehouse & Hosting Services	727,762	588,885
Project Sales	34,782,681	41,392,193
<b>Total</b>	<b>190,760,497</b>	<b>193,785,850</b>

**22.02 IT Support & Services:**

Data Service-IPVPN	438,952,584	334,637,878
Digital Services	12,148,238	25,629,302
<b>Total</b>	<b>451,100,822</b>	<b>360,267,180</b>

**22.03 Export Service-Foreign Currency:**

The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Multiprotocol Label Switching (MPLS)-IT Support & Services	482,314,433	505,349,818
International Private Leased Circuit (IPLC)-IT Support & Services	16,868,818	70,216,169
<b>Total</b>	<b>499,183,251</b>	<b>575,565,987</b>

**23.00 Cost of Goods Sold & Services:**

The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Bandwidth Cost	219,841,577	244,910,284
Infrastructure, Optical Fiber & Network Equipment Cost	59,983,229	66,237,762
Salary & Allowances	144,349,912	149,625,286
Cost of Project Sales	31,180,417	46,434,226
Fiber Lease Rent	63,479,362	57,699,210
IP Telephony Inter Connectivity Expenses	5,301,336	4,529,012
BTRC Charges on Equipment	1,851,891	1,829,200
BTRC License Fees	2,881,647	876,875
Consumable Items	6,824,188	4,441,167
Entertainment	109,144	133,764
Fire and Burglary Insurance Expenses	414,000	403,219
POP Expenses and Rent	14,490,449	12,732,577
IPTSP Revenue Sharing with BTRC	599,296	760,304
Equipment Repair & Maintenance	2,736,318	1,604,751
Telephone, Mobile and Fax	4,856,716	4,343,265
Travelling & Conveyance	226,653	612,012
Vehicle Expenses	10,413,222	8,896,333
Utilities	13,347,808	8,480,232
Digital Services Cost	10,653,240	14,203,347
Depreciation Expenses	91,682,524	84,253,589
<b>Total</b>	<b>685,222,930</b>	<b>713,006,415</b>

Annexure-A



**24.00 Administrative Expenses:**

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Salary & Allowances		95,179,244	93,976,950
Director Remuneration		-	2,400,000
Group Life Insurance Premium		224,285	1,028,312
Professional & Technical Fees		1,132,817	720,276
Courier Expenses		159,435	150,000
Telephone, Mobile and Fax		1,529,071	1,599,930
Office Maintenance		7,326,765	6,647,355
Travelling and Conveyance		688,357	1,527,052
Entertainment Expenses		887,120	1,043,668
ISO Certificate Expenses		138,000	48,875
Medical Expenses		1,930,412	807,099
Stationeries Expenses		1,247,918	1,510,091
Newspaper, Books & Journals		105,740	105,986
License & Regulatory Fee		1,858,445	806,990
Legal Fees		163,325	221,750
Repairs & Maintenance		2,377,989	1,447,557
Vehicle Expenses		12,615,792	6,367,013
AGM Expenses		737,000	286,238
Training & Development Expenses		1,211,685	832,285
Utilities Expenses		8,969,843	7,348,581
Depreciation Expenses	Annexure-A	19,896,078	16,722,971
Amortization Expenses	Annexure-B	143,794	193,798
<b>Total</b>		<b>158,523,115</b>	<b>145,792,777</b>

As per IFRS-16, POP Rent is treated as ROU Assets and Charged depreciation on it.

**25.00 Distribution and Marketing Expenses:**

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Salary & Allowances		69,820,440	77,827,527
Advertisement Expense		8,445,768	8,589,750
Business Promotion Expenses		9,226,131	4,922,803
Travelling and Conveyance		4,910,919	4,574,141
Entertainment Expense		276,468	347,953
Printing Expenses		110,649	813,390
Telephone, Mobile and Fax		980,527	1,121,441
Vehicle Expenses		3,670,151	3,471,399
Tender Participant Expenses		487,574	251,946
Bad Debts	25.01	3,325,193	3,873,614
<b>Total</b>		<b>101,253,820</b>	<b>105,793,964</b>

**25.01 Bad Debts:**

The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Bad debts Provision	3,325,193	3,303,794
Bad debts write off	-	569,820
<b>Total</b>	<b>3,325,193</b>	<b>3,873,614</b>

**26.00 Other Non Operating Income:**

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Interest on Related parties		6,892,460	6,350,046
Interest on short term deposit (STD) A/C		5,454,179	5,149,911
Interest on FDR		2,483,054	2,609,644
Provident Fund Forfeiture amount	26.01	941,026	-
<b>Total</b>		<b>15,770,719</b>	<b>14,109,601</b>

**26.01** Following Financial Reporting Council (FRC) notification no.179/FRC/FRM/CIRCULAR/2020/2 dated 07 July 2020, a total amount of Tk. 941,026 has been recognized as other income being Forfeiture Account Balance upto 30.06.2021 recovered from Provident Fund.

**27.00 Financial Expenses:**

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Interest on Term Loan	27.01	3,672,644	6,333,361
Interest on Finance Lease	15.00	8,440,043	8,203,179
Bank Service Charges		1,608,835	1,833,144
		<b>13,721,522</b>	<b>16,369,684</b>
Exchange (Gain)/Loss	27.02	(216,301)	(750,180)
<b>Total</b>		<b>13,505,221</b>	<b>15,619,504</b>

**27.01 Interest on Term Loan:**

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Short Term Loan		1,490,011	1,067,175
Long Term Loan-IIDFC		-	2,617,293
Long Term Loan-IDLC	14.01	2,182,633	2,648,893
<b>Total</b>		<b>3,672,644</b>	<b>6,333,361</b>

**27.02 Exchange (Gain)/Loss:**

The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Transaction( Gain)/Loss	(345,125)	(632,333)
Translation ( Gain)/Loss Payable	140,842	(97,505)
Translation ( Gain)/Loss Receivable	(12,018)	(20,342)
<b>Total</b>	<b>(216,301)</b>	<b>(750,180)</b>

**28.00 Income Tax Expenses:**

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Current Tax Expenses	Annexure-D	31,487,399	15,387,165
<b>Total Current Tax</b>		<b>31,487,399</b>	<b>15,387,165</b>
Deferred Tax Expenses/(Income)	20.02	(7,665,021)	(20,231,886)
<b>Total</b>		<b>23,822,379</b>	<b>(4,844,721)</b>

**29.00 Disclosure of Managerial Salary:**

**29.01** The total amount of salary paid to the director of the company during the period is as follows

Name	Designation	30-06-2021	30-06-2020
Henry Hilton	Managing Director (Ex-Officio)	5,478,892	5,524,193
		<b>5,478,892</b>	<b>5,524,193</b>

**29.02** The total amount of salary paid to the Directors and top executives of the company is as follows:

Name	Designation	30-06-2021	30-06-2020
Zahir Ahmed	Adviser	5,478,892	5,524,193
Henry Hilton	Managing Director (Ex officio)	4,174,800	5,016,421
Abu Issa Mohammad Mainuddin	Director-Planning, Product & Project.	4,039,408	3,291,527
Md. Azharul Huq Chowdhury	Chief Operating Officer	4,039,408	-
Mamun Mahmud	Director-HR	3,990,000	-
Shahriar Akbar Chowdhury	Adviser	3,920,000	-
Ziaul Haque	Head of Enterprise Business	2,841,253	3,265,800
Mohammed Abdul Alim FCA, CISA	Chief Financial Officer	2,689,768	3,100,736
Col. Md. Ziaul Haque Khaled	Head of Government Affairs	2,581,800	-
Md. Monir Hossain FCS	Company Secretary	2,243,284	2,587,827
Jyoti Agarwala	Head of Regional Business	2,185,380	-
		<b>38,183,993</b>	<b>22,786,504</b>

Details are shown in "Annexure-C"

- i) No amount of money was expensed by the company for compensating any member of the Board for special services rendered.
- ii) The company does not pay any board meeting attendance fee to the directors of the company.

Disclosures under para 3 of Schedule XI part II of the Companies Act 1994

Salary Range ( Monthly)	Number of Employees
Below Tk. 3,000	Nil
Above Tk. 3,000	541

Disclosures under para 6 of Schedule XI part II of the Companies Act 1994

Name of the Auditors	Purpose	30-06-2021	30-06-2020
A. Wahab & Co. Chartered Accountants	Audit Fee	333,500	299,000
<b>Total</b>		<b>333,500</b>	<b>299,000</b>

**30.00 Earnings Per Share (EPS):**

**30.01 Basic Earnings Per Share (EPS):**

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Profit Attributable to Ordinary Shareholder		165,862,622	161,468,391
Weighted Average Number of Ordinary Shares Outstanding during the Year	30.04	64,651,666	56,518,105
<b>Basic Earnings Per Share (EPS)</b>		<b>2.57</b>	<b>2.86</b>

**30.02 Diluted Earning per Share:**

The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Profit Attributable to Ordinary Shareholder	165,862,622	161,468,391
Total number of Existing share	64,651,666	64,651,666
<b>Diluted Earning Per Share</b>	<b>2.57</b>	<b>2.50</b>

EPS has been calculated as per IAS 33.

**30.03 Weighted Average Number of Ordinary Shares:**

The following calculation is for the denominator of the EPS calculation.

Particulars	Number of Days Outstanding	Number of Shares in Issue	Weighted Average Number of Shares
Outstanding shares as at 1st July 2020	365	64,651,666	56,518,105
<b>Total</b>		<b>64,651,666</b>	<b>56,518,105</b>

**30.04 Weighted Average Number of Ordinary Shares as on 30 June, 2021:**

The following calculation for the denominator of the EPS calculation.

Particulars	Number of Days Outstanding	Number of Shares in Issue	Weighted Average Number of Shares
Outstanding shares as at 1st July 2020	365	64,651,666	64,651,666
<b>Outstanding shares as at 30 June 2021</b>		<b>64,651,666</b>	<b>64,651,666</b>

**30.05 Net Profit excluding Extra-ordinary Income or non-recurring income from other than core operation**

The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Net profit after tax	165,862,622	161,468,391
Less: Extra Ordinary Income or non-recurring income	(15,770,719)	(14,109,601)
<b>Net Profit excluding Extra Ordinary income or non-recurring income</b>	<b>150,091,903</b>	<b>147,358,791</b>

**30.06 Earning Per Share excluding Extra-ordinary Income or non-recurring income from other than core operation**

The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Net Profit excluding Extra Ordinary	150,091,903	147,358,791
Weighted Average Number of Ordinary Shares	64,651,666	56,518,105
<b>Earnings Per Share (EPS)</b>	<b>2.32</b>	<b>2.61</b>

**31.00 Net Asset Value Per Share (NAV):**

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Share Capital		646,516,660	646,516,660
Share Premium		413,704,659	413,704,659
Retained earnings		618,589,572	573,310,564
<b>Net Asset Value (NAV)</b>		<b>1,678,810,891</b>	<b>1,633,531,883</b>
Total number of Existing share	30.04	64,651,666	64,651,666
<b>Net Asset Value Per Share (NAV)</b>		<b>25.97</b>	<b>25.27</b>

**32.00 Net Operating Cash Flow Per Share:**

The details break-up is made up as follows:

Particulars	30-06-2021	30-06-2020
Net Cash Flow from Operating Activities	135,847,391	180,516,703
Total number of Existing share	64,651,666	64,651,666
<b>Net Operating Cash Flow per share</b>	<b>2.10</b>	<b>2.79</b>

Due to Covid-19, during the current year cash received is lower than the cash payment and cash payment are significantly higher than that of last year.

**33.00 Reconciliation of Cash Flow from Operating Activities through Indirect Method:**

As per Clause No. 5 (2) (e) of Notification No. BSEC/CMRRCD/2006-158/208/Admin/81, Dated: 20 June 2018: A Reconciliation of Net operating cash flow under Indirect Method is provided below:

Particulars	30-06-2021	30-06-2020
<b>Cash flow from Operating Activities:</b>		
As per direct method	<b>135,847,391</b>	<b>180,516,703</b>
<b>As per indirect method:</b>		
Profit after Income tax	165,862,622	161,468,391
<b>Add: Non Cash item</b>		
Depreciation Charges	111,578,602	100,976,560
Amortization of Intangible assets	143,794	193,798
Increase in Provision for Workers' Profit Participation Fund (WPPF)	1,656,869	(222,720)
Share of profit/(loss) of associates	(818,142)	(894,185)
Decrease in Income Tax Provision	167,592	2,491,854
Decrease in Retained Earnings	(23,606,115)	-
Increase in Trade and Other Receivables	(119,275,688)	(90,999,946)
Increase in Advance, Deposits and Prepayments	(25,980,844)	(8,217,741)
Increase in Trade and Other Payables	18,990,760	2,400,192
Increase in Accrued Expenses	14,792,963	33,552,385
Deferred tax Assets/(liabilities)	(7,665,021)	(20,231,886)
<b>Net Cash Flow from Operating Activities</b>	<b>135,847,391</b>	<b>180,516,703</b>

**34.00 Cash Received from Customers:**

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Revenue during the year	22.00	1,141,044,570	1,129,619,018
Changes in Trade Receivable	8.01	(116,320,879)	(67,544,012)
Exchange gain	27.02	357,143	652,675
<b>Total:</b>		<b>1,025,080,834</b>	<b>1,062,727,681</b>

**35.00 Cash Paid to Suppliers & Others:**

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Cost of Goods & Services	23.00	(685,222,930)	(713,006,415)
Changes in Trade and other Payable increase/(decrease)	19.00	18,990,760	2,400,192
Depreciation in Cost of Goods Sold & Services	23.00	91,682,524	84,253,589
Translation gain	26.02	(140,842)	97,505
<b>Total:</b>		<b>(574,690,488)</b>	<b>(626,255,129)</b>



**36.00 Paid for Operating Expenses & Others:**

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Change in Advances, Deposits and Pre-payments	9	(57,468,243)	(8,217,741)
Changes in other receivable	8.02	2,071,803	(15,534,653)
Change in Retained Earnings		(23,606,115)	-
Change in Accrued Expenses	17.00	14,792,962	33,552,385
Advance Income Tax Add Back FY-2018-2019	20.00	31,487,399	25,325,390
Administrative Expenses	24	(158,523,115)	(145,792,777)
Distribution & Marketing Expenses	25	(101,253,820)	(105,793,964)
Depreciation in Administrative Expenses	24	19,896,078	16,722,971
Amortization in Administrative Expenses	24	143,794	193,798
		<u>(272,459,257)</u>	<u>(199,544,595)</u>

**37.00 Financial Expenses Paid:**

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Financial Expenses	26.00	(13,721,522)	(16,369,684)
		<u>(13,721,522)</u>	<u>(16,369,684)</u>

**38.00 Income Tax Paid:**

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Tax Payable Opening	20.00	174,894,447	192,634,474
Add: Provision during the year	28.00	23,822,379	20,480,673
		<u>198,716,825</u>	<u>213,115,147</u>
Tax Payable Closing		167,397,018	174,894,447
Tax Paid during the year		<u>(31,319,807)</u>	<u>(38,220,700)</u>

**39.00 Interest Received:**

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Opening Interest Receivable	8.02.01	17,047,674	9,126,397
Interest Income during the year	26.00	15,770,719	14,109,601
Less: Closing interest Receivable	8.02.01	(22,074,288)	(17,047,674)
Interest Received during the year		<u>10,744,105</u>	<u>6,188,324</u>

**40.00 Acquisition of Property, Plant & Equipments and Intangible Assets:**

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Acquisition of Property, Plant & Equipment	Annexure-A	(162,398,751)	(204,167,315)
Acquisition of Intangible Assets	Annexure-B	-	(210,000)
		<u>(162,398,751)</u>	<u>(204,377,315)</u>

**41.00 Repayment of Long Term Borrowing:**

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Payment to IIDFC		-	(35,853,165)
Payment to IDLC	14.01	(6,002,067)	(42,104,677)
		<u>(6,002,067)</u>	<u>(77,957,842)</u>

**42.00 Repayment of short Term Borrowing:**

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Repayment to City Bank Ltd. LATR	16.01	(56,889,059)	(66,154,477)
Repayment to City Bank Ltd.- Over Draft	16.02	(4,413,529)	(4,949,200)
Repayment to Eastern Bank Ltd.	16.00	(3,937,909)	(2,100,000)
		<u>(65,240,497)</u>	<u>(73,203,677)</u>



**43.00 Receipts of short Term Borrowing:**

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Receipts from City Bank Ltd.	16.01	36,513,167	87,843,709
Receipts from City Bank Ltd.- Over Draft	16.02	5,214,359	9,070,072
Community Bank Ltd. Loan against Trust Receipts (LATR)		1,547,280	
Receipts from Eastern Bank Ltd.		-	1,591,059
		<b>43,274,806</b>	<b>98,504,840</b>

**44.00 Repayment to Lease Finance:**

The details break-up is made up as follows:

Particulars	Notes	30-06-2021	30-06-2020
Total Payment to Lease Finance	15.00	(41,073,500)	(46,132,541)
Interest Charged during the year	15.00	8,440,043	7,585,632
		<b>(32,633,457)</b>	<b>(38,546,909)</b>

**45.00 Financial Risk Management:**

International Financial Reporting Standard IFRS 7 "Financial Instruments: Disclosures" - requires disclosure of information relating to: both recognized and unrecognized financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information- the companies policies for controlling risks and exposures. The company has exposure to the following risks from its use of financial instruments.

- Credit Risk
- Liquidity Risk
- Market Risk

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The Board oversees how management monitors compliance with risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risks faced by the company.

**46.00 Credit Risk:**

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivable from customers and investment securities. The company's Revenue are made to Bank, Financial Institution, Multinational Corporate, Public & Private Ltd. companies, ADN's strategic partners include among the largest companies in the global telecommunications sector, including Singapore Telecommunications Ltd. (SingTel), Tata Communications Ltd. as well as Orange. The company also has a strategic alliance with Bharti Airtel and British Telecom (BT).

**Exposure to Credit Risk**

The maximum exposure to credit risk at the reporting date was:

Particulars	30-06-2021	30-06-2020
Trade and Other Receivables	553,673,046	434,397,359
Advance, Deposit & Prepayments	223,173,486	197,192,642
Cash and Bank Balance	270,342,515	388,999,602
<b>Total</b>	<b>1,047,189,047</b>	<b>1,020,589,603</b>

**Credit Exposure by Credit Rating**

As at 30 June 2021			
Credit Rating		Amount	(%)
Trade and Other Receivables		553,673,046	52.87%
Advance, Deposit & Prepayments		223,173,486	21.31%
Cash and Bank Balance			
Cash on hand		852,441	0.08%
<b>Cash at bank</b>		<b>269,490,074</b>	<b>25.73%</b>
Bank Asia Ltd.	AA2	326	0.0000%
BRAC Bank Ltd.	AA1	187,029	0.0179%
Dutch Bangla Bank Ltd..	AA+	1,056,337	0.1009%
Dutch Bangla Bank Ltd.	AA+	11,928,945	1.1391%
Eastern Bank Ltd.	AA+	342,906	0.0327%
Islami Bank Bangladesh Ltd.	AAA	458,204	0.0438%
Janata Bank Ltd.	AAA	543,693	0.0519%
Mercantile Bank Ltd.	A(AAA)	771	0.0001%
Mutual Trust Bank Ltd.	AA	243,503,929	23.2531%
Mutual Trust Bank Ltd.	AA	623,979	0.0596%
NRB Global Bank.	A+	5,442,721	0.5197%
Rupali Bank Ltd.	A-(AAA)	66,250	0.0063%



The City Bank Ltd.	AA2	2,363,623	0.2257%
The City Bank Ltd.	AA2	7,369	0.0007%
The City Bank Ltd.	AA2	977,000	0.0933%
United Commercial Bank Ltd.	AA	435,171	0.0416%
Community Bank Ltd.	AA	232,252	0.0222%
NRBC Bank Ltd.	A	1,290	0.0001%
Pubali Bank Ltd.	AA+	624,954	0.0597%
IFIC Bank Ltd.	AA	8,190	0.0008%
One Bank Ltd.	AA	246,651	0.0236%

#### 47.00 Liquidity Risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. Moreover, the Company seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligations in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flows projections and credit lines facilities with banks are negotiated accordingly.

The following are the contractual maturities of financial liabilities as at 30 June 2021

Particulars	Carrying Amount	Maturity period	Nominal interest rate	Within 6 months or less	Within 6 -12 months	More than 1 year
	Taka	Taka	%	Taka	Taka	Taka
Trade and Other Payables	227,820,597	-	N/A	-	227,820,597	-
Accrued Expenses	115,279,225	-	-	80,695,458	34,583,768	-
Short Term Loan	15,111,378	-	9.00%	15,111,378	-	-
Lease Obligation	78,998,142	Jan-23	N/A	20,232,271	20,232,271	-
Provision for Workers Profit Participation Fund (WPPF)	9,443,343	Jan-22	N/A	9,443,343	-	-
Provision for Tax Liability	31,487,399	-	N/A	-	31,487,399	-
<b>Total:</b>	<b>478,140,085</b>			<b>125,482,450</b>	<b>314,124,035</b>	<b>-</b>

#### 48.00 Market Risk:

Market risk is the risk that changes in market prices such as foreign exchange rate and interest rates will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

##### **Currency Risk**

The Company is exposed to currency risk on purchases of equipments & received currency from global Partners that are denominated in a currency other than the functional currency primarily U. S. Dollars. The effects of foreign purchase are insignificant to the Company. The Company has not entered into any type of derivatives instrument in order to hedge foreign currency risk as at 30 June 2021. There are no foreign currency monetary assets and liabilities as at 30 June 2021 resulting net exposure to foreign currency risk is nil.

##### **Interest Rate Risk**

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. Local currency loans are however not significantly affected by fluctuations in interest rates.



**49.00 Related Party Disclosures:**

During the year the Company carried out a number of transactions with related parties in the normal course of business and on an arm's length basis. The name of related parties, nature of transactions, their total value and closing balances have been set out in accordance with the provisions of IAS 24 "Related Party Disclosure":

SL	Name of Company/Party	Relationship	Nature of Transaction	Ref. Note	Balance as on 01.07.2020	Total Transaction FY 2020-2021		Balance as on 30.06.2021
						Addition	Payment/ Adjustment	
1	Tech Valley Networks Ltd.	Concern under common management	Intercompany Loan	8.02	-			-
			Equipment Purchase*	9.01.03	7,575,057	59,898,961	-	67,474,018
			Interest Receivable	8.02.01(a)	-			-
	<b>Total</b>				<b>7,575,057</b>	<b>59,898,961</b>	<b>-</b>	<b>67,474,018</b>
2	ADN Technologies Ltd	Concern under common management	Advance for land purchase	9.01.4	12,506,655	-	-	12,506,655
			Intercompany Loan	8.02	19,898,350			19,898,350
			Cost Sharing	8.02	269,245	(26,758)	-	242,487
			Interest Receivable	8.02.1(a)	726,631	1,781,038		2,507,669
	<b>Total</b>				<b>33,400,881</b>	<b>1,754,280</b>	<b>-</b>	<b>35,155,161</b>
3	My Tel Ltd.	Concern under common management	Intercompany Loan	9.01.03	14,457,409	-		14,457,409
			Investment In Share	6.01.01	9,288,339	-		9,288,339
	<b>Total</b>				<b>23,745,748</b>	<b>-</b>	<b>-</b>	<b>23,745,748</b>
4	ADN International Gateway Ltd.	Concern under common management	Service Purchase	9.01.03	14,856,869			14,856,869
			Security Deposit	9.02.03(b)	2,246,533		-	2,246,533
			Investment In Share	6.01.02	2,510,314		-	2,510,314
			Trade Payable	19.01	12,505,368		20,416,859	(7,911,491)
	<b>Total</b>				<b>32,119,084</b>	<b>-</b>	<b>20,416,859</b>	<b>11,702,225</b>
5	InGen Technology Ltd.	Concern under common management	Intercompany Loan	8.02	23,750,000	-	-	23,750,000
			Cost Sharing	8.02	13,858,879			13,858,879
			Interest Receivable	8.02.1(a)	5,473,366	2,125,788		7,599,154
	<b>Total</b>				<b>43,082,245</b>	<b>2,125,788</b>	<b>-</b>	<b>45,208,033</b>
6	ADN Eduservices Ltd.	Concern under common management	Intercompany Loan	8.02	31,480,000	1,750,000		33,230,000
			Cost Sharing	8.02	7,242,362			7,242,362
			Interest Receivable	8.02.1(a)	7,442,815	2,981,734		10,424,549
	<b>Total</b>				<b>46,165,177</b>	<b>4,731,734</b>	<b>-</b>	<b>50,896,911</b>
	<b>Grand Total</b>				<b>170,015,110</b>	<b>68,510,763</b>	<b>20,416,859</b>	<b>234,182,096</b>

\*This transactions in relation to utilization of the issue proceeds as per ADNTEL approved IPO Prospectus Section XXII (j).



**50.00 Contingent Liability:**

As per IAS 37: A contingent Liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because:

(1) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(2) the amount of the obligation can not be measured with sufficient reliability.

Contingent Liability of Bank Guarantee: The company has issued total bank guarantee of Tk. 93,551,390 of which Tk. 9,355,139 has been accounted for (Note: 9.02.1)

**51.00 Attendance Status of Board of Directors Meeting:**

During the year from 01.07.2020 to 30.06.2021 there were 5 (Five) Board Meetings held. The attendance status of all the meetings are as follows:

Name of the Director	Position	Meeting Held	Attended	Remarks
Asif Mahmood	Chairman	5	5	
Henry Hilton	Managing Director (Ex-Officio)	5	5	
Md. Moinul Islam	Director	5	5	
Md. Mahfuz Ali Sohel	Director	5	5	
Niaz Ahmed (Nominee of Savoy Ice Cream Factory Limited)	Director	5	4	
Waqar Ahmad Choudhury (Nominee of Vanguard AML BD Finance Mutual Fund One)	Director	5	4	
Ghulam Rasool	Independent Director	5	5	
Khondkar Atique-e- Rabbani	Independent Director	5	5	


For Board Meeting, attendance fees were not paid to the Directors of the company.


**52.00 Other Disclosures:**

- i) Disclosure of Key Management Personnel Compensation has been shown in Annexure-C.
- ii) Due to competitive market and technological transformation IPLC and MPLS Services user reduced their services from earlier year that's why Export services revenue was decreased.
- iii) Implementation of IFRS-16, POP and Office Rent is treated as ROU Assets opposite on Lease liability. Charged on depreciation and interest respectively on it. So POP expense and Rent, Office rent decreased, on the other side Depreciation and Interest of Finance lease expense increased.
- iv) Management has introduced pick & drop service in this COVID 19 pandemic situation considering employees health & safety. There are required to rental car to continue the pick & drop service and Vehicle expense is increased.
- v) Due to COVID 19 pandemic situation considering employees health & safety. Office maintenance expense increased for hand sanitizer, musk and others health & safety equipments.
- vi) In this period tax authority has changed Income Tax rate than earlier year. That's why this period deferred tax figure shown positive.

**53.00 Subsequent Disclosure of Events after the Reporting Period Under IAS 10:**


The Board of Directors of ADN Telecom Limited in its 124th meeting held on 26.10.2021 has recommended for declaration of cash dividend @ 10% to the shareholders for approval in the ensuing Annual General Meeting.

  
Mohammed Abdul Alim, FCA  
Chief Financial Officer

  
Md. Monir Hossain, FCS  
Company Secretary

  
Henry Hilton  
Managing Director

  
Md. Moinul Islam  
Director

  
Asif Mahmood  
Chairman

**ADN TELECOM LIMITED**  
**SCHEDULE OF PROPERTY, PLANT & EQUIPMENT**  
**AS AT JUNE 30, 2021**

Annexure-A

Particulars	Cost				Depreciation					Written Down Value 30 June 2021
	Opening Balance	Addition	Disposal/ Adjustment	Closing Balance	Rate	Opening Balance	Charged during the year	Disposal/ Adjustment	Closing Balance	
<b>Freehold:</b>										
Land and Land Development	54,876,546	-	-	54,876,546	0%	-	-	-	-	54,876,546
Radio Link, Infrastructure & Backbone Equipments	698,255,934	52,308,069	-	750,564,003	5%	219,961,172	24,341,781	-	244,302,953	506,261,050
Data Centre	3,718,580	14,984,476	-	18,703,056	5%	85,863	373,019	-	458,882	18,244,174
Fiber Equipment	236,735,121	4,970,935	-	241,706,056	5%	60,665,068	8,779,988	-	69,445,055	172,261,001
Computer & Computer Equipments	55,555,723	6,803,039	-	62,358,762	30%	40,070,755	4,742,593	-	44,813,348	17,545,414
Office Equipment	57,476,135	8,279,224	-	65,755,359	20%	38,776,673	4,145,579	-	42,922,252	22,833,107
Optical Fiber	80,637,650	13,394,929	-	94,032,579	30%	45,704,143	10,484,525	-	56,188,668	37,843,911
Furniture & Fittings	26,573,771	8,438,008	-	35,011,779	10%	12,754,059	1,732,114	-	14,486,172	20,525,607
IPTSP & Video Conference Equipment	31,025,435	25,017,070	-	56,042,505	20%	15,208,338	4,498,006	-	19,706,344	36,336,161
Motor Vehicle	35,714,280	-	-	35,714,280	20%	20,910,365	2,703,905	-	23,614,270	12,100,010
Support Equipment	277,122,606	28,203,001	-	305,325,607	5%	41,371,971	12,271,453	-	53,643,424	251,682,183
<b>Sub Total</b>	<b>1,557,691,781</b>	<b>162,398,751</b>	<b>-</b>	<b>1,720,090,532</b>		<b>495,508,407</b>	<b>74,072,962</b>	<b>-</b>	<b>569,581,369</b>	<b>1,150,509,163</b>
<b>Leasehold:</b>										
ROU Assets	100,827,318	40,606,292	-	141,433,610		32,413,984	37,505,640	-	69,919,624	71,513,986
<b>Sub Total</b>	<b>100,827,318</b>	<b>40,606,292</b>	<b>-</b>	<b>141,433,610</b>		<b>32,413,984</b>	<b>37,505,640</b>	<b>-</b>	<b>69,919,624</b>	<b>71,513,986</b>
<b>Closing Balance as at 30 June 2021</b>	<b>1,658,519,099</b>	<b>203,005,043</b>	<b>-</b>	<b>1,861,524,143</b>		<b>527,922,391</b>	<b>111,578,602</b>	<b>-</b>	<b>639,500,993</b>	<b>1,222,023,149</b>
<b>Closing Balance as at 30 June 2020</b>	<b>1,454,351,784</b>	<b>204,167,315</b>	<b>-</b>	<b>1,658,519,099</b>		<b>426,945,832</b>	<b>100,976,560</b>	<b>-</b>	<b>527,922,392</b>	<b>1,130,596,707</b>

**Allocation of Depreciation**

Particulars	Notes	2020-21	2019-2020
Cost of Goods Sold & Services	23	91,682,524	84,253,589
Administration	24	19,896,078	16,722,971
<b>Total Depreciation</b>		<b>111,578,602</b>	<b>100,976,560</b>

**Break Up of Administration Depreciation**

	2020-21	2019-2020
Office Equipment	4,145,579	3,898,653
ROU Assets	13,069,867	10,573,111
Furniture & Fixtures	1,732,114	1,194,417
Computer & Computer Equipment (20% of total dep.)	948,519	1,056,790
<b>Total</b>	<b>19,896,078</b>	<b>16,722,971</b>



**ADN TELECOM LIMITED**  
**SCHEDULE OF INTANGIBLE ASSETS**  
**AS AT JUNE 30, 2021**

**Annexure-B**

Particulars	Cost				Amortization					Written Down Value 30 June 2021
	Opening Balance	Addition	Disposal/ Adjustment	Closing Balance	Rate	Opening Balance	Charged during the year	Disposal/ Adjustment	Closing Balance	
Quick Book Software	225,000	-	-	225,000	20%	201,652	4,331	-	205,983	19,017
Employee Performance Management Software	248,400	-	-	248,400	20%	146,655	18,873	-	165,528	82,872
Share Management Software	210,000	-	-	210,000	20%	42,000	31,163	-	73,163	136,837
Network Performance Software	1,697,610	-	-	1,697,610	20%	1,215,508	89,427	-	1,304,935	392,675
<b>Closing Balance as at 30 June 2021</b>	<b>2,381,010</b>	<b>-</b>	<b>-</b>	<b>2,381,010</b>		<b>1,605,815</b>	<b>143,794</b>	<b>-</b>	<b>1,749,609</b>	<b>631,401</b>
<b>Closing Balance as at 30 June 2020</b>	<b>2,171,010</b>	<b>-</b>	<b>-</b>	<b>2,381,010</b>		<b>1,412,017</b>	<b>193,798</b>	<b>-</b>	<b>1,605,815</b>	<b>775,196</b>

**Allocation of Amortization**

	Notes	2020-2021	2019-2020
Administration	24	143,794	193,798
<b>Total</b>		<b>143,794</b>	<b>193,798</b>



**ADN TELECOM LIMITED**  
**AS AT JUNE 30, 2021**  
**KEY MANAGEMENT PERSONNEL COMPENSATION**

Disclosures under para 4 of Schedule XI part II of the Companies Act, 1994 and Para17 of IAS 24.

**Annexure-C**

Name	Designation	Short term benefit		Post employment benefit (Provident Fund)	Other long term benefit	Termination benefit	Share based benefit
		Remuneration/ Salary	Bonus				
Zahir Ahmed	Adviser	5,478,892	380,000	N/A	N/A	N/A	N/A
Henry Hilton	Managing Director (Ex officio)	4,174,800	409,500	10% on basic salary	N/A	N/A	N/A
Abu Issa Mohammad Mainuddin	Director-Planning ,Product & Project.	4,039,408	367,435	10% on basic salary	N/A	N/A	N/A
Md. Azharul Huq Chowdhury	Chief Operating Officer	4,039,408	367,435	10% on basic salary	N/A	N/A	N/A
Mamun Mahmud	Director-HR	3,990,000	390,000	10% on basic salary	N/A	N/A	N/A
Shahriar Akbar Chowdhury	Adviser	3,920,000	332,500	N/A	N/A	N/A	N/A
Ziaul Haque	Head of Enterprise Business	2,841,253	258,447	10% on basic salary	N/A	N/A	N/A
Mohammed Abdul Alim FCA	Chief Financial Officer	2,689,768	232,478	10% on basic salary	N/A	N/A	N/A
Col. Md. Ziaul Haque Khaled	Head of Government Affairs	2,581,800	241,800	10% on basic salary	N/A	N/A	N/A
Md. Monir Hossain FCS	Company Secretary	2,243,284	199,539	10% on basic salary	N/A	N/A	N/A
Jyoti Agarwala	Head of Regiona Bunisess	2,185,380	351,000	10% on basic salary	N/A	N/A	N/A
<b>Total:</b>		<b>38,183,993</b>	<b>3,530,134</b>				



**ADN Telecom Ltd**  
**Current Tax Calculation**  
**For the year ended June 30, 2021**

**Annexure-D**

**As on 30 June 2021**

**Amount in BDT**

<b>Profit before tax</b>	189,685,001
Inadmissible Expenses	112,851,334
Admissible Expenses	(137,012,617)
<b>Profit before corporate Tax</b>	<b>165,523,718</b>

Particulars	Revenues	Percentage of Revenue	Profit apportions as per % of Revenue	Tax Rate	Provision for Current Tax
Export Services	499,183,251	43.75%	72,413,182	11.25%	8,146,483
IT Support & Services	451,100,822	39.53%	65,438,185	0.00%	-
Local Services	190,760,497	16.72%	27,672,352	22.50%	6,226,279
<b>Total</b>	<b>1,141,044,570</b>	<b>100.00%</b>	<b>165,523,718</b>		<b>14,372,762</b>

**As on 30 June 2020**

**Amount in BDT**

<b>Profit before tax</b>	156,623,670
Add: Inadmissible Expenses	102,501,945
Less: Admissible Expenses	(176,548,159)
<b>Profit before corporate Tax</b>	<b>82,577,456</b>

Particulars	Revenues	Percentage of Revenue	Income apportions as per % of Revenue	Tax Rate	Provision for Current Tax
Export Services	575,327,246	50.93%	42,057,596	12.50%	5,257,200
Local Services	554,291,772	49.07%	40,519,860	25.00%	10,129,965
<b>Total</b>	<b>1,129,619,018</b>	<b>100.00%</b>	<b>82,577,456</b>		<b>15,387,165</b>

**Current Tax Expenses for 2021**

Regular tax on the basis of net profit - As above

AIT deducted at source by Customers (U/S- 82/C)- Note: 9.01.02

Tax on the basis of Gross receipt @ 0.60%



Which ever  
is higher

14,372,762

31,487,399

4,139,662

