



**IT Consultants Ltd.**

**INFORMATION TECHNOLOGY CONSULTANTS LIMITED.**

***UN-AUDITED 1<sup>ST</sup> QUARTERLY FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED ON SEPTEMBER 30, 2016***

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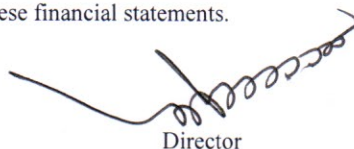
**EVERGREEN PLAZA (3<sup>RD</sup> & 4<sup>TH</sup> FL)  
260/B, TEJGAON -I/A  
DHAKA-1208  
PH: 9830310-13**

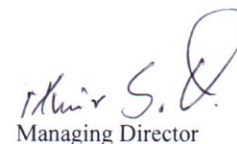
**Information Technology Consultants Limited**  
**Statement of Financial Position**  
**As at 30 September 2016**  
**Provisional & Un-audited**

	Notes	30 Sep 2016 Taka	30 Jun 2016 Taka
<b>Assets</b>			
<b>Non Current Assets:</b>			
Property, plant and equipment, net	4.00	263,335,235	250,077,835
Intangible assets, net	5.00	696,942,885	649,214,807
Capital work in progress	6.00	1,031,080	71,979,960
		<b>961,309,200</b>	<b>971,272,602</b>
<b>Current Assets:</b>			
Inventories	7.00	501,330,039	438,429,924
Accounts receivable	8.00	477,123,697	436,391,323
Other receivable	9.00	5,224,239	5,721,780
Advance, deposits & prepayments	10.00	494,545,889	448,116,710
Cash and cash equivalents	11.00	56,928,424	46,377,885
		<b>1,535,152,288</b>	<b>1,375,037,622</b>
<b>Total Assets</b>		<b>2,496,461,488</b>	<b>2,346,310,224</b>
<b>Equity and Liabilities</b>			
<b>Shareholders' Equity:</b>			
Share capital	12.00	870,000,000	870,000,000
Share premium	13.00	294,578,430	294,578,430
Retained earnings	14.00	195,084,594	184,656,633
Revaluation reserve	15.00	237,456,401	237,456,401
		<b>1,597,119,425</b>	<b>1,586,691,464</b>
<b>Non Current Liabilities:</b>			
Lease finance	16.00	2,003,014	-
ITC-QOOL ATM project	17.00	26,250,000	26,250,000
		<b>28,253,014</b>	<b>26,250,000</b>
<b>Current Liabilities:</b>			
Trade payables	18.00	28,022,393	34,849,549
Bank overdraft	19.00	503,769,401	524,086,460
IPO subscription refund	20.00	322,363	927,085
Payable for expenses	21.00	21,171,587	9,127,704
Other liabilities	22.00	286,824,620	131,782,989
Current portion of long term loan	23.00	19,027,812	20,876,760
Income tax payable	24.00	11,950,873	11,718,213
		<b>871,089,049</b>	<b>733,368,760</b>
<b>Total Liabilities</b>		<b>899,342,063</b>	<b>759,618,760</b>
<b>Total Equity &amp; Liabilities</b>		<b>2,496,461,488</b>	<b>2,346,310,224</b>
Net Asset Value (NAV) per share	35.00	<b>18.81</b>	<b>19.37</b>

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

  
Chairman

  
Director

  
Managing Director

  
Chief Financial Officer

  
Company Secretary

Place: Dhaka

Date: 14 November, 2016

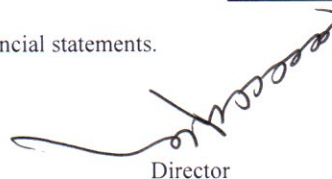
**Information Technology Consultants Limited**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the 1st Quarter Ended 30 September 2016**

**Provisional & Un-audited**

	Notes	Jul'16 to Sep'16	Jul'15 to Sep'15
		Taka	Taka
Revenue	25.00	159,045,968	131,317,943
Cost of services & sales	26.00	(100,593,631)	(85,128,604)
<b>Gross Profit</b>		<b>58,452,337</b>	<b>46,189,339</b>
<b>Operating expenses:</b>			
General and administrative expenses	27.00	(25,037,211)	(23,432,629)
Selling & distribution expenses	28.00	(9,635,259)	(10,122,584)
Other operating expenses	29.00	(2,689,487)	(2,626,719)
<b>Total operating expenses</b>		<b>(37,361,957)</b>	<b>(36,181,932)</b>
<b>Operating Profit/(Loss)</b>		<b>21,090,380</b>	<b>10,007,407</b>
Non operating income	30.00	7,320	6,125
<b>Profit/(Loss) before Finance Costs</b>		<b>21,097,700</b>	<b>10,013,532</b>
Finance costs	31.00	(12,979,573)	(18,347,630)
Finance income	32.00	3,075,525	4,193,492
<b>Profit/(Loss) before WPPF</b>		<b>11,193,652</b>	<b>(4,140,606)</b>
Contribution to WPPF	33.00	(533,031)	-
<b>Profit/(Loss) before Income Tax</b>		<b>10,660,621</b>	<b>(4,140,606)</b>
Income tax expenses	24.00	(232,660)	-
<b>Net Profit/(Loss)</b>		<b>10,427,961</b>	<b>(4,140,606)</b>
Earnings per Share	34.00	<b>0.12</b>	<b>(0.06)</b>

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Place: Dhaka

Date: 14 November, 2016

**Information Technology Consultants Limited**  
**Statement of Changes in Equity**  
**For the 1st Quarter Ended 30 September 2016**

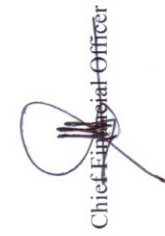
**Provisional & Un-audited**

Particulars	Paid-up Capital	Share Premium	Retained Earnings	Revaluation Reserve	Total Equity
	Taka	Taka	Taka	Taka	Taka
Balance as at 01 July 2016	870,000,000	294,578,430	184,656,633	237,456,401	1,586,691,464
Total comprehensive income for the period	-	-	10,427,961	-	10,427,961
Prior year adjustment	-	-	-	-	-
<b>Balance as at 30 September 2016</b>	<b>870,000,000</b>	<b>294,578,430</b>	<b>195,084,594</b>	<b>237,456,401</b>	<b>1,597,119,425</b>

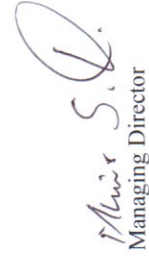
Particulars	Paid-up Capital	Share Premium	Retained Earnings	Revaluation Reserve	Total Equity
	Taka	Taka	Taka	Taka	Taka
Balance as at 01 July 2015	750,000,000	310,201,854	83,428,301	249,720,234	1,393,350,389
Total comprehensive income for the year	-	-	(4,140,606)	-	(4,140,606)
Prior year adjustment	-	-	109,514	-	109,514
<b>Balance as at 30 September 2015</b>	<b>750,000,000</b>	<b>310,201,854</b>	<b>79,397,209</b>	<b>249,720,234</b>	<b>1,389,319,297</b>

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

  
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Company Secretary

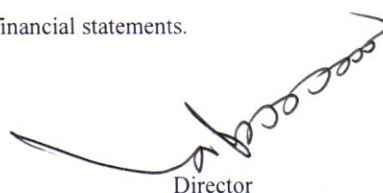
**Information Technology Consultants Limited**  
**Statement of Cash Flows**  
**For the 1st Quarter Ended 30 September 2016**

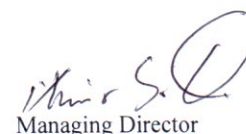
Provisional & Un-audited

	<u>Jul'16 to Sep'16</u>	<u>Jul'15 to Sep'15</u>
	<u>Taka</u>	<u>Taka</u>
<b>A. Cash flows from operating activities</b>		
Cash receipts from customers/sales	118,320,914	172,808,847
Cash generated from/(paid to) suppliers	(157,675,020)	(188,303,152)
Cash generated from/(paid for) operating activities	86,048,275	(43,874,387)
Interest paid	(12,979,573)	(18,347,630)
Income taxes paid	(1,712,399)	(8,492,868)
<b>Net cash provided by/(used in) operating activities</b>	<b>32,002,197</b>	<b>(86,209,190)</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant & equipment (WIP)	(892,480)	(1,154,046)
Purchase of property, plant & equipment - Lease assets	(2,866,988)	-
Interest received	3,075,525	4,193,492
<b>Net cash provided by/(used in) investing activities</b>	<b>(683,943)</b>	<b>3,039,446</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from/(Payment of) IPO subscription refund	(604,722)	-
Proceeds from/(Payment of) secured loan	(1,848,948)	(4,871,803)
Proceeds from/(Payment of) lease liabilities	2,003,014	-
Proceeds from/(Payment of) bank overdraft	(20,317,059)	68,207,588
Proceeds from/(Payment of) ITC-QOOL ATM project	-	(1,575,000)
<b>Net cash provided by/(used in) financing activities</b>	<b>(20,767,715)</b>	<b>61,760,785</b>
<b>D. Net changes in cash and cash equivalents (A+B+C)</b>	<b>10,550,539</b>	<b>(21,408,959)</b>
<b>E. Cash and cash equivalents at beginning of the period</b>	<b>46,377,885</b>	<b>28,710,357</b>
<b>F. Cash and cash equivalents at end of the period</b>	<b>56,928,424</b>	<b>7,301,398</b>

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

  
Chairman

  
Director

  
Managing Director

  
Chief Financial Officer

  
Company Secretary

**Information Technology Consultants Limited**  
**Notes to the Financial Statements**  
**For the 1st Quarter Ended 30 September 2016**  
**(Provisional & Un-audited)**

**1. Reporting entity**

**1.1 Company profile**

Information Technology Consultants Ltd. was incorporated as a private company limited by shares registered under the Companies Act, 1994, vide certificate of incorporation no: C-41094(453)/2000, dated: 23 August, 2000 and converted to "Public" Limited company on 16 March 2008. The registered office of the company is located at Evergreen Plaza (3rd Floor), 260/B, Tejgaon I/A, Dhaka - 1208.

**1.2 Nature of business**

The business of the company interalia includes online Switching Solution, Software Development and Service Provider of Q-cash member banks shared ATM network.

Information Technology Consultants Ltd. is committed to be the leader as Smart Card Solutions Provider in the Banking sector as well as the Automated Transaction Processing Industry in Bangladesh.

**2. Basis of preparation**

**2.1 Statement of compliance**

The financial statements of the company under reporting have been prepared in accordance with BAS-1 "Presentation of Financial Statements" under historical cost convention in a going concern basis and on accrual basis. The preparation and disclosures have been made to the financial statements in accordance with the Companies Act, 1994, Bangladesh Securities and Exchange Commission Rules, 1987, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB), as Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) and other applicable laws and regulations.

The financial statements were authorized for issue by the Board of Directors on 14 November 2016.

**2.2 Application of standards**

The following BAS are applicable for the financial statement for the period under review:

- BAS - 1** Presentation of Financial Statements
- BAS - 2** Inventories
- BAS - 7** Statement of Cash Flows
- BAS - 8** Accounting Policies, Changes in Accounting Estimates and Errors
- BAS - 10** Events after the reporting Period
- BAS - 12** Income Taxes
- BAS - 16** Property, Plant and Equipment
- BAS - 18** Revenue
- BAS - 19** Employee Benefits
- BAS - 21** The Effects of Changes in Foreign Exchange Rates
- BAS - 23** Borrowing Costs
- BAS - 24** Related party Disclosures
- BAS - 32** Financial Instrument - Presentation
- BAS - 33** Earnings per Share
- BAS - 36** Impairment of Assets
- BAS - 37** Provisions, Contingent Liabilities and Contingent Assets
- BAS - 38** Intangible Assets

### **2.3 Basis of measurement**

The elements of financial statements have been measured on "Historical Cost" basis, which is one of the most commonly adopted base as provided in the "the framework for the preparation and presentation of financial statements" issued by the International Accounting Standards Committee (IASC).

### **2.4 Functional and presentational currency and level of precision**

These financial statements are presented in Bangladeshi Taka (Taka/Tk./BDT) which is both functional currency and presentation currency of the company. The amounts in these financial statements have been rounded off to the nearest Taka.

### **2.5 Use of estimates and judgments**

The preparation of financial statements in conformity with the Bangladesh Accounting Standards requires management to make estimates and assumption that affect the report, amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenses during the period reported. Actual results could differ from those estimates. Estimates are used for accounting of certain terms such as long term contracts, provision for doubtful accounts, depreciation and amortization, employees' benefit plans, taxes reserves and contingencies.

### **2.6 Reporting period**

These Financial Statements of the company cover the period from 01 July 2016 to 30 September 2016.

### **2.7 Presentation of financial statements**

According to the International Accounting Standard (IAS) - 1 adopted by the ICAB as BAS - 1 "Presentation of Financial Statements" the complete set of Financial Statements includes the following components:

- i) Statement of Financial Position;
- ii) Statement of Profit or Loss and Other Comprehensive Income;
- iii) Statement of Changes in Equity;
- iv) Statement of Cash Flows; and
- v) Notes, comprising a summary of significant accounting policies and other explanatory information.

### **2.8 Responsibility for preparation and presentation of financial statements**

The management of the company is responsible for the preparation and presentation of Financial Statements under Section 183 of the Companies Act, 1994 and as per the provision of "the conceptual framework for financial reporting".

### **2.9 Going concern**

The company has adequate resources to continue its operation of foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management assessment, there is no material uncertainties related to event or condition which may cast significant doubt upon the company's ability to continue as a going concern.

## **3. Significant accounting policies**

The accounting policies set out below have been applied to the accounts consistently to all periods presented in these financial statements.

### 3.1 Property, plant & equipment

#### (a) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner.

#### (b) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day to day servicing of property, plant and equipment are expensed when incurred.

#### (c) Revaluation of fixed assets

The company had revalued its fixed assets in the year 2009-2010 viz, Plant & Machinery, ATM Machine, POS Terminal, Card Printers, Q-cash retailer POS software, ATM Software, Switching Software, POS Software and Software Development by a competent consultant M/s. Ahmed & Akter, an independent Chartered Accountants firm who have no interest in the assets of the company.

#### (d) Depreciation

Depreciation is charged on the basis of diminishing balance method on all tangible assets over their estimated useful economic lives.

The depreciation rates applicable to the principal categories of fixed assets are:-

Name of assets	Rate
Plant & Machinery	15%
ATM Machinery	15%
POS Terminal	15%
Card Printer	15%
Data Centre	10%
Furniture & Fixture	10%
Computer & Components	15%
Office Equipment	15%
Operating Equipment	15%
Office Decoration	10%
ATM Booth	15%
Generator	10%
Online UPS	10%
Switching Hardware	10%
Network Solutions (CISCO)	10%
Power Sub Station	10%
Power System	10%
Structure Cabling	10%
Call Centre	10%
Web Application Firewall	15%
Vehicles	20%



(e) Retirements and disposals

An asset is derecognized upon disposal or when no future economic benefits are expected from its use and subsequent disposal. Gains or losses arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized as gain or loss from disposal of asset under other income in the statement of comprehensive income.

(f) Capital work in progress

Capital work in progress consists of acquisition costs of plant and machinery, capital components and related installation cost until the date placed in service.

### 3.2 Intangible assets

(a) Recognition and measurement

The cost of intangible assets are capitalized provided they meet the recognition criteria specified by BAS-38. Capitalization costs include license fees & cost of implementation / system integration services which are capitalized during the period in which the relevant softwares are installed for use. The cost of an intangible asset comprises its purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the assets for its intended use.

(b) Subsequent costs

Subsequent cost/expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. Cost of maintenance, upgrading and enhancements are charged off as revenue expenditure unless they bring similar significant additional long term benefits.

(c) Amortization

Amortization of the intangible asset is recognized on the basis of the expected pattern of consumption of the projected future economic benefits embodied in the asset and is applied during the year. Amortization of intangible assets is charged under straight line method.

The amortization rates applicable to the principal categories of intangible assets are:-

Name of assets	Rate
Accounting Software	20%
ATM Software	2.5%
Mobile Banking Software	5%
Oracle Software	5%
PCCI DSS Security Compliance Software License	5%
POS Software	5%
Q Cash E Portal Software Development	5%
Q Cash Retailer POS Software	5%
Software Development	2.5%
Switching Software	2.5%
Call Centre	5%
VMware Software	5%
Issue Tracking Software (JIRA)	5%
E traffic web application	5%

### 3.3 Inventories

Inventories are valued at the lower of cost or net realizable value. The cost is assigned following weighted average cost formula. As per BAS 2 "Inventories" Net realizable value is determined by deducting estimated cost of completion and cost of sales from the estimated sales of the related items.

### 3.4 Provisions

A provision is recognized in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the date of statement of financial position. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditures expected to be required to settle the obligation.

### 3.5 Employee benefits

#### **Workers' Profit Participation Fund (WPPF)**

This represents 5% of net profit before tax contributed by the company as per provisions of Bangladesh Labour (Amendments) Act, 2013 and is payable to employees as defined in the said law.

### 3.6 Contingencies

Contingent liabilities and assets are current or possible obligations or assets, arising from past events and whose existence is due to the occurrence of one or more uncertain future events which are not within the control of the company. In accordance with BAS 37, there is no contingent liability or asset during the period from 01 July, 2016 to 30 September, 2016.

### 3.7 Revenue recognition

The revenue during the year represents revenue arising from various services of electronic transaction processing under Q-cash Shared ATM Network and from the sale of ATM, KIOSK, POS which are recognized when deliveries are made against the sales order received from the respective bank clients and after satisfying all the conditions for revenue recognition as provided in BAS 18 "Revenue Recognition."

#### **A. Accounting policies for recognition of service revenue**

- (i) reliably measure the amount of service revenue;
- (ii) economic benefit of service revenue flow to the entity;
- (iii) reliably measure the stage of completion of service revenue at the end of reporting period; and
- (iv) reliably measure the costs incurred for service revenue.

#### **B. Accounting policies for recognition of sales revenue**

- (i) transfer risks & rewards of ownership of the goods;
- (ii) does not effective control over the goods sold;
- (iii) reliably measure the amount of sales revenue;
- (iv) reliably measure the cost of goods sold; and
- (v) economic benefit of sales revenue flow to the entity.

### 3.8 Taxation

#### (a) Current tax

Provision for income tax has been made during the year as per the Income Tax Ordinance, 1984. But the company has been enjoying tax free under para-33 of part-A of the 6th schedule of the Income Tax Ordinance, 1984 up to 30th day of June 2024.

#### (b) Deferred tax

As there is considerable uncertainty with regard to the taxation of such companies after the expiry of the tax exemption period, the management feels it is not possible to make a reasonable estimate of deferred tax and make its provision at this stage.

### **3.9 Foreign currency transactions**

Transactions denominated in foreign currencies are translated into Bangladesh Taka and recorded at rates of exchange ruling on the date of transaction in accordance with BAS 21.

### **3.10 Finance income and expenses**

Finance income comprises interest income which is recognized on accrual basis.

Finance expenses comprise interest expense on loan, overdraft and bank charges. All borrowing costs are recognized in the statement of comprehensive income.

### **3.11 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **3.11.1 Financial assets**

Financial assets carried in the statement of financial position include cash and cash equivalents, trade and other receivables, other long term receivables and deposits.

##### **(a) Cash and cash equivalents**

According to BAS 7 "Cash Flow Statement", cash comprises of cash in hand and demand deposit and cash equivalents which are of short term, highly liquid investments that are readily convertible to know amount of cash which are subject to an insignificant risk of changes in value, BAS 1 "Presentations of Financial Statements" also provides that cash equivalents are those which have no restriction in use considering the provision of BAS 7 and BAS 1. Cash in hand and bank balance have been considered as cash and cash equivalents.

##### **(b) Accounts receivable**

Accounts receivable are created based on original invoice amount and accrued income which is still not billed to customer.

#### **3.11.2 Financial liability**

The company initially recognizes financial liabilities on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. Financial liabilities include trade and other payables and other current liabilities.

##### **(a) Trade payables**

Liabilities are recognized for amount to be paid in the future for goods and services received, whether or not billed by the supplier.

##### **(b) Loans and borrowings**

Principal amounts of the loans and borrowings are stated at their amortized amount. Borrowings repayable after twelve months from the date of statement of financial position are classified as non-current liabilities whereas the portion of borrowings repayable within twelve months from the date of statement of financial position, unpaid interest and other charges are classified as current liabilities.

### **3.12 Impairment of assets**

As all assets of the company shown in the financial statement that are within the scope of BAS – 36 are in physical existence and valued no more than their recoverable amount following International Accounting Standards adopted in Bangladesh, disclosures with regard to "Impairment of Assets" as per BAS - 36 have not been considered necessary.

### **3.13 Statements of cash flows**

Statements of Cash Flows is prepared principally in accordance with BAS - 7. Statements of Cash Flows shows how the company's cash and cash equivalents changed during the period through inflows and outflows and it has been presented under direct method.

### **3.14 Earnings per share**

The company calculates Earnings per Share (EPS) in accordance with BAS - 33; Earnings per Share, which has been shown on the face of Statement of Profit or Loss and Other Comprehensive Income and the computation of EPS is stated in note 34.00.

#### **Basic earnings**

This represents earnings for the period attributable to ordinary shareholders. As there was no preference dividend, minority or extra ordinary items, the net profit after tax for the period has been considered as fully attributable to the Ordinary Shareholders.

#### **Basic earnings per share**

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding as on 30 September 2016.

#### **Weighted average number of ordinary shares outstanding during the period**

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

#### **Diluted earnings per share**

No diluted earnings per share are required to be calculated per year as there was no scope for dilution during the period.

### **3.15 Events after the reporting period**

The Board of Directors of the Company has recommended 15% Stock (Bonus) dividend for the year ended 30 June 2016 at the Board Meeting held on 17 October 2016. The dividend is subject to final approval by the Shareholders at the forthcoming Annual General Meeting (AGM) of the company.

### **3.16 Capital raise through Initial Public Offer (IPO)**

The company has raised its paid up capital by issuing ordinary share through Initial Public Offering (IPO) for 12,000,000 ordinary shares of Tk.10.00 each at per totaling to Tk. 120,000,000/- vide BSEC consent letter no - SEC/CI/IPO-234/2014/485; dated - 04 October, 2015.

### **3.17 Comparative amounts**

Certain comparative amounts have been re-classified & rearranged for the better presentation.

### **3.18 Related party transactions**

During the period 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 balance have been set out in accordance with the provision of BAS-24.

### 3.19 Financial Risk Management

The management has overall responsibility for the establishment and oversight of the company's risk management framework. The company has exposure to the following risks from its use of financial instruments.

- (a) Credit Risk;
- (b) Liquidity Risk; and
- (c) Market Risk.

#### (a) Credit Risk

Credit Risk represents the Financial loss to the company if a customer or counterparty to a financial instrument fail to meet its contractual obligations. It mainly comprises of trade receivables , advances to suppliers, trade deposits and bank balances. the company's maximum exposure to credit risk at the reporting date is trade receivables which is also secured by agreement with the clients & member banks also.

#### (b) 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 maintains sufficient resources and arrangement of credit lines with the various banks for managing its liquidity risk.

#### (c) Market Risk

Market risk is that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, interest rates and other price risks. The objective of market risk management is to manage and control market risk exposures within an acceptable range.

### 3.20 Technological Risk Management

Technology is a dynamic term that frequently changes its shape and nature. Every capital-intensive industry has to rapidly synchronize itself with technological changes and invest in sophisticated machineries. A right technology is a crucial determinant of competitiveness that ensures better products and services to the customers while minimizing costs. Adjustment to new technologies thus involves relatively large scale investments as well as a longer pay-back period.

The company is operating in an industry where technology is the key success factor. Some of the technological risks associated with the company vis-à-vis the management perception is as follows.

#### (a) Infrastructure Related Risk

Management always put high focus and undertake required CAPEX to keep the infrastructure updated to ensure smooth operation.

#### (b) Efficient Technical Expertise

The Company is the pioneer in Bangladesh in IT industry and has built up a strong team who has been involved since the revolution of the industry. So apparently they have the most expert team in the industry to cater any technological dynamics.

#### (c) Up gradation of the Industry / Solutions

In line with the global financial market, Bangladesh is also adopting the upgraded solutions fast. ITCL is capable to adjust and cope up with the change in industry dynamics.

#### (d) Product / Solution Obsolesce

ITCL management believes in continuous up-gradation and continuous improvement of their offerings. Historically they were pioneer and fast mover in terms of launching new products or ideas in the market. So it is implied that the management is well cautious about their competitive edge and continuously putting effort to assure its market leader position.

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 risk faced by the company.

**4.00 Property, plant and equipment, net**  
as at 30 September 2016

Particulars	Cost/Revaluation				Depreciation					Net book value
	As at 01 July 2016	Addition during the period	Sales/Disposal during the period	As at 30 September 2016	Rate	As at 01 July 2016	Charged during the period	Sales/Disposal during the period	As at 30 September 2016	As at 30 September 2016
	Taka	Taka	Taka	Taka	%	Taka	Taka	Taka	Taka	Taka
ATM booth	13,322,456	703,860	-	14,026,316	15%	7,176,515	256,866	-	7,433,381	6,592,935
ATM machinery	158,048,468	-	-	158,048,468	15%	94,105,483	2,397,861	-	96,503,344	61,545,124
Card printer	29,386,311	-	-	29,386,311	15%	14,470,912	559,326	-	15,030,238	14,356,073
Computer & components	42,716,884	6,007,274	-	48,724,158	15%	29,739,964	711,906	-	30,451,870	18,272,288
Data centre	11,460,947	577,240	-	12,038,187	10%	3,343,812	217,359	-	3,561,171	8,477,016
Furniture & fixture	7,170,150	193,320	-	7,363,470	10%	4,319,915	76,089	-	4,396,004	2,967,466
Generator	14,800,000	-	-	14,800,000	10%	6,060,748	218,481	-	6,279,229	8,520,771
Network solution (CISCO)	7,763,828	367,570	-	8,131,398	10%	2,576,637	138,870	-	2,715,507	5,415,891
Office decoration	30,162,252	2,728,048	-	32,890,300	10%	14,660,702	455,739	-	15,116,441	17,773,859
Office equipment	32,806,990	1,144,843	-	33,951,833	15%	22,190,662	441,045	-	22,631,707	11,320,126
Online UPS	15,126,100	285,000	-	15,411,100	10%	5,989,836	235,533	-	6,225,369	9,185,731
Operating equipment	5,647,883	1,272,003	-	6,919,886	15%	2,583,514	162,615	-	2,746,129	4,173,757
Plant & machinery	34,686,637	-	-	34,686,637	15%	14,944,230	740,340	-	15,684,570	19,002,067
POS terminal	34,802,374	-	-	34,802,374	15%	17,039,585	666,105	-	17,705,690	17,096,684
Power sub station	2,460,500	-	-	2,460,500	10%	1,007,600	36,321	-	1,043,921	1,416,579
Power system	11,921,101	-	-	11,921,101	10%	4,099,662	195,537	-	4,295,199	7,625,902
Structure cabling	4,871,624	-	-	4,871,624	10%	1,675,344	79,908	-	1,755,252	3,116,372
Switching hardware	12,929,170	4,893,222	-	17,822,392	10%	5,048,192	319,356	-	5,367,548	12,454,844
Call centre	100,000	-	-	100,000	10%	27,096	1,824	-	28,920	71,080
Web application firewall	83,300	-	-	83,300	15%	23,112	2,256	-	25,368	57,932
Vehicles	104,980	-	-	104,980	20%	21,000	4,200	-	25,200	79,780
<b>Sub total (a)</b>	<b>470,371,955</b>	<b>18,172,380</b>	<b>-</b>	<b>488,544,335</b>	<b>--</b>	<b>251,104,521</b>	<b>7,917,537</b>	<b>-</b>	<b>259,022,058</b>	<b>229,522,277</b>

(Cont.....)

(Cont.....)

Particulars	Cost/Revaluation				Rate	Depreciation				Net book value As at 30 September 2016
	As at 01 July 2016	Addition during the period	Sales/Disposal during the period	As at 30 September 2016		As at 01 July 2016	Charged during the period	Sales/Disposal during the period	As at 30 September 2016	
	Taka	Taka	Taka	Taka		Taka	Taka	Taka	Taka	
<b>Disaster Recovery Centre</b>										
Switching hardware	24,950,000	956,828	-	25,906,828	10%	2,495,004	585,297	-	3,080,301	22,826,527
Generator	1,698,025	-	-	1,698,025	10%	169,800	38,205	-	208,005	1,490,020
Office decoration	663,337	-	-	663,337	10%	66,336	14,925	-	81,261	582,076
Office equipment	2,548,454	-	-	2,548,454	15%	382,272	81,231	-	463,503	2,084,951
Furniture & fixture	167,040	-	-	167,040	10%	16,704	3,759	-	20,463	146,577
Structure cabling	2,168,517	-	-	2,168,517	10%	216,852	48,792	-	265,644	1,902,873
Firewall & router	380,000	-	-	380,000	10%	38,004	8,550	-	46,554	333,446
Online UPS	1,800,000	-	-	1,800,000	10%	180,000	40,500	-	220,500	1,579,500
<b>Sub total (b)</b>	<b>34,375,373</b>	<b>956,828</b>	<b>-</b>	<b>35,332,201</b>	<b>--</b>	<b>3,564,972</b>	<b>821,259</b>	<b>-</b>	<b>4,386,231</b>	<b>30,945,970</b>
<b>Lease Assets</b>										
Vehicle No.#2957	-	1,433,494	-	1,433,494	20%	-	-	-	-	1,433,494
Vehicle No.#2965	-	1,433,494	-	1,433,494	20%	-	-	-	-	1,433,494
<b>Sub total (c)</b>	<b>-</b>	<b>2,866,988</b>	<b>-</b>	<b>2,866,988</b>	<b>--</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,866,988</b>
<b>Grand total (a+b+c)</b>	<b>504,747,328</b>	<b>21,996,196</b>	<b>-</b>	<b>526,743,524</b>	<b>--</b>	<b>254,669,493</b>	<b>8,738,796</b>	<b>-</b>	<b>263,408,289</b>	<b>263,335,235</b>

as at 30 June 2016

Particulars	Cost/Revaluation				Rate	Depreciation				Net book value As at 30 June 2016
	As at 01 July 2015	Addition during the period	Sales/Disposal during the period	As at 30 June 2016		As at 01 July 2015	Charged during the period	Sales/Disposal during the period	As at 30 June 2016	
	Taka	Taka	Taka	Taka		Taka	Taka	Taka	Taka	
<b>2015-2016</b>	<b>460,173,582</b>	<b>47,584,837</b>	<b>3,011,091</b>	<b>504,747,328</b>	<b>--</b>	<b>218,651,437</b>	<b>37,893,516</b>	<b>1,875,460</b>	<b>254,669,493</b>	<b>250,077,835</b>

**Disclosure:**

The company has availed lease finance amounting to Tk. 19,84,000/= (10,00,000+9,84,000/=) from Dhaka Bank Limited, Baridhara branch against two nos Toyota Probox car.

**5.00 Intangible assets, net  
as at 30 September 2016**

Particulars	Cost/Revaluation				Rate	Amortization				Net book value As at 30 September 2016
	As at 01 July 2016	Addition during the period	Sales/Disposal during the period	As at 30 September 2016		As at 01 July 2016	Charged during the period	Sales/Disposal during the period	As at 30 September 2016	
	Taka	Taka	Taka	Taka		%	Taka	Taka	Taka	
Accounting software	90,000	-	-	90,000	20%	54,000	4,500	-	58,500	31,500
ATM software	174,960,194	52,712,152	-	227,672,346	2.5%	9,902,062	1,422,951	-	11,325,013	216,347,333
Mobile banking software	1,000,000	-	-	1,000,000	5%	150,006	12,501	-	162,507	837,493
Oracle software	7,646,500	-	-	7,646,500	5%	1,146,968	95,580	-	1,242,548	6,403,952
PCI DSS security compliance software	1,129,800	-	-	1,129,800	5%	169,479	14,124	-	183,603	946,197
POS software	23,926,170	-	-	23,926,170	5%	3,529,621	299,076	-	3,828,697	20,097,473
Q cash e portal software development	1,108,060	-	-	1,108,060	5%	166,211	13,851	-	180,062	927,998
Q cash retailer POS software	8,449,820	-	-	8,449,820	5%	1,267,481	105,624	-	1,373,105	7,076,715
Software development	149,991,981	-	-	149,991,981	2.5%	9,849,042	937,449	-	10,786,491	139,205,490
Switching software	326,057,140	-	-	326,057,140	2.5%	21,793,507	2,037,858	-	23,831,365	302,225,775
Call centre	1,054,000	-	-	1,054,000	5%	158,106	13,176	-	171,282	882,718
VMware software	870,700	-	-	870,700	5%	87,072	10,884	-	97,956	772,744
Issue tracking software (JIRA)	1,000,000	-	-	1,000,000	5%	100,007	12,501	-	112,508	887,492
E traffic web application	320,000	-	-	320,000	5%	15,996	3,999	-	19,995	300,005
<b>Total</b>	<b>697,604,365</b>	<b>52,712,152</b>	<b>-</b>	<b>750,316,517</b>	<b>--</b>	<b>48,389,558</b>	<b>4,984,074</b>	<b>-</b>	<b>53,373,632</b>	<b>696,942,885</b>

**as at 30 June 2016**

Particulars	Cost/Revaluation				Rate	Amortization				Net book value As at 30 June 2016
	As at 01 July 2015	Addition during the period	Sales/Disposal during the period	As at 30 June 2016		As at 01 July 2015	Charged during the period	Sales/Disposal during the period	As at 30 June 2016	
	Taka	Taka	Taka	Taka		%	Taka	Taka	Taka	
<b>2015-2016</b>	<b>572,529,072</b>	<b>125,075,293</b>	<b>-</b>	<b>697,604,365</b>	<b>--</b>	<b>29,771,066</b>	<b>18,618,492</b>	<b>-</b>	<b>48,389,558</b>	<b>649,214,807</b>



	<u>30 Sep 2016</u>	<u>30 Jun 2016</u>
	<u>Taka</u>	<u>Taka</u>
<b>6.00 Capital work in progress</b>		
<b>Property, plant &amp; equipment:</b>		
Opening balance	18,310,980	13,209,464
Add: Addition during the period		
ATM booth	-	703,860
Computer & component	212,610	6,145,874
Data centre	-	577,240
Furniture & fixture	53,616	193,320
Network solution (CISCO)	170,730	367,570
Office decoration	-	2,728,048
Office equipment	318,016	1,144,843
Online UPS	-	285,000
Operating equipment	137,508	1,272,003
Switching hardware	-	4,893,222
	892,480	18,310,980
	19,203,460	31,520,444
Less: Transfer to property, plant & equipment	(18,172,380)	(13,209,464)
	1,031,080	18,310,980
<b>Property, plant &amp; equipment-DR:</b>		
Opening balance	956,828	34,375,373
Add: Addition during the period		
Switching hardware	-	956,828
	-	956,828
	956,828	35,332,201
Less: Transfer to property, plant & equipment-DR	(956,828)	(34,375,373)
	-	956,828
<b>Intangible assets:</b>		
Opening balance	52,712,152	125,075,293
Add: Addition during the period		
ATM software	-	52,712,152
	-	52,712,152
	52,712,152	177,787,445
Less: Transfer to intangible assets	(52,712,152)	(125,075,293)
	-	52,712,152
	<b>1,031,080</b>	<b>71,979,960</b>

The Company has procured the above mentioned assets for its infrastructure development & upgradation time to time during the period, which are installed but yet to be operational due to its nature of business. After operational the value of those assets (tangible & intangible) would be transferred to the respective assets arena of the company.

**07.00 Inventories**  
**as at 30 September 2016**

Inventory items	Balance as at 01 July 2016		Addition during the period		Consumption during the period		Balance as at 30 September 2016	
	Quantity	Taka	Quantity	Taka	Quantity	Taka	Quantity	Taka
<b>Finished goods</b>								
Stock in trade - ATM	362	132,411,406	0	-	143	48,446,034	219	83,965,372
Stock in trade - Anti-skimming device	0	-	200	10,659,000	0	-	200	10,659,000
Stock in trade - KIOSK	33	8,575,791	0	-	0	-	33	8,575,791
Stock in trade - Verifone POS	666	13,203,347	0	-	0	-	666	13,203,347
Stock in trade - SAND POS	2047	41,836,173	0	-	0	-	2047	41,836,173
Stock in trade - Finger vein	130	1,682,552	0	-	0	-	130	1,682,552
Stock in trade - Finger print reader	8	11,260	0	-	0	-	8	11,260
Q Pay - i Top Up	0	536,603	0	2,100,000	0	2,427,028	0	209,575
Q Pay - Top Up	0	525,772	0	1,100,000	0	1,437,911	0	187,861
Q Pay - Telecharge	0	142,686	0	200,000	0	289,815	0	52,871
Q Pay - Flexiload	0	1,434,481	0	5,351,500	0	6,163,761	0	622,220
		<b>200,360,071</b>		<b>19,410,500</b>		<b>58,764,549</b>		<b>161,006,022</b>
<b>Store materials</b>								
ATM spare parts	0	126,122,927	0	-	0	1,008,975	0	125,113,952
KIOSK/CDM spare parts	0	12,877,714	0	-	0	-	0	12,877,714
POS spare parts	0	372,053	0	12,000	0	-	0	384,053
Card printer spare parts	0	1,399,239	0	-	0	-	0	1,399,239
VISA card	53615	8,042,260	0	-	0	-	53615	8,042,260
Ribbon	250	1,115,000	0	-	0	-	250	1,115,000
Plastic card	95751	3,040,932	0	-	20351	646,323	75400	2,394,609
Pin mailer	81540	453,676	0	-	0	-	81540	453,676
		<b>153,423,801</b>		<b>12,000</b>		<b>1,655,298</b>		<b>151,780,503</b>
<b>Stock in Transit</b>								
LC for ATM	0	-	0	-	0	-	0	4,454,026
LC for ATM software	0	-	0	-	0	-	0	2,220,121
LC for POS	0	10,664,094	0	-	0	-	0	14,370,268
LC for POS software	0	28,719,164	0	-	0	-	0	114,529,351
LC for ATM security software	0	556,389	0	-	0	-	0	558,139
LC for switching software	0	44,706,405	0	-	0	-	0	52,411,609
		<b>84,646,052</b>		<b>-</b>		<b>-</b>		<b>188,543,514</b>
<b>Total inventory</b>		<b>438,429,924</b>		<b>19,422,500</b>		<b>60,419,847</b>		<b>501,330,039</b>

		<b>30 Sep 2016</b>	<b>30 Jun 2016</b>
		<b>Taka</b>	<b>Taka</b>
<b>8.00 Accounts receivable</b>			
ATM software support & maintenance fee receivable		21,824,233	18,754,317
Host to host software interface fee receivable		1,500,000	-
Card fee receivable	8.01	48,192,578	43,787,120
Connectivity fee receivable	8.02	7,967,540	7,013,417
Transaction fee receivable	8.03	24,642,564	20,766,292
Servicing & maintenance fee receivable	8.04	116,084,662	115,436,352
Sales receivable	8.05	256,330,555	230,052,260
Others accounts receivable	8.06	581,565	581,565
		<b>477,123,697</b>	<b>436,391,323</b>
<b>8.01 Card fee receivable</b>			
SEQAEP card fee receivable		1,393,450	3,238,354
Card annual fee receivable		20,372,639	18,113,339
Card renewal fee receivable		20,933,196	16,942,134
Card fee receivable-AB Bank Limited		5,493,293	5,493,293
		<b>48,192,578</b>	<b>43,787,120</b>
<b>8.02 Connectivity fee receivable</b>			
ATM link connectivity receivables		1,534,068	1,758,158
Host connectivity receivables		60,000	36,000
VISA connectivity receivables		6,373,472	5,219,259
		<b>7,967,540</b>	<b>7,013,417</b>
<b>8.03 Transaction fee receivable</b>			
ATM transaction fee receivable		12,287,126	9,257,174
POS transaction fee receivable		8,843,058	7,975,063
Card cheque transaction fee receivable		237,870	102,830
Fund transfer transaction fee receivable		35,930	18,920
SMS management fee receivable		285,000	297,000
SMS service fee receivable		2,953,580	3,115,305
		<b>24,642,564</b>	<b>20,766,292</b>
<b>8.04 Servicing &amp; maintenance fee receivable</b>			
ATM servicing & maintenance receivables		48,225,267	42,520,345
Terminal security software service fee receivable		-	4,119,580
ATM booth servicing & maintenance receivable		6,689,791	3,749,791
KIOSK servicing & maintenance receivable		3,350,804	3,470,106
KIOSK modification fee receivable		4,650,000	4,650,000
UPS servicing & maintenance receivable		955,545	1,950,138
POS servicing & maintenance receivable		8,263,175	6,114,824
VbV certified ACS service fee receivable		-	301,435
ATM booth construction fee receivable		-	7,650,000
Tranzware retail re-installation receivable		58,500	58,500
Switching software service fee receivable		40,635,009	39,101,633
PCI DSS security compliance fee receivable		-	250,000
Windows migration fee receivable		3,256,571	1,500,000
		<b>116,084,662</b>	<b>115,436,352</b>
<b>8.05 Sales receivable</b>			
ATM sales receivable		213,279,422	185,444,877
KIOSK sales receivable		13,094,143	13,300,393
POS sales receivable		2,648,740	2,648,740
Switching software sales receivable		15,405,750	15,405,750
UPS sales receivable		11,902,500	13,252,500
		<b>256,330,555</b>	<b>230,052,260</b>

		<u>30 Sep 2016</u>	<u>30 Jun 2016</u>
		<u>Taka</u>	<u>Taka</u>
<b>8.06 Other accounts receivable</b>			
KIOSK modification receivable		581,565	581,565
		<b>581,565</b>	<b>581,565</b>
<b>9.00 Other receivable</b>			
TRUST Bank Limited (FDR A/C : 30060) - Interest		1,518,585	607,434
TRUST Bank Limited (FDR A/C : 21516) - Interest		2,164,374	3,958,386
Receivable from Qool Bangladesh Ltd		1,541,280	1,155,960
		<b>5,224,239</b>	<b>5,721,780</b>
<b>10.00 Advance, deposits &amp; prepayments</b>			
Advance	10.01	210,824,564	170,744,396
Advance against office rent	10.02	11,223,436	11,996,281
Bank guarantee margin	10.03	5,297,443	4,646,170
Security deposit (Non interest bearing)	10.04	3,398,790	3,355,000
Fixed deposit receipt (FDR)	10.05	211,869,534	207,911,150
Prepayments	10.06	2,209,658	3,793,493
Deferred expenses	10.07	49,722,464	45,670,220
		<b>494,545,889</b>	<b>448,116,710</b>
<b>10.01 Advance</b>			
Advance to suppliers	10.01.01	56,246,446	14,287,719
Advance against purchase		1,976,509	1,924,118
Advance to employees		2,333,800	2,852,300
Advance income tax (AIT)	10.01.02	137,301,610	135,589,211
VAT deduction at source	10.01.03	5,932,874	5,909,026
VAT current account		7,033,325	10,182,022
		<b>210,824,564</b>	<b>170,744,396</b>
All the above advances, deposits and prepayments are considered as good and secured by the company's management.			
<b>10.01.01 Advance to suppliers</b>			
ECSAS Computers & Equipment		3,560,831	1,794,000
Move International		5,000,000	-
Nawabpur Electric Works		75,000	75,000
Ares Communications Limited		28,873,711	3,360,000
Computer Source		3,863,794	3,863,794
Natty Com Pvt Limited		305,773	305,773
ENGITECH		168,210	-
Sthapottik Limited		350,043	350,043
Appnometry Ltd		6,596,564	-
Future Solution for Business Ltd		250,000	250,000
M/S Global Colour Bank Ltd		240,415	240,415
dcon design studio		343,000	343,000
Noor Traders		283,550	283,550
MegaNet ICT Ltd		1,500,000	1,500,000
RFL Plastics Ltd		-	15,144
Bayside Autos		646,000	1,212,000
IT Objects		695,000	695,000
AJR Consultants (BD) Ltd		3,150,000	-
Raowa Complex		60,000	-
Khorkuto Limited		284,555	-
		<b>56,246,446</b>	<b>14,287,719</b>

	<u>30 Sep 2016</u>	<u>30 Jun 2016</u>
	<u>Taka</u>	<u>Taka</u>
<b>10.01.02 Advance income tax (AIT)</b>		
Opening balance	135,589,211	95,952,847
Addition during the period	1,712,399	39,636,364
	<b>137,301,610</b>	<b>135,589,211</b>
<b>10.1.2.1 Addition of Advance Income Tax (AIT)</b>		
Advance Income Tax - Revenue	1,652,399	31,798,420
Advance Income Tax - Import	-	6,237,816
Advance Income Tax - Vehicle	60,000	215,000
Advance Tax - FDR & SND A/C	-	1,385,128
	<b>1,712,399</b>	<b>39,636,364</b>
<b>10.01.03 VAT deduction at source</b>		
Opening balance	5,909,026	3,143,986
Addition during the period	23,848	2,765,040
	<b>5,932,874</b>	<b>5,909,026</b>
<b>10.02 Advance against office rent</b>		
Tejgaon office	7,087,362	7,492,308
Chittagong office	104,000	116,000
Uttara office - DR centre	2,426,400	2,512,800
Tejgaon godown	339,000	508,500
Essential Agencies (Pvt) Ltd	1,266,674	1,366,673
	<b>11,223,436</b>	<b>11,996,281</b>
<b>10.03 Bank guarantee margin</b>		
Bank guarantee	442,608	410,483
Earnest money	3,097,600	2,497,600
Advance performance guarantee	150,000	150,000
Performance guarantee	1,607,235	1,588,087
	<b>5,297,443</b>	<b>4,646,170</b>
<b>10.04 Security deposit (Non interest bearing)</b>		
Uttara office - DR centre	144,000	144,000
DESCO	11,000	11,000
Security Deposit - RAJUK	600,000	600,000
Essential Agencies (Pvt.) Ltd	2,000,000	2,000,000
Teletalk Bangladesh Ltd	100,000	100,000
Central Depository Bangladesh Ltd (CDBL)	500,000	500,000
Dhaka Bank Ltd (Lease)	43,790	-
	<b>3,398,790</b>	<b>3,355,000</b>
<b>10.05 Fixed deposit receipt (FDR)</b>		
FDR at Trust Bank Ltd (FDR A/C : 21516)	150,565,186	146,606,802
FDR at Trust Bank Ltd (FDR A/C : 30060)	60,743,360	60,743,360
FDR at Trust Bank Ltd (FDR A/C : 31694)	560,988	560,988
	<b>211,869,534</b>	<b>207,911,150</b>
<b>10.06 Prepayments</b>		
Insurance premium on assets	777,232	1,068,694
Google mail server software license fee	65,318	261,254
Oracle software license renewal fee	525,000	918,750
Group Life Insurance Premium	550,657	1,101,313
VeriSign secure site pro with EV	142,775	71,789
Commercial License Charge (JIRA)	148,676	371,693
	<b>2,209,658</b>	<b>3,793,493</b>

		<b>30 Sep 2016</b>	<b>30 Jun 2016</b>
		<b>Taka</b>	<b>Taka</b>
<b>10.07 Deferred expenses</b>			
E-Shop implementation		1,692,900	1,692,900
Software customization		1,128,600	1,128,600
IT maintenance & rollout		3,417,150	3,605,250
IT support		10,862,775	11,207,625
Software development		7,445,625	7,602,375
Integration with middleware software		9,927,500	10,136,500
Business process outsourcing		3,678,400	3,678,400
Bonus		8,367,900	5,929,400
Card rollout & branding		3,201,614	-
Switching & CMS architectural expenses		-	689,170
		<b>49,722,464</b>	<b>45,670,220</b>
<b>11.00 Cash and cash equivalents</b>			
Cash in hand		90,300	51,673
Cash at bank	11.01	56,838,124	46,326,212
		<b>56,928,424</b>	<b>46,377,885</b>
<b>11.01 Cash at bank</b>			
NRB Commercial Bank Ltd (CD A/C: 010133300000685)		28,498	157,578
Bank Asia Ltd (CD A/C : 00333006503)		780,672	4,915,538
BRAC Bank Ltd (CD A/C : 1501201589532001)		17,133,055	83,329
City Bank Ltd (CD A/C : 1102041731001)		2,254,784	2,683,923
Dutch Bangla Bank Ltd (CD A/C : 1161100002212)		152,803	368,093
Eastern Bank Ltd (CD A/C : 1011060011178)		361,884	589,750
Eastern Bank Ltd (STD A/C : 1011360210568)		19,323	19,323
Jamuna Bank Ltd (CD A/C : 00100210008907)		1,140,072	1,629,282
Janata Bank Ltd (CD A/C : 0888001013819)		39,660	67,343
National Bank Ltd (CD A/C : 099933143418)		12,920	15,280
NCC Bank Ltd (CD AC : 00500210003280)		28,268	54,978
Pubali Bank Ltd (CD A/C : 3677901016811)		14,018	14,018
Shahjalal Islami Bank Ltd (CD A/C : 400511100000281)		22,354	23,044
Sonali Bank Ltd (CD AC : 000233130481)		26,089	40,327
One Bank Ltd (CD A/C : 0121020003189)		18,229	18,229
Trust Bank Ltd (STD A/C : 0320000978)		822,714	2,986,167
United Commercial Bank Ltd (CD A/C : 0951101000004308)		171,844	229,005
Standard Chartered Bank (CD A/C : 01118353501)		12,313,941	587,260
EXIM Bank Ltd (CD A/C : 03911100100275)		9,498	11,791
IFIC Bank Ltd, Tejgaon Branch (CD A/C : 1203522605001)		58,886	20,529
Mutual Trust Bank Ltd (CD A/C : 00460210004114)		34,938	20,253
Midland Bank Ltd (CD A/C : 00021050002804)		1,023,298	3,210,996
City Bank Ltd (CD A/C : 1101002047001)		2,752	2,752
Dutch Bangla Bank Ltd (CD A/C : 1161100005216)		3,500	3,500
Dutch Bangla Bank Ltd (Settlement A/C : 1161100005849)		14,997	14,997
First Security Bank Ltd (CD A/C : 011211100001753)		36,109	36,109
United Commercial Bank Ltd (CD A/C : 0011101000003917)		3,168	3,168
Farmers Bank Ltd (CD A/C : 0111100082151)		10,534	10,649
Dhaka Bank Ltd (CD A/C : 0218100000005561)		61,210	5,000
Trust Bank Ltd (IPO A/C)	11.01.01	20,238,106	28,504,001
		<b>56,838,124</b>	<b>46,326,212</b>

11.01.01 <b>Trust Bank Ltd (IPO A/C)</b>	30 Sep 2016		30 Jun 2016	
	Currency	Taka	Taka	Taka
		Taka	Taka	Taka
Trust Bank Ltd, SND A/C	BDT	19,915,743		27,576,916
Trust Bank Ltd, FC A/C	USD	317,510		922,232
Trust Bank Ltd, FC A/C	GBP	-		-
Trust Bank Ltd, FC A/C	EURO	4,853		4,853
		<b>20,238,106</b>		<b>28,504,001</b>

## 12.00 Share capital

This is made up as follows:

### Authorized:

175,000,000 Ordinary Shares of Tk.10/= each	1,750,000,000	1,750,000,000
2,50,00,000 Preference Shares of Tk.10/= each	250,000,000	250,000,000
	<b>2,000,000,000</b>	<b>2,000,000,000</b>

### Issued, subscribed and paid up:

Opening balance	870,000,000	750,000,000
Initial Public Offering (IPO)	-	120,000,000
87,000,000 shares of Ordinary Shares of Tk. 10.00 each fully paid up	<b>870,000,000</b>	<b>870,000,000</b>

The position of shareholders as on 30 September, 2016 is as follows:

Classification of investors	30 September 2016		30 June 2016	
	No. of Shareholders	No. of Shares	Ownership (%)	Ownership (%)
Sponsors/Promoters and Directors	4	44,442,010	51.09%	51.09%
Institute	187	18,308,599	21.04%	19.72%
General Public	5396	24,249,391	27.87%	29.19%
	<b>5587</b>	<b>87,000,000</b>	<b>100%</b>	<b>100%</b>

## 13.00 Share premium

Share premium from issue of 1,79,29,900 shares in 2011	294,578,430	310,201,854
Less: Initial Public Offering cost	-	(15,623,424)
	<b>294,578,430</b>	<b>294,578,430</b>

## 14.00 Retained earnings

This is arrived as follows:

Opening balance	184,656,633	83,428,301
Prior year adjustment	-	13,157,659
Transfer from revaluation reserve to retained earnings	-	12,263,833
Profit/(Loss) during the period	10,427,961	75,806,840
	<b>195,084,594</b>	<b>184,656,633</b>

## 15.00 Revaluation reserve

Opening balance	237,456,401	249,720,234
Addition during the period	-	-
	237,456,401	249,720,234
Less: Transfer to retained earnings	-	12,263,833
	<b>237,456,401</b>	<b>237,456,401</b>

		30 Sep 2016	30 Jun 2016
		Taka	Taka
<b>16.00 Lease finance</b>			
Dhaka Bank Ltd		2,003,014	-
		<b>2,003,014</b>	-
<b>17.00 ITC-QOOL ATM project</b>			
QOOL Bangladesh Ltd		26,250,000	26,250,000
		<b>26,250,000</b>	<b>26,250,000</b>
<b>18.00 Trade payables</b>			
Payable against supplier	18.01	26,857,800	32,741,023
Payable for others	18.02	1,164,593	2,108,526
		<b>28,022,393</b>	<b>34,849,549</b>
<b>18.01 Payable against supplier</b>			
Link 3 Technologies Ltd		342,746	398,830
Metronet (BD) Ltd		86,100	91,650
Telnet Communications Ltd		512,757	494,130
Compass Plus		7,773,152	7,773,152
Eastern Bank Limited (VISA connectivity)		2,126,322	2,283,222
ECSAS Computer & Equipment		10,643,517	15,205,868
Nawabpur Electric Works		458,200	450,700
BDCOM Online Ltd		168,750	202,500
Move International		940,500	-
Natty Com Pvt Ltd		123,016	266,633
Sthapottik Ltd		164,294	164,294
Royal Technology & Electronics		81,000	561,000
Superior Electronics (Pvt) Ltd		1,469,250	1,582,380
Panache		519,196	519,196
Global Brand Pvt Ltd		-	138,600
Integrated Security Services Ltd		1,449,000	2,608,868
		<b>26,857,800</b>	<b>32,741,023</b>
<b>18.02 Payable for others</b>			
TDS payable		485,307	970,526
VAT payable		679,286	1,138,000
		<b>1,164,593</b>	<b>2,108,526</b>
<b>19.00 Bank over draft</b>			
Trust Bank Ltd (SOD A/C)		359,788,973	357,882,425
Trust Bank Ltd (LTR A/C)		99,981,650	98,474,778
Trust Bank Ltd (PAD A/C)		33,996,000	57,726,479
Trust Bank Ltd (Time Loan)		10,002,778	10,002,778
		<b>503,769,401</b>	<b>524,086,460</b>
<b>20.00 IPO subscription refund</b>			
Trust Bank Ltd, SND A/C		-	-
Trust Bank Ltd, FC A/C		317,510	922,232
Trust Bank Ltd, FC A/C		-	-
Trust Bank Ltd, FC A/C		4,853	4,853
		<b>322,363</b>	<b>927,085</b>

The balance amount of the IPO FC account is the refundable fund of IPO subscribers, which will be refunded to the respective applicants accordingly.



	<u>30 Sep 2016</u>	<u>30 Jun 2016</u>
	<u>Taka</u>	<u>Taka</u>
<b>21.00 Payable for expenses</b>		
Directors remuneration payable	470,000	-
Salaries payable	11,573,883	-
Audit fee payable	395,000	395,000
Provision against LC	8,732,704	8,732,704
	<b>21,171,587</b>	<b>9,127,704</b>
<b>22.00 Other liabilities</b>		
Unearned revenue	282,018,622	127,510,022
Provision for WPPF	4,805,998	4,272,967
	<b>286,824,620</b>	<b>131,782,989</b>
<b>22.01 Unearned revenue</b>		
Unearned revenue against ATM	40,375,000	58,140,000
Unearned revenue against Pin shield	64,462	64,462
Unearned revenue against POS	138,000,000	-
Unearned service revenue	1,550,000	1,550,000
Unearned switching software revenue	-	6,207,500
Unearned revenue against finger vein	102,029,160	61,548,060
	<b>282,018,622</b>	<b>127,510,022</b>
<b>23.00 Current portion of long term loan</b>		
Trust Bank Ltd - Term loan	19,027,812	20,876,760
	<b>19,027,812</b>	<b>20,876,760</b>
<b>24.00 Income tax payable</b>		
Opening balance	11,718,213	1,865,705
Provision during the period	232,660	9,852,508
	<b>11,950,873</b>	<b>11,718,213</b>

		<u>Jul'16 to Sep'16</u>	<u>Jul'15 to Sep'15</u>
		<u>Taka</u>	<u>Taka</u>
<b>25.00 Revenue</b>			
Q-cash transaction processing fee	25.01	51,127,951	45,568,555
Service & maintenance fee	25.02	45,938,663	49,235,973
Sales revenue	25.03	61,979,354	36,513,415
		<b>159,045,968</b>	<b>131,317,943</b>
<b>25.01 Q cash transaction processing fee</b>			
ATM software support & maintenance fee		13,613,544	12,107,873
Host to host software interface fee		1,500,000	-
NPS software support & maintenance fee		203	-
		<b>15,113,747</b>	<b>12,107,873</b>
<b>Card fee</b>			
SEQAEP card fee		-	8,848,803
Card annual fee		10,049,640	7,180,426
Card renewal fee		8,603,347	3,833,589
		<b>18,652,987</b>	<b>19,862,818</b>
<b>Connectivity fee</b>			
Link connectivity fee		123,750	198,750
Host connectivity fee		36,000	60,000
VISA connectivity fee		3,544,218	2,846,830
		<b>3,703,968</b>	<b>3,105,580</b>
<b>Transaction fee</b>			
ATM transaction fee		7,459,351	6,057,599
Q pay transaction fee		319,644	106,377
POS transaction fee		4,180,089	3,034,213
SMS management fee		202,000	132,000
SMS service fee		1,344,115	968,185
Card cheque transaction fee		135,040	176,600
Fund transfer transaction fee		17,010	17,310
		<b>13,657,249</b>	<b>10,492,284</b>
		<b>51,127,951</b>	<b>45,568,555</b>
<b>25.02 Service &amp; maintenance fee</b>			
ATM servicing & maintenance fee		27,986,893	15,695,562
KIOSK servicing & maintenance fee		1,675,951	1,498,626
POS servicing & maintenance fee		3,379,211	3,017,262
ATM carrying & labour fee		84,536	-
Tranzware retail re-installation fee		87,750	81,750
ATM booth servicing & maintenance fee		2,940,000	2,286,666
Switching software service fee		7,740,876	26,645,176
Windows migration fee		1,756,571	-
UPS servicing & maintenance fee		286,875	-
KIOSK modification fee		-	10,931
		<b>45,938,663</b>	<b>49,235,973</b>
<b>25.03 Sales revenue</b>			
Sales of ATM		61,979,354	28,439,129
Sales of POS		-	854,286
Sales of finger vein		-	7,220,000
		<b>61,979,354</b>	<b>36,513,415</b>
<b>26.00 Cost of services &amp; sales</b>			
Cost of services	26.01	52,147,597	58,639,362
Cost of sales	26.02	48,446,034	26,489,242
		<b>100,593,631</b>	<b>85,128,604</b>

	Jul'16 to Sep'16	Jul'15 to Sep'15
	Taka	Taka
<b>26.01 Cost of services</b>		
Salary & allowance	27,869,745	24,529,077
ATM carrying & labour charge	1,114,100	1,130,800
ATM link connectivity charge	1,062,160	1,344,310
ATM servicing & maintenance	575,503	1,642,900
Verisign secure site pro with EV	37,694	41,514
Card printer repairs & maintenance	2,500	-
KIOSK servicing & maintenance	-	180
Mobile van ATM servicing & maintenance	-	38,500
POS servicing & maintenance expenses	4,400	1,810
Post office project expenses	839,473	1,381,757
Ribbon for card printer	-	886,500
SMS service charge	360,000	303,450
Call centre service charge	-	102,504
ATM spare parts	1,498,725	1,298,888
VISA connectivity expenses	1,140,000	1,865,764
Short code allocation fee	34,500	34,500
MFS customization & support fee	802,560	802,560
Online UPS servicing & maintenance charge	-	1,069,818
Grounding/Earthing service charge	78,750	275,000
Servicing & maintenance expenses for Data Centre	87,000	227,400
Data connectivity & radio link charge	66,750	66,750
Visa card expenses	-	3,000
Service interruption charge	60,626	14,167
Switching software customization charge	-	297,734
Commercial license charge for JIRA	223,017	-
SEQAEP card processing expenses	-	3,854,055
Q Pay settlement charge	50,942	15,205
Switching & CMS architectural expenses	689,170	344,583
Finger vein spare parts	-	33,160
Biometric finger vein service charge	7,600	-
ATM booth expenses	26.01.01 1,463,000	902,190
POS implementation project for BPO	26.01.02 376,200	2,508,000
Finger vein deployment project for postal e-shop	26.01.03 522,500	-
PCI DSS security compliance expenses	26.01.04 534,800	595,003
Depreciation expenses	7,661,808	8,373,660
Amortization expenses	4,984,074	4,654,623
	<b>52,147,597</b>	<b>58,639,362</b>
<b>26.01.01 ATM booth expenses</b>		
Security guard salary	-	819,030
Servicing & maintenance expenses	-	83,160
Middleware software support & reconstruction	1,463,000	-
	<b>1,463,000</b>	<b>902,190</b>
<b>26.01.02 POS implementation project for BPO</b>		
IT Maintenance & Rollout expenses	188,100	470,250
IT support expenses	188,100	470,250
E-Shop implementation expenses	-	940,500
Software customization expenses	-	627,000
	<b>376,200</b>	<b>2,508,000</b>
<b>26.01.03 Finger vein deployment project for postal e-shop</b>		
IT support expenses	156,750	-
Software development	156,750	-
Integration with middleware software	209,000	-
	<b>522,500</b>	<b>-</b>

	Jul'16 to Sep'16	Jul'15 to Sep'15
	Taka	Taka
<b>26.01.04 PCI DSS security compliance expenses</b>		
PRO individual developer software license	41,000	-
PCI PIN security & ACS audit	493,800	-
Managed security service (SIEM)	-	595,003
	<b>534,800</b>	<b>595,003</b>
<b>26.02 Cost of sales</b>		
ATM	48,446,034	21,493,095
SAND POS	-	668,759
Finger vein	-	4,327,388
	<b>48,446,034</b>	<b>26,489,242</b>
<b>27.00 General &amp; administrative expenses</b>		
Salary & allowance	7,971,306	7,094,871
Office rent	6,426,897	3,750,285
Office maintenance	292,925	685,913
Utilities	1,887,494	1,788,505
Insurance premium	-	147,051
Insurance premium on assets	291,462	294,771
Group life insurance premium	550,656	206,084
Vehicle maintenance	902,590	1,088,616
Conveyance expenses	1,421,748	1,128,549
Entertainment expenses	775,041	899,735
Entertainment for foreign guest	110,265	443,510
Postage & courier	3,990	13,665
Printing & stationery	316,098	358,629
Training expenses	-	15,000
Eid Holiday Allowance	448,000	232,200
Security guard salary	-	1,002,800
Computer spare parts	155,639	117,147
Internet bill	126,670	198,126
Legal & professional expenses	-	115,000
Mobile bill	837,550	723,285
Newspaper bill	8,346	13,472
Service charge	118,406	352,244
Telephone bill	196,604	206,847
Vehicle running expenses	487,000	799,998
Festival expenses	13,100	-
Google mail server software license fee	195,936	177,501
Oracle software license renewal fee	393,750	393,750
Advertisement expenses	28,750	26,250
Retirement Allowance	-	59,106
Depreciation expenses	1,076,988	1,099,719
	<b>25,037,211</b>	<b>23,432,629</b>
<b>28.00 Selling &amp; distribution expenses</b>		
Salary & allowance	5,108,487	4,378,069
Advertisement expenses	206,750	315,000
Business promotional expenses	3,019,623	4,556,288
Tender expenses	14,000	11,000
Travelling & tour allowance	175,727	649,287
Transportation expenses	1,100	1,200
Plastic card (Promotional)	222,982	211,740
Card rollout & branding for SEQAEP project	886,590	-
	<b>9,635,259</b>	<b>10,122,584</b>

	Jul'16 to Sep'16	Jul'15 to Sep'15
	Taka	Taka
<b>29.00 Other operating expenses</b>		
Audit fees	51,750	-
Bank charge	13,188	470,519
Bank commission	23,184	241,903
Excise duty	46,500	30,000
Domain registration charge	19,320	-
Gift & donation expenses	123,850	146,392
Medical expenses	-	700
Miscellaneous expenses	2,319,300	1,409,446
Registration & renewals	70,615	61,040
Stamp, duty & fees	21,780	16,719
IPO expenses	-	250,000
	<b>2,689,487</b>	<b>2,626,719</b>
<b>30.00 Non-operating income</b>		
Other income	7,320	6,125
	<b>7,320</b>	<b>6,125</b>
<b>31.00 Finance costs</b>		
Interest on long term loan	519,313	2,712,197
Interest on short term loan	12,441,246	15,635,433
Interest on lease	19,014	-
	<b>12,979,573</b>	<b>18,347,630</b>
<b>32.00 Finance income</b>		
Trust Bank Ltd, FDR A/C NO - 21516	2,164,374	2,830,536
Trust Bank Ltd, FDR A/C NO - 30060	911,151	1,172,664
Trust Bank Ltd, STD A/C NO - 00978	-	190,292
	<b>3,075,525</b>	<b>4,193,492</b>
<b>33.00 Contribution to WPPF</b>		
Contribution to WPPF for the period	533,031	-
	<b>533,031</b>	-
<b>34.00 Earnings per Share (EPS)</b>		
Net profit after tax	10,427,961	(4,140,606)
Weighted average number of shares outstanding	84,928,767	75,000,000
	<b>0.12</b>	<b>(0.06)</b>
<b>Note:</b> Comparative weighted average number of shares have considered on July to September '15 outstanding is 75,000,000.		
<b>34.01 Weighted average number of shares outstanding</b>		
	<b>No. of Shares as at 30 Sep'16</b>	<b>No. of Shares as at 30 Jun'16</b>
75,000,000 shares for 365 days	75,000,000	75,000,000
12,000,000 shares for 302 days	9,928,767	6,904,110
	<b>84,928,767</b>	<b>81,904,110</b>
<b>35.00 Net Assets Value (NAV)</b>		
	<b>30 Sep 2016 Taka</b>	<b>30 Jun 2016 Taka</b>
Share capital	870,000,000	870,000,000
Share premium	294,578,430	294,578,430
Retained earnings	195,084,594	184,656,633
Revaluation reserve	237,456,401	237,456,401
Total equity with revaluation reserve	1,597,119,425	1,586,691,464
Weighted average number of shares outstanding	84,928,767	81,904,110
	<b>18.81</b>	<b>19.37</b>

### 36.00 Related party transaction

The company has entered transactions with other entities in normal course of business that fall within the definition of related party as per Bangladesh Accounting Standard: 24 "Related Party Disclosures". The related party transactions are as follows:

Name of the related parties	Transaction during the period	Relationship with the entity	Nature of transaction	Balance as at 30 Sep 2016	Balance as at 30 Jun 2016
	Taka			Taka	Taka
Trust Bank Ltd	6,978,317	Shareholder	Sale of equipment & service	19,708,094	11,354,850
National Bank Ltd	1,097,032	Shareholder	Sale of equipment & service	1,494,860	716,255
Mercantile Bank Ltd	7,708,887	Shareholder	Sale of equipment & service	9,392,810	4,187,416
QOOL Bangladesh Ltd	-	Shareholder	Sale of equipment & service	1,941,500	1,941,500
QOOL Bangladesh Ltd	-	Shareholder	ITC-QOOL ATM project - Agrani Bank Ltd	26,250,000	26,250,000
Dr. Kazi Saifuddin Munir	2,310,000	Managing Director & Shareholder	Remuneration	470,000	-