

# INFORMATION SUMMARY FOR ELECTRONIC BIDDING



## **ADN Telecom Limited**

Red Crescent Concord Tower (19th Floor)  
17, Mohakhali Commercial Area, Dhaka – 1212  
Tel: +8802 9841234, Ext.:124, 113, IP Phone: +8809610008888, Fax: +880 2 9887551  
Email: [info@adnsl.net](mailto:info@adnsl.net), Website: [www.adnsl.net](http://www.adnsl.net)

### **Manager to the Issue**

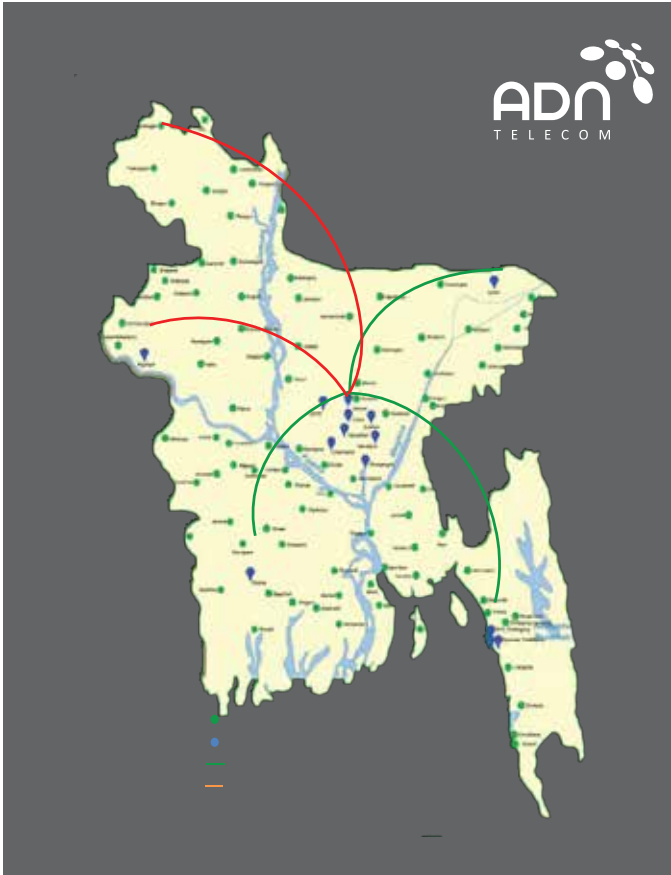
ICB Capital Management Ltd.  
Green City Edge (5<sup>th</sup> & 6<sup>th</sup> Floor)  
89 Kakrail, Dhaka-1000

### **Registrar to the Issue**

Roots Investment Limited  
Diganto Tower (1st Floor)  
12/1, R.K. Mission Road  
Motijheel, Dhaka-1203

### **Auditor**

Syful Shamsul Alam & Co.  
Chartered Accountants  
Paramount Heights (Level 6), 65/2/1Box Culvert Road  
Purana Paltan, Dhaka-1000



## NETWORK COVERAGE

optical + wireless

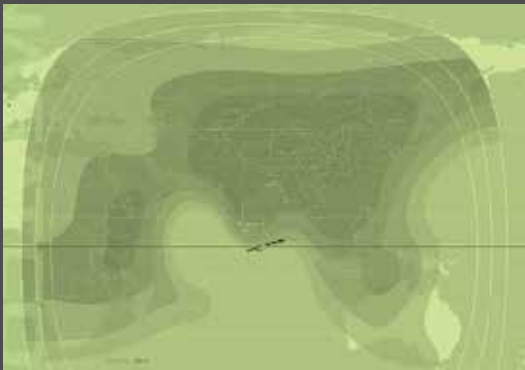
3 REGIONAL HUBS

72+ POPS  
Covering 90% of Bangladesh

1000+  
Shared POPS

64 Districts

## VSAT



Technology used | → FTDMA

Coverage | → BANGLADESH

Technology used | → SCPC

Coverage | → APAC & MIDDLE EAST

Using the most  
**DIVERSE ACCESS NETWORK**  
in Bangladesh



Wireless



Fiber



Satellite

# ADN TELECOM LIMITED

## MAJOR STRENGTH

ADN Telecom expanding its coverage nationwide using Fiber, Wireless & Satellite and also planned to expand more with the proven local telecom partners.

ADNTel is the Largest provider of International MPLS and IPLC services with strong long-term business alliances with SingTel, TATA Communications and Orange Business Services.

### ADN TELECOM'S LICENSES

ADN Telecom has Three Licenses

Nationwide Internet Service Provider

IP Telephony Service Provider

VSAT Provider with Hub



### ADN TELECOM'S INVESTMENT

ADN International Gateway

## NOTICE OF ELECTRONIC BIDDING BY THE ELIGIBLE INVESTORS TO DETERMINE THE CUT-OFF PRICE OF ORDINARY SHARES OF ADN TELECOM LIMITED

This is for kind information of all concerned that the Bangladesh Securities and Exchange Commission (BSEC) has given consent vide letter Ref: BSEC/CI/BB-13/2017/617 dated 5th September, 2018 to commence electronic bidding by the Eligible Investors (EIs) to determine the cut-off price of ordinary shares of ADN Telecom Limited under Book-building Method. Subsequently the Dhaka Stock Exchange Limited (DSE) has given consent for commencement of bidding vide letter no. DSE/Listing/ULC/2018/6510 dated October 09, 2018. All Eligible Investors (EIs) are hereby requested to visit the website [www.essbangladesh.com](http://www.essbangladesh.com) and participate in the bidding process through the electronic bidding system from 5:00 p.m. on November 05, 2018 and continue till 5:00 p.m. on November 08, 2018 (round the clock). The offering summary and detail of bidding are as follows:

### OFFERING SUMMARY

Issue Name	:	ADN Telecom Limited
Issuer Code	:	ADNTEL
Total Public Offering Size in amount	:	BDT 570,000,000/-
Face Value	:	BDT 10/-each share
Issue size in amount for Eligible Investors	:	BDT 356,250,000/-
Maximum amount allowed to bid by a bidder	:	BDT 7,125,000/-
20% of Maximum amount for a Bidder to deposit	:	BDT 1,425,000/-
Market Lot	:	100 Shares
Tick Size	:	1 (One)
Lock-in period for EIs	:	25% of the shares allotted to eligible investors, for 06 (six) months and other 25% of the shares allotted to them, for 09 (nine) months from the date of Issuance of prospectus.
Manager to the Issue	:	ICB Capital Management Limited
Registrar to the Issue	:	Roots Investment Limited

### DETAILS OF BIDDING

Deposit of Bidding Fees (BDT 5,000) and 20% of Bidding amount	Start at 10:00 a.m. on November 05, 2018 and continue till 2:00 p.m. on November 08, 2018
<b>Electronic Bidding Start</b>	<b>5:00 p.m. on November 05, 2018</b>
<b>Electronic Bidding Closed</b>	<b>5:00 p.m. on November 08, 2018</b>
Duration of Bidding	72 Hours (Round the Clock )
Maximum Number of Bid can be placed by a Bidder	1 (One)
Bid Revision Limit	10% Variation on first bid price for once within the bidding period
Mode of payment	Pay Order/Demand Draft/ B.B. Cheque /Cash
Website for Electronic Subscription System	<a href="http://www.essbangladesh.com">www.essbangladesh.com</a>
Offer Period for Eligible Investors	Start at 10:30 a.m. on November 11, 2018 and continue till 10:30 a.m. on November 12, 2018 (round the clock)
Valuation Report submission period for Eligible Investors	Start at 10:30 a.m. on November 12, 2018 and continue till 10:30 a.m. on November 14, 2018 (round the clock)

## BANK DETAIL FOR DEPOSITING BIDDING MONEY

a.	Bank Name	Eastern Bank Limited
b.	Account Name	Dhaka Stock Exchange Limited
c.	Account Number	1011360493189
d.	Branch	Any Branch in Bangladesh

All Eligible Investors (EIs) are requested to participate in accordance with Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 (as amended on July 06, 2017) and BSEC directive No. BSEC/CMRRCD/2009-193/204 dated February 20, 2018 in the Electronic Bidding System of the Stock Exchange(s) for the ordinary shares of ADN Telecom Limited.

## AVAILABILITY OF PROSPECTUS

Red-Herring Prospectus of ADN Telecom Limited is available in the websites of Issuer Company ([www.adnsl.net](http://www.adnsl.net)), Manager to the Issue ([www.icml.com.bd](http://www.icml.com.bd)), Registrar to the issue ([www.rootsinvestment.com](http://www.rootsinvestment.com)), Dhaka Stock Exchange Limited ([www.dsebd.org](http://www.dsebd.org)) and Book Building System for Stock Exchanges in Bangladesh ([www.essbangladesh.com](http://www.essbangladesh.com)).

## CODE OF CONDUCT FOR EIS IN RESPECT OF PARTICIPATING IN THE BIDDING PROCESS OF BOOK-BUILDING METHOD

1. The EIs shall form a Bidding Recommendation Committee comprising of at least 2 (two) members having relevant knowledge, skill, qualification and experience. The committee upon detailed analysis of value and prospects of the securities, shall recommend to participate in the electronic bidding and shall also mention the bidding quantity and price, if recommended.
2. The EIs shall, on the basis of recommendation of the Bidding Recommendation Committee, take decision about participation in the bidding. Decision of the EI and proceedings of the Committee along with workings shall be preserved for inspection by the Commission or the Exchanges.
3. The EIs and Committee shall exercise due diligence and independent professional judgement and ensure proper care in order to maintain objectivity, transparency and independence in the decision making for bidding.
4. While, analyzing, they shall take into consideration all aspects including financial, technical, managerial, commercial, economic, ownership etc. of the securities offered and its issuer and review all documents and prospectus in details.
5. While analyzing, they shall use internationally recognized securities valuation techniques and take decision on objective and professional judgement. They shall keep all calculations, analysis, workings and proceedings regarding the valuation in writing and shall record the basis for using valuation techniques with justification.
6. They shall act fairly, neutrally, honestly and shall be independent in analysis and making decision without any influence, interference or pressure. They must not disclose or share any information related to the valuation with the issuer, issue manager, other eligible investors or any other person. The analysis, recommendation and decision shall be kept confidential till completion of the bidding period.
7. The EIs shall submit their valuation report along with workings and calculations to the exchange conducting the bidding within **2 (two) working days** of completion of the bidding period.



Country's largest provider of international MPLS & IPLC service.



Only service provider in Bangladesh which offers a diverse network of Fiber, Wireless & Satellite.



Owns a rack at Equinix Data Center which provides the interconnect at Singapore.

## SPECIAL INSTRUCTION TO PARTICIPATE IN THE ELECTRONIC SUBSCRIPTION SYSTEM

1. EIs who will not participate in the bidding during the bidding period, will not be able to participate in the offer period.
2. The EIs shall submit only soft copy of their valuation report through [www.essbangladesh.com](http://www.essbangladesh.com). There is no need to send any hard copy.
3. It is mandatory for EIs bidding at or above the cut-off price to subscribe up to their intended quantity.
4. The balance amount of subscription shall be paid by the Eligible Investors prior to the date of opening of subscription to the general public.
5. In case of failure to deposit the remaining amount by the Eligible Investors, the Commission shall forfeit advance bid money deposited by them.

## ABOUT ADN TELECOM LIMITED

ADN Telecom Limited was incorporated on September 22, 2003 as 'Advanced Data Networks System Limited' as a private limited company under the Companies Act, 1994 and commenced commercial operations in 2003. The company was renamed as "ADN Telecom Limited" on April 15, 2012 and converted into a public limited company on July 25, 2012. Today ADNTel is a renowned name and a leading IT and telecommunication service provider in Bangladesh offering a wide range of data, voice, and Internet services to its local and international clients.

In an era of constant change, made more rapid through Disruptive Innovation and Technology, ADNTel owns the most diverse access network in the country: wireless, fiber optic and satellite infrastructures. Its core strength lies in the ability to congregate technologies with human excellence to ensure connectivity.

BTRC has also allocated several radio frequencies in different bands in favor of ADNTel, for its access and transmission networks. These have driven the company to deploy the updated wireless technologies for countrywide Broadband Services. Leading global telecom operators such as, SingTel, TATA Communications and Orange Business Service are ADNTel's business alliances. It also has alliance with Bharti Airtel and Sri Lanka Telecom. These alliances have enabled the company to provide end-to-end solutions, both domestically and internationally.

## SHAREHOLDING STRUCTURE

Shareholders	No.of Shares	Percentage
Sponsor/Directors	31,880,000	71%
Institutional Shareholders	8,899,166	20%
Individual Shareholders	4,080,834	9%
<b>Total</b>	<b>44,860,000</b>	<b>100%</b>

Offers a wide range of  
**DOMESTIC &  
INTERNATIONAL**  
Connectivity Services



**400+**  
EMPLOYEES



**5** BRANCH  
OFFICES

## KEY FINANCIAL INFORMATION

SL	Particulars	31-March-18 (9 Months)	30-Jun-17	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13
		Amount in BDT					
1	Revenue	678,677,305	829,452,281	757,317,248	617,304,977	513,112,791	430,773,170
2	Gross Profit	295,724,358	347,573,231	297,318,643	241,798,974	226,339,255	196,023,084
3	Profit Before Income Tax	118,685,315	152,170,059	125,046,738	95,802,591	119,824,478	114,861,478
4	Net Profit After Income Tax	81,445,361	105,936,997	87,762,243	64,665,545	60,156,720	51,059,522
5	Total Assets	1,341,679,019	1,237,962,331	1,068,809,985	950,491,198	922,559,695	539,203,114
6	Share Capital	448,600,000	448,600,000	209,295,830	209,295,830	209,295,830	173,600,000
7	Retained Earnings	273,646,388	192,201,027	316,489,443	228,727,200	164,061,655	100,245,059
8	No. of Shares	44,860,000	44,860,000	20,929,583	20,929,583	20,929,583	17,360,000
9	Face Value	10	10	10	10	10	10
10	NAV per share	17.95	16.13	14.20	24.34	21.25	19.49
11	Earnings Per Share	1.82	2.52	2.10	1.54	1.50	1.44
12	Diluted Earnings Per Share (restated)	1.82	2.36	1.96	1.44	1.34	1.23

## NATURE OF BUSINESS

The principal activities of the company includes providing seamless, secured data & internet connectivity to various grades of customers using fiber, satellite and wireless solutions. It has been providing services in the market with a high level of success since 2003. ADNTel is the prime service provider for domestic and international connectivity services and solutions duly authorized by the Bangladesh Telecommunication Regulatory Commission (BTRC).

ADNTel is a first tier Telecom service provider as well as an IT Enable Service provider. Its 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.

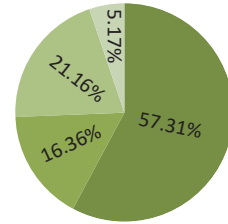
## BOARD OF DIRECTORS AS ON JUNE 30, 2018

Name	Position
Asif Mahmood	Chairman
Md. Moinul Islam	Director
Md. Mahfuz Ali Sohel	Director
Khandker Mahmooda Saeed	Director
Henry Hilton	Managing Director (Ex-Officio)
Ghulam Rasool	Independent Director
Khondkar Atique-E-Rabbani	Independent Director

## USE OF PROCEEDS

ADN Telecom Limited will raise their capital through Initial Public Offering (IPO) for fund requirement of expansion of existing its infrastructure and repayment of its debt. However, details of the estimated projects cost for this expansion project and financing has been planned as under:

SL	Particulars	Required Amount in BDT	Percentage
1	BMRE for infrastructure development	326,660,018	57.31%
2	Data center setup	93,236,609	16.36%
3	Loan repayment	120,603,373	21.16%
4	Estimated IPO Expenses	29,500,000	5.17%
<b>Total</b>		<b>570,000,000</b>	<b>100%</b>

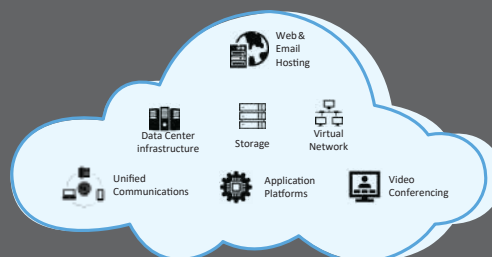


- BMRE
- Data Center
- Repayment of Bank Loan
- IPO Expenses



## CLOUD BASED ENTERPRISE & HOME SOLUTIONS

# THE FUTURE





**PROJECTED FINANCIAL INFORMATION**

ADN Telecom Limited  
Projected Statement of Financial Position

*BDT in Million*

Particulars	Audited	Projected		
	30-Jun-17	1st Year	2nd Year	3rd Year
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	733.90	1,212.63	1,282.79	1,365.40
Intangible Assets	1.19	0.75	0.36	0.05
Investment	9.35	10.28	11.31	12.44
<b>Total Non-Current Assets</b>	<b>744.44</b>	<b>1,223.66</b>	<b>1,294.46</b>	<b>1,377.89</b>
<b>Current Assets</b>				
Inventories	2.36	5.05	7.29	7.29
Trade and Other Receivables	230.78	254.37	282.81	319.59
Advance, Deposits and Prepayments	154.46	162.18	170.29	178.81
Cash and Cash Equivalents	105.92	198.23	207.67	578.74
<b>Total Current Assets</b>	<b>493.53</b>	<b>619.83</b>	<b>668.07</b>	<b>1,084.42</b>
<b>Total Assets</b>	<b>1,237.96</b>	<b>1,843.49</b>	<b>1,962.53</b>	<b>2,462.31</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital &amp; Reserves</b>				
Share Capital	448.60	448.60	448.60	448.60
Share Premium	83.01	83.01	83.01	83.01
Proceeds from IPO	-	570.00	570.00	570.00
Retained Earnings	192.20	308.92	491.22	740.09
<b>Total Equity</b>	<b>723.81</b>	<b>1,410.53</b>	<b>1,592.82</b>	<b>1,841.70</b>
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
Term Loan	89.07	-	-	-
Lease liabilities	3.69	-	-	-
Deferred Tax Liability	132.95	182.65	222.87	270.84
<b>Total Non-current liabilities</b>	<b>225.71</b>	<b>182.65</b>	<b>222.87</b>	<b>270.84</b>
<b>Current Liabilities</b>				
Current Portion of Term Loan	31.85	-	-	-
Current Portion of Lease Liabilities	1.15	-	-	-
Short Term Loan	23.24	23.70	24.41	25.15
Accrued expenses	67.17	67.85	68.52	69.21
Provision for Workers Profit Participation Fund	7.61	8.80	10.17	11.75
Trade and Other Payables	120.39	122.80	2.50	160.64
Provision for Tax Liability	37.03	27.17	41.22	83.02
<b>Total Current Liabilities</b>	<b>288.45</b>	<b>250.31</b>	<b>146.83</b>	<b>349.77</b>
<b>Total Liabilities</b>	<b>514.16</b>	<b>432.96</b>	<b>369.70</b>	<b>620.61</b>
<b>Total Equity and Liabilities</b>	<b>1,237.96</b>	<b>1,843.49</b>	<b>1,962.53</b>	<b>2,462.31</b>

ADN Telecom Limited  
Projected Statement of Profit or Loss and Other Comprehensive Income

Particulars	Audited	Projected		
	30-Jun-17	1st Year	2nd Year	3rd Year
<b>Net Revenue</b>	829.45	992.79	1,284.08	1,685.31
Cost of Goods Sold & Services	481.88	551.93	674.36	773.57
<b>Gross Profit</b>	<b>347.57</b>	<b>440.85</b>	<b>609.72</b>	<b>911.73</b>
Administrative Expenses	99.40	125.08	177.29	166.60
Distribution and Marketing Expenses	71.88	83.58	113.83	138.90
<b>Operating Profit</b>	<b>176.29</b>	<b>232.20</b>	<b>318.60</b>	<b>606.24</b>
Other Non	0.94	1.11	1.32	1.56
Financial Expense-Operating Income	17.44	2.84	2.93	3.02
<b>Profit before WPPF</b>	<b>159.79</b>	<b>230.47</b>	<b>316.98</b>	<b>604.78</b>
Workers Profit Participation Fund (WPPF)	7.61	9.58	14.37	25.90
Share of profit/(loss) of associates	0.01	-	-	-
<b>Profit before Income Tax</b>	<b>152.17</b>	<b>220.89</b>	<b>302.62</b>	<b>578.87</b>
<b>Provision for Tax</b>				
Current Tax	21.56	35.55	76.70	139.80
Deferred Tax	24.67	33.28	40.22	47.96
<b>Net Profit After Tax</b>	<b>105.94</b>	<b>152.06</b>	<b>185.69</b>	<b>391.11</b>

- Dividend is not considered

### EXPECTED FINANCIAL OUTCOMES OF THE PROJECT

Internal Rate of Return	29.32%
Net Present Value ( NPV)	624.74 Million Taka
Pay- Back Period (Operating Profit)	3.10 Years

#### Weaknesses

- Inability to offer services requiring smaller bandwidth volume due to cost of laying infrastructure.
- Lack of disruptive technology and limited infrastructure could result in delay in introduction of new innovation.
- Absence of automated tools (OSS-BSS)

#### Threats

- Market is very competitive.
- Challenges in changes in business policy by regulatory authorities.
- First technology changes, making difficult to adopt.
- Lack of fiber infrastructure up to Union level.

## Conclusion

The feasibility study of the proposed project has been conducted & analyzed from the viewpoint of management, commercial, economic and financial aspects and found to be viable in all respects. The time line of the project is vital for the completion within the estimated cost. From the analysis it reveals that the project is technically sound, financially viable and economically acceptable. The crucial aspect of the project is to raise finance through IPO to complete the project in time.

Dated: March 15, 2018

Sd/-  
Md. Abdus Satter Sarkar, FCMA, ACA  
Partner  
Mahfel Huq & Co.  
Chartered Accountants

## VALUATION OF SHARES OF ADN TELECOM LIMITED

### Qualitative Factors:

1. ADNTel focuses on product and service diversification (Data center setup and enhancing infrastructure capacity) and continuously evolve the existing enterprise portfolio through digital transformation and innovation.
2. ADNTel is a leading Internet and Data service provider and it has more than 14 years' of experience in enterprise segment.
3. Digital transformation of business activities are rapidly growing in Bangladesh and increasingly becoming dependent on internet for communication, growth, recruiting, monitoring and marketing.
4. ADNTel is going to continue with the strategy of increasing organizational capacity and competency to enhance existing reputation of being a dependable IT enable service brand amongst financial institutions, local and international conglomerates and MNC's.
5. The innovative and energetic team of ADNTel is aiming to explore the newest technologies and build one of the best technological R&D endeavor for the millennium generation of Bangladesh.
6. The company is run and managed by very qualified and experienced management.
7. Largest provider of international MPLS and IPLC service.

### Quantitative Factors:

Valuation under different methods as prescribed in clause no. Annexure-E(B)(14) of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 are given below:

Summary of Valuation Methodology of ADN Telecom Limited		Price
SL	Method Used	
1.	Net Asset value (NAV) per share at historical cost (without Revaluation)	16.13
2.	Valuation with reference to Earning-Based-Value Per Share (considering overall market P/E)	27.49
3.	Average Market price of similar stock Based Valuation	33.66

### Method 1: Net Asset Value (NAV) Per Share at Current Cost (Without Revaluation)

Share capital	448,600,000
Share premium	83,005,464
Retained earnings	192,201,027
<b>Shareholders' Equity (A)</b>	<b>723,806,491</b>
Number of share outstanding as on June 30, 2017 (B)	44,860,000
<b>Net Asset value (NAV) per share (A/B)</b>	<b>16.13</b>

The company did not revalue any of its assets since inception.

### Method 2: Valuation With Reference to Earning-based-value Per Share (Considering Overall Market P/E):

Earning-based-value per share based on historical information sourced from audited financial statements and data from Dhaka Stock Exchange Limited (DSE). The value was calculated by considering weighted net profit after tax for last 5 (five) years as per audited financial statements and overall market earnings multiple. The weighted average Earnings Per Share (EPS) is BDT 1.81 and the 3 months average DSE Market P/E is 15.19 Therefore, earning-based-value per share has been derived as BDT 27.49

Year	No. of Shares	Net Profit After Tax	Weight (%)	Weighted Net Profit After Tax
2016-17	44,860,000	105,936,997	0.35886	38,016,551
2015-16	20,929,583	87,762,243	0.16742	14,693,155
2014-15	20,929,583	64,665,545	0.16742	10,826,306
2013-14	20,929,583	60,156,720	0.16742	10,071,438
2012-13	17,360,000	55,039,096	0.13888	7,643,830
<b>Total</b>	<b>125,008,749</b>	<b>373,560,601</b>	<b>1.00000</b>	<b>81,251,280</b>
Weighted average net profit after tax [F]				81,251,280
Number of shares as on June 30, 2017 [G]				44,860,000
<b>Weighted average earnings per share (EPS)[H= F/G]</b>				<b>1.81</b>
DSE overall market average P/E (Considering Lesser P/E of 15.19 & 25.59 is 15.19 ) [I]				15.19
<b>Earning based value per share (BDT) [J=HxI]</b>				<b>27.49</b>

### Calculation of Overall Market & Sectoral P/E

Particulars	March, 2018	April, 2018	May, 2018	Average
Overall Market PE	15.67	15.43	14.48	15.19
Sectoral Market PE (IT)	25.37	26.13	25.26	25.59
Considering Lesser P/E of 15.19 & 25.59 is 15.19				

Source: DSE Monthly Review

### Method 3: Average Market Price of Similar Stock Based Valuation:

The nature of Business of ADN Telecom Limited is similar to the business operation with the Companies listed under IT Sector in Stock Exchanges of Bangladesh. For similar stocks we have considered the comparable companies listed with Dhaka Stock Exchange Limited.

	AAMRATECH	AGNISYS	BDCOM	DAFODILCOM	ITC
31-Jul-17	39.70	28.10	42.90	51.30	48.10
31-Aug-17	38.50	27.50	45.80	48.90	47.50
28-Sep-17	38.90	25.90	42.80	45.90	45.50
31-Oct-17	33.40	23.60	31.60	52.00	40.70
30-Nov-17	31.60	22.90	27.10	46.80	38.00
28-Dec-17	33.30	21.90	27.20	43.40	35.50
31-Jan-18	32.50	20.70	26.80	41.50	33.00
28-Feb-18	31.00	21.20	27.90	38.20	31.50
29-Mar-18	30.40	20.70	29.00	32.60	29.20
30-Apr-18	29.80	20.30	28.50	37.70	29.70
31-May-18	28.60	19.80	27.30	36.70	32.70
28-Jun-18	27.70	19.30	27.10	39.40	42.40
<b>Average Price per share</b>	<b>32.95</b>	<b>22.66</b>	<b>32.00</b>	<b>42.87</b>	<b>37.82</b>
<b>Average Market Price per Share of Similar Stocks</b>					<b>33.66</b>

Source: DSE Monthly Review

### Rationale For Choosing These 5 Companies:

There are eight IT companies listed in the capital market. Among the eight companies ADNTel has taken five companies because ADNTel's capital structure and revenue matches with these 5 (Five) companies.

### Information Related To Listed It Sector Companies:

SL	Company Name	Turnover (Taka in crore)	Paid-up Capital (Taka in crore)	EPS	NAV
1.	Aamra Technologies Limited	111.48	55.37	1.48	22.10
2.	Agni Systems Limited	33.64	62.68	1.08	15.20
3	Bdcom Online Limited	44.47	41.41	1.51	14.07
4	Daffodil Computers Limited	53.79	49.92	1.56	12.52
5	Information Technology Consultants Limited	98.63	87.00	0.76	15.86

### Explanation of Similarities:

- ADNTel having a turnover of BDT 82.95 crore, it is justifiable to consider the companies having more or close to the turnover of ADNTel. In our Analysis, companies having more than BDT 33.64 crore are considered as comparable annual turnovers.
- Considering the Capital Base of ADNTel of BDT 44.86 crore, companies with paid-up capital of more than 41.41 crore are considered as comparable companies.
- Companies having annually published data have been considered only.

## AUDITORS' REPORT UNDER SECTION-135(1) AND PARA-24(1) OF PART II OF SCHEDULE-III OF THE COMPANIES ACT 1994

As required under section 135(1), Para 24(1) of The Companies Act 1994 ADN Telecom Limited prepared the following statements of its assets and liabilities and operating results as at and for the year ended on 30 June 2017, 2016, 2015 2014 and 2013 and submitted those to us for our working and for issuance of our confirmation thereon. Accordingly we have reviewed the relevant audited financial statements and hereby confirm that the following information has been correctly extracted from those audited financial statements:

### A. Statement of Assets and Liabilities

Particulars	Amounts in Taka as at				
	30-Jun-17	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, Plant and Equipment (net)	733,904,274	692,417,813	559,831,125	536,453,256	295,871,742
Intangible Assets	1,185,928	1,419,852	1,774,815	431,108	558,663
Investment	9,345,901	9,360,722	7,286,647	7,500,000	7,500,000
<b>Total Non Current Assets</b>	<b>744,436,103</b>	<b>703,198,387</b>	<b>568,892,586</b>	<b>544,384,364</b>	<b>303,930,405</b>
<b>Current Assets</b>					
Inventories	2,363,500	1,572,550	12,906,434	6,112,632	61,714
Trade and Other Receivables	230,783,227	210,106,835	181,875,616	124,570,723	92,049,216
Advance, Deposits and Prepayments	154,458,616	144,481,947	125,788,419	125,664,392	87,434,671
Investment	-	-	-	28,000,000	-
Current A/C with Intercompany	-	-	49,942,503	49,291,665	15,457,280
Cash and Cash Equivalents	105,920,885	9,450,266	11,085,641	44,535,920	54,373,595
<b>Total Current Assets</b>	<b>493,526,228</b>	<b>365,611,598</b>	<b>381,598,612</b>	<b>378,175,332</b>	<b>249,376,476</b>
<b>Total Assets</b>	<b>1,237,962,330</b>	<b>1,068,809,985</b>	<b>950,491,198</b>	<b>922,559,695</b>	<b>553,306,882</b>
<b>EQUITY</b>					
<b>Shareholders' Equity</b>					
Share Capital	448,600,000	209,295,830	209,295,830	209,295,830	173,600,000
Share Premium	83,005,464	68,626,294	71,391,670	71,391,670	-
Share Money Deposit	-	-	-	-	64,587,500
Retained Earnings	192,201,027	316,489,443	228,727,200	164,061,655	103,904,935
<b>Total Shareholders Equity</b>	<b>723,806,491</b>	<b>594,411,567</b>	<b>509,414,700</b>	<b>444,749,155</b>	<b>342,092,435</b>
<b>LIABILITIES</b>					
<b>Non-Current Liabilities</b>					
Term Loan	89,072,396	98,950,656	11,669,405	30,847,774	34,737,649
Finance Lease Obligation	3,690,151	2,599,993	-	234,828	5,037,134
Deferred Letter of Credit	-	31,251,676	153,403,112	165,596,723	-
Deferred Tax Liability	132,945,393	108,272,480	86,690,358	73,073,773	22,102,693
<b>Total Non Current Liabilities</b>	<b>225,707,940</b>	<b>241,074,805</b>	<b>251,762,875</b>	<b>269,753,098</b>	<b>61,877,476</b>
<b>Current Liabilities</b>					
Trade and Other Payables	120,392,762	124,271,783	73,430,372	146,394,441	86,836,610
Provision for Expenses/Accrued Expenses	67,174,555	55,474,945	43,548,902	-	-
Short Term Loan	23,238,981	14,445,213	17,960,810	27,181,554	4,629,691
Current Portion of Long Term Liabilities	31,854,212	22,776,384	19,042,503	21,743,446	15,080,414
Finance Lease Obligation	1,149,324	652,914	466,480	4,802,317	5,676,256
Current A/C with Intercompany	-	-	19,975,639	-	15,055,056
Provision for Workers Profit Participation Fund (WPPF)	7,609,244	-	-	-	-
Provision for Tax Liability	37,028,822	15,702,374	14,888,917	7,935,685	22,058,944
<b>Total Current Liabilities</b>	<b>288,447,900</b>	<b>233,323,613</b>	<b>189,313,623</b>	<b>208,057,442</b>	<b>149,336,970</b>
<b>Total Liabilities</b>	<b>514,155,840</b>	<b>474,398,418</b>	<b>441,076,498</b>	<b>477,810,540</b>	<b>211,214,446</b>
<b>Total Equity and Liabilities</b>	<b>1,237,962,331</b>	<b>1,068,809,985</b>	<b>950,491,198</b>	<b>922,559,695</b>	<b>553,306,882</b>

## B. Income Statement

Particulars	Amounts in Taka				
	30-Jun-17	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13
<b>Revenue</b>	829,452,281	757,317,248	617,304,977	513,112,791	430,773,170
Cost of Goods & Services	(481,879,050)	(459,998,605)	(375,506,003)	(286,773,536)	(231,553,504)
<b>Gross Profit</b>	<b>347,573,231</b>	<b>297,318,643</b>	<b>241,798,974</b>	<b>226,339,255</b>	<b>199,219,666</b>
<b>Operating Expenses</b>					
Administrative Expenses	99,397,739	88,247,330	63,590,744	57,760,902	54,932,783
Distribution and Marketing Expenses	71,882,906	68,055,131	70,407,783	39,599,650	23,306,491
	<b>(171,280,645)</b>	<b>(156,302,461)</b>	<b>(133,998,527)</b>	<b>(97,360,552)</b>	<b>(78,239,274)</b>
<b>Operating Profit</b>	<b>176,292,586</b>	<b>141,016,182</b>	<b>107,800,446</b>	<b>128,978,703</b>	<b>120,980,392</b>
Other Non-Operating Income	938,502	792,457	1,918,335	1,545,094	159,346
Financial Expense	(17,436,964)	(10,153,204)	(8,649,367)	(4,392,768)	(2,298,686)
<b>Profit before WPPF</b>	<b>159,794,124</b>	<b>131,655,435</b>	<b>101,069,415</b>	<b>126,131,029</b>	<b>118,841,052</b>
Contribution to WPPF	(7,609,244)	(6,582,772)	(5,053,471)	(6,306,551)	-
Share of profit/(loss) of associates	(14,821)	(25,925)	(213,353)	-	-
<b>Profit before Income Tax</b>	<b>152,170,059</b>	<b>125,046,738</b>	<b>95,802,591</b>	<b>119,824,478</b>	<b>118,841,052</b>
Income Tax Expenses	(46,233,062)	(37,284,495)	(31,137,046)	(59,667,758)	(63,801,956)
<b>Profit for the Year</b>	<b>105,936,997</b>	<b>87,762,243</b>	<b>64,665,545</b>	<b>60,156,720</b>	<b>55,039,096</b>
Other Comprehensive Income	-	-	-	-	-
<b>Total Comprehensive Income</b>	<b>105,936,997</b>	<b>87,762,243</b>	<b>64,665,545</b>	<b>60,156,720</b>	<b>55,039,096</b>
<b>Earnings Per Share (EPS)</b>	<b>2.52</b>	<b>2.10</b>	<b>1.54</b>	<b>1.50</b>	<b>1.44</b>
<b>Net profit after tax</b>	<b>105,936,997</b>	<b>87,762,243</b>	<b>64,665,545</b>	<b>60,156,720</b>	<b>55,039,096</b>
Weighted Average No. of Shares	42,056,481	41,859,166	41,859,166	39,991,247	38,289,583
<b>Diluted EPS (Restated)</b>	<b>2.36</b>	<b>1.96</b>	<b>1.44</b>	<b>1.34</b>	<b>1.23</b>
<b>Net profit after tax</b>	<b>105,936,997</b>	<b>87,762,243</b>	<b>64,665,545</b>	<b>60,156,720</b>	<b>55,039,096</b>
No. of outstanding shares	44,860,000	44,860,000	44,860,000	44,860,000	44,860,000

## C. Dividend

The Company's data relating to dividend is as under

Forms of Dividend	30-Jun-17	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13
Cash Dividend (%)	Nil	5%	Nil	Nil	Nil
Stock Dividend (%)	Nil	Nil	100%	Nil	Nil

- D. ADN Telecom Limited (Formerly Known as Advanced Data Networks System Limited) was incorporated on September 22, 2003 under The Companies Act, 1994 as a Private Limited Company. It commenced its commercial operation in 2003. ADN Telecom has converted into public on 25th July 2012 from Private Limited. The company has been awarded with the ISO 9001:2008 certification for serving its valued customers with the service of excellent quality.
- E. We Certify the company's Assets and Liabilities (Balance Sheet) as at 30 June 2017 and 2016 was audited by us and for the year ended 30 June, 2015, 2014 was audited by A.Qasem & Co., Chartered Accountants and 2013 was audited by Hoda Vasi Chowdhury and Co., Chartered Accountants.
- F. We certify the company's Statement of operating result (Income Statement) for the year ended 30 June 2017 and 2016 was audited by us and for the year ended 30 June, 2015, 2014 was audited by A.Qasem & Co., Chartered Accountants and 2013 was audited by Hoda Vasi Chowdhury and Co., Chartered Accountants.
- G. Figures related to previous years have been rearranged wherever necessary.

## H. Calculation of basic EPS

### Weighted Average number of ordinary shares

Full Year  
Issue of bonus shares during 2016-2017

No. of days outstanding	No. of Shares	2012-13
365	17,360,000	17,360,000
365	20,929,583	20,929,583
	<b>38,289,583</b>	<b>38,289,583</b>

### Weighted Average number of ordinary shares

Full Year  
Issue of Shares on 08 January 2014  
Issue of bonus shares during 2016-2017

No. of days outstanding	No. of Shares	2013-14
365	17,360,000	17,360,000
174	3,569,583	1,701,664
365	20,929,583	20,929,583
	<b>41,859,166</b>	<b>39,991,247</b>

### Weighted Average number of ordinary shares

Full Year  
Issue of bonus shares during 2016-2017

No. of days outstanding	No. of Shares	2014-15
365	20,929,583	20,929,583
365	20,929,583	20,929,583
	<b>41,859,166</b>	<b>41,859,166</b>

### Weighted Average number of ordinary shares

Full Year  
Issue of bonus shares during 2016-2017

No. of days outstanding	No. of Shares	2015-16
365	20,929,583	20,929,583
365	20,929,583	20,929,583
	<b>41,859,166</b>	<b>41,859,166</b>

### Weighted Average number of ordinary shares

Full Year  
Issue of bonus shares during 2016-2017  
Issue of Shares on 07 June 2017

No. of days outstanding	No. of Shares	2016-17
365	20,929,583	20,929,583
365	20,929,583	20,929,583
24	3,000,834	197,315
	<b>44,860,000</b>	<b>42,056,481</b>

Place: Dhaka  
Date: 20 September 2017

Sd/-  
Syful Shamsul Alam & Co.  
Chartered Accountants



Helpdesk

Technical support

Field support

Network monitoring

Escalation matrix reporting on email

Web based trouble ticket system

Detailed reports



## Interim Financial Statements

### ADN TELECOM LIMITED STATEMENT OF FINANCIAL POSITION (Un-Audited) AS AT MARCH 31, 2018

Particulars	Amount in BDT	
	31-Mar-18	30-Jun-17
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	791,311,381	733,904,274
Intangible Assets	1,008,039	1,185,928
Investment	9,345,901	9,345,901
<b>Total Non-Current Assets</b>	<b>801,665,321</b>	<b>744,436,103</b>
<b>Current Assets</b>		
Inventories	2,389,500	2,363,500
Trade and Other Receivables	277,850,562	230,783,227
Advance, Deposits and Prepayments	204,082,246	154,458,616
Cash and Cash Equivalents	55,691,390	105,920,885
<b>Total Current Assets</b>	<b>540,013,698</b>	<b>493,526,228</b>
<b>Total Assets</b>	<b>1,341,679,019</b>	<b>1,237,962,331</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital &amp; Reserves</b>		
Share Capital	448,600,000	448,600,000
Share Premium	83,005,464	83,005,464
Retained Earnings	273,646,388	192,201,027
<b>Total Equity</b>	<b>805,251,852</b>	<b>723,806,491</b>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Term Loan	97,317,003	120,926,608
Lease Liabilities	11,790,622	4,839,475
Deferred Tax Liability	149,715,118	132,945,393
<b>Total Non-Current liabilities</b>	<b>258,822,743</b>	<b>258,711,476</b>
<b>Current Liabilities</b>		
Short Term Loan	16,681,046	23,238,981
Accrued Expenses	60,558,894	67,174,555
Provision for Workers' Profit Participation Fund (WPPF)	5,934,266	7,609,244
Trade and Other Payables	136,931,166	120,392,762
Provision for Tax Liability	57,499,052	37,028,822
<b>Total Current Liabilities</b>	<b>277,604,424</b>	<b>255,444,364</b>
<b>Total Liabilities</b>	<b>536,427,167</b>	<b>514,155,840</b>
<b>Total Equity and Liabilities</b>	<b>1,341,679,019</b>	<b>1,237,962,331</b>
<b>Net Asset Value (NAV) Per Share</b>	<b>17.95</b>	<b>16.13</b>

The annexed notes form an integral part of the financial statements.

Sd/-  
Chief Financial Officer  
Dhaka, 19 April 2018

Sd/-  
Managing Director

ADN TELECOM LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Un-Audited)  
FOR THE PERIOD JANUARY 01 TO MARCH 31, 2018

Particulars	Amount in BDT		Amount in BDT	
	1 Jul 2017 to 31 March'2018	1 Jul 2016 to 31 March'2017	1 Jan to 31 March '2018	1 Jan to 31 March '2017
<b>Net Revenue</b>	<b>678,677,305</b>	<b>598,649,103</b>	<b>234,324,924</b>	<b>212,557,504</b>
Cost of Goods Sold & Services	(382,952,947)	(349,267,296)	(126,698,654)	(123,272,189)
<b>Gross Profit</b>	<b>295,724,358</b>	<b>249,381,807</b>	<b>107,626,270</b>	<b>89,285,315</b>
<b>Operating Expenses</b>				
Administrative Expenses	(98,372,434)	(70,737,548)	(31,359,725)	(24,673,250)
Distribution and Marketing Expenses	(65,872,443)	(52,902,520)	(22,880,953)	(17,578,309)
	<b>(164,244,877)</b>	<b>(123,640,068)</b>	<b>(54,240,678)</b>	<b>(42,251,559)</b>
<b>Profit before Interest and Tax</b>	<b>131,479,481</b>	<b>125,741,739</b>	<b>53,385,592</b>	<b>47,033,755</b>
Other Non-Operating Income	2,421,668	251,378	1,000,742	-
Financial Expense	(9,281,568)	(14,270,159)	(3,336,629)	(4,653,857)
	<b>124,619,581</b>	<b>111,722,957</b>	<b>51,049,705</b>	<b>42,379,898</b>
Workers Profit Participation Fund (WPPF)	(5,934,266)	(5,320,141)	(2,430,938)	(2,018,090)
Share of profit/(loss) of associates		-	-	
<b>Profit before Tax</b>	<b>118,685,315</b>	<b>106,402,816</b>	<b>48,618,767</b>	<b>40,361,808</b>
<b>Provision for Tax</b>				
Current Tax	(20,470,229)	(15,588,883)	(8,350,580)	(6,166,287)
Deferred Tax	(16,769,725)	(15,733,772)	(9,224,518)	(5,136,509)
	<b>(37,239,954)</b>	<b>(31,322,655)</b>	<b>(17,575,098)</b>	<b>(11,302,796)</b>
<b>Net Profit After Tax</b>	<b>81,445,361</b>	<b>75,080,161</b>	<b>31,043,669</b>	<b>29,059,012</b>
Other Comprehensive Income			-	-
<b>Total Comprehensive Income</b>	<b>81,445,361</b>	<b>75,080,161</b>	<b>31,043,669</b>	<b>29,059,012</b>
<b>Earnings Per Share (EPS)</b>	<b>1.82</b>	<b>1.79</b>	<b>0.69</b>	<b>0.69</b>

The annexed notes form an integral part of the financial statements.

Sd/-  
Chief Financial Officer  
Dhaka, 19 April 2018

Sd/-  
Managing Director

STATEMENT OF CHANGES IN EQUITY (Un-Audited)  
FOR THE PERIOD JANUARY 01 TO MARCH 31, 2018

Particulars	Amount in BDT			
	Ordinary Share Capital	Share Premium	Retained Earnings	Total
<b>Balance as at 1 July 2016</b>	209,295,830	68,626,294	316,489,443	594,411,567
Net Profit after tax	-	-	75,080,161	75,080,161
<b>Balance as at 31 March 2017</b>	<b>209,295,830</b>	<b>68,626,294</b>	<b>391,569,604</b>	<b>669,491,728</b>
<b>Balance as at 1 July 2017</b>	448,600,000	83,005,464	192,201,027	723,806,491
Net Profit after tax	-	-	81,445,361	81,445,361
<b>Balance as at 31 March 2018</b>	<b>448,600,000</b>	<b>83,005,464</b>	<b>273,646,388</b>	<b>805,251,852</b>

Sd/-  
Chief Financial Officer  
Dhaka, 19 April 2018

Sd/-  
Managing Director

ADN TELECOM LIMITED  
STATEMENT OF CASH FLOWS (Un-Audited)  
FOR THE PERIOD JULY 01, 2017 TO MARCH 31, 2018

Particulars	Amount in BDT	
	1 July'17 to March'2018	1 July'16 to March'2017
<b>Cash Flow from Operating Activities</b>		
Cash Received from Customers & Others	632,388,116	475,734,959
Cash Paid to Suppliers & Others	(327,339,108)	(150,140,270)
Paid for Operating Expenses	(222,927,272)	(58,346,726)
<b>Cash generated from Operations</b>	<b>82,121,736</b>	<b>267,247,963</b>
Finance Expenses Paid	(7,638,045)	(1,330,048)
<b>Net Cash Flow from Operating Activities</b>	<b>74,483,691</b>	<b>265,917,915</b>
<b>Cash Flow from Investing Activities</b>		
Acquisition of Property, Plant & Equipments and Intangible Assets	(101,496,793)	(20,821,407)
<b>Net Cash Flows from /(used) for Investing activities</b>	<b>(101,496,793)</b>	<b>(20,821,407)</b>
<b>Cash Flow from Financing Activities</b>		
Repayment of Long Term Borrowing	(23,609,605)	(6,903,011)
Repayment of Short Term Borrowing	(34,586,984)	(14,943,022)
Receipt of Short Term Borrowing	28,029,049	13,839,509
Repayment to Lease Finance	(1,048,853)	(37,712)
Fund Received from Lease Finance	8,000,000	2,400,000
<b>Net Cash Flows from/ (used) for Financing Activities</b>	<b>(23,216,393)</b>	<b>(5,644,236)</b>
<b>Net Cash Increase/(Decrease) during the year</b>	<b>(50,229,496)</b>	<b>239,452,272</b>
<b>Opening Cash and Cash Equivalents</b>	<b>105,920,885</b>	<b>9,450,266</b>
<b>Closing Cash and Cash Equivalents</b>	<b>55,691,390</b>	<b>248,902,538</b>

Sd/-  
Chief Financial Officer  
Dhaka, 19 April 2018

Sd/-  
Managing Director





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**ADn**  
TELECOM

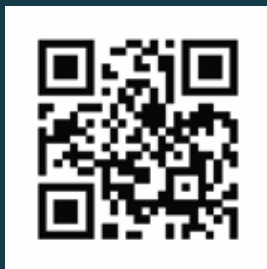




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