“If you have any query about this document, you may consult Issuer, Issue manager and Underwriters”

PROSPECTUS

initial PUBLIC OFFER OF 12,000,000 ordinary shares of Tk. 10/- Each at par Totaling Tk. 120,000,000/-

OF

INFORMATION TECHNOLOGY CONSULTANTS LIMITED (ITCL)

For General Public Quota

Opening Date for Subscription: NOvember 2, 2015

Closing Date for Subscription (Cut –off Date): November 11, 2015

MANAGER to the issue



BETAONE INVESTMENTS LIMITED

Green Delta AIMS Tower (Level - 4)

51-52, Mohakhali C/A, Dhaka – 1212

Phone: +88 02 9883820, +88 02 9887337; Fax: +88 02 9880733;

E-mail: info@betaone.com.bd;

Website: www.betaone.com.bd

UNDERWRITERS

|  |  |
| --- | --- |
| PRIME FINANCE CAPITAL MANAGEMENT LIMITED  PFI Tower (6th Floor),  56 – 57 Dilkusha, Dhaka-1000  Tel: +88 029584874-6  Fax: +88 029584922 | NBL Capital and Equity Management Ltd  Printers Building (8th Floor),  5 Rajuk Avenue, Dhaka – 1000  Tel: +88 02 7118869  Fax: +88 02 7118840 |
| BETAONE INVESTMENTS LIMITED  Green Delta AIMS Tower (Level - 4)  51-52, Mohakhali C/A, Dhaka – 1212  Tel: +88 02 9883820, +88 02 9887337; Fax: +88 02 9880733 | |

Date of Publication of the Prospectus: October 8, 2015

The Issue shall be placed in “N” Category

|  |
| --- |
| C:\Documents and Settings\Aziz Ahmed\My Documents\ITCL - LOGO.JPG  Information Technology Consultants Limited  Registered and Head Office: Evergreen Plaza (3rd Floor), 260/B Tejgaon I/A,  Dhaka - 1208, Bangladesh  Phone: +88 02 9830310-13; Fax: +88 02 9830309  e-mail: Shyamal@itcbd.com; Website: www.itcbd.com |

“CONSENT OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2006. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER, ISSUE MANAGER, UNDERWRITER AND/OR AUDITOR.”

AVAILABILITY OF PROSPECTUS

Prospectus of Information Technology Consultants Limited may be obtained from the Issuer Company, the Issue Manager, the Underwriters and the Stock Exchanges as follows:

|  |  |  |
| --- | --- | --- |
| ISSUER COMPANY | CONTACT PERSON | CONTACT NUMBER |
| Information Technology Consultants Limited Evergreen Plaza, 260/B, Tejgaon I/A(3rd Floor), Dhaka - 1208 | Mr. Shyamal Kanti Karmakar  Chief Financial Officer | Tel: +88 02 9830310-13, Ext: 5002  Fax: +88 02 9830309  e-mail: shyamal@itcbd.com |

|  |  |  |
| --- | --- | --- |
| MANAGER TO THE ISSUE | CONTACT PERSON | CONTACT NUMBER |
| BETAONE INVESTMENTS LIMITED  Green Delta AIMS Tower (Level - 4)  51-52, Mohakhali C/A, Dhaka – 1212 | Mr. Md. Atiquzzaman Managing Director | Tel: +88 02 9883820, +88 02 9887337; Fax: +88 02 9880733;  e-mail: atiq@betaone.com.bd |

|  |  |  |
| --- | --- | --- |
| UNDERWRITERS | CONTACT PERSON | CONTACT NUMBER |
| BETAONE INVESTMENTS LIMITED  Green Delta AIMS Tower (Level - 4)  51-52, Mohakhali C/A, Dhaka – 1212 | Mr. Md. Atiquzzaman Managing Director | Tel: +88 02 9883820, +88 02 9887337; Fax: +88 02 9880733;  e-mail: atiq@betaone.com.bd |
| NBL Capital and Equity Management Ltd  Printers Building (8th Floor),  5 Rajuk Avenue, Dhaka – 1000 | Mr. Md. Tariqul Islam  Chief Executive Officer (CC) | Tel: ++88 02 7118869 Fax: +88 02 7118840  e-mail: nblcemlbd@gmail.com |
| PRIME FINANCE CAPITAL MANAGEMENT LIMITED  PFI Tower (6th Floor),  56 – 57 Dilkusha, Dhaka-1000 | Mr. M. Mosharraf Hossain PhD, FCA Managing Director& CEO | Tel: +88 029584874-6 Fax: +88 029584922 e-mail: ceo@primefincap.com |

|  |  |  |
| --- | --- | --- |
| STOCK EXCHANGES | AVAILABLE AT | CONTACT NUMBER |
| Dhaka Stock Exchange Limited (DSE)  9/F Motijheel C/A, Dhaka - 1000 | DSE Library | Tel: +88 02 9564601‐7  Fax: +88-02-9564727 |
| Chittagong Stock Exchange Limited (CSE)  CSE Building, 1080, Sheikh Mujib Road, Agrabad  Chittagong - 4100 | CSE Library | Tel: +88 031 714632‐3  Fax: +88(0) 31-714101 |

Prospectus would also be available on the websites of Information Technology Consultants Limited (www.itcbd.com), BetaOne Investments Limited(www.betaone.com.bd), Bangladesh Securities and Exchange Commission(www.sec.gov.bd), Dhaka Stock Exchange Limited(www.dsebd.org), Chittagong Stock Exchange Limited(www.csebd.com.bd) and Public Reference room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and studying.

NAME AND ADDRESS OF THE AUDITOR

Hoda Vasi Chowdhury & Co.

Chartered Accountants

Independent Correspondent Firm to Deloitte Touche Tohmatsu

BTMC Bhaban (8th Floor), 7-9 Karwan Bazar Commercial Area, Dhaka - 1217

Tel: +88 02 9120090; Fax: +88 02 8119298; Website: www.hodavasi.com

TABLE OF CONTENTS

|  |  |
| --- | --- |
| Particulars | Page |
|  |  |
| SECTION I: STATUTORY CONDITIONS | 07-13 |
| Disclosure in respect of issuance of security in demat form | 07 |
| Conditions under 2CC of the Securities and Exchange Ordinance, 1969 | 07 |
| General Information | 13 |
|  |  |
| SECTION II: DECLARATIONS AND DUE DILIGENCE CERTIFICATES | 14-17 |
| Declaration about the responsibility of the Director(s), including the CEO of the Company “Information Technology Consultants Limited” in respect of the Prospectus | 14 |
| Consent of Director (s) to serve as Director(s) | 15 |
| Declaration about filing of Prospectus with the Registrar of Joint Stock Companies & Firms | 15 |
| Declaration by the issuer about the approval from Bangladesh Securities and Exchange Commission for any material changes | 15 |
| Declaration by the Issue Manager about the approval from Bangladesh Securities and Exchange Commission for any material changes | 16 |
| Due Diligence Certificate of the Manager to the Issue | 16 |
| Due Diligence Certificate of the Underwriter(s) | 17 |
|  |  |
| SECTION III: RISK FACTORS AND MANAGEMENT’S PERCEPTION | 18-23 |
|  |  |
| SECTION IV: ISSUE SIZE & PURPOSE OF THE PUBLIC OFFERING | 24-27 |
| Financial Structure of the Company | 24 |
| Use of IPO Proceeds | 25 |
| Schedule of Implementation | 26 |
|  |  |
| SECTION V: INFORMATION ABOUT THE COMPANY | 28-38 |
| Company Profile | 28 |
| Nature of Business | 28 |
| Principle Products and Services | 29 |
| Market for the Products | 32 |
| Products/Services that account for more than 10% of the Company’s total revenue | 33 |
| Associates, Subsidiary/Related Holding Company and their core areas of business | 33 |
| Distribution of Products/Services | 33 |
| Competitive Condition of Business | 35 |
| Sources and availability of Raw Materials and Principal Suppliers | 35 |
| Sources of and requirement for Power, Gas and Water or any other utilities | 36 |
| Customer Providing 10% or more Revenues | 36 |
| Description of Contract with Principal Suppliers/Customers | 36 |
| Material Patents, Trademarks, Licenses or Royalty Agreements | 37 |
| Number of Employees | 38 |
| Production Capacity and Current Capacity Utilization | 38 |
|  |  |
| SECTION VI: DESCRIPTION OF PROPERTY | 39 - 42 |
| Location of the Principal Plants and other Property of the Company and their condition | 39 |

|  |  |
| --- | --- |
| Particulars | Page |
|  |  |
| SECTION VII: PLAN OF OPERATION AND DISCUSSION OF FINANCIAL CONDITION | 43-51 |
| Internal and External Sources of Cash | 43 |
| Material commitments for Capital Expenditure | 43 |
| Causes for Material Changes from period to period | 44 |
| Seasonal aspects of the Company’s business | 44 |
| Known trends, events or uncertainties | 45 |
| Change in the assets of the Company used to pay-off liabilities | 45 |
| Loan taken from or given to Holding/Parent Company or subsidiary Company | 45 |
| Future Contractual Liabilities | 45 |
| Future Capital Expenditure | 45 |
| Vat, Income Tax, Customs duty or other tax liability | 45 |
| Operating Lease Agreements during the last five years | 46 |
| Financial lease commitments during the last five years | 47 |
| Personnel related Scheme | 47 |
| Breakdown of estimated expenses for IPO | 48 |
| Revaluation of Company’s assets | 49 |
| Transaction between Subsidiary/Associate/Holding Company and the Issuer | 50 |
| Auditors’ Certificate regarding any allotment of shares to the Directors and Subscribers to the Memorandum of Association and Articles of Association for any consideration otherwise than for cash | 51 |
| Declaration regarding Non - Suppression of Material Information | 51 |
|  |  |
| SECTION VIII: INFORMATION ABOUT DIRECTORS AND OFFICERS | 52-63 |
| Directors of the Company | 52 |
| Information regarding Directors and Directorship | 52 |
| Directors’ Involvement in other Organizations | 53 |
| Family relationship among Directors and top five Officials | 53 |
| Short bio-data of directors | 53 |
| Credit Information Bureau (CIB) report | 55 |
| Description of Top Executives and Departmental Heads | 55 |
| Involvement of Directors and Officers in Certain Legal Proceedings | 56 |
| Certain relationships and Related Transactions | 56 |
| Executive Compensation | 57 |
| Options granted to Directors, Officers and Employees | 57 |
| Transaction with the Directors and Subscribers to the Memorandum | 57 |
| Tangible Assets per Share | 58 |
| Ownership of Company’s Securities | 59 |
| Shareholding Structure | 59 |
| Shareholder shareholding of 5% or more of the Company’s Securities | 63 |
| Securities of the Company owned by the Officers | 63 |
| Securities of the Company owned by the Directors | 63 |
|  |  |
| SECTION IX: FEATURES OF IPO | 64-66 |
| Determination of Offering Price | 64 |
| Market for the Securities being Offered | 65 |
| Declaration about Listing of Shares with Stock Exchange(s) | 65 |

|  |  |
| --- | --- |
| Particulars | Page |
| Trading and Settlement | 65 |
| Description of Securities outstanding or being offered | 65 |
| Dividend, Voting, Preemption Rights | 65 |
| Conversion and Liquidation Rights | 65 |
| Dividend Policy | 65 |
| Other Rights of Shareholders | 66 |
| Debt securities | 66 |
|  |  |
| SECTION X: PLAN OF DISTRIBUTION | 67 |
| Underwriting of Shares | 67 |
| Principal terms and conditions of Underwriting Agreement | 67 |
| Commission for the Underwriters | 67 |
| Officer or Director of the Underwriter(s) acting as Director of the Company | 67 |
|  |  |
| SECTION XI: SUBSCRIPTION AND MARKET | 68-72 |
| Lock-in Provision | 68 |
| Subscription by and refund to Non-Resident Bangladeshi (NRB) | 71 |
| Availability of Securities | 72 |
| Allotment | 72 |
| Application for Subscription | 72 |
|  |  |
| SECTION XII: MATERIAL CONTRACTS AND OTHERS | 74 |
| Material Contracts | 74 |
| Manager to the Issue | 74 |
|  |  |
| SECTION XIII: CORPORATE DIRECTORY | 75 |
|  |  |
| SECTION XIV: AUDITORS’ REPORT AND RELATED CERTIFICATES | 76-134 |
| Auditors’ Report to the Shareholders of ITCL | 76 |
| Auditors’ Report to the Shareholders of BEPS | 113 |
| Auditors’ Report in pursuance of Section-135(1) under Para-24(1) of Part II of the Third Schedule of the Companies Act, 1994 | 131 |
| Auditors’ Certificate regarding Statement of Ratio Analysis | 134 |
|  |  |
| SECTION XV: AUDITORS’ ADDITIONAL DISCLOSURE | 135-162 |

|  |  |
| --- | --- |
| SECTION XVI: MANAGEMENT DISCLOSURE | 163-166 |

|  |  |
| --- | --- |
| SECTION XVII: IPO APPLICATION PROCESS | 167-174 |

DEFINITION AND ELABORATION OF THE ABBREVIATED WORDS AND TECHNICAL TERMS USED IN THE PROSPECTUS

|  |  |  |  |
| --- | --- | --- | --- |
| A |  | I |  |
| ATM | Automated Teller Machine | Issuer | Information Technology Consultants Ltd. |
| Allotment | Letter of Allotment of shares | Issue Manager | BetaOne Investments Limited |
| B |  | IT | Information Technology |
| BAS | Bangladesh Accounting Standards | ITCL | Information Technology Consultants Ltd. |
| BB | Bangladesh Bank | J |  |
| BBS | Bangladesh Bureau of Statistics | JCB | Japan Credit Bureau |
| BEPS | Bangladesh Electronic Payment System | L |  |
| BSA | Bangladesh Standard of Auditing | L/C | Letter of Credit |
| BO Account | Beneficiary Owner Account | M |  |
| BIN | Bank Identification Number | MES | Malaysian Electronic Payment System |
| C |  |  |  |
| CAPEX | Capital Expenditure | N |  |
| CDBL | Central Depository Bangladesh Limited | NAV | Net Asset Value |
| Certificate | Share Certificate | NBR | National Board of Revenue |
| CIB | Credit Information Bureau | NRB | Non-Resident Bangladeshi |
| CMS | Card Management System | O |  |
| Commission/BSEC | Bangladesh Securities and Exchange Commission | Offering Price | The Price of the Share of Information Technology Consultants Ltd. |
| Company/Issuer | Information Technology Consultants Ltd. | Ordinance | Securities and Exchange Ordinance, 1969 |
| Companies Act | Companies Act, 1994 (Act No. XVIII of 1994) | OSI | Open System Interconnection |
| CSE | Chittagong Stock Exchange Limited | P |  |
| D |  | PE | Price Earning Ratio |
| Depository Act | Depository Act, 1999 | PIN | Personal Identification Number |
| DES | Data Encryption System | POS | Point of Sales |
| DRS | Disaster Recovery Site/ System | PCI DSS | Payment Card Industry Data Security Statndard |
| DSE | Dhaka Stock Exchange Limited | R |  |
| E |  | R&D | Research and Development |
| EFT | Electronic Fund Transfer | Registered Office | Head Office of the Company |
| EFTPOS | Electronic Fund Transfer at Point of Sales | RJSC | Registrar of Joint Stock Companies & Firms |
| EMV | Europay Master Visa | Rules | Securities and Exchange Commission (Public Issue) Rules, 2006 |
| EPS | Electronic Payment System | S |  |
| EPS | Earnings per share | Securities / Shares | Shares of Information Technology Consultants Ltd. |
| Exchanges | Stock Exchanges | Sponsors | The Sponsor Shareholders of Information Technology Consultants Ltd. |
| F |  | SND Accounts | Short Notice Deposit Account |
| FC Account | Foreign Currency Account | Stockholders | Shareholders |
| FI | Financial Institution | Subscription | Application Money |
| FTB | Foreign Trade Bank | T |  |
| FDR | Fixed Deposit Recipt | TCP | Transmission Control Protocol |
| G |  | Tk./Taka/BDT | Legal Currency of Bangladesh |
| GBP | Great Britain Pound | TMSS | Thengamara Mohila Sabuj Sangha |
| GOB | Government of The People’s Republic of Bangladesh | U |  |
| I |  | USD | United States Dollar |
| IAS | International Accounting Standards | UPS | Uninterruptible power supply |
| IP | Internet Protocol | V |  |
| IPO | Initial Public Offering | VAT | Value Added Tax |
| IPS | Islamic Payment System | Vbv | Verified by VIsa |
| Issue | Public Issue of Shares of Information Technology Consultants Ltd. |  |  |

STATUTORY CONDITIONS Section: I

## DISCLOSURE IN RESPECT OF ISSUANCE OF SECURITY IN DEMAT FORM

As per provision of the Depository Act, 1999 and regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (right/bonus) will be issued in dematerialized form only.

## CONDITIONS UNDER 2CC OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969

PART-A

The company shall go for Initial Public Offer (IPO) for 12,000,000 Ordinary Shares of Tk. 10.00 each at par totaling to Tk. 120,000,000.00 (Taka Twelve Crore) only following the Securities and Exchange Commission (Public Issue) Rules, 2006, the Depository Act, 1999 and regulations made there under.

The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in 4 (Four) national daily newspapers (two in Bangla and two in English), within 05 (Five) working days of issuance of the consent letter. The issuer shall post the full prospectus, vetted by the Bangladesh Securities and Exchange Commission, in the issuer’s website and shall also put on the websites of the Commission, stock exchanges, and the issue manager, within 5 (Five) working days from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The issuer shall submit to BSEC, the stock exchanges and the issue manager a diskette containing the text of the vetted prospectus in “MS -Word” format.

Sufficient copies of prospectus shall be made available by the issuer so that any person requesting a copy may receive one. A notice shall be placed on the front of the application form distributed in connection with the offering, informing that interested persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the issue manager. The subscription application shall indicate in bold type that no sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until 25 (Twenty five) days after the prospectus has been published.

The company shall submit 40 (Forty) copies of the printed prospectus to the Bangladesh Securities and Exchange Commission for official record within 5 (Five) working days from the date of publication of the abridged version of the prospectus in the newspaper.

The issuer company and the issue manager shall ensure transmission of the prospectus and abridged version of the prospectus for NRBs through email, simultaneously with publication of the abridged version of the prospectus, to the Bangladesh Embassies and Missions abroad and shall also ensure sending of the printed copies of abridged version of the prospectus to the said Embassies and Missions within 05 (Five) working days of the publication date by Express Mail Service (EMS) of the postal department. A compliance report shall be submitted in this respect to the BSEC jointly by the issuer and the issue manager within 02 (Two) working days from the date of said dispatch of the prospectus.

The paper clipping of the published abridged version of the prospectus, as mentioned at condition no. 2 above, shall be submitted to the Commission within 24 hours of the publication thereof.

The company shall maintain separate bank account(s) for collecting proceeds of the Initial Public Offering and shall also open Foreign Currency (FC) account(s) to deposit the application money of the Non Resident Bangladeshis (NRBs) for IPO purpose, and shall incorporate full particulars of said FC account(s) in the prospectus. The company shall open the above-mentioned accounts for IPO purpose; and close these accounts after refund of over-subscription money. Non-Resident Bangladeshi (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy to the effect that no visa is required for traveling to Bangladesh.

The issuer company shall apply to all the stock exchanges in Bangladesh for listing within 7 (Seven) working days from the date of issuance of this letter and shall simultaneously submit the vetted prospectus with all exhibits, as submitted to BSEC, to the stock exchanges and shall also submit copy of the listing application to BSEC.

The following declaration shall be made by the company in the prospectus, namely: -

“Declaration about Listing of Shares with the stock exchange(s):

None of the stock exchange(s), if for any reason, grants listing within 75 (Seventy Five) days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within 15 (Fifteen) days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (Seventy Five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid 15 (Fifteen) days, the Directors of the company, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (Two Percent) per month above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within 07 (Seven) days of expiry of the aforesaid 15 (Fifteen) days time period allowed for refund of the subscription money.”

The subscription list shall be opened and the sale of securities commenced after 25 (Twenty Five) days of the publication of the abridged version of the prospectus.

The IPO shall stand cancelled and the Issuer shall inform the stock exchanges within 2 (Two) working days of receiving verification report and information from CDBL to release the application money, if any of the following events occur:

Upon closing of the subscription list it is found that the total number of valid applications (in case of under subscription including the number of the underwriter) is less than the minimum requirement as specified in the listing regulations of the stock exchange(s) concerned; or

At least 50% of the IPO is not subscribed.

20% of total public offering shall be reserved for ক্ষতিগ্রস্থ ক্ষুদ্র বিনিয়োগকারী, 10% of total public offering shall be reserved for non-resident Bangladeshi (NRB) and 10% for mutual funds and collective investment schemes registered with the Commission, and the remaining 60% shall be open for subscription by the general public. In case of under-subscription under any of the 20% and 10% categories mentioned above, the unsubscribed portion shall be added to the general public category and, if after such addition, there is over subscription in the general public category, the issuer and the manager to the issue shall jointly conduct an open lottery of all the applicants added together.

All the applicants shall first be treated as applied for one minimum market lot of 500 shares worth Taka 5,000/- (Taka five thousand only). If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. In case of over-subscription under any of the categories mentioned hereinabove, the issuer and the issue manager shall jointly conduct an open lottery of all the applications received under each category separately in presence of representatives from the issuer, the stock exchanges and the applicants, if there be any.

An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case, an applicant submits more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.

The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money too.

Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and / or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.

The company shall furnish the List of Allotees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within 24 (Twenty Four) hours of allotment.

In the event of under-subscription of the public offering, the unsubscribed portion of securities shall be taken up by the underwriter(s) (subject to Para -11 above). The issuer must notify the underwriters to take up the underwritten shares within 10 (Ten) days of the closing of subscription on full payment of the share money within 15 (Fifteen) days of the issuer’s notice. The underwriter shall not share any underwriting fee with the issue manager, other underwriters, issuer or the sponsor group.

All issued shares of the issuer at the time of according this consent shall be subject to a lock-in period of 03 (Three) years from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided that the persons (other than Directors and those who hold 5% or more shares in the company), who have subscribed to the shares of the company within immediately preceding 2 (two) years of according consent shall be subject to a lock-in period of 01 (One) year from the date of issuance of prospectus or commercial operation, whichever comes later.

If any existing sponsor or director of any company transfers any share to any person, other than existing share holders, within preceding 12 (twelve) months of submitting any application for raising of capital or initial public offering (IPO), all shares held by those transferee shareholders shall be subject to a lock-in period of 3 (three) years from the date of issuance of prospectus for IPO.

In respect of shares of Sponsors/Directors/Promoters (if in paper format) shall be handed over to security custodian bank registered with BSEC and shall remain till completion of lock in and the name and branch of the bank shall be furnished to the Commission jointly by the issuer and Issue Manager, along with a confirmation thereof from the custodian bank, within 1 (one) week of listing of the shares with the stock exchange(s).Or they (shares of Sponsors/ Directors/ Promoters) can be demated and will remain in lock-in under CDBL system and issuer will submit a dematerialization confirmation report generated by CDBL and attested by Managing Director of the company along with lock-in confirmation with BSEC within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters the issuer will ensure their lock-in of those shares and submit a statement to this effect to BSEC.

The company shall not declare any benefit/dividend other than cash based on the financial statements for the period ended on June 30,2014 before listing of its capital with stock exchange(s).

Updated Corporate Governance Guideline of the Commission has to comply with and a compliance report thereof shall be submitted to the Commission before 7 (seven) days of opening of subscription.

# PART-B

Application Process

Step-1 (Applicant)

An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be the 25th (twenty fifth) working day from the date of publication of abridged version of prospectus.

The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:

Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.

Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to the concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02(two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.

Step-2 (Intermediary)

The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely “Public Issue Application Account”. The Stockbroker/Merchant Banker shall:

post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;

accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the “Public Issue Application Account” maintained with its bank within the first banking hour of next working day of the cut-off date. In case of application submitted by the Stock-dealer or the Merchant Banker’s own portfolio, the application amount should also be transferred to the “Public Issue Application Account”;

instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.

Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.

For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall prepare a list containing the draft information against the respective applicant’s particulars.

The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and within 03 (three) working days from the cut-off date, send to the respective Exchange, the lists of applicants in electronic (text format with tilde ‘~’ separator) format, the certificate(s) issued by its banker, the drafts received from Non-resident Bangladeshi (NRB) and Foreign applicants and a copy of the list containing the draft information.

On the next working day, the Exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers, the drafts submitted by Non-resident Bangladeshi (NRB) and Foreign applicants and the list containing the draft information. Exchanges shall verify and preserve the bankers’ certificates in their custody.

The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with exchange.

Step-3 (Issuer)

The Issuer shall prepare consolidated list of the applications and send the applicants’ BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website and websites of the Exchanges. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.

On the next working day, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents’ Name, Joint Account and Bank Account information along with the verification report.

After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the Exchanges within 10 (ten) working days from the date of receiving information from the Exchanges.

The Issuer and the issue manager shall conduct category wise lottery with the valid applications within 03 (three) working days from the date of reporting to the Commission and the Exchanges, if do not receive any observation from the Commission or the Exchanges.

The Issuer and issue manager shall arrange posting the lottery result on their websites within 06 (six) hours and on the websites of the Commission and Exchanges within 12 (twelve) hours of lottery.

Within 02 (two) working days of conducting lottery, the Issuer shall:

send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde ‘~’ separator) format to the respective Exchange.

send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde ‘~’ separator) format to the Commission and Exchanges mentioning the penalty amount against each applicant.

issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Exchange in electronic form.

send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

Step-4 (Intermediary)

On the next working day, Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:

remit the amount of successful (other than NRB and Foreign) applicants to the Issuer’s respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;

send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer’s respective Escrow Accounts along with a list and unblock the balance application money;

On the next working day of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker shall request its banker to:

release the amount blocked for unsuccessful (other than NRB and foreign) applicants;

remit the aggregate amount of successful applicants and the penalty amount of unsuccessful applicants (other than NRB and foreign) who are subject to penal provisions to the respective ‘Escrow’ accounts of the Issuer opened for subscription purpose.

On the next working day of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer’s ‘Escrow’ account.

Simultaneously, the stockbrokers/Merchant Bankers shall release the application money blocked in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts and send documents to the Exchange evidencing details of the remittances made to the respective ‘Escrow’ accounts of the Issuer. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk.5.00 (five) per withdrawal.

All drafts submitted by NRB or Foreign applicants shall be deposited in the Issuer’s respective ‘Escrow’ accounts and refund shall be made by the Issuer by refund warrants through concerned stockbroker or merchant banker or transfer to the applicant’s bank account through banking channel within 10 (ten) working days from the date of lottery.

Miscellaneous:

The Issuer, Issue Manager(s), Stockbrokers and Merchant Bankers shall ensure compliance of the above.

The bank drafts (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.

Amount deposited and blocked in the “Public Issue Application Account” shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.

The Issuer shall pay the costs related to data transmission, if claimed by the Exchange concerned up to an amount of Tk.2,00,000.00 (taka two lac) for a public issue.

The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk.5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.

The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.

The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.

The concerned Exchange are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

PART-C

The issuer and the issue manager shall ensure that the abridged version of the prospectus and the full prospectus is published correctly and in strict conformity with the conditions of this letter without any error/omission, as vetted by the Bangladesh Securities and Exchange Commission.

The issue manager shall carefully examine and compare the published abridged version of the prospectus on the date of publication with the copy vetted by BSEC. If any discrepancy/ inconsistency is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to BSEC and the stock exchange(s) concerned, correcting the discrepancy/inconsistency as required under ‘Due Diligence Certificates’ provided with BSEC.

Both the issuer company and the issue manager shall, immediately after publication of the prospectus and its abridged version, jointly inform the Commission in writing that the published prospectus and its abridged version are verbatim copies of the same as vetted by the Commission.

The fund collected through Public Offering shall not be utilized prior to listing with stock exchanges and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.

The company shall furnish status report on utilization of Public Offering proceeds audited by foreign affiliated auditors and authenticated by the board of directors to the Commission and the stock exchanges within 15 (Fifteen) days of the closing of each month until such fund is fully utilized, as mentioned in the schedule contained in the prospectus, and in the event of any irregularity or inconsistency, the Commission may employ or engage any person, at issuer’s cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.

While auditing the utilization of IPO proceeds, the auditors will perform their jobs under the following terms of reference (TOR) and confirm the same in their report/certificate:

Whether IPO proceeds have been utilized for the purposes/heads as specified in the prospectus;

Whether IPO proceeds have been utilized in line with the condition (if any) of the Commission’s consent letter;

Whether utilization of IPO proceeds have been completed within the time schedule/implementation schedule as specified in the published prospectus;

Whether utilization of IPO proceeds is accurate and for the purpose of the company as mentioned/specified in the published prospectus; and

The auditors should also confirm that:(i)assets have been procured/imported/constructed maintaining proper/required procedure as well as at reasonable price; and (ii) auditors’ report has been made on verification of all necessary documents/papers/vouchers in support of IPO proceeds making reconciliation with Bank Statement.

All transactions, excluding petty cash expenses, shall be effected through the company’s bank account(s).

Proceeds of the Public Offering shall not be used for any purpose other than those specified in the prospectus. Any deviation in this respect must have prior approval of the shareholders in the shareholders Meeting under intimation to BSEC and stock exchanges.

Directors on the Company’s Board will be in accordance with applicable laws, rules and regulations.

The financial statements should be prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as required by the Securities and Exchange Rules, 1987.

If any quarter or half-year of the financial year ends after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the said quarterly/half yearly financial statements in accordance with the Commission’s Notification SEC/CMRRCD/2008-183/admin/03-34 dated September 27, 2009 and the section 13 of the Securities and Exchange Rules, 1987.

In the event of arising issues concerning Price Sensitive Information as defined under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা 1995 after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the information as price sensitive in accordance with the Commission’s Notification No. SEC/SRMI/200-953/1950 dated October 24, 2000.

No issuer of a listed security shall utilize more than 1/3rd (one-third) of the fund raised through IPO for the purpose of loan repayment.

PART-D

1. All the above conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969 shall be incorporated in the prospectus immediately after the page of the table of contents, with a reference in the table of contents, prior to its publication.

2. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

## PART-E

1. As per provision of the Depository Act, 1999 & regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (Including rights/bonus) will be made in dematerialized form only.

An applicant (including NRB) shall not be able to apply for allotment of shares without Beneficial Owners (BO) account.

2. The company and the issue manager shall ensure due compliance of all the above conditions and the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2006.

GENERAL INFORMATION

BetaOne Investments Limited, the Issue Manager, has prepared this prospectus based on information provided by Information Technology Consultants Limited (the Issuer)and also several discussions with Chairman, Managing Director, Directors and concerned executives of the Issuer Company all of which are publicly available. The Board of Directors of Information Technology Consultants Limited hereby confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material aspects and that there are no other material facts, the omission of which, would make any statement herein misleading.

No person is authorized to give any information or to make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorized by the Company or the Issue Manager.

The issue, as contemplated in this Prospectus is made in Bangladesh and is subject to the exclusive jurisdiction of the Courts of Bangladesh. Forwarding this Prospectus to any person resident outside Bangladesh in no way implies that the issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country.

A copy of this Prospectus may be obtained from the Corporate Office of Information Technology Consultants Limited, BetaOne Investments Limited, the Underwriters and the Stock Exchanges where the securities will be traded.

DECLARATIONS AND DUE DILIGENCE CERTIFICATES Section: II

DECLARATION ABOUT THE RESPONSIBILITY OF THE DIRECTOR(S), INCLUDING THE CEO OF “INFORMATION TECHNOLOGY CONSULTANTS LIMITED” IN RESPECT OF THE PROSPECTUS

This prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity and accuracy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative action against any or all of us as it may deem fit.

We also confirm that full and fair disclosure has been made in this prospectus to enable the investors to make a well informed decision for investment.

|  |  |  |
| --- | --- | --- |
| Sd/- |  | Sd/- |
| Lim Kiah Meng |  | Md. Salahuddin Alamgir |
| Chairman & Nominated Director |  | Vice Chairman |
| Representing SiS Capital (Bangladesh) Pte Ltd. |  |  |
|  |  | Sd/- |
| Sd/- |  | Lim Kia Hong |
| Kazi Saifuddin Munir, Ph.D |  | Nominated Director |
| Managing Director & CEO |  | Representing SiS Capital (Bangladesh) Pte Ltd. |
|  |  |  |
| Sd/- |  | Sd/- |
| Lim Hwee Hai, |  | Madam Lim Hwee Noi |
| Nominated Director |  | Nominated Director |
| Representing SiS Capital (Bangladesh) Pte Ltd. |  | Representing SiS Capital (Bangladesh) Pte Ltd. |
|  |  |  |
| Sd/- |  | Sd/- |
| Madam Fauzijus Tjandra |  | MS. Goh Peck Hwee |
| Nominated Director |  | Nominated Director |
| Representing Regent Pacific Limited |  | Representing SiS Capital (Bangladesh) Pte Ltd. |

## CONSENT OF DIRECTOR(S) TO SERVE AS DIRECTOR(S)

We hereby confirm that we have been serving as Director(s) of Information Technology Consultants Limited and continue to act as Director(s) of the Company.

|  |  |  |
| --- | --- | --- |
| Sd/- |  | Sd/- |
| Lim Kiah Meng |  | Md. Salahuddin Alamgir |
| Chairman & Nominated Director |  | Vice Chairman |
| Representing SiS Capital (Bangladesh) Pte Ltd. |  |  |
|  |  | Sd/- |
| Sd/- |  | Lim Kia Hong |
| Kazi Saifuddin Munir, Ph.D |  | Nominated Director |
| Managing Director & CEO |  | Representing SiS Capital (Bangladesh) Pte Ltd. |
|  |  |  |
| Sd/- |  | Sd/- |
| Lim Hwee Hai, |  | Madam Lim Hwee Noi |
| Nominated Director |  | Nominated Director |
| Representing SiS Capital (Bangladesh) Pte Ltd. |  | Representing SiS Capital (Bangladesh) Pte Ltd. |
|  |  |  |
| Sd/- |  | Sd/- |
| Madam Fauzijus Tjandra |  | MS. Goh Peck Hwee |
| Nominated Director |  | Nominated Director |
| Representing Regent Pacific Limited |  | Representing SiS Capital (Bangladesh) Pte Ltd. |

## DECLARATION ABOUT FILING OF PROSPECTUS WITH THE REGISTRAR OF JOINT STOCK COMPANIES AND FIRMS

A dated and signed copy of the Prospectus has been filed for registration with the Registrar of Joint Stock Companies and Firms, Government of Peoples’ Republic of Bangladesh, as required under Section 138(1) of the Companies Act, 1994 on or before the date of publication of the prospectus.

DECLARATION BY THE ISSUER ABOUT THE APPROVAL FROM BANGLADESH SECURITIES AND EXCHANGE COMMISSION FOR ANY MATERIAL CHANGES

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statement made in the Prospectus subsequent to the preparation of the Prospectus and prior to its publication shall be incorporated in the Prospectus and the said Prospectus should be published with the approval of the Commission.

For Issuer

Sd/-

Kazi Saifuddin Munir, Ph.D

Managing Director& CEO

Information Technology Consultants Limited

## DECLARATION BY THE ISSUE MANAGER ABOUT THE APPROVAL FROM BANGLADESH SECURITIES AND EXCHANGE COMMISSION FOR ANY MATERIAL CHANGES

In case of any material changes in any agreement, contract, instrument, facts and figures operational circumstances and statements made in the Prospectus subsequent to the preparation of the Prospectus and prior to its publication, shall be incorporated in the Prospectus and the said Prospectus should be published with the approval of the Commission.

For Manager to the Issue

Sd/-

Md. Atiquzzaman

Managing Director

BetaOne Investments Limited

## 

## DUE DILIGENCE CERTIFICATE OF MANAGER TO THE ISSUE

Subject:Public Offer of 12,000,000 Ordinary Shares of Tk. 10/- each at an issue price of Tk. 10/- each at par totaling to Tk. 120,000,000/- of Information Technology Consultants Limited

We, the under-noted Manager to the Issue to the above-mentioned forthcoming issue, state as follows:

1. We, while finalizing the draft prospectus pertaining to the said issue, have examined various documents and other materials as relevant for adequate disclosures to the investors; and

2. On the basis of such examination and the discussions with the issuer company, it’s Directors and Officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

the draft prospectus forwarded to the Commission is in conformity with the documents, materials and papers relevant to the issue;

all the legal requirements connected with the said issue have been duly complied with; and

the disclosures made in the draft prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue.

For Manager to the Issue

Sd/-

Md. Atiquzzaman

Managing Director

BetaOne Investments Limited

## DUE DILIGENCE CERTIFICATE OF THE UNDERWRITERS

Subject: Public Offer of 12,000,000 Ordinary Shares of Tk. 10/- each at an issue price of Tk. 10/- each at par totaling to Tk. 120,000,000/- of Information Technology Consultants Limited

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

We, while underwriting the abovementioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and

On the basis of such examination and the discussions with the issuer company, it’s directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

all information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;

we shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and

this underwriting commitment is unequivocal and irrevocable.

For Underwriter(s)

|  |  |
| --- | --- |
| Sd/- | Sd/- |
| Managing Director | Chief Executive Officer (CC) |
| BetaOne Investments Limited | NBL Capital and Equity Management Ltd |
|  |  |
| Sd/- |  |
| Managing Director & CEO |  |
| Prime Finance Capital Management Ltd |  |

RISK FACTORS & MANAGEMENT PERCEPTION Section: III

The factors described below may conceivably materially affect investors’ decisions as investment in equity shares involves a high degree of risk. The company is operating in a competitive industry involving both external and internal factors having direct as well as indirect effects on the investments. Investors should carefully consider all of the information in this prospectus, including the risk factors, both external and internal, and management perceptions enumerated hereunder before making investment decision. If any of the following risks actually occur, the business, results of operations and financial condition could suffer.This would, in turn, affect the value of its shares. Hence, a rational investor should carefully consider allthe information contained in this prospectus including the risk factors elaborated below.

Interest Rate Risk

As on 30 June 2014, ITCL had aggregated outstanding short term and long term loanamounting BDT 440.75 million with Trust Bank Limited at interest rate of 15.50% per annum. In addition, the company also had investment in Fixed Deposit Recipt amounting BDT 177.60 million at interest rate ranging from 9.75% - 11.25% with Trust Bank Limited. Therefore, any volatility in interest rate may adversely affect the profitibilty, cashflow and NAV per share of the company.

Management perception

As on June 30, 2014, ITCL’s total short term and long term loan accounted for only 23.32% of its total assets. With proceeds of the IPO, ITCL plans to repay its outstanding loan to the tune of BDT 40 million. As a consequence, the company’s debt and interest burden will reduce to some extent. Moreover, in case of volatility in market interest rate, ITCL has the scope to revise the rates and vice versa.

As on June 30, 2014, the company did not have any tradeable fixed income securities other than some FDR with Trust Bank Limited. Such FDRs are not tradeable and are not exposed to volatility of market wide interest rate. Hence, market wide volatility would not have any impact on ITCL’s financial position.

Exchange Rate Risk

ITCL is exposed to exchange rate risk as their primary equipments and software are imported. On the other hand their revenue is generated in local currency. In case of exchange fluctuation, ITCL carries a potential threat of exchange fluctuation.

Management perception

It’s evident that ITCL imports only after receiving contracts / orders. In the cost calculation, they keep a margin of 2-3% to give cushion to the exchange fluctuations.

Industry Risk

Supplier Risk

ITCL procures software and hardware products through import from different countries. Any troubleshooting support and mismatch in L/C opening and shipment from suppliers end for any unavoidable reason may pose threat to timely delivery and pay penalty.

Management perception

ITCL procures softwares from the world-recognized vendor Compass Plus. As agreed with the supplier, ITCL receives regular online and offline training from the vendor.Moreover,ITCL is also entitled toreceive version updates of their Switching Software from Complus Plus. In addition, ITCL imports ATM Machines, POS Terminals, and other hardware accessories from the world’s recognized vendors like Wincor-Nixdorf, Sand, Verifone, etc. ITCL has cooperation and software support agreement with Wincor-Nixdorf. ITCL has a long-standing relationship with them and as a consequence the suppliers have extended their supports towards ITCL.Moreover, ITCL shall open L/C in advance for the imported goods to maintain on time delivery.

Buyer Risk

Buyer risk may arise if the client banks do not receive quality products or services from the company or if they do not get on-time delivery of the product or services. In case of delayed service delivery, customer banks may have difficulty to launch desired product that may hamper the reputation of the bank.

Management perception

ITCL is very much cautious about customer satisfaction and always try to provide optimum service delivery. A quality inspection been done before delivery of any hardware products to ensure the desired quality. For optimum service assurance, the company have a dedicated help desk and operation team. Moreover, there is a dedicated account manager for each client for continuous service and support monitoring.

Risk arising out of Competion

Competition exists for most of the products except third-party transaction processing business. The Company faces stiff Competition for ATM, POS, Switching and CMS software.

Management perception

Dutch Bangla Bank Limited maintains a switch namely ‘Nexus’ and Brac Bank limited maintains a switch under ‘Omibus’ for transaction processing of their clients only, whereas ITCL provides an interface under a comherehensive network sharing facility through QCash. As a consequence, all the member banks of ITCL can process their transactions within themselves through a single network facility. Moreover, both Nexus and Omnibus also have interfaces with ITCL for network sharing. Therefore, no direct competition prevails.

On the other hand, ITCL offers easy configured ATM and all software supports for hardwares.ITCL maintains a strong support team for its products and services that ensures one stop solution to its clients which gives the company competitive edge over others.

Entry Risk

New competitor entry to payment processing industry is not very high due to the high investment and high operating cost. This industry is operated under the key entry barriers like – high requirement of technical knowledge, degree of operating scale, reputation to provide uninterrupted service, efficiency in dispute handling, market education, government policies etc.

Management Perception

The company maintains a steady growth in the industry with good reputationand strong human resources.ITCL provides training to its professtionals both from foreign and local organizers to boost the level of efficiency in technological matter. ITCL is exposed to tansection processing system with 33member banks and has PCI DSS certification for VISA and Master Card operation, which is a key requirement for a company to enter in this industry. As obtaining different types of Certification requires time and huge investment in both infrustrucre set up and efficient human resources, it is difficult for a new company to provide one stop service that ITCL renders.

Substitution Risk

ITCL is exposed to substitution risk as techonological advancement, changes in terms of product and solution may occur. It is also accompanied with high operating cost and addressing new compliances.

Management Perception

ITCL has expertise in providing customized solutions to its clients through upgrading its software. The company addresses the diversified needs of its clients by incorporating different features in its switching software. Moreover, ITCL is entitled to receive revised versions of its core software as per terms with the supplier.Hence, product substitution offers the company further scope to grow, rather than losing the market share.

Market Risk

Market Risk refers to the slow growth and gap in products and solutions that ITCL sells to Banks, i.e. ATMs, POS, Switching Solutions etc. Price Fluctuation may effect ITCL’s operation if the company cannot adjust such volatility to its product and service pricing.

Management Perception

Bangladesh being a developing country has prospect of development and growth for all industries. In the year 2013-2014 ITCL sold 354 ATM machines, 1,635 POS machines and 120 UPS; which were 31%, 54% and 300% higher than previous year. Price fluctuation in such industries is minimal as technology has a standardized offering unless it increases in time of offerings of new product or business model, which is also predictable. Moreover, in terms of purchasing products from foreign vendors a certain level of exchange rate fluctuations are involved.

Technological Risk

ITCL faces challenges to 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.

Management Perception

ITCL is operating in an industry where coping withtechnological changes is the key success factor.The company has expertise in construction of middleware software to cater the needs of the clients.On the other side, ITCL is entitled to receive revised versions of its core software as per terms with the supplier.Being a pioneer in this industry, ITCL is working with Bangladesh Bank and many other government organizations to opt new regulations. The company has an in house R & D division interconnected with the compliance and business department that is responsible to produce state of the art solutions in house as per requirements.As ITCL is under VISA and Master Card compliance, the company is capable to adopt relevant modification in the process.

Product/Solution Obsolescence Risk

ITCL is exposed to obosolation risk as service from vendors may be stopped for some ATM or POS model or some software version. Moreover, in the middle of a project the prescribed or implemented solution may get obsolete in reference with world standard.

Management Perception

In compliance with the nature of Business, the company has been and is always in pursuant to cope with new technology and product. As such, the company has variances in product offering to the Banks for ATMs and POS, which has different modalities and functions that automatically obsoletes the previous brand. The Payment Industry deals with new and varied platforms with strict compliance regulations both from local regulatory bodies as well as of foreign patrons and vendors. For any new product or software version release, vendors provide prior notice and the company can take necessary measure in such cases.

Change in potential or existing Government regulations:

The Company operates under Companies Act 1994, Customs Act 1969, and Labor Law 2006, Income Tax Ordinance 1984, Income Tax Rules 1984, Value Added Tax (VAT) Rules 1991 and other related regulations. Any abrupt changes of the policies made by the regulatory authorities may adversely affect the business of the company.

Management perception

ITCL is currently working in a favorable condition as Bangladesh Government is continuously pushing towards modernization across all industries. Bangladesh Bank is also supportive towards the new initiatives. National Payment Switch (NPS) is a mentionable step that has recently been incorporated and the project is going on.

According to Income Tax Ordinance 1984, The sixth schedule – PART - A under section 33, income derived from IT Support and Software Maintainence Business is expemted from tax payable till June 30, 2016. As it is an emerging sector, it is highly expected that the Government will not frustrate the growth of the industry with adverse policy measures.

Potential changes in the global or national policies

ITCL operates as a support of financial sector of the country, whichis influenced by global and national policies and regulations.

Management perception:

Historically ITCL has always complied with all regulatory issues before launching new products in the market. To note, any change in policy will affect all players in the sector, not exclusively ITCL. So management remains ready to adopt the policy related changes of the nation as well as the global environment.

History of non operation

History of non-operation raises a doubt over the management and its capacity to run the continuous business in the near future.

Management perception

The company does not have any history of non-operation. Therefore, no risk has arisen in this respect.

Operational risk:

Operational Risks are critical in any service-oriented industry and ITCL is not an exception.The operation of ITCL may be affected due to Non-availability of materials, equipments and services. On the other hand, the equipments may face operational and mechanical failures due to natural disasters, terrorist attacks, unforeseen events, lack of supervision and negligence, leading to severe accidents and losses.In addition, Power failure, Connectivity failure, Virus attack, software bugs and hacking may intereupt operation.

Management perception

Acting as a standby solution provider of the Banking Industry, ITCL is involved in processing banking transactions, deal with the disputes, and solve their contingent problems. Thereby, ITCL maintains excess spare parts and excess connectivity to provide high level of technical backend support and to ensure 99.99% uptime. ITCL has a separate substation of 750 KVA, stand-alone and seperate online UPS of total 28 KVA and 3 (three) Generatorsof 333 KVA each to ensure continuous power supply. To make sure security of the system, ITCL operates with Linux System and has virtual private network line to protect against hacking. The company has a business strategy to prevent bugs in softwares by successful test runs. Overall, the company is under technology security compliance by Trustwave against Payment Card Industry Data Security Statndard v2.0 (PCI DSS).

Management risk:

ITCL belongs to a technology driven industry where the company requires an intellectual know – how management to ensure company’s regular operations and future expansion. Any shortcomings in retaining its existing intellectual knowledge base may hamper the continuous upgradation and management of its intellectual property. Moreover, migration of technical know – how professionals in abroad may create scarcity of resources for the company.

Management perception

ITCL has a professional management in place, which is well equipped with the best resources in the market. The company is run by professionally qualified management body, a pool of dynamic talents under the supervision of a very active Board. ITCL ensures its employees growth opportunies through providing competitative remuneration packages, effective local and abroad trainings and building the sense of ownership in the company. ITCL has awarded its shares to its employees; this has established both moral and professional ground for participatory management and ownership. Consequently, the company has been able to retain mid and senior level management professionals for a long time. Due to presense of a competent Board, succession related risk is very limited in ITCL.

Risk related to dependence on intangible assets

ITCL is mainly based on intangible asset such as, switching software, ATM Software, POS Software, other softwares and software development. As per audited financials for the year ended June 2014, the company has intangible assets amounting BDT 558,043,068 out of its total non-current asset amounting BDT 861,927,164. Moreover, the company has no land and building of its own.

It is also notable that most of the tangible assets are very movable in nature for example ATM Machinery, Card Printer, computer components etc.

Management Perception

Being a technology driven service provider, ITCL invested in its software procurement and its continuous development. ITCL’s prime brand, Q-Cash, the first ever local payment consortium is well protected through trademark and associated banks’ products. Moreover, the company is not dependent on single resource for any project or technology whereas skilled resources have some commitment as per company policy. In addition, company arranges regular training for all technical resources to avoid single man dependency. Furthermore, new development is part of this kind of business, which has been done continuously by Research & Development team.

Risk related with High Capital Base Company

During last five years, the share capital of the company increased from BDT 529.20 million to BDT 750.00 million. As ITCL is required to invest highly in infrustrucre set up for software development, any shortcoming in revenue generation may lead to lower profit and lower return on investment.

Management Perception

ITCL has huge investment in software development for providing uninterrupted services to its valued clients. As cost of borrowing in local money market is high, the company opted for equity investment in development phases since inception.During this development phase, the company had slight upward trend in revenue, although there was volatility in its profit margin. In the year ended on June 30, 2014, the company has generated revenue amounting BDT 670.70 million securing 54% growth in revenue and 195% growth in net profit after tax. In addition, return on equity and return on assets have improved. Due to increased profit, the company has retained earnings amounting BDT 47.78 million in that particular year. The management of the company expects to uphold its revenue trend and provide return to its investors.

Risk associate with the subsidiary BEPS running with continuous losses

BEPS is running with continuous Losses over the years, which is a significant risk towards the profitability of the Holding Company ITCL. It also has impact of deteriorated EPS and financial ratios.

Management Perception

In the acquisition period, with a view to strengthen the activities of ITCL, the Board of Directors of the Company has agreed to acquire BEPS as per Board meeting held on 27.06.2009.In this regard BSEC in its letter- SEC/CI/CPLC-229/2010/494, dated- May 25,2010 has given its consent to raise capital through acquisition. To be able to offer manifold services jointly to the member banks as well as establish ITCL’s broader Q-Cash Shared ATM network in Bangladesh, it was expected that the acquisition would help the Company to become sound both financially and technologically. The Management of ITCL had realized that the Company might generate more business by utilizing their own existing resources.

After migration, the revenue of BEPS has been reduced on its transaction processing arena. It is mentionable that both ITCL & BEPS belong to similar nature of business in the Banking sector of Bangladesh. Considering the above, most of the BEPS’ members Banks have migrated from BEPS host to ITCL’s host within the year 2013 to 2014. Since the acquisition period, BEPS has generated a sum of net profit amounting to Tk.15,487,790/-, which has reflected to ITCL’s profitability position.

However, as BEPS is operating under Loss, the holding Company is carrying BEPS losses in its financial statement resulting a risk factor is involved to the shareholders of the ITCL.

Under the circumstances, the Board of Directors of BEPS vides their Board meetings as on 23.5.2015 has decided to voluntary winding up as per the Company Act, 1994, under section-286(Kha). The matter has already been notified in the daily Bhorer Shomoy and the Daily Aajker probhat; dated -21 May, 2015.

The time & mode of acquisition of BEPS and NAV and EPS of both companies at the time of acquisition:

|  |  |
| --- | --- |
| Time of Acquisition of BEPS | 27.06.2009 |
| Mode of Acquisition of BEPS | In exchange of BEPS share 1:1 |
| NAV of BEPS at the acquisition period | 11.54\* |
| NAV of ITCL at the acquisition period | 13.31 |
| EPS of BEPS at the acquisition period | 2.79\* |
| EPS of ITCL at the acquisition period | 1.3 |

\*for the convenience of presentation, face value of BEPS has been considered BDT 10 instead of BDT 100

Risk factor related to low profit generating company

ITCL generated consolidated net profit after tax amounting BDT 77,720,893 in the year ended June 2014. The diluted EPS of ITCL in the last 5 years stood BDT 0.80, BDT 0.58, BDT 0.55, BDT 0.36 and BDT 1.04 in the year ended June 2010, 2011, 2012, 2013 and 2014 respectively. The low profit base of ITCL may cause lower return on investment for the shareholders.

Management Perception

Revenue of ITCL increased gradually over the last five years of operation from BDT 350.77 million in 2010 to BDT 670.71 million in the year 2014. Net profit margin of ITCL was stable ranging between 9% - 12% in the last four years of operation except in the year ended on 2013. As ITCL is a technology driven company, it has huge equity investment in its business development phase, which caused higher profit but lower EPS. EPS of ITCL in the last 5 years decreased except in the year ended June 2014. The consolidated net profit of ITCL in the year ended June 2014 booked a growth of 195% from the year ended on June 2013. As the business of the company is flourishing due to introduction of multi dimensional payment mechanism, it is expected that ITCL will have higher profit and cosistant EPS in the coming years and can provide competitive return on investment for its shareholders.

Risk related to Card fee receivables amounting BDT 6,125,350 with AB Bank Limited since 2010

ITCL has a Card fee receivable amounting BDT 6,125,250 with AB Bank Limited since the December 31, 2010. The company did not create any bad debt provision regarding this. If ITCL cannot realize this receivable, it would be charged as expense and will affect EPS of the company.

Management Perception

The said transaction was executed under valid work order from AB Bank Limited. In this connection, the matter can be resolved through legal proceedings. But considering future business prospects, the management of ITCL earnestly wants to settle the issue amicably rather than proceding legally. A letter was issued dated December 3, 2014 and on August 19, 2015 to AB Bank Limited in this respect. It should be mentioned here that communication in this regard is still going on and AB Bank Limited did not deny ITCL’s claim.

Risk related to Investment in 2,000 Merchant POS Deployment and Software license for Union Pay International

ITCL has planned to invest to deploy 2,000 Merchant POS through IPO proceed. However, 2,000 locations are not finalized yet. In this connection, if the company fails to deploy 2,000 merchant POS, inventory for POS may increase. In addition, the company plans to invest to procure software license to set up Union Pay International (UPI) issuing and acquiring (EMV and mag-stripe). Q-Cash member banks may not be interested to issue UPI branded cards. Moreover, they might become reluctant to acquire UPI branded cards in their ATM & POS terminals. In such case, company will not get expected revenue from switching software enhancement.

Management Perception

ITCL plans to deploy 2,000 Merchant POS to different merchant locations in metropolitan cities and some potential merchants in urban areas. The company has already made a list of potential merchants in this regard but yet to enter into agreements. The company has long experience to support different banks' merchants as a POS supplier and after sales maintenance provider to the banks. In the year 2013 – 2014, ITCL sold 1,635 POS among which 1,295 Merchant POS were deployed by The City Bank Limited and Trust Bank Limited. Hence, the company has good relations with many merchants and it can expand its merchant POS network easily.  Nevertheless, there is demand of merchant POS since only few ten of thousands POS are available in the industry.

UPI is the second largest international payment card after VISA and popular in China, Singapore, Thailand and other Asian countries. Nowadays lots of Visitors are coming in Bangladesh who is using UPI cards. Q-Cash network ATM & POS will be able to acquire these cards' transactions and Transaction processing revenue shall be generated from such transactions. Moreover, one of Q-Cash member bank, Trust Bank limited has planned to issue UPI branded cards after implementation of new module, TranzWare switching system enhancement by ITCL. Besides, ITCL is going to establish own merchant POS network those shall accept UPI branded cards. Since nominal banks’ ATM and POS terminal accept UPI branded cards in Bangladesh, Q cash member banks will be contented to acquire UPI branded cards in their ATMs and POS terminals as Banks will also get a commission from UPI card transactions.

Risk related to subasidiary’s Host processing recivables

Bangladesh Electronic Payment Systems Limited, subsidiary of ITCL has Card host processing fee receivable amounting BDT 13,491,613 but no Card Host processing fee revenue has incurred in the year 2013 – 2014. As member banks of BEPS have migrated from BEPS host to ITCL host, there is risk in collection of Card host processing fee receivable. If the receivables cannot be realized, it will be charged as expense and will affect EPS of the company.

Management Perception

Revenue from Card host processing fee was BDT 9,192,570 in the year ended on 2012 – 2013 before the member banks migrated from BEPS Host to ITCL’s Host. The migration process has completed in the year 2013-2014. Therefore, no revenue against card host processing fees was generated by BEPS and BDT 263,931 has been collected during the year 2013-14. Letters have been issued dated August 19, 2015 to the respective banks in this regard. The collection of this receivables is in process.

ISSUE SIZE AND PURPOSE OF THE PUBLIC OFFERING Section: IV

FINANCIAL STRUCTURE OF THE COMPANY

|  |  |  |
| --- | --- | --- |
| Particulars | No. of Shares | Amount (BDT) |
| Authorized Capital as per audited accounts (as on June 30, 2014) | 200,000,000 | 2,000,000,000.00 |
| Pre-IPO Paid-up Capital as per audited accounts (as on June 30, 2014) | 75,000,000 | 750,000,000.00 |
| Capital to be issued through IPO | 12,000,000 | 120,000,000.00 |
| Post-IPO Paid-up Capital | 87,000,000 | 870,000,000.00 |

The company has raised its paid-up capital in the following phases:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Particulars of allotment | Date of Allotment | Number of shares issued | | Amount of share capital (Taka) |
| Consideration in Cash | Consideration other than Cash |
| First (Subscription to the Memorandum & Articles of Association at the time of incorporation) | 23.08.2000 | 20,000 | ---- | 200,000 |
| Second Allotment | 05.07.2003 | 980,000 | ---- | 9,800,000 |
| Third Allotment | 10.02.2004 | 654,340 | ---- | 6,543,400 |
| Fourth Allotment | 29.02.2004 | 7,000,000 | ---- | 70,000,000 |
| Fifth Allotment | 05.04.2004 | 10,289,280 | ---- | 102,892,800 |
| Sixth Allotment | 07.09.2004 | 1,650,000 | ---- | 16,500,000 |
| Seventh Allotment | 20.01.2008 | 7,261,480 | ---- | 72,614,800 |
| Eighth Allotment | 15.04.2008 | 500,000 | ---- | 5,000,000 |
| Ninth Allotment | 22.11.2009 | 21,000,000 | ---- | 210,000,000 |
| Tenth Allotment | 29.05.2010 | ---- | 3,565,000 | 35,650,000 |
| Eleventh Allotment | 16.08.2010 | 4,000,000 | 150,000 | 41,500,000 |
| Twelfth Allotment | 04.12.2011 | 1,79,29,900 | ---- | 179,299,000 |
| Total | | 7,12,85,000 | 37,15,000 | 750,000,000 |

USE OF IPO PROCEEDS

Information Technology Consultants Limited will raise the capital through Initial Public Offering (IPO) in order to meet increasing need for fund for the purpose of expansion and repayment of bank loan. Increase in turnover and saving in financial cost will lead to higher profitability. The Company will utilize the total proceeds of BDT 120,000,000 as per following schedule:

|  |  |
| --- | --- |
| Particulars | Amount in BDT |
| Expansion of Business1: | 69,538,250 |
| Term Loan Adjustment (From term Loan amounting BDT 70,805,830 with Trust Bank Limited) | 40,000,000 |
| IPO Expenses | 10,461,750 |
| Total | 120,000,000 |

1Expansion of Business: Information Technology Consultants Limited is continuously expanding its business by availing new opportunities of technology and intellect focusing on downstream operations in the Banking sector as well as Govt. sector like Bangladesh Post Office, NBR, Bangladesh bank (NPS Project) and as a certified Payment System Operator first time in Bangladesh under the legal authority of Bangladesh Bank. The Company intends to raise the fund to undertake a number of potential projects. The expansion of business will require an investment of BDT 74,055,420 from which BDT 69,538,250 will be financed through IPO fund.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Particulars | Name of Machine/  Software | Quantity | Country of Origin | Per Unit Cost in BDT | Total Cost in BDT | Probable Supplier\* | Other Specification (If any) |
| a)      Switching Software Enhancement | TranzWare | 1 set | Russia | 7,692,420\*\* | 7,692,420 | Compass Plus  (Great Britain)  Address: Cumberland house, 35 Park Row, Nottingham,  NG1 6EE, UK | n/a |
| b) 1.00 million Plastic Cards (Prepaid, Debit , Postal Cash Card) | N/A | 1,000,000 | China | 25.5 | 25,500,000 | Plastic Card ID Ltd.  Address: 2/C Purana Paltan, Shawon Tower, Level – 9, Suite B1, Dhaka – 1000 | n/a |
| c) Merchant POS Deployment | SAND PS420 | 2000 | China | 20,431.5\*\* | 40,863,000 | Payment InfraFund Pte. Ltd  Address: 29, Tanah Merah Kechil Avenue, D’Manor, Singapore 465642 | n/a |
| Total | | | | | 74,055,420 |  |  |

\*At the time of procurement supplier may change and price may fluctuate; however specifications will be same

\*\* FOB Value in BDT arrived considering exchange rate BDT 79.50/USD

|  |  |
| --- | --- |
| Sd/- | Sd/- |
| Kazi Saifuddin Munir, Ph.D | Shyamal Kanti Karmakar |
| Managing Director & CEO | Chief Financial Officer |
| Information Technology Consultants Limited | Information Technology Consultants Limited |

IMPLEMENTATION SCHEDULE

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Implementation Schedule - Month wise | | | | | | | | | | | | | | | | | | |
|  |  | |  | | |  | |  | |  | |  |  |  |  |  |  |  |
| After Receiving IPO Fund | | Month 1 | | Month 2 | | | Month 3 | | Month 4 | | Month 5 | Month 6 | Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
| Switching Software Enhancement | | | | | |  | |  | |  | |  |  |  |  |  |  |  |
| Agreement Signing with Vendor | |  |  | | |  | |  | |  | |  |  |  |  |  |  |  |
| L/C Opening | |  |  | | |  | |  | |  | |  |  |  |  |  |  |  |
| Product License Delivery & Payment Settlement | |  |  | | |  | |  | |  | |  |  |  |  |  |  |  |
| 1.00 million Plastic Cards & PIN Mailer Procurement | | | | | | | | | |  | |  |  |  |  |  |  |  |
| Work Order given to the Vendor | |  |  | |  | | |  | |  | |  |  |  |  |  |  |  |
| Cards & PIN Mailer Delivery & Payment- Phase 1 (300,000) | |  |  | |  | | |  | |  | |  |  |  |  |  |  |  |
| Cards & PIN Mailer Delivery & Payment - Phase 2 (300,00) | |  |  | |  | | |  | |  | |  |  |  |  |  |  |  |
| Cards & PIN Mailer Delivery & Payment - Phase 3 (400,000) | |  |  | |  | | |  | |  | |  |  |  |  |  |  |  |
|  | |  |  | |  | | |  | |  | |  |  |  |  |  |  |  |
| Merchant POS Deployment | | | | |  | | |  | |  | |  |  |  |  |  |  |  |
| Work Order given to the Vendor | |  |  | |  | | |  | |  | |  |  |  |  |  |  |  |
| L/C Opening | |  |  | |  | | |  | |  | |  |  |  |  |  |  |  |
| POS Delivery in ITC Premises  & Payment Settlement | |  |  | |  | | |  | |  | |  |  |  |  |  |  |  |
| Merchant POS Deployment | |  |  | |  | | |  | |  | |  |  |  |  |  |  |  |
| Term Loan Adjustment | |  |  | |  | | |  | |  | |  |  |  |  |  |  |  |

## Switching Software Enhancement

Technical Specification

ITCL will procure a set of software product licenses by Compass Plus, required to set up Union Pay International issuing and acquiring (EMV and mag-stripe), node (1), interface to WAY4 processing system and additional extension of TranzWare Online client dongle keys (10).

Price

|  |  |  |
| --- | --- | --- |
| Particulars | Price in Quotation | Price in BDT |
| One Time License Payment | USD 82,000 | 6,519,000 |
| Support Payments (for 1 year) | USD 14,760 | 1,173,420 |
| Total | USD 96,760 | 7,692,420 |

Plastic Cards

ITC will procure 1.0 million Q-Cash plastic cards for bulk issuance through Q-Cash member banks and Bangladesh Post Office.

Card Specifications:

Card Material : Laminated PVC with glossy/matte finishing.

Size : ISO Standard (CR80)

Card dimension : 85.725mm x 53.975mm x 0.76mm

Magnetic Strip : ISO Standard Hi-Co 2750 Oe-3Tracks will be applied on the card reverse.

Signature Panel : Signature Panel will be applied on card reverse

Design : As per approved design.

Color : As per artwork.

Manufacturer : CHINA

PIN Mailer Specifications:

3-Ply Self Carbon Paper with sprocket margin

Size : 6.5”x3.7”

Thickness: 1st & 2nd Ply 55gsm, 3rd ply 80gsm

Perforated & Fanfold continuous form.

Printing as per approved design.

Price:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Sl. | Card Type | Quantity in Pcs. | Unit Price | Total Cost |
| 1. | Proprietary ATM Card | 1,000,000 | 20.00 | 20,000,000 |
| 2. | PIN Mailer | 1,000,000 | 5.50 | 5,500,000 |
| Total | | | | 25,500,000 |

Merchant POS Deployment

Technical Specification and Price:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Description | Qty | Unit Price | Total Price in USD | Total Price in BDT |
| Model: PS420  Processor: 32 bits 532mHz RISC ARM 9 Core  Display: 3.5 Inch TFT touch screen, Resolution: 320x240, LED backlight  Contactless Card Reader: DB31/239.2-2000 OR ISO 14443A/B/NFC  Card Reader: GB/T 16649 ISO 7816, EMV 2000, Track 1/2/3  Memory: DDR2 SDRAM 128MB, NAND FLASH: 256 MB. With SD Memory Slot  (Expandable up to 16 GB)  Scanner: Bar Code Scanner, (Optional: Two dimension code (QR) reader)  Keypad:10 Numeric and Letter Key, 9 Function (led black light), 00 key and camera key  Camera: 200M pixel camera, LED flash light, supports short video hooting  Bio-metric Scanner: Biometric Finger Vain Scanner  Encryption: EMV L1/L2, PCI-PED  Printer: High speed silence thermal printer, speed: 58mm/s, paper width 58mm OD40mm  Weight:300 – 600 g  Communication & Ports: GSM/GPRS/EDGE/CDMA/3G Modem, 1 SIM/USIM slot, WiFi 802.11 b/g, GPS, USB, Serial Port | 2,000 | USD 257 | 5,14,000 | 40,863,000 |
| Total | | | 514,000 | 40,863,000 |

TERMS OF CONTRACT

As per rule 8B-4(C) of Securities and Exchange Commission (Public Issue) Rules, 2006 there is no contract covering any of the activities of the Issuer Company for which the proceeds of sale of securities from IPO is to be used.

|  |  |
| --- | --- |
| Sd/- | Sd/- |
| Kazi Saifuddin Munir, Ph.D | Shyamal Kanti Karmakar |
| Managing Director& CEO | Chief Financial Officer |
| Information Technology Consultants Limited | Information Technology Consultants Limited |

INFORMATION ABOUT THE COMPANY Section: V

## COMPANY PROFILE

Information Technology Consultants Limited (hereinafter referred to as “The Company”, “ITCL”, “IT Consultants Limited”) was incorporated in Bangladesh as a private limited company on August 23, 2000 under the Companies Act 1994. ITCL was converted to a Public Limited Company on March 16, 2008. The registered office of the Company is located at Evergreen Plaza (3rd& 4thFloor), 260/B Tejgaon I/A, Dhaka - 1208, Bangladesh. ITCL started its commercial operation on August 23, 2000.

Established in 2000, Information Technology Consultants Limited (ITCL) is the local leader in the rapidly evolving arena of Electronic Payment & Transaction System. ITCL provides Transaction Processing Services to major Banks, Financial Institutions, Government organizations and retailers with an advanced infrastructure. It operates one of the largest Banks driven independent Q -Cash Shared ATM network in Bangladesh.

ITCL always thrives and innovates new ideas to build a growing electronic transaction processing capacity in Bangladesh. Presently the company provides credit and debit card processing services, Q-cash ATM & POS sharing to more than 35 Banks in the region, ATM sales & support, POS sales & support, KIOSK-Deposit machine sales & support, SMS Solution, Biometric Solution, Remittance management services, MFS (Mobile Financial Services), Online Tax Payment Solution, Post Office Automation and introduction of Postal Cash Card, E-Commerce solution, and manages the most extensive shared ATM networks. Moreover, ITCL has arranged Network sharing facility with Dutch-Bangla Bank Limited Network (Nexus) & OMNIBUS Network (Brac Bank).

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.

ITCL has a Subsidiary, Bangladesh Electronic Payment Systems Limited (BEPS) which provides a suite of complete turnkey card management solutions to banks and other financial institutions in Bangladesh and is specialization in implementing global branded (VISA, Master Card, JCB, Diners) Debit Card and ATM card management systems “CARDPRO V5”.

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.

|  |  |
| --- | --- |
|  | Company at a glance |
| Company Name | Information Technology Consultants Ltd |
| Type of Business | Automated Transaction Proceessing solution provider under Q-Cash shared ATM Network, Online-switching solution, Electronic Payment system Operator. |
| Legal Status | Public Limited Company by shares |
| Year of Establishment | August 23, 2000 |
| Banker | Trust Bank Limited |
| Total Manpower | 235 |
| Turnover as onJune 30, 2014 | BDT 670,707,822/- |

## PRINCIPLE PRODUCTS AND SERVICES

|  |  |
| --- | --- |
| Q-Cash Transaction Processing and Service & Maintenance Products: | Sales Products |
|  |
| Ø  ATM Transaction Processing | Ø ATM |
| Ø  POS Transaction Processing | Ø POS Terminal |
| Ø  Merchant Transaction Processing | Ø Kiosk |
| Ø  Remittance Processing | Ø Bio Metric ATM Software solution |
| Ø  Debit & Credit Card Personalization & Management | Ø Switching Software Solution |
| Ø  Transaction Switching solution with automated settlement  and reconciliation (Real time) |  |
| Ø  Third party VISA Membership support |  |
| Ø  SMS Solution |  |
| Ø  Internet Banking Solution |  |
| Ø  Intefacing/Integration and development of switching  solutions/middleware |  |
| Ø  E-Commerce Solution |  |
| Ø  Mobile Financial Services |  |
| Ø  Mobile Wallet Management tagged with/without Card  (Digital Money) |  |
| Ø  Agent Banking solution with management |  |
| Ø  Online Tax Payament solution with development |  |
| Ø  Portal Management |  |
| Ø  Vendor Management & Support for Ecommerce |  |
| Ø  Organizational 360 Degree automation |  |
| Ø  Software Development catered towards Banking  requirements; i.e. for ATM, KIOSKS ,POS etc (R & D) |  |
| Ø  PCIDSS (Payment Card Industry Data Security System)  certification (newly introduced) |  |

ATM Sales & Support:

ITCL is the authorized Local Representative and Certified Service Partner of Wincor Nixdorf in Bangladesh. Wincor Nixdorf ATMs are popular for their reliability, robustness, parts availability, innovative design, functional excellence and compatibility with all modern technologies. All Wincor Nixdorf ATMs are manufactured in Germany and are fully EMV Compliant.

POS terminals Sales & Support:

ITCL provides and supplies the state-of-the-art VeriFone and Sand POS terminals with local technical (Hardware and Software) support for optimum POS performance of ITCL. A country-wide network (with ITCL provided by SAND POS) has been established for this purpose with the collaboration of NCC Bank Limited and TMSS - a NGO. Through these POS, which are used for multiple tasks, be it for a Bank itself, or for a vendor, or for any other institution, with ITCL’s POS the following tasks can be completed:

P2P Transfer (Person to Person)

Fund Transfer

Cash Advance

Cash Deposit

P2P Card Transfer

Balance Enquiry

PIN Change

VOID

Settlement

Log ON

KIOSK-Deposit machines Sales & Support:

These machines facilitate the Banks to provide following services to its valued clientele:

Cash Deposit

Cheque Deposit

Account Debit Instruction

Utility Bill (Electricity, Water, Gas, Phone, Mobile Phone etc.) Payments through Cash, Cheque, Account Debit Instructions and Card

School Fees Payment and other institutional payments

Cheque Book Request

Bank Statement Request

Internet Banking

Supports Inter & Intra-bank Fund Transfer

Debit/Credit/Prepaid Card Personalization & Management

ITCL provides Card Personalization support services to Q-cash Member banks, which is Payment Card Industry Data Security Standard (PCI DSS) Certified under the rules and regulations of VISA International. Debit/Credit/Prepaid card printing and personalization services are being delivered for Q-cash member Banks; hence this saves member Banks a huge investment on Card Personalization as they do not need to buy separate card printers for Indenting (Debit Card), Embossing (Credit Card), etc. Also the Bank saves on Card Printer maintenance, ribbons/consumables, repairs and miscellaneous costs.

Online Payment Gateway

ITCL’s own branded Q-Cash Payment gateway is one of the largest payment gateway in Bangladesh and is capable to process any brand (certified) cards and thus facilitating local and international card users to use one of the premium payment gateway in Bangladesh for each and every online transactions.

Remittance Distribution Solution

ITCL provides service to banks in managing their local and foreign currency remittances as an intra-bank and inter-bank solution, which is electronic, accurate, fast and without any reconciliation problems. These transactions can be performed throughout the country network. Remittance Distribution Solution can be implemented in both online and offline Banks, creating an enormous opportunity for offline Banks.

SMS Solution

ITCL offers SMS Banking facility to facilitate Cardholders’ Push Pull service for their transaction information. With this service, customers are able to retrieve their balance amount, receive notification on cash withdrawal and deposit or choose any combination of services. The solution has an open architecture that makes it highly scalable. Technically, there is no limit to the number of users the solution can support.

Biometric ATM Solution

ITCL for the first time developed Biometric ATM solution in Bangladesh and this solution has been implemented in Cambodia with Wincor-Nixdorf ATMs for the FTB Banks in collaboration with First Cambodia Co., Ltd.

E-Commerce Solution

ITCL successfully established, tested and launched the secured [Q-cash Payment Gateway (Q-cash PG)](http://www.qcash.com.bd/) to facilitate valued cardholder’s of buying goods and services and transfer of funds through on-line electronic payments. It performs authentication of electronic transactions in compliance with 3-D Secure Code standards and allows customer identification from an issuer as well as acquirer´s side. Our [Q-cash PG](http://www.qcash.com.bd/) has additional security features including various access certificates, digital signature verification, as well as support of DPA/CAP (Dynamic PassCode Authentication / Chip Authentication Programme). This solution has been designed to be apt for issuers and acquirers.

Agent Banking Solution

As per Bangladesh Bank’s vision and willingness, Agent Banking is taking place in many forms for facilitating especially the unbank people in low cost but in effective manner. ICTL being in the forefront for such products have introduced unique and one of a kind Agent Banking Solution to the banks as well as to their agents. Agent Banking Solution developed and implemented by ITCL is now running in 34 districts by First Security Islami Bank Ltd.

Online Passport Fees Collection

For the first time in Bangladesh, Q-Cash payment gateway has been integrated with Standard CharteredBank, One Bank and other banks to collect online passport fees.

Online TAX Payment

The National Board of Revenue (NBR) in collaboration with the World Bank are jointly introducing an e-payment system through Sonali Bank with an objective of reducing taxpayers' hassles by automating the payment of taxes, VAT & other regulatory taxes. After the introduction of the e-payment method, people will be able to pay taxes online, or through the ATM booth by Debit or Credit cards from anywhere in the Country through Qcash.

Mobile Financial Services (Digital Money/Wallet)

A Digital Wallet/Money is an Electronic virtual Prepaid Card with M-Banking Facilities that utilizes ATM and all kinds of electronic Communication Technologies including mobile phone. In addition, Electronic Prepaid Card would be used to deposit or draw cash directly from the ATM and other delivery channels. Digital wallet / money enable subscribers to quickly, easily, and securely transfer balances to other subscribers via mobile phones. Transfers are carried out electronically, requiring no intermediary. Any mobile subscriber can avail the mobile money services.

EMV Compliance

ITCL coherence with the world standard and in accordance with govt. rule of Bangladesh has supplied and re-patronizing its entire devices EMV (European, Master, VISA) standard, which is a mandatory now. In alignment with it, ITCL is also in process of providing training and support to all the banks; that are going through this changing phase.

PCIDSS Compliance

The Payment Card Industry Data Security Standard (PCI DSS) is a proprietary [information security](http://en.wikipedia.org/wiki/Information_security) standard for organizations that handle cardholder information for the major [debit](http://en.wikipedia.org/wiki/Debit), [credit](http://en.wikipedia.org/wiki/Credit_(finance)), [prepaid](http://en.wikipedia.org/wiki/Prepayment_for_service), [e-purse](http://en.wikipedia.org/wiki/E-purse), [ATM](http://en.wikipedia.org/wiki/Automated_teller_machine), and [POS](http://en.wikipedia.org/wiki/Point_of_sale) cards. ITCL is the first and only organizarion, which has been certified as PCI DSS compliant.

Market for the products

IT Consultants Ltd has been in forefront for tapping the relatively virgin market in Bangladesh primarily targeting the Banks and Financial Institutions. Over the last decade and so, the need of the terminals, i.e. ATM, KISOK, POS and other related payment solutions have seen a different edge and all these with unique features like MFS, E-Commerce now tagged with these terminals are served to different organizations as well other than financial institutions. Post Offices, Government offices are now clientele of ITCL. Considering this the target literate group of urban people is no more a clientele base rather an addition to the current local city people, rural people are now also a target group of the banks and ITCL as well.

However, not only local market and partners, ITCL has also provided Biometric Solution to Cambodia and ITCL is the only representative of Compass Plus in Asia region.

Q-Cash Member Banks

|  |  |  |  |
| --- | --- | --- | --- |
| # | Name of the Members Banks | # | Name of the Members Banks |
| 01 | Agrani Bank Limited | 27 | South Bangla Agriculture and Commerce Bank Ltd. |
| 02 | Bangladesh Commerce Bank Limited | 28 | Southeast Bank Limited |
| 03 | Bangladesh Krishi Bank Ltd | 29 | Standard Bank Limited |
| 04 | Bank Asia Limited | 30 | The City Bank Limited |
| 05 | BASIC Bank Limited | 31 | Trust Bank Limited |
| 06 | Eastern Bank Limited | 32 | Union Bank Limited |
| 07 | EXIM Bank Limited | 33 | Uttara Bank Limited |
| 08 | First Security Islami Bank Limited |  |  |
| 09 | ICB Islamic Bank Limited | # | Others Financial Institutions |
| 10 | IFIC Bank Limited | 01 | Lanka Bangla Finance Limited |
| 11 | Jamuna Bank Limited | # | Government Entities |
| 12 | Janata Bank Limited | 01 | Bangladesh Bank for NPSB |
| 13 | Meghna Bank Limited | 02 | Bangladesh Post Office |
| 14 | Mercantile Bank Limited | 03 | Bangladesh National Board of Revenue |
| 15 | Midland Bank Limited | 04 | Dhaka Metropolitan Police |
| 16 | Modhumati Bank Limited | # | Non Member Banks |
| 17 | National Bank Limited | 01 | Standard Chartered Bank Limited |
| 18 | NCC Bank Limited | 02 | Dutch Bangla Bank Limited |
| 19 | NRB Bank Limited | 03 | BRAC Bank Limited |
| 20 | NRB Commercial Bank Limited | 04 | Islami Bank Bangladesh Limited |
| 21 | NRB Global Bank Limited | 05 | United Commercial Bank Limited |
| 22 | One Bank Limited | 06 | Commercial Bank of Ceylon |
| 23 | Pubali Bank Limited | 07 | Prime Bank Limited |
| 24 | Shahjalal Bank Limited | 08 | Mutual Trust Bank Limited |
| 25 | Social Islami Bank Limited | 09 | Dhaka Bank Limited |
| 26 | Sonali Bank Limited | 10 | Premier Bank Limited |

## Awards & Accreditations:

Member of Bangladesh Computer Council

Member of BASIS

Member of DCCI (Dhaka Chamber of Commerce)

Member of German-Bangladesh Chamber of Commerce

Distribution Authorization by Compass Plus, Russia

Certified local agent of Wincor-Nixdorf, Germany

ITCL is the Payment System Operator (PSO) license holder in Bangladesh under supervision of Bangladesh Bank

PRODUCT/SERVICES THAT ACCOUNTS FOR MORE THAN 10% OF THE COMPANY’S TOTAL REVENUE

(As per Audited Accounts)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Product/Service | During the year ended on June 30, 2014 | | During the year ended on June 30, 2013 | |
| Total Turnover (BDT) | Value Contribution Percentage (%) | Total Turnover (BDT) | Value Contribution Percentage (%) |
| Q-Cash transaction Processing Fee ( Software Service) | 138,310,159 | 21% | 144,940,297 | 33% |
| Service & Maintenance Fees | 82,486,279 | 12% | 51,610,603 | 12% |
| Sales Revenue | 449,911,384 | 67% | 238,400,830 | 55% |
| Total Turnover | 670,707,822 | 100.00% | 434,951,730 | 100.00% |

ASSOCIATES, SUBSIDIARY/RELATED HOLDING COMPANY AND THEIR CORE AREAS OF BUSINESS

At present, Information Technology Consultants Limited does not have any associates / related holding company except Bangladesh Electronic Payment Systems Limited (BEPS) as its Subsidiary Company.

Bangladesh Electronic Payment Systems Limited (BEPS) was incorporated,as a private limited company on December 08, 2003 vide Registration No. C-51222 (1517)/2003. Authorized capital is Tk. 250 million divided into 2.50 million ordinary shares of Tk. 100/- each. The paid up capital of the company as on June 30, 2014 is Tk. 40,000,000/- divided into 400,000 ordinary shares of Tk. 100/- each fully paid. The company has become the subsidiary Company of Information Technology Consultants Limited in exchange of 92.875% of its shares. Information Technology Consultants Limited is holding 371,500 Ordinary Shares of Bangladesh Electronic Payment Systems Limited (BEPS).

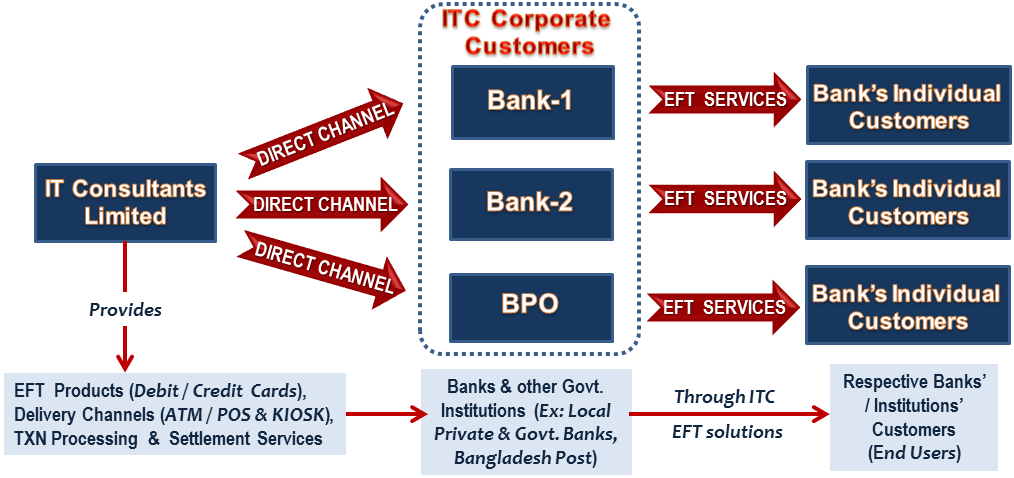
The management of both the Company has jointly agreed upon acquisition of BEPS by ITCL by virtue of their Board meeting held on 27.05.2009(ITCL) & 27.06.2009 (BEPS). In these consequences, ITCL has acquired 92.875% of BEPS shares in consideration of ITCL’s shares at par. In line with this, ITCL obtained consent from the commission vide letter-SEC/CI/CPLC-229/2010/494, dated-May25,2010 for raising ITCL Paid UP capital from Tk.49,35,51,000/- to Tk.52,92,01,000/-.

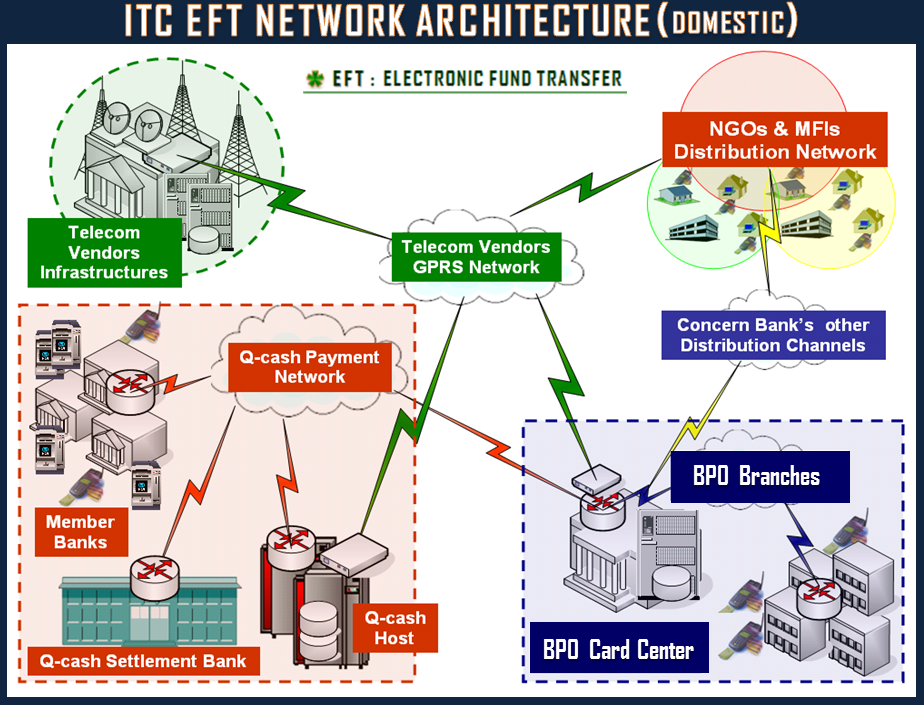
It may be mentioning here thatto be able to offer manifold services jointly to the member banks as well as establish ITCL’s broader Q-Cash Shared ATM network in Bangladesh, it was expected that the acquisition would help the Company to become sound both financially and technologically. The Management of ITCL had realized that the Company might generate more business by utilizing their own existing resources.

DISTRIBUTION OF PRODUCTS/SERVICES:

Information Technology Consultants limited imports hardware and software from various world-class vendors across the globe and distributes to the local banks, financial institutions, multinational companies and Government organizations.

Distribution flow chart of Product & Services:





COMPETITIVE CONDITIONS IN THE BUSINESS

### Major competitors / key players in the Market:

|  |  |
| --- | --- |
| Service Name | Competitors Name |
| Debit/Credit/Prepaid Card Personalization & Management | N/A |
| ATM Sales | aamra technologies Limited |
| LEADS Corporation Limited |
| International Acumen Ltd. |
| dataedge limited |
| Technomedia Ltd |
| ADN Technologies Ltd |
| Switching Solution | aamra technologies Limited |
| LEADS Corporation Limited |
| International Acumen Ltd. |
| dataedge limited |
| Flora Telecom |
| Data Soft |
| POS Terminals | aamra TechnologiesLimited |
| International Acumen Ltd. |
| dataedge Limited |
| ADN Technologies Ltd |
| KIOSK-Deposit Machines | Zara Zaman Limited |
| Zanala Bangladesh Limited |
| Net World |
| Remittance Distribution Solution | dataedge Limited |
| Transaction Switching | N/A |
| SMS Solution | N/A |
| Biometric ATM Solution | N/A |

Note: ITCL provides all type of services related to Electronic Transaction Payment Industry resulting in being one of the single largest Electronic transaction Processing house in the industry.

## SOURCES AND AVAILABILITY OF RAW MATERIALS AND PRINCIPAL SUPPLIERS

ITCL represents some of the most reputed vendors of the world in Bangladesh for EMV and electronic payment systems and solutions for the different organizations, especially for the Financial Organizations. All of these vendors are service and technical partners for ITCL. The reputed service and technology partners of ITCL are:

|  |  |  |  |
| --- | --- | --- | --- |
| SL. | Name of Suppliers | Country of Oringin | Type of Service procured |
| 1 | Wincor-Nixdorf International GmbH | Germany | ATMs |
| 2 | Compass Plus (Great Bretain) Limited | Russia | Soft Switch &Banking software solutions |
| 3 | NERA Telecommunications Limited | Singapore | POS and its applications |
| 4 | Shanghai Sand Information Technology Systems Co. Ltd. | China | POS and its applications |
| 5 | Plastic ID Limited | India | EMV & Fund Transfer |

SOURCES OF AND REQUIREMENT FOR POWER, GAS AND WATER OR ANY OTHER UTILITIES

|  |  |
| --- | --- |
| Particulars | Sources & Requirement |
| POWER | ITCL has a separate Substation of its own where the load has been sanctioned of 750 KVA, where the actual load management stands upto 1200 KVA. We have a separate online UPS of 120 KVA which is expandable upto 200 KVA. Other than this we have stand alone and parallel online UPS of about 20 KVA and 8 KVA respectively. We also have state of the art generators (03), capable of producing power of 333 KVA each, whereas the other two works as redundant of each other. |
|  | |
| GAS | ITCL does not use any gas for is business operatrions. |
|  | |
| WATER | ITCL use water for daily office operation from WASA. |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| CUSTOMERS WHO PURCHASE 10% OR MORE OF THE COMPANY’S PRODUCT/SERVICES | | | | |
|  |  |  |  |  |
| # | Name of Customers | Address | Nature of Transaction | Percentage (%) |
| 1 | Islami Bank Limited | Islami Bank Tower (8th Florr), 40, Dilkusha-C/A, Dhaka-1000 | Sale of ATM,POS, Kiosk & software Service | 20% |
| 2 | The City Bank Ltd. | City Bank Center, 136, Gulshan Avenue, Gulshan-2, Dhaka-1212 | Sale of ATM,POS, Kiosk & software Service | 18% |
| 3 | United Commercial Bank Ltd | Plot # CWS (A)-1, Road # 34, Gulshan Avenue, Dhaka-1212 | Sale of ATM,POS, Kiosk & software Service | 10% |

DESCRIPTION OF CONTRACT WITH PRINCIPAL SUPPLIERS/CUSTOMERS

ITCL has agreements with various principals and suppliers to supply and provide technical support. Moreover, the Company has various agreements with its client to provide, various goods, services and solutions. The Company makes frequent agreements with various clients for Long Term Service contracts –

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Suppliers Name | Duration of the Contract | Type of Agreement | Business for the period 1st July to 30June’2014 | |
| Quantity | Amount (BDT) |
| Wincor Nixdorf International GmbH, Germany  (Contract type: Service Partner Agreement) | 1 Year  (since 2004) | Auto Renewal | From July 2013 to June,2014  275 ATM | 15.19 Crore |
| Compass Plus (Great Britain) Limited, Russia  (Contract type: International Distributor) | 1 Year  (since 2004) | Auto Renewal | Various Types of Software | 1.96 Crore |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Customers’ Name | Duration of the Contract | Type of Agreement | Business for the period 1st July to 30June’2014 | |
| Quantity | Amount (BDT) |
| 33 Scheduled Banks and 1 NBFI | 3-5 years | Auto Renewal | Q Cash Transection Processing fees, Service and Maintainence and Sales of Hardwares | 659,555,968 |
| Bangladesh Post Office CCT Project | 10 Years | Auto Renewal | Transection Processing and Card Fee | 11,151,854 |

MATERIAL PATENTS, TRADEMARKS, LICENSES OR ROYALTY AGREEMENTS

Information Technology Consultants Limited has no material agreements regarding patents, trademarks or royalty agreements except several regulatory licenses and certificates in order to continue its operations. The table below lists the licenses and certifications that the Company has –

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| - | License Issuer/  Issuing Authority | Registration/Certificate/License No. | Issue Date | Current  Status |
| Certificate of  Incorporation | Registrar of Joint Stock Companies & Firms (RJSC) | C-41094(453)/2000 | 23-08-2000 | Public Ltd |
| TIN Certificate | National Board Of Revenue, Government of Bangladesh | e-TIN:742725911896 | 20-03-2014 | Assessment of tax for the year 2013-2014 completed. Assessment of tax for the year 2014-2015 in under process |
| VAT Registration Certificate | Customs, Excise and VAT  Commissionerate, Government of Bangladesh | 19091013038 | 21-11-2013 | Valid |
| Import Registration Certificate (IRC) | Office of the Chief Controller of  Imports & Exports, Government of Bangladesh | Bo-114804 | 13-03-2001 | Valid for the year 2015 - 2016 |
| Trade License | Dhaka City Corporation | 03-007865 | 26-09-2013 | Valid for the year 2015 - 2016 |
| BOI Registration Certificate | Board of Investment | L – 84000206035-H | 8-6-2002 | Valid |
| Payment Service Operator License | Bangladesh Bank | Ref:PSD/74/2014-624 | 09-11-2014 | Valid |
| Certificate of Insurance | Bangladesh General Insurance Company Limited | Policy No-  BGIC/DZO/FP-0273/05/2014 | 28-05-2014 | Valid till  28-05-2016 |
| Bangladesh General Insurance Company Limited | Policy No-  BGIC/DZO/MISC/BUG/P-0058/05/2014 | 28-05-2014 | Valid till  28-05-2016 |
| Certificate of Registration | Dhaka Chamber of Commerce and Industry | 02316 | 31-12-2011 | Valid for the year December 2015 |
| Bangladesh Association of Software & Information Services (BASIS) | G-238 | N/A | Valid for the year December 2015 |
| Bangladesh Computer Samity | 551 | 12-02-2014 | Valid for the year December 2015 |
| Bangladesh German Chamber of Commerce & Industry | 154 | 03.06-2010 | Valid till June 3, 2016 |
| Patent, TradeMark | The Registrar, Department of Patents, Designs & Trade Marks | 138440 & 138443 | Circular no-26653/2013 & 26407/2013 | The Trade Marks Journal No. 272  June – August 2013  Published on August 31, 2013 |

NUMBER OF EMPLOYEES

As at June 30, 2014 ITCL has a total of 235 employees. All the employees of the company are full time employee. All of the employees of the company receive yearly remuneration above BDT 36,000. The table below illustrates the nature of human resource based on type and location ofemployment:

|  |  |  |  |
| --- | --- | --- | --- |
| Monthly Salary Range (In Taka) | Permanent Basis | Contract Basis | Total Employees |
| Below 3,000 | Nil | Nil | Nil |
| Above 3,000 | 235 | Nil | 235 |
| Total | 235 | Nil | 235 |

PRODUCTION / SERVICE RENDERING CAPACITY AND CURRENT CAPACITY UTILIZATION

ITCL being a service oriented company, provides credit and debit card processing services, Q-cash ATM & POS sharing to 33 Banks in the region, ATM sales & support, POS sales & support, KIOSK-Deposit machine sales & support, SMS Solution, Biometric Solution, Remittance management services, MFS (Mobile Financial Services), Online Tax Payment Solution, Post Office Automation and introduction of Postal Cash Card, E-Commerce solution, and manages the most extensive shared ATM networks. Due to the nature of business of ITCL, service rendering capacity and its current utilization cannot be assessed.

DESCRIPTION OF PROPERTY Section: VI

LOCATION OF THE PRINCIPAL PLANTS AND OTHER PROPERTY OF THE COMPANY AND THEIR CONDITION

Information Technology Consultants Limited has its head office at Ever Green Plaza (3rdFloor), 260/B, Tejgaon-I/A, Dhaka - 1208, Bangladesh at rented premises. The compny does not possess any land & building of its own.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name of Office and Address | Lessor | Area (sft.) | Date of Agreement | Period of Lease |
| Evergreen Plaza, 260/B, Tejgaon I/A (3rd Floor), Tejgaon, Dhaka – 1208 | Evergreen Industries Limited | 11,350.37 | February 1, 2010 | Validity of Lease Agreement which will expire on January 31, 2017& the agreement shall automatically renew after expiration of present term |
| Evergreen Plaza, 260/B, Tejgaon I/A (4th Floor), Tejgaon, Dhaka – 1208 | Evergreen Industries Limited | 2,966.30 | -Do- | -Do- |
| Evergreen Plaza, 260/B, Tejgaon I/A (Ground Floor), Tejgaon, Dhaka – 1208 | Evergreen Industries Limited | 3,138.33 | -Do- | -Do- |
| Evergreen Plaza, 260/B, Tejgaon I/A (Ground Floor), Tejgaon, Dhaka – 1208 | Evergreen Industries Limited | 1,086 | August 1, 2012 | Validity of Lease Agreement will expire on December 21, 2016 |
| House #11, Road #3 Sector# 11, Uttara Model Town, Dhaka – 1230 | Engr. M. A. Mannan | 1,640 | May 26, 2013 | Validity of Lease Agreement is 5 years which will expire on May 25, 2018 |
| Holding No. 21, Tejgaon I/A, Dhaka – 1208 | Ms. Salma Parvin | 5,650 | April 1, 2014 | Validity of Lease Agreement is 3 years which will expire on March 31, 2017 |

The Company and its subsidiary possess the following fixed assets at written down value (W.D.V.):

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| # | Particulars | Location of the Machinery | Country of Origin | No. of Unit | Date of Acquisition | Economic Life as per Pro-forma Invoice | Remaining Useful Life | Brand New/ Re-conditioned Procurement | Amount in Taka 30.06.2014 (W.D.V) |
| 1 | ATM Booth | Different Bank Branches and Post Office | Local | 27 | from 10.8.2005 to 15.10.2014 | n/a | 5 years | Brand New | 7,560,554 |
| 2 | ATM Machinery | Different Bank Branches and Post Office | Germany | 96 | from 26 August 2003 to 14 Nov, 2014 | n/a | 12-19 years | Brand New | 90,074,208 |
| 3 | Card Printer | Office Premises, Evergreen Plaza (4th Floor), 260/B, Tejgaon-I/A, Dhaka | 08 nos Italy & 01 no USA | 9 | from 31.12.2003 to 11.12.2013 | n/a | 7-10 years | Brand New | 20,644,151 |
| 4 | Computer & Component | Office Premises | different countries | - | From 31.07.2003 to 05.06.2014 | n/a | 5 years | Brand New | 15,488,336 |
| 5 | Data Centre | Office Premises | different countries | 2 | From 30.06.2012 to 29.06.2014 | n/a | 10 years | Brand New | 9,428,271 |
| 6 | Generator | Office Premises | USA | 3 | 30.06.2011 | n/a | 5 years | Brand New | 10,789,200 |
| 7 | Network Solution (CISCO) | Office Premises | different countries | Comprehensive System | from 30.06.2011 to 17.06.2014 | n/a | 5 years | Brand New | 4,618,435 |
| 8 | Office Equipment | Office Premises | different countries | 205 | from 15.08.2003 to 12.04.2011 | n/a | 5 years | Brand New | 13,842,360 |
| 9 | Online UPS | Office Premises(3rd Floor) | Singapore | 1 unit | from 30.06.2011 t0 07.02.2013 | n/a | 5 years | Brand New | 11,279,344 |
| 10 | Operating Equipment | Office Premises | different countries | 7 | from 2010 t020.03.2014 | n/a | 5 years | Brand New | 2,283,944 |
| 11 | Plant & Machinery | Office Premises | different countries | Comprehensive System | from the year 2002 to 04.07.2013 | n/a | 15-22 years | Brand New | 20,207,159 |
| 12 | POS Terminal | BPO outlet, various merchant | Singapore | 1356 | from 29.09.2010 to 09.01.2012 | n/a | 16-19 years | Brand New | 23,335,985 |
| 13 | Power System | Office Premises | local | Comprehensive System | 30.06.2012 | n/a | 5 years | Brand New | 9,656,095 |
| 14 | Switching Hardware | Office Premises | different countries | - | from 30.06.2011 to 29.11.2012 | n/a | 5 years | Brand New | 9,729,602 |

(As per Audited Accounts)

|  |  |  |
| --- | --- | --- |
| Total Tangible Assets | | 276,591,890 |
| 1. | Accounting Software | 72,000 |
| 2. | ATM Software | 114,379,578 |
| 3. | Mobile Banking Software | 950,000 |
| 4. | Oracle Software | 7,264,175 |
| 5. | PCI DSS Security Compliance Software License | 1,073,310 |
| 6. | POS Software | 22,408,378 |
| 7. | Q Cash E Portal Software Development | 1,052,657 |
| 8. | Q Cash Retailer POS Software | 8,027,329 |
| 9. | Software Development | 128,630,460 |
| 10. | Switching Software | 271,313,181 |
| 11. | Call Centre | 1,001,300 |
| 12. | VMware Software | 870,700 |
| 13. | Issue Tracking Software (JIRA) | 1,000,000 |
| Total Intangible Assets | | 558,043,068 |
| Total Assets | | 834,634,958 |

The company owns the entire above mention properties and there is no lease.The company procured all of its asset in brand new condition

There is no mortgage or other types of lien on the above-mention property.

No property is taken on lease.

The Company has no plant and machinery except Switching Hardware, HSM, Server etc

The company has hypothecation over its present and future fixed assets and floating assets to cover the entire credit facilities.

Certificate of Auditors to the effect that all machineries/ equipment/ properties of the company were purchased in brand new condition:

This is to certify that we have verified the following documents relating to plant and machinery of Information Technology Consultants Limited and found that all were purchased brand new. We also confirm that there are no other machinery except the following.

|  |  |
| --- | --- |
| (1) Name of the Properties | Invoice number |
| Switching Hardware | Pro/TIS10033 |
| Switching Hardware | B1370/2012910 |
| Switching Hardware | 16/09/net/6666 |
| Switching Hardware | 12/09/Xser/2711 |
|  |  |
| (2) Name of the Properties | Invoice number |
| Network Solution (Cisco) | 11/04/NET/0918 |
| Network Solution (Cisco) | TISL/14/NET/008 |
|  |  |
| (3) Name of the Properties | Invoice number |
| Data Center | B/1520/20130623 |
| Data Center | 553/2012MT/ITCL/554/2012; |
| Data Center | B/1569/20131006 |
| Data Center | MT/ITCL/552/2012 |
|  |  |
| (4) Name of the Properties | Invoice number |
| Call Center | GSL/ITCL/Call Center Solution/001/ 2012 |
|  |  |
| (5) Name of the Properties | Invoice number |
| Structure Cabling | 51301, 51302, 51303, 51304, 51448, 54909 |
| 54911, 54914, 54915, 54916, 54917, 54918 |
| 54919, 54920, 54926, 54910, 54912, |
|  |  |
| (6) Name of the Properties | Invoice number |
| Online UPS | 51614, 51576 |
| Online UPS | 49461,49460, 49459,49458,45457,49456, |
| Online UPS | 51216 |
| Online UPS | Bill/BCB/MC/70/12-13 |
| Online UPS | Bill/BCB/MC/64/12-13 |
| Online UPS | Bill/BCB/MC/64/12-13 |
| Online UPS | Bill/BCB/MC/107/12-13 |
|  |  |
| (7) Name of the Properties | Invoice number |
| Power System | 51305, 51307, 51308, 51310, 51312, 531308A |
| 51326, 51327, 51434, 21435, 51436, 51437 |
| 51439, 51444, 51445, 51446, 51447, 51449 |
| 51450, 54904, 54905,54907,54913,54923,54924,54927, 54929 |
|  |  |
| (8) Name of the Properties | Invoice number |
| Power Substation | MRNO. 521 |
|  |  |
| (9) Name of the Properties | Invoice number |
| Web Application Firewall | INF/01/13 |
|  |  |
| (10) Name of the Properties | Invoice number |
| Operating Equipment | 20121311-06CSL/ITCL/20121311 |
| Operating Equipment | 40/13 |
| Operating Equipment | 403-12/13 |
| Operating Equipment | SDB/2014/011 |
|  |  |
| (11) Name of the Properties | Invoice number |
| Plant Machinery | Chq/tc/shf345 |
| Plant Machinery | CHQ/MC/229 |
| Plant Machinery | CHQ/MC/200 |
| Plant Machinery | CHQ/MC/078 |
| Plant Machinery | CHQ/MC/161 |
| Plant Machinery | ITCL/MI-007/IMP |
| Plant Machinery | TISDN/13-03/000280 |
| Plant Machinery | TISL/14/SRV06/012 |
|  |  |
| (12) Name of the Properties | Invoice number |
| Furniture & Fixture | PP/QU/RU/10-11/199 |
|  |  |
| (13) Name of the Properties | Invoice number |
| Office Decoration | PP/QU/RU/10-11/199 |
| Office Decoration | PP/QU/RU/10-11/199 |
| Office Decoration | PP/QU/RU/10-11/199 |
| Office Decoration | PP/QU/RU/10-11/199 |
|  |  |
| (14) Name of the Properties | Invoice number |
| POS Terminal | PIR0918 (Hardware) |
| POS Terminal | PIR0925 (Hardware) |
| POS Terminal | PIR0927 (Software) |
| POS Terminal | 001 |
| POS Terminal | 001 |
|  |  |

|  |  |
| --- | --- |
| (15) Name of the Properties | Invoice number |
| ATM Machinery | 81433852 |
| ATM Machinery | S10032807 |
| ATM Machinery | S10063908A |
| ATM Machinery | S100893A |
| ATM Machinery | S100103527 |
| ATM Machinery | S10039000031A, B, C, D |

|  |  |
| --- | --- |
| (16) Name of the Properties | Invoice number |
| Office Equipment | 563/2003 |
| Office Equipment | 3650 |
| Office Equipment | 3444 |
| Office Equipment | 10492 |
| Office Equipment | 11546 |
| Office Equipment | 3514 |
| Office Equipment | 1515 |
| Office Equipment | 3444 |
| Office Equipment | 2832 |
| Office Equipment | 562607 |
| Office Equipment | 12/09/xser/2711 |
| Office Equipment | 12/11/xser/3555 |
| Office Equipment | B/977/22012011 |
| Office Equipment | S-3840 |
| Office Equipment | 19995 |
| Office Equipment | 1144 |
| Office Equipment | 31032011/GL2 |
| Office Equipment | BN/3/009 |
| Office Equipment | 1388/S |
| Office Equipment | GSS-MCOM/154/04/2011 |
| Office Equipment | 983 |
| Office Equipment | INV/M-967/2004 |

|  |  |
| --- | --- |
|  | Sd/- |
| Dated: Dhaka | Hussain Farhad & Co. |
| 18 February, 2015 | Chartered Accountants |

Note: For the year ended 2014 – 2015 Hussain Farhad & Co. has been appointed as Statutory Auditor.

PLAN OF OPERATION AND DISCUSSION OF FINANCIAL CONDITION Section: VII

INTERNAL AND EXTERNAL SOURCES OF CASH

The internal sources of the cash of the company are the share capital,share premium, retained earnings and revaluation reserve. The external sources of cash are long-term and short-term loans.

(As per Audited Accounts)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Particulars | | As on 30.06.2014 | | As on 30.06.2013 | | As on 30.06.2012 | |
|  | (Amount in BDT) | | | | | |  |
| INTERNAL SOURCES OF CASH: | | Consolidated | Separate | Consolidated | Separate | Consolidated | Separate |
| Share Capital | | 750,000,000 | 750,000,000 | 750,000,000 | 750,000,000 | 750,000,000 | 750,000,000 |
| Share Premium | | 310,201,854 | 310,201,854 | 310,201,854 | 310,201,854 | 310,201,854 | 310,201,854 |
| Retained Earnings | | 47,779,765 | 40,275,591 | -51,384,580 | -65,933,148 | -78,440,553 | -99,533,758 |
| Revaluation Reserve | | 263,154,934 | 263,154,934 | 316,434,847 | 316,434,847 | 316,434,847 | 316,434,847 |
| Tax Holiday Reserve | | - | - | 1,987,094 | - | 1,987,094 | - |
| Non Controlling Interest | | 3,246,782 | - | 3,776,860 | - | 4,275,059 | - |
| Sub-total | | 1,374,383,335 | 1,363,632,379 | 1,331,016,075 | 1,310,703,553 | 1,304,458,301 | 1,277,102,943 |
|  | (Amount in BDT) | | | | | |  |
| EXTERNAL SOURCES OF CASH: | | Consolidated | Separate | Consolidated | Separate | Consolidated | Separate |
| Long term loan | | 70,805,830 | 70,805,830 | 8,371,949 | 8,371,949 | 22,837,659 | 22,837,659 |
| Bank Overdraft | | 352,117,439 | 352,117,439 | 223,273,439 | 223,273,439 | 140,725,838 | 140,725,838 |
| Inter Company Payables | |  | 10,460,289 |  | 6,696,489 |  | 6,499,632 |
| Current Portion of Long term loan | | 17,828,670 | 17,828,670 |  |  | 14,400,000 | 14,400,000 |
| Sub-total | | 440,751,939 | 451,212,228 | 231,645,388 | 238,341,877 | 184,463,129 | 184,463,129 |
|  |  | | | | | |  |
| Grand Total | | 1,815,135,274 | 1,814,844,607 | 1,562,661,463 | 1,549,045,430 | 1,488,921,430 | 1,461,566,072 |

Information Technology Consultants Limited has been able to generate enough cash from both internal and external sources in order to meet its cash payments and obligations.

MATERIAL COMMITMENTS OF CAPITAL EXPENDITURE

The Company has no material commitment of capital expenditure other than as specified in Section IV ‘Utilization of IPO Proceeds’ under the head of Issue Size and Purpose of the Public Offeringof this Prospectus.

CAUSES FOR MATERIAL CHANGES FROM PERIOD TO PERIOD

The trend of the Company’s Net Profit after Tax, EPS and other business indicators are increasing due to the management effort and strategic action taken to face competition in the industry. The following table shows the year-to-year financial performance of Information Technology Consultants that is increasing due to the Company’s long-term vision in this sector, experienced top tier management, favorable economic and government rules and regulation, the commendable repayment culture is contributing to the growth of the Company:

(As per Audited Accounts)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Particulars | As at 30.06.2014 | | As at 30.06.2013 | | As at 30.06.2012 | |
| Consolidated | Separate | Consolidated | Separate | Consolidated | Separate |
| Revenue | 670,707,822 | 669,826,632 | 434,951,730 | 420,545,439 | 432,155,858 | 388,327,717 |
| Less: Cost of Services & Sales | 442,026,430 | 433,784,686 | 293,757,744 | 277,658,901 | 286,905,620 | 267,169,572 |
| Gross profit | 228,681,392 | 236,041,946 | 141,193,986 | 142,886,538 | 145,250,238 | 121,158,145 |
| Less: General & Administrative Expenses | 74,955,495 | 72,745,944 | 65,201,749 | 60,245,245 | 51,528,970 | 45,419,329 |
| Less: Selling & Distribution Expenses | 27,422,726 | 27,422,726 | 29,298,614 | 29,082,364 | 23,492,920 | 20,408,709 |
| Less: Other Operating Expenses | 12,768,082 | 12,705,520 | 4,612,183 | 4,485,221 | 6,708,540 | 5,844,073 |
| Operating Profit | 113,535,089 | 123,167,756 | 42,081,440 | 49,073,708 | 63,519,808 | 49,486,034 |
| Add: Non Operating Income | 4,454,646 | 4,454,646 | 1,388,845 | 1,388,845 | 412,299 | 412,299 |
| Profit before Finance Cost & Income Tax | 117,989,735 | 127,622,402 | 43,470,285 | 50,462,553 | 63,932,107 | 49,898,333 |
| Less: Finance Costs | 34,906,246 | 34,906,246 | 14,948,649 | 14,948,649 | 16,953,691 | 16,953,691 |
| Profit/(Loss) before  contribution to WPP & WF | 83,083,489 | 92,716,156 | 28,521,636 | 35,513,904 | 46,978,416 | 32,944,642 |
| Contribution to WPP & WF | 4,635,808 | 4,635,808 |  |  |  |  |
| Profit/(Loss) before Income Tax | 78,447,681 | 88,080,348 | 28,521,636 | 35,513,904 | 46,978,416 | 32,944,642 |
| Provision for Income Tax | 726,788 | 726,788 | 2,178,294 | 2,178,294 | 5,262,665 |  |
| Profit After Income Tax | 77,720,893 | 87,353,560 | 26,343,342 | 33,335,610 | 41,715,751 | 32,944,642 |
| Non Controlling Interest | 530,078 |  | 498,199 |  | -624,942 |  |
| Net Profit After Tax | 78,250,971 | 87,353,560 | 26,841,541 | 33,335,610 | 41,090,809 | 32,944,642 |

In the year 2014, ITCL has experienced significant increase its revenue in all revenue segments, due to joning of some new member Banks and gathered more work Order against sales of hardwares and software. On the other hand the Company had taken special financial control for minimize cost as well as expenditures. Therefore, the profit margin has significantly increased. It is to be note that the Company is a special and exceptional Tecnological Company. So its revenue could be high at any time subject to customer acceptance and technology adaptation process.

In the year 2013, the revenue of the Company increased due to Q-Cash transaction Processing, but sales revenue occurred as per usual trend. Profit of this year effected subject to increase in Salary and allowances, Amortization and depreciation, selling and general expences.

## SEASONAL ASPECTS OF THE COMPANY BUSINESS:

The very nature of the business, which is selling of ATMs & KIOSKS, membership fees and transaction, all these do not have any seasonality in our Business. However, it has been observed that after budget effect do have some impact on the Revenue, as the sales increases after July (Bank Year End) in accordance to the banks’ expansion plan of ATMs & KIOSKS. On the other hand, card transaction increases at every end of month due to withdraw of salary and especially in holiday season, i.e EID, Pooja etc.

KNOWN TRENDS, EVENTS OR UNCERTAINTIES

There are no known trends in customer or Bank preference that affect the business operation of the Company. However, business operation of the Company may be affected by some known events as follows:

Entrance of new technology

Increase competition

Political unrest

Natural disaster

CHANGE IN THE ASSETS OF THE COMPANY USED TO PAY OFF ANY LIABILITIES

No asset of the Company has been disposed to pay off any liability.

LOAN TAKEN FROM OR GIVEN TO HOLDING/PARENT COMPANY OR SUBSIDIARY COMPANY

Information Technology Consultants Limited does not have any Holding/Parent Company except Bangladesh Electronic Payment Systems Ltd. (BEPS) as its Subsidiary Company. During the year 2014, the company has inter company payables with BEPS amounting BDT 10,460,289 (As per note 23 of Audit Report June 30, 2014)

FUTURE CONTRACTUAL LIABILITIES

The Company has no plan to enter into any contractual liabilities other than normal course of business within next one year.

FUTURE CAPITAL EXPENDITURE

The Company does not have any plan for capital expenditure in near future other than as specified in Section IV ‘Utilization of IPO Proceeds’under the head of Issue Size and Purpose of the Public Offering and ‘Material Commitments of Capital Expenditure’ under the head of Plan of Operation and Discussion of Financial Condition of this Prospectus.

VAT, INCOME TAX, CUSTOMS DUTY OR OTHER TAX LIABILITY

Value Added Tax (VAT)

The Company has VAT registration no. 19091013038 area code-190301 and it pays VAT in times and submits return accordingly. The company has no VAT liability.

Income Tax

The Company has TIN No. 210-200-7990/Circle-76 & e-TIN: 742725911896 the business of the Company (Software Service and Maintenance) is tax free till June 30, 2016 as per NBR Letter dated 06/07/2015.

Since the Company is generating loss on trading business there is no income tax liability but as per section 16CCC of Income Tax Ordinance 1984, Company is liable to pay the minimum tax on gross receipts @0.33%.

Year wise income tax status of the Company is depicted below:

|  |  |  |
| --- | --- | --- |
| Accounting Year | Assessment Year | Status |
| 2009-2010 | 2010-2011 | As per certificate given by DCT of Companies Tax Circle-316(Companies), Tax Zone-15, Dhaka, dated 07.09.2011 Income Tax is settled upto assessment year 2010-2011. |
| 2010-2011 | 2011-2012 | As per certificate given by DCT of Companies Tax Circle-316(Companies), Tax Zone-15, Dhaka, dated 07.08.2012 Income Tax is settled upto assessment year 2011-2012. |
| 2011-2012 | 2012-2013 | As per certificate given by DCT of Companies Tax Circle-316(Companies), Tax Zone-15, Dhaka, dated 14.01.2013 Income Tax is settled upto assessment year 2012-2013. |
| 2012-2013 | 2013-2014 | As per certificate given by DCT of Companies Tax Circle-316(Companies), Tax Zone-15, Dhaka, dated 17.04.2014 Income Tax is settled upto assessment year 2013-2014. |
| 2013-2014 | 2014-2015 | This is under proccess. |

Deferred Tax Liability

As there is considerable uncertainty with regard to the taxation of such companies after the expiry of the tax exemption period, no estimation of deferred tax and provision has been made at this stage. (As per Note 3.8 in Audit accounts of 2014)

Customs Duty or other Tax Liability

The Company pays all custom duty as per country’s rules and regulations at the time of importing goods. There is no liability pending about custom duty.

OPERATING LEASE AGREEMENT DURING LAST FIVE YEARS

The Company has established its head ofiice and other offices on leased accommodation as under:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Name of Office and Address | Lessor | Area (sft.) | Rent per sft. | Date of Agreement | Period of Lease | Monthly Installment (Amount in BDT) |
| Evergreen Plaza, 260/B, Tejgaon I/A (3rd Floor), Tejgaon, Dhaka - 1208 | Evergreen Industries Limited | 11,350.37 | 27/- | February 1, 2010 | Validity of Lease Agreement will expire onJanuary 31, 2017& the agreement shall automatically renew after expiration of present term | 306,460/- |
| Evergreen Plaza, 260/B, Tejgaon I/A (4th Floor), Tejgaon, Dhaka - 1208 | Evergreen Industries Limited | 2,966.30 | 27/- | -Do- | -Do- | 80,090/- |
| Evergreen Plaza, 260/B, Tejgaon I/A (Ground Floor), Tejgaon, Dhaka - 1208 | Evergreen Industries Limited | 3,138.33 | 27/- | -Do- | -Do- | 84,735/- |
| Evergreen Plaza, 260/B, Tejgaon I/A (Ground Floor), Tejgaon, Dhaka - 1208 | Evergreen Industries Limited | 1,086 | 50/- | August 1, 2012 | Validity of Lease Agreement will expire on December 21, 2016 | 54,300/- |
| House #11, Road #3 Sector# 11, Uttara Model Town, Dhaka – 1230 | Engr. M. A. Mannan | 1,640 | 29/- | May 26, 2013 | Validity of Lease Agreement is 5 years which will expire on May 25, 2018 | 48,000/- |
| Holding No. 21, Tejgaon I/A, Dhaka – 1208 | Ms. Salma Parvin | 5,650 | 30/- | April 1, 2014 | Validity of Lease Agreement is 3 years which will expire on March 31, 2017 | 169,500/- |

FINANCIAL LEASE COMMITMENT DURING LAST FIVE YEARS

The Company entered into lease commitment to purchase motor vehicles in 2005 & 2007 with Pubali Bank Ltd and in 2008 with National Housing Finance and Investments Ltd. The Company has paid off its lease obligation in full by 2012. Details are as follows:

(As per Audited Accounts)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Name of Institutions | Lease Amount (BDT) | Rate of Interest (%) | Sanction Date | Monthly Installment (BDT) | Lease Period (monthly basis) | Date of Expiry | Outstanding Balance as on  June 30, 2014 (BDT) |
| Pubali Bank Limited | 1,225,000/- | 13% | 23.04.2005 | 65,566/- | 48 months | 15.04.2009 | Nil |
| Pubali Bank Limited | 1,325,000/- | 15% | 18.06.2007 | 36,876/- | 48 months | 25.06.2010 | Nil |
| National Housing Finance and Investments Limited | 1,800,000/- | 18% | 25.05.2008 | 52,880/- | 48 months | 05.05.2012 | Nil |

PERSONNEL RELATED SCHEME

The Company considers its human resources as the most valuable assets and the profitability of company largely depends on the efficient & effective productivity of human resources. So the Company provides following facilities and incentives to motivate employees for its continued profitability and prosperity. These are as under:

Festival Bonus : The Company provides two festival bonus to the employees in every year

Registered Provident Fund: The Registered Provident Fund of the company is under process

Group Health Insurance: All of the permanent employees of the Company get health insurance benefit under an Group Insurance Coverage from American Life Insurance Company Ltd (MetLife Alico).

Workers' Profit Participation & Welfare Fund: The Company has made provision 5% of its net profit before tax as WPPF in accordance with the Bangladesh Labour (Amendments) Act 2013 and which is payable to workers as defined in the said laws. The Company shall pay every year to the participant Fund, Welfare Fund and Worker’s Welfare Foundation Fund (established under section 14 of the Bangladesh Worker’s Welfare Foundation Act 2006)

BREAKDOWN OF ESTIMATED EXPENSES FOR IPO

|  |  |  |
| --- | --- | --- |
| Particulars | Basis | Amount in BDT |
| Issue management fee | 1 % of issue size or Tk. 2,000,000 whichever is lower | 1,200,000 |
| VAT against issue management fees | 15% on issue management fee | 180,000 |
| Regulatory expenses Listing related expenses : |  |  |
| Prospectus Submission for DSE & CSE | Fixed | 5,000 |
| Annual fee for DSE & CSE | Paid up capital exceeding  Tk. 100 crore per Stock Exchange Tk. 100,000 | 200,000 |
| Initial listing fee for Stock Exchanges (CSE & DSE) | Total of @0.25% on Tk. 10 crore  and 0.15% on rest amount of  paid-up capital or maximum Tk. 2 million per stock exchange | 2,810,000 |
| BSEC fees |  |  |
| Application fee | Fixed | 10,000 |
| Consent fee | 0.15% on public offering amount | 180,000 |
| IPO commission |  |  |
| Underwriting commission | 0.50% on the underwritten  amount | 300,000 |
| Auditor fees including certification fees | At actual | 100,000 |
| CDBL fees & expenses |  |  |
| Documentation fee | At actual | 2,500 |
| Annual fee | At actual | 100,000 |
| IPO fee | @.0175% of issue size+.0175% of Pre-IPO paid up capital | 152,250 |
| Connection fee (500 Tk. per Month\*12) |  | 6,000 |
| Security Deposit |  | 500,000 |
| Printing & post IPO expenses |  |  |
| Expense regarding printing of abridged version of prospectus &  notice in 4 national Dailies | Estimated (to be paid at actual) | 750,000 |
| Expense regarding printing of prospectus (5000 copies) | Estimated (to be paid at actual) | 800,000 |
| Post issue managers expenses (data processing fee) 7 times subscription considered | Estimated (to be paid at actual) | 2,016,000 |
| Lottery conduction expense | Estimated (to be paid at actual) | 500,000 |
| BUET fee for lottery conduction | Estimated (to be paid at actual) | 300,000 |
| Others |  |  |
| Distribution of prospectus to the overseas countries (Tk.) | Estimated (to be paid at actual) | 100,000 |
| Distribution of prospectus within the country (Tk.) | Estimated (to be paid at actual) | 100,000 |
| Software for share management | Estimated (to be paid at actual) | 50,000 |
| Stationary and others | Estimated (to be paid at actual) | 100,000 |
| Grand total |  | 10,461,750 |

REVALUATION OF COMPANY’S ASSETS AND SUMMARY THEREOF

Since its inception, Information Technology Consultants Limitedrevalued its fixed assets for the first time in the year 2010.The management of the company has decided to revalue only Plant & Machinery, ATM Machinery, POS Terminal and Card printeramong all the fixed assets and Q-cash retailer POS Software, ATM Software, Switching Software, POS Software and Software Development among all the intangible assets as it is observed that the difference between the carrying amount and market value (fair value) will besignificant. The revaluation was made on 30 June,2010 by the enlisted valuer CA firm named Ahmed & Akhter Co., Chartered Accountants as per BAS-16. Details of the revaluation of the assets are given below:

|  |  |  |  |
| --- | --- | --- | --- |
| Name of the Independent Valuer | : | Ahmed & Akhter  Chartered Accountants | |
| Valuer’s Address | : | BCIC Bhaban (4th Floor), 30-31, Dilkusha C/A, Dhaka – 1000 | |
| Date of Signing Revaluation Report | : | September 15,2010 | |
| Cut Off date of Revaluation | : | June 30,2010 | |
| Nature of Revalued Assets | : | Fixed Assets (Partial) & Intangible Assets (partial) | |
| Methods and Significant Assuptions | : | For Fixed Asset-Physical verification & determination of fair value; for Intangible Assets-(a) Cost Approach, (b) Income approach, (c) Market Approach | |
| Value of Fixed asset before Revaluation | : | BDT 210,387,488 | |
| Value of Fixed asset after Revaluation | : | BDT 526,822,335 | |
| Name and Qualification of Valuation Team Members |  | Mohammad Akhtar Kamal  FCA, FCMA | Md. Abu Rayhan,  ACMA |
| Md. Alauddin Mridha  FCMA | ANM Zakir Al Mamun,  MS in Telecommunication |
| Mohmmad Naser,  MBA, DSC, PgDMC, LLB | Sarker Tauhid Ahmed,  BSc in Computer Science |
| Ismat Ara,  MBA, PgDMC | Tanuja Mondol,  MBA, ACCA (Finalist) |
| Notable Valuation Work done by the Valuer | : | Bangladesh Bank | |
| Shilpa Bank and Shilpa Rin Sangstha (BDBL) | |
| Agrani Bank Limited | |
| Bangladesh Petroleum Exploration and Production Company Limited (BAPEX) | |
| Progati Industries Limited | |
| Chittagong Drydock Limited | |
| Atlas Bangladesh Limited | |
| National Tubes Limited | |
| Gas Transmission Company Limited | |

Reasons for valuation:

To ascertain net worth of the High technological project at current value or fair value of the company’s information technology equipments and Intellectual properties based Software solutions, we have done the revaluation since these intellectual properties creates value day-by day with new projects accomplishment and fine-tuning the solutions with the requirement of new projects/changed technology.

Summary of Revaluation Surplus:

(As per Audited Accounts)

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | Net Book value as on 30.06.2010 (BDT) | Fair Value as on30.06.2010 (BDT) | Revaluation Surplus as on30.06.2010 (BDT) |
| Fixed Assets: |  |  |  |
| Plant & Machinery | 9,840,074 | 19,757,320 | 9,917,246 |
| ATM Machinery | 72,142,536 | 141,380,110 | 69,237,574 |
| POS Terminal | 8,842,191 | 22,042,064 | 13,199,873 |
| Card printer | 8,916,044 | 16,250,936 | 7,334,892 |
| Intangible Assets: |  |  |  |
| Q-cash retailer POS Software | 4,224,910 | 8,449,820 | 4,224,910 |
| ATM Software | 14,419,746 | 20,662,396 | 6,242,650 |
| Switching Software | 60,660,534 | 197,041,068 | 136,380,534 |
| POS Software | 1,407,415 | 5,593,760 | 4,186,345 |
| Software Development | 29,934,038 | 95,644,861 | 65,710,823 |
| Total | 210,387,488 | 526,822,335 | 316,434,847 |

TRANSACTION BETWEEN SUBSIDIARY/HOLDING/ASSOCIATE COMPANY AND THE ISSUER

Information Technology Consultants Limited does not have any transaction with Sister/Holding/Associate Company exceptBangladesh Electronic Payment Systems Limited (BEPS) as its Subsidiary Company.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Name of Company | Relationship with the entity | Nature of transaction | Balance as at June 30, 2014 | Balance as at June 30, 2013 | Balance as at June 30, 2012 | Balance as at June 30, 2011 | Balance as at June 30, 2010 |
| Taka | Taka | Taka | Taka | Taka |
| Bangladesh Electronic Payment Systems Limited (BEPS) | Subsidiary  Company | Non interest bearing short term loan | 10,460,289 | 6,696,489 | 6,499,632 | - | - |

AUDITOR’S CERTIFICATE REGARDING ANY ALLOTMENT OF SHARES TO THE DIRECTORS AND THE SUBSCRIBER TO THE MEMORANDUM OF ASSOCIATION AND ARTICLE OF ASSOCIATION FOR ANY CONSIDERATION OTHERWISE THAN FOR CASH.

After due verification, we certify that the paid-up capital of Information Technology Consultants Ltd. as of June 30, 2014 was Taka 75,00,00,000 divided into 7,50,00,000 Ordinary shares of Taka 10/- each, made up as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Particulars of allotment | Date of Allotment | Number of shares issued | | Amount of share capital (Taka) |
| Consideration in Cash | Consideration other than Cash |
| First (Subscription to the Memorandum & Articles of Association at the time of incorporation) | 23.08.2000 | 20,000 | ---- | 200,000 |
| Second Allotment | 05.07.2003 | 980,000 | ---- | 9,800,000 |
| Third Allotment | 10.02.2004 | 654,340 | ---- | 6,543,400 |
| Fourth Allotment | 29.02.2004 | 7,000,000 | ---- | 70,000,000 |
| Fifth Allotment | 05.04.2004 | 10,289,280 | ---- | 102,892,800 |
| Sixth Allotment | 07.09.2004 | 1,650,000 | ---- | 16,500,000 |
| Seventh Allotment | 20.01.2008 | 7,261,480 | ---- | 72,614,800 |
| Eighth Allotment | 15.04.2008 | 500,000 | ---- | 5,000,000 |
| Ninth Allotment | 22.11.2009 | 21,000,000 | ---- | 210,000,000 |
| Tenth Allotment | 29.05.2010 | ---- | 3,565,000 | 35,650,000 |
| Eleventh Allotment | 16.08.2010 | 4,000,000 | 150,000 | 41,500,000 |
| Twelfth Allotment | 04.12.2011 | 1,79,29,900 | ---- | 179,299,000 |
| Total | | 7,12,85,000 | 37,15,000 | 750,000,000 |

This is also certified that the amounts shown against paid-up capital as cash consideration was deposited in the company’s bank account.

The Company, however, has sub-divided the face value of its ordinary share from Taka 100/- to Taka 10/- by passing a special resolution in its Extra-Ordinary General Meeting (EGM) held on 16/04/2009 and necessary amendments in the capital clause of the Memorandum and Articles of Association were made accordingly. Hence, the paid up capital of the Company comes to Taka 750,000,000 divided into 7,50,00,000 ordinary shares of Taka 10/- each.

|  |  |
| --- | --- |
|  | Sd/ |
| Dhaka, | Hoda Vasi Chowdhury & Co |
| Date: October 15 , 2014 | Chartered Accountants |

DECLARATION FOR NON-SUPPRESSION OF MATERIAL INFORMATION

This is to declare that, to the best of our knowledge and belief, no information, facts or circumstances, which should be disclosed have been suppressed, which can change the terms and conditions under which the offer has been made to the public.

For Issuer,

Sd/-

Kazi Saifuddin Munir, Ph.D

Managing Director & CEO

Information Technology Consultants Limited

INFORMATION ABOUT DIRECTORS AND OFFICERS Section: VIII

DIRECTORS OF THE COMPANY

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Name | Designation | Nominated by | Qualification | Age (Years) | Experience (Years) | Period of Nomination |
| Lim Kiah Meng | Chairman  & Nominated Director | SiS Capital (Bangladesh) Pte Limited | Master’s Degree in International Management, USA | 61 | 25 | 12.12.2011 |
| Salahuddin Alamgir | Vice Chairman | N/A | B.Sc from Bangladesh Military Academy | 37 | 16 |  |
| Kazi Saifuddin Munir, Ph. D | Managing Director & CEO | N/A | Ph.D in Automation and Robot Technology (Soft Intelligence). | 51 | 25 |  |
| Lim Kia Hong | Nominated Director | SiS Capital (Bangladesh) Pte Limited | Bachelor’s Degree in Business Administration,USA | 57 | 33 | 12.12.2011 |
| Lim Hwee Hai | Nominated Director | SiS Capital (Bangladesh) Pte Limited | Master’s Degree in Business Administration,Singapore | 64 | 33 | 12.12.2011 |
| Madam Lim Hwee Noi | Nominated Director | SiS Capital (Bangladesh) Pte Limited | Bachelor’s Degree in Commerce, Singapore | 63 | 25 | 25.06.2012 |
| Madam Fauzijus Tjandra | Nominated Director | Regent Pacific Limited | Bachelor’s degree in Office and Administration, Canada | 57 | 25 | 07.03.2013 |
| MS. Goh Peck Hwee | Nominated Director | SiS Capital (Bangladesh) Pte Limited | Bachelor’s degree in Accountancy, Singapore | 46 | 20 | 18.12.2014 |

INFORMATION REGARDING DIRECTORS AND DIRECTORSHIP

|  |  |  |  |
| --- | --- | --- | --- |
| Name | Designation | Date of becoming Director for the first time | Date of Expiration of Current Term |
| Lim Kiah Meng | Chairman | 12th December, 2011 | 16th AGM in 2016 |
| Md. Salahuddin Alamgir | Vice Chairman | 18th February, 2004 | 15th AGM in 2015 |
| Kazi Saifuddin Munir, Ph. D | Managing Director & CEO | 20th August, 2000 | 17th AGM in 2017 |
| Lim Kia Hong | Nominated Director | 12th December, 2011 | 15th AGM in 2015 |
| Lim Hwee Hai | Nominated Director | 12th December, 2011 | 16th AGM in 2016 |
| Madam Lim Hwee Noi | Nominated Director | 25th June, 2012 | 16th AGM in 2016 |
| Madam Fauzijus Tjandra | Nominated Director | 7th March, 2013 | 17th AGM in 2017 |
| MS Goh Peck Hwee | Nominated Director | 18th December, 2014 | 17th AGM in 2017 |

DIRECTORS’ INVOLVEMENT WITH OTHER ORGANIZATIONS

There is no ownership of Directors’ of Information Technology Consultants Limited as owner or partner in other organizations except the following:

|  |  |  |  |
| --- | --- | --- | --- |
| Name | Designation in the Company | Involvement with other Organization | |
| Name of the Organization | Position |
| Md. Salahuddin Alamgir | Vice Chairman | Starlight Sweaters Limited | Managing Director |
| Starlight Knitters Ltd. | Managing Director |
| Labib Fashions Ltd. | Managing Director |
| Sweater Cottage Ltd | Managing Director |
| Matrix Sweaters Ltd. | Managing Director |
| Excel Sweaters Ltd. | Managing Director |
| Juthi Packaging Industries Ltd | Managing Director |
| Labib Dyeing Mills Ltd. | Managing Director |
| Nice Cotton Ltd. | Managing Director |
| Excel Tele-com (Pvt) Ltd. | Managing Director |
| Raidha Collections Ltd | Managing Director |
| Information Technology Consultants Ltd | Director & Vice Chairman |
| Labib Poultry & Fisheries Ltd. | Managing Director |

FAMILY RELATIONSHIP AMONG DIRECTORS AND TOP FIVE OFFICRES

There is no family relationship among directors and top five officers except as disclosed below:

|  |  |  |  |
| --- | --- | --- | --- |
| SL. | Name | Position | Relationship |
| 1. | Lim Kiah Meng | Chairman | Husband of Madam Fauzijus Tjandra  Brother of Lim Kia Hong |
| 2. | Lim Kia Hong | Nominated Director | Brother of Lim Kiah Meng |
| 3. | Lim Hwee Hai | Nominated Director | Husband of Madam Lim Hwee Noi  Relative (Cousin) of Lim Kiah Meng and Lim Kia Hong |
| 4. | Madam Lim Hwee Noi | Nominated Director | Wife of Mr. Lim Hwee Hai  Sister of Lim Kiah Meng and Lim Kia Hong |
| 5. | Madam Fauzijus Tjandra | Nominated Director | Wife of Mr. Lim Kiah Meng |

SHORT BIO-DATA OF THE DIRECTORS

LIM KIAH MENG

Chairman& Nominated Director

Lim Kiah Meng is Singaporean in national and holds a Bachelor’s Degree in Commerce from Nanyang University, Singapore and a Master’s Degree in International Management from the American Graduate School of International Management USA. He has over twenty years’ experience in the information technology industry and he is an executive director of SiS Group, whichis listed on the Stock Exchange of Hong Kong.

### SALAHUDDIN ALAMGIR

### Vice Chairman

Salahuddin Alamgir, the Chairman of Labib Group is one of the pioneers of Independent Sweater Manufacturer and Exporter of Bangladesh. He has also Trading & IT business. He is highly educated and well respected. He is not only a visionary businessperson but also a social worker. Total 12 organization in his group, among those Matrix Sweaters Ltd. is the largest self supplicant Industry having 5,20,000 Sft. Space and monthly productivity is 7,00,000 pcs.

At present, he is the Managing Director of Starlight Sweaters Limited, Starlight Knitters Ltd, Labib Fashions Ltd, Matrix Sweaters Ltd, Excel Sweaters Ltd, Juthi Packaging Industries Ltd, Labib Dyeing Mills Ltd, Nice Cotton Ltd, Excel Tele-com (Pvt) Ltd, and Labib Poultry & Fisheries Ltd.

### KAZI SAIFUDDIN MUNIR, PhD

### Managing Director & CEO

Kazi Saifuddin Munir has over 25 year’s professional experience in research, project development and implementation. He obtained his Master degree in Mechanical Engineering from Chalmers University of Technology in Sweden. He was a research fellow under Japan/ Sweden Research and Technology Exchange Program. He obtained his licentiate and PhD degree in Automation and Robot Technology (Soft Intelligence) under joint collaboration of Osaka Institute of Technology, Japan and Royal Swedish Institution of Technology, Sweden. He held academic position in Department of Automation and Robot Technology at Chalmers University of Technology, Sweden. He also worked in East Africa as Project Coordinator, Adviser/Consultant in different bilateral technical program under Wold Bank & UNDP.

During 1993-1994 he was adviser to Ministry of Communication under the World Bank and SIDA Finance Project to re-design and re-build locomotive at CLW in Parbatipur, Pahartali and Dhaka. During 1998-2000 he was Technical Advisor to IPDC Bangladesh Limited through IFC, World Bank.

As regards ITC, he is not only one of the founders but the main architect of this Company. Since inception he has been in all the helm of affairs as its Managing Director & CEO.

In fact, ITCL and all its activities are the brainchild of Dr. K.S Munir. By dint of his super technological expertise, sagacity and indomitable perseverance he has brought the prestige and image of this Company to its Apex leaving no Competitor around.

LIM KIA HONG

Nominated Director

Mr. Lim Kia Hong is Singaporean in national and has graduated with a Bachelor’s Degree in Business Administration from the University of Washington, USA.  He has more than thirty years experience in the IT industry. He is the Chairman & Chief Executive Officer of SiS Group, which is listed on The Stock Exchange of Hong Kong.

LIM HWEE HAI

Nominated Director

Lim Hwee Hai is Singaporean in national and holds a Bachelor’s Degree in Commerce from Nanyang University, Singapore and a Master’s Degree in Business Administration from the National University of Singapore. He had six years’ experience in finance and banking and has over thirty years’ experience in the information technology industry. Mr. Lim is also an executive director in SiS Group, which is listed on The Stock Exchange of Hong Kong.

MADAM LIM HWEE NOI

Nominated Director

Madam Lim is Singaporean in national and holds a Bachelor's Degree in Commerce from Nanyang University, Singapore. She has been a certified public accountant in Singapore for more than thirty years and she is also the Finance Director of SiS Group which is listed on The Stock Exchange of Hong Kong.   
  
MADAM FAUZIJUS TJANDRA

Nominated Director

Madam Tjandra is Indonesian in national and holds a Bachelor's Degree in Offices and Administration from University of Western Ontario, Canada. She has over twenty years' experience in IT distribution business.   
  
MS GOH PECK HWEE

Nominated Director

MS Goh Peck Hwee is Singaporean in national and holds a Bachelor's Degree in Accountancy from Nayang Technological University, Singapore. She is a chartered accountant in Singapore and has over twenty years' experience in Finance and Accounting. She is the Finance Manager of Sis Group, which is listed on the Stock exchange of Hong Kong.

SiS Capital (Bangladesh) Pte Limited

SiS group made Strategic Investment in Information Technology Consultants Limited (ITCL), the largest independentpayment solution provider in Bangladesh. The declaration of this investment was in December 12, 2011. Founded in Singapore in 1983, SiSgroupis a leading Technology Product Distribution and Investment holding company listed on the main board of the Hong Kong Stock Exchange. Its principal business interests include Mobile & IT Products Distribution, Investments in Promising Businesses as well as Investments in Real Estate. SiS Mobile & IT Distribution - SiSgroupis one of the largest distributors for mobile & IT products in Asia with offices and distribution channels spanning across Asia including Hong Kong, Singapore, Thailand, Indonesia, Philippines. SiS group has one of the largest reseller networks and markets its products through a vast network of IT resellers, retailers, mobile operators and mobile phone resellers over the past decade. SiS has introduced many of the technology companies from USA and have successfully help them in building a strong channel and many of these companies become a household brand in Asia. SiS is a pioneer in the distribution for IT, software, network, smart phones products and has earned its reputation as the Preferred Distributor by many of the world's renowned manufacturers including IBM, Microsoft, Lenovo, Blackberry, HTC, Apple, Asus, Linksys, D-Link, etc.

SiS invests in promising businesses & IT companies that have synergies or where the investments, experience and management involvement can play a part in growing these companies. Over the years, many of the SiS investments have successfully become public listed companies including SiS Distribution Thailand that is listed on The Thailand Stock Exchange. SiS’ Real Estate Portfolio includes investments in selected properties consisting of commercial, industrial and residential properties in Hong Kong, Singapore and Japan.

CREDIT INFORMATION BUREAU (CIB) REPORT

Neither the Company nor any of its directors or shareholders who hold 5% or more shares in the paid-up capital of the issuer is loan defaulter in terms of the CIB Report of the Bangladesh Bank.

DESCRIPTION OF TOP EXECUTIVES AND DEPARTMENTAL HEADS

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Name of the Executives | Designation | Age | Date of Joining | Educational Qualification | Duration of services | Last Five Years Experience |
| Kazi Saifuddin Munir, Ph.D | Managing Director & CEO | 51 | 23.08.2000 | Ph.D in Automation and Robot Technology (Soft Intelligence) | 25 years | As a Managing Director & CEO of Information Technology Consultants Ltd |
| Md. Haqueful Shaikh | Company Secretary | 71 | 01.09.2011 | Masters of Arts | 45 years Banking & Finance.Ex Company secretary of Social Islami Bank Ltd | Fast Remit Malaysia as a Manaining Director CEO from 2008 to 01.09.2011 & ITCL from 01.09.2011 |
| Ahsan Ullah Chowdhry | Director-Operation | 41 | 01.09.2001 | Masters of Arts (India), MBA | 13 years | ITCL |
| Osman Haidar | Director-Business Development | 37 | 25.10.2004 to 30.04.2008 & Rejoin 21.01.2010 | B.Sc in CIS & MBA(Finance) | 12 Years | ITCL |
| Md. Faizul Islam | C.T.O ( Chief Technology Officer) | 37 | 04.09.2001 to 30.11.2006 & rejoin 01.4.2009 | B.Sc Engineering Electronics & communications | 13 years | ITCL |
| Tanzir Mannan Pavel | C.O.O( Chief Operation Office) | 37 | 15.05.2001 | M.Sc (Computer Science & Networks), | 13 years | ITCL |
| Md. Muttahidur Rahman | D.C.T.O | 35 | 16.01.2008 | B.Sc in Computer science | 8 years | Z &Z IT LTD-SYSTEM ANALYIST – 2 years |
| ITCL - 6 years |
| Zubaer Ahmad | Head of TP & BI | 34 | 08.01.2015 | M.B.A | 11 years | ITCL – 5 years |
| Progoti Systems Ltd. – 3 years |
| ITCL |
| Shyamal Kanti Karmakar | Chief Financial Officer | 46 | 01.03.2004 | M.Com(DU) , ICMA Major Subject Completed | 20 Years at Choice Bangladesh Ltd & ILA Project Services Ltd from 1994 to 01.03.2004 | ITCL |
| Mahmud Al- Hasan Khan | Head of Business | 33 | 03.10.2006 | M.B.A | 8 years | ITCL |

INVOLVEMENT OF DIRECTORS AND OFFICERS IN CERTAIN LEGAL PROCEEDINGS

No Director or Officer of Information Technology Consultants Limited was involved in any of the following types of legalproceedings in the last 10 (Ten) years:

Any bankruptcy petition filed by or against any company of which any officer or director of the issuer company filing the prospectus was a director, officer or partner at the time of the bankruptcy.

Any conviction of director, officer in a criminal proceeding or any criminal proceeding pending against him.

Any order, judgment or decree of any court of competent jurisdiction against any director, officer permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.

Any order of the Bangladesh Securities and Exchange Commission, or other regulatory authority or foreign financial regulatory authority, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The details of related party transactions during the period along with the relationship is illustrated below in accordance with the provision of BAS 24:

(a) Related Party Transaction:

During the year under review, the company carried out a number of transactions with related parties in the normal course of business and on an arms' length basis. The nature of the transactions and their total values are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name of the Parties | Relationship | Nature of transaction | 30th June 2014 | 30th June 2013 |
| Closing balance | Closing balance |
| Trust Bank Ltd | Shareholder | Sale of equipment & Service | 14,845,111 | 17,364,138 |
| National Bank Ltd | Shareholder | Sale of equipment & Service | 352,239 | 353,756 |
| Mercantile Bank Ltd | Shareholder | Sale of equipment & Service | 31,486,115 | 58,999,678 |
| Kazi Saifuddin Munir, Ph.D | Managing Director & Share holder | Remuneration | 340,000 | 270,000 |
| BEPS Limited | Subsidiary  Company | Non interest bearing short term loan | 10,460,289 | 6,696,489 |

Except from the above,The Company did not have any transaction during the last two years, or does not have anyproposed transaction, between the issuer and any of the following persons:

Any director or executive officer of the issuer;

Any director or officer;

Any person owning 5% or more of the outstanding shares of the Issuer;

Any member of the immediate family (including spouse, parents, brothers, sisters, children, and in-laws) of any of the above persons;

Any transaction or arrangement entered into by the issuer or its subsidiary for a person who is currently a Director or in any way connected with a Director of either the issuer company or any of its subsidiaries/holding company or associate concerns, or who was a Director or connected in any way with a Director at any time during the last three years prior to the issuance of the prospectus;

The company did not take or give any loan from or to any Director or any person connected with any Director nor did any Director or any person connected with any Director;

Any Director holding any position, apart from being a Director in the issuer company, in any company, society, trust, organization, or proprietorship or partnership firm is already disclosed in involvement of directors with other organizations in the propectus;

There were no interests and facilities whether pecuniary or non-pecuniary enjoyed by the Directors except as specified in ‘Executive Compensation’ under the head of ‘Information about Directors and Officers’ of this Prospectus.

EXECUTIVE COMPENSATION

Remuneration paid to Top Five Salaried Officers

Remuneration paid to top five salaried officers of Information Technology Consultants Limited during last accounting periodof July 01, 2013 to July 01, 2014–

(As per Audited Accounts)

|  |  |  |  |
| --- | --- | --- | --- |
| Name | Designation | As at June 30, 2014  (Amount in BDT) | As at June 30, 2013  (Amount in BDT) |
| Kazi Saifuddin Munir, Ph.D | Managing Director & CEO | 4,310,000 | 4,290,000 |
| Ahsanullah chowdhury | Director-Operation | 2,931,750 | 2,892,000 |
| Osman Haider | Director-Business | 2,892,500 | 2,471,000 |
| Shyamal Kanti Karmakar | Chief Financial Officer | 2,228,600 | 1,782,000 |
| Mahmud Al-Hasan Khan | Head of Business | 2,077,000 | 1,341,500 |
| Total | | 14,439,850 | 12,776,500 |

Aggregate amount of Remuneration paid to Directors and Officers

(As per Audited Accounts)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| # | Particular | Nature of Payments | As at June 30, 2014  (Amount in BDT) | As at June 30, 2013  (Amount in BDT) |
| 1. | Directors | Board Meeting Fees | N/A | N/A |
| 2. | Officers/Employees | Salary and other allowances | 85,867,417 | 76,750,467/- |
|  |  | Total | 85,867,417/- | 76,750,467/- |

Remuneration paid to any Director who was not an Officer of the Company

The company does not pay any remuneration to any director who was not an officer of the company during the last accounting year.

Contract for payment of future compensation

The Company has no contract with any Director/Officer for providing the payment of future compensation.

Pay Increase Intention

The company reviews the salary and benefits of employees on annual basis for increment.

OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES

The Company has not offered any option for issue of shares to any of the officers, directors and employees or to any outsiders.

TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM

Benefits received or given by the Company or the Issuer Company

The Directors and Subscribers to the Memorandum of the Company have not received any benefits directly or indirectly during the last five years except remuneration and car loan facilities given to Managing Director, which are shown in the following table. The issuer also has not received any assets, services or other considerations from its Directors and subscribers to the memorandum except fund against allotment of shares.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Name of Directors & Subscribers to the Memorandum | Designation | Nature of Value Received | Amount in BDT  (As per Audited Accounts) | | | | |  |
| 01.07.2013 to 30.06.2014 | 01.07.2012 to  30.06.2013 | 01.07.2011 to 30.06.2012 | 01.07.2010 to 30.06.2011 | 01.07.2009 to 30.07.2010 | Total Balance as on  30.06.2014 |
| Kazi Saifuddin Munir, Ph. D | Managing Director & CEO | Remuneration | 4,310,000 | 4,290,000 | 3,680,000 | 3,360,000 | 2,410,000 |  |
| Car Loan | 1,669,920 | 1,669,920 | 1,948,240 | 1,530,760 | 1,609,160 | 8,428,000 |

Note: The loan has been settled and the ownership of the car has been transferred in the name of Information Technology Consultants Limited. Auditor’s declaration in this regard has been included.

Directors’ and Subscribers’ Assets to the Company

The Directors and Subscribers to the Memorandum of the Company have not transferred any asset to the Company but deposited share money from time to time. Subsequently shares were allotted to the Directors and Subscribers of the Memorandum of the company.

TANGIBLE ASSETS PER SHARE

(As per Audited Accounts)

|  |  |
| --- | --- |
| Particulars | As at June 30, 2014  (Amount in BDT) |
| A S S E T S |  |
| Non-Current Assets: |  |
| Property, plant and Equipment | 276,591,890 |
| Capital Work in Progress | 27,292,206 |
| Investment |  |
| Total Non-Current Assets [A] | 303,884,096 |
| Current Assets: |  |
| Inventories | 260,310,975 |
| Accounts Receivables | 450,601,709 |
| Other Receivables | 15,502,525 |
| Advance, Deposits and Prepayments | 274,282,710 |
| Cash & Cash Equivalents | 27,092,721 |
| Total Current Assets [B] | 1,027,790,640 |
| Total Assets excluding Intangible Assets [C=A+B] | 1,331,674,736 |
| L I A B I L I T I E S |  |
| Non-Current Liabilities: |  |
| Long Term Loan | 70,805,830 |
| Lease Obligation | - |
| Deferred Tax Liability | - |
| Total Non-Current Liabilities [D] | 70,805,830 |
| Current Liabilities |  |
| Trade Payables | 33,443,432 |
| Bank Overdraft | 352,117,439 |
| Inter Company Payable | - |
| Payable for Expenses | 8,968,912 |
| Other Liabilities | 19,657,748 |
| Secured Loan (Current Portion) | 17,828,670 |
| Income Tax Payable | 12,512,438 |
| Total Current Liabilities [E] | 444,528,639 |
| Total Liabilities [F=D+E] | 515,334,469 |
| Net Tangible Assets [G=C-F] | 816,340,267 |
| No. of Ordinary Shares outstanding as on June 30, 2014 [H] | 75,000,000 |
| Net Tangible Asset Value per Share as at June 30, 2014 [I=G/H] | 10.88 |

OWNERSHIP OF THE COMPANY’S SECURITIES

Shareholding Structure

The shareholding position of the Company as on December 31, 2013 is as under:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| # | Name of the Shareholders | Status | Address | No. of Shares subscribed | Subscribed Amount (Tk.) | % of Shareholding (at present) | % of Shareholding (after IPO) |
| 1 | Dr. Kazi Saifuddin Munir | Managing Director& CEO | House # 17, Road # 59, Apartment # 301, Concord Regina, Gulshan-2, Dhaka-1212. | 3,920,540 | 39,205,400.00 | 5.23% | 4.51% |
| 2 | Salahuddin Alamgir | Director | Flat # B/5, House # 30/A, Road # 4, Sector # 3, Uttara, Dhaka-1230. | 4,662,080 | 46,620,800.00 | 6.22% | 5.36% |
| 3 | SiS Capital (Bangladesh)Pte Ltd | Director | 4,Leng Kee Road, 02-08,SiS Building, Singapore-159088 | 28,509,390 | 285,093,900.00 | 38.01% | 32.77% |
| 4 | Ms. Rotraud Anna Khan | Shareholder | House # 35, Road # 18, Block # J, Banani, Dhaka. | 1,290,000 | 12,900,000.00 | 1.72% | 1.48% |
| 5 | Mrs. Jahanara Islam | Shareholder | House # 21, Road # 7B, Sector # 3, Uttara, Dhaka-1230 | 1,997,080 | 19,970,800.00 | 2.66% | 2.30% |
| 6 | Mrs. Shuvra Roy | Shareholder | 8-C, Sheltech Monihar, 154/1, Monipuripara, Tejgaon, Dhaka. | 2,305,910 | 23,059,100.00 | 3.07% | 2.65% |
| 7 | Excel Telecom (Pvt) Limited | Shareholder | RAK Tower , Plot # 1/A, 5th Floor, Jashimuddin Avenue, Sector # 3, Uttara, Dhaka-1230. | 500,000 | 5,000,000.00 | 0.67% | 0.57% |
| 8 | LankaBangla Finance Ltd.-IP Account  (14 shareholders) | Shareholder | Safura Tower, Level - 11, 20 Kemal Ataturk Avenue, Banani, Dhaka-1213. | 4,300,000 | 43,000,000.00 | 5.73% | 4.94% |
| 9 | Popular Life Insurance Company Limited. | Shareholder | Peoples Insurance Bhaban, 3rd Floor, 36 Dilkusha C/A, Dhaka-1000. Bangladeshi. | 2,000,000 | 20,000,000.00 | 2.67% | 2.30% |
| 10 | Mr. Mohammad Rabban Ali | Shareholder | House- 35, Road- 5, Dhanmondi R/A, Dhaka-1205. Bangladeshi. | 500,000 | 5,000,000.00 | 0.67% | 0.57% |
| 11 | Trust Bank Limited. | Shareholder | Peoples Insurance Bhaban, 36 Dilkusha C/A, Dhaka-1000. Bangladeshi. | 2,000,000 | 20,000,000.00 | 2.67% | 2.30% |
| 12 | AIMS First Guranteed Mutual Fund | Shareholder | Unique Trade Centre (UTC), Level - 6 (SW), 8 Panthapath, Kawran Bazar, Dhaka-1215. Bangladeshi. | 250,000 | 2,500,000.00 | 0.33% | 0.29% |
| 13 | Grameen Mutual Fund One | Shareholder | 250,000 | 2,500,000.00 | 0.33% | 0.29% |
| 14 | Grameen One: Scheme Two | Shareholder | 500,000 | 5,000,000.00 | 0.67% | 0.57% |
| 15 | National Bank Limited. | Shareholder | 18 Dilkusha C/A, Dhaka - 1000. Bangladeshi. | 2,450,000 | 24,500,000.00 | 3.27% | 2.82% |
| 16 | Ms. Shama Rabbani | Shareholder | House - 35, Road - 5, Dhanmondi R/A, Dhaka-1205. | 500,000 | 5,000,000.00 | 0.67% | 0.57% |
| 17 | LankaBangla Securities Limited. | Shareholder | DSE Annex Building, 1st Floor, 9/E Motijheel C/A, Dhaka - 1000. | 500,000 | 5,000,000.00 | 0.67% | 0.57% |
| 18 | LankaBangla Finance Limited. | Shareholder | Safura Tower, Level - 11, 20 Kemal Ataturk Avenue, Banani, Dhaka-1213. | 500,000 | 5,000,000.00 | 0.67% | 0.57% |
| 19 | Mercantile Bank Limited. | Shareholder | 61, Dilkusha C/A, Dhaka-1000. | 1,000,000 | 10,000,000.00 | 1.33% | 1.15% |
| 20 | Mr. Mohius Samad Chowdhury | Shareholder | 40/2, Dilu Road (2nd Floor), New Eskaton, Dhaka-1217. | 360,000 | 3,600,000.00 | 0.48% | 0.41% |
| 21 | Mr. Ahmed Rajeeb Samdani | Shareholder | House No.29, Road No. 11, Block - K, Baridhara, Dhaka-1212. | 892,970 | 8,929,700.00 | 1.19% | 1.03% |
| 22 | Partex Beverage Limited | Shareholder | Sena Kalyan Bhaban (16th Floor), 195, Motijheel- C/A, Dhaka- 1000. | 642,810 | 6,428,100.00 | 0.86% | 0.74% |
| 23 | Plastic Accessories Limited | Shareholder | Sena Kalyan Bhaban (16th Floor), 195, Motijheel- C/A, Dhaka- 1000. | 642,810 | 6,428,100.00 | 0.86% | 0.74% |
| 24 | Partex Plastic Limited | Shareholder | Sena Kalyan Bhaban (16th Floor), 195, Motijheel- C/A, Dhaka- 1000. | 321,410 | 3,214,100.00 | 0.43% | 0.37% |
| 25 | Mr. Zohir Ahmed | Shareholder | 15, Mohiuddin Lane, Imamgong, Dhaka. | 150,000 | 1,500,000.00 | 0.20% | 0.17% |
| 26 | Mr. Yeasir Arafath | Shareholder | 227/C (1st floor), Post Office Road, Khilgaon Dhaka | 10,000 | 100,000.00 | 0.01% | 0.01% |
| 27 | Mr. Mamudul Hassan | Shareholder | 375, Senpara Parbota, Flat No-BC-4, Mirpur, Dhaka. | 35,000 | 350,000.00 | 0.05% | 0.04% |
| 28 | Mr. Shumun Mitra | Shareholder | 13 No. M.L. Singh Road, Mymensingh-2200. | 20,000 | 200,000.00 | 0.03% | 0.02% |
| 29 | Mr. Tariqul Basher | Shareholder | Apt. # A2, Plot # 122/E, Road #13, Banani, Dhaka. | 60,000 | 600,000.00 | 0.08% | 0.07% |
| 30 | Kazi Manzur Habib | Shareholder | 6, Raj Chandro Munshi Lane, Luxmibazar, Dhaka-1100. | 50,000 | 500,000.00 | 0.07% | 0.06% |
| 31 | Md. Abdul Mannan Shojol | Shareholder | ITCL, H#-50, R#- 25, B #-A, Banani, Dhaka. | 30,000 | 300,000.00 | 0.04% | 0.03% |
| 32 | Md. Fazlul Kabir | Shareholder | 7/1 Dakhin gaon (Shahi Bagh), Road No-4, word no-6, P.O. Bashabo, Ps- Sabuzbagh Dhaka-1214. | 10,000 | 100,000.00 | 0.01% | 0.01% |
| 33 | Md. Mijanur Rashid | Shareholder | H # 17, R# 4, Sector-4, Uttara, Dhaka-1230. | 20,000 | 200,000.00 | 0.03% | 0.02% |
| 34 | Md. Golam Mostafa | Shareholder | H # 17, R# 4, Sector-4, Uttara, Dhaka-1230. | 45,000 | 450,000.00 | 0.06% | 0.05% |
| 35 | Md. Sayeed Uz Zaman | Shareholder | R # 12, H# 36, Janata Housing Mirpur-2 Dhaka. | 70,000 | 700,000.00 | 0.09% | 0.08% |
| 36 | Mir Abrar Hossain | Shareholder | H # 17, R# 4, Sector-4, Uttara, Dhaka-1230. | 105,000 | 1,050,000.00 | 0.14% | 0.12% |
| 37 | Mr. Abdus Salam | Shareholder | H # 17, R# 4, Sector-4, Uttara, Dhaka-1230. | 25,000 | 250,000.00 | 0.03% | 0.03% |
| 38 | Md. Asraful Alam Biplob | Shareholder | H # 17, R# 4, Sector-4, Uttara, Dhaka-1230. | 15,000 | 150,000.00 | 0.02% | 0.02% |
| 39 | Md. Abdul Hakim | Shareholder | Vill+ Post: Rupsha, Thana+ Dist.: Sirajganj. | 10,000 | 100,000.00 | 0.01% | 0.01% |
| 40 | Md. Gias Uddin Ahammed | Shareholder | 129 BK Main Road Khulna. | 10,000 | 100,000.00 | 0.01% | 0.01% |
| 41 | Mr. SK Perves Marakar | Shareholder | R # 02,H # 08, Amtoli Mohakhali, Banani,Dhaka-1213. | 10,000 | 100,000.00 | 0.01% | 0.01% |
| 42 | Md. Shahadat Hossain | Shareholder | B#-A, Avenue-3, Line-7, House - 12, Sec.-11, Mirpur, Dhaka-1216. | 10,000 | 100,000.00 | 0.01% | 0.01% |
| 43 | Md. Aminul Haque | Shareholder | 80 Kadamtala, Dhaka-1214. | 30,000 | 300,000.00 | 0.04% | 0.03% |
| 44 | Mr. Nitish Basak | Shareholder | 22, Bara Bazar Mymensingh. | 10,000 | 100,000.00 | 0.01% | 0.01% |
| 45 | Md. Rashed Pervez | Shareholder | Tower # 4, Flat # 11,(F4), Shuvastu Nazar Valley, Gulshan. | 15,000 | 150,000.00 | 0.02% | 0.02% |
| 46 | Ms.Hamida Hasnu | Shareholder | H # 08, R # 12, Flat # D3, Dhanmondi R/A | 10,000 | 100,000.00 | 0.01% | 0.01% |
| 47 | Ms. Shahjadi Farhana Shafiq | Shareholder | 73/ K, Central Road, Dhanmondi , Dhaka. | 25,000 | 250,000.00 | 0.03% | 0.03% |
| 48 | Ms. Hasina Akter | Shareholder | KHA- 14/6 Khilko Bapari Para, Dhaka-1229. | 10,000 | 100,000.00 | 0.01% | 0.01% |
| 49 | Ms. Mariam Begum | Shareholder | 7/18, Baily Square Officers Quarter, Baily Road, Dhaka-1000. | 30,000 | 300,000.00 | 0.04% | 0.03% |
| 50 | Ms. Farhana Zabin Sony | Shareholder | Flat # A2, H # 1, Road # 127,Gulshan, Dhaka. | 40,000 | 400,000.00 | 0.05% | 0.05% |
| 51 | Ms. Tabassum Mushfiq | Shareholder | 286, South Paikpare, Mirpur -1, Dhaka-1216. | 25,000 | 250,000.00 | 0.03% | 0.03% |
| 52 | Mr. Saiful Islam Sumon | Shareholder | H # 17, R # 59, Appt. # 301, Gulshan - 2, Dhaka - 1212. | 15,000 | 150,000.00 | 0.02% | 0.02% |
| 53 | Md. Khairul Islam Ripon | Shareholder | H # 17, R # 59, Appt. # 301, Gulshan - 2, Dhaka - 1212. | 5,000 | 50,000.00 | 0.01% | 0.01% |
| 54 | Md. Sikender Badsha | Shareholder | Vill. :- South Junagach Chapani Chowdhuri Para, POSt:- Chapani Hat, Up: Dimla, Dist.: Nilphamari. | 1,000 | 10,000.00 | 0.001% | 0.001% |
| 55 | Md. Nazrul Islam | Shareholder | PO + Vill : Shahbajpur, PS-Sarail, Dist: B. Baria. | 5,000 | 50,000.00 | 0.01% | 0.01% |
| 56 | Mr. Tanzir Mannan Pavel | Shareholder | H # 11, R # 3, Sector # 11, Uttara, Dhaka. | 30,000 | 300,000.00 | 0.04% | 0.03% |
| 57 | Mr. Sharif-Uz-Zaman Shakil | Shareholder | 12/A, B-E, Lalkuty, Mazar Road, Mirpur -1, Dhaka. | 5,000 | 50,000.00 | 0.01% | 0.01% |
| 58 | Md. Shahid Hossain | Shareholder | 2/1 Iswar Dos Lane, Pari Das Road, Dhaka. | 10,000 | 100,000.00 | 0.01% | 0.01% |
| 59 | Md. Wahid Shikder | Shareholder | H # 136, Nobipur Lane, Jikatola, Hajaribag, Dhaka-1209. | 10,000 | 100,000.00 | 0.01% | 0.01% |
| 60 | Muhammad Azad Rahman | Shareholder | H # 16, Road # 6, Rupnagar R/A, Mirpur, Dhaka. | 25,000 | 250,000.00 | 0.03% | 0.03% |
| 61 | Mr. Zubaer Ahmad | Shareholder | 11/5 A North West Jatrabari, Dhaka - 1204. | 20,000 | 200,000.00 | 0.03% | 0.02% |
| 62 | Mr. Nandan Kumar Saha | Shareholder | 62 no Bangshal Road, Sutarpara, Narayangonj - 1400. | 40,000 | 400,000.00 | 0.05% | 0.05% |
| 63 | Mr. A. K. M. Ehteshamul Haque | Shareholder | Flat # A3-02, Asiana Apartment, 04 Holy Lane, Shamoly, Dhaka-1207 | 20,000 | 200,000.00 | 0.03% | 0.02% |
| 64 | Mr. Majharul Islam | Shareholder | Flat # 5 A, House # 3, Road # 16, Sector - 7, Uttara, Dhaka. | 50,000 | 500,000.00 | 0.07% | 0.06% |
| 65 | Mr. A.K.M Siddiqure Rahman | Shareholder | 379/1, West Rampura, DIT Road, Rampura, Dhaka-1219. | 10,000 | 100,000.00 | 0.01% | 0.01% |
| 66 | Mr. Iftekhar Ahmed | Shareholder | 23, Dilue Road (2nd Floor) Moghbazar Dhaka. | 10,000 | 100,000.00 | 0.01% | 0.01% |
| 67 | Regent Pacific Ltd | Director | 604, Eastern Harbour Centre, 28 Hoi Chak Street, Quarry Bay, Hong Kong. | 7,350,000 | 73,500,000.00 | 9.80% | 8.45% |
| 68 | QooL Bangladesh Ltd | Shareholder | OFFICE: KA-74/2(3RD FLOOR), KURIL, PRAGATI SARONI, BADDA,DHAKA | 1,200,000 | 12,000,000.00 | 1.60% | 1.38% |
| 69 | Mr. Rubel Aziz | Shareholder | House # 8, Road#62, Gulshan-2, Dhaka | 705,000 | 7,050,000.00 | 0.94% | 0.81% |
| 70 | LankaBangla Investments Ltd | Shareholder | Eunoos Trade Centre (Level # 21), 52-53, Dilkusha C/A, Dhaka-1000 | 2,064,000 | 20,640,000.00 | 2.75% | 2.37% |
| 71 | Mr. Wazed Mollah | Shareholder | 8H,Sheltech Monihar, 154/1, Monipuripara, Tejgaon, Dhaka-1215 | 333,333 | 3,333,330.00 | 0.44% | 0.38% |
| 72 | Mr. Binod Kumar Agarwal | Shareholder | Flat no.-12A,Musafir Tower, 90,Kakrail, Dhaka | 133,333 | 1,333,330.00 | 0.18% | 0.15% |
| 73 | Mrs. Akhy Bhowmik | Shareholder | Flat no.-6D,Sheltech Mohana, 155, Tejgaon, Dhaka-1215. | 33,334 | 333,340.00 | 0.04% | 0.04% |
| 74 | Mr. Mohammad A. Moyeen | Shareholder | Safura Tower, Level - 11, 20 Kemal Ataturk Avenue, Banani, Dhaka-1213. | 1,250,000 | 12,500,000.00 | 1.67% | 1.44% |
| Total | | | | 75,000,000 | 750,000,000.00 | 100% | 86.21% |

Shareholder shareholding of 5% or more of the Company’s Securities

There is no shareholders shareholding of 5% or more except the following shareholders of the Company -

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| # | Name of the Shareholders | Status | Address | No. of Shares subscribed | Subscribed Amount (Tk.) | % of Shareholding (at present) | % of Shareholding (after IPO) |
| 1. | Kazi Saifuddin Munir, Ph.D | Managing Director& CEO | House # 17, Road # 59, Apartment # 301, Concord Regina, Gulshan-2, Dhaka-1212. | 3,920,540 | 39,205,400 | 5.23% | 4.51% |
| 2. | Salahuddin Alamgir | Director | Flat # B/5, House # 30/A, Road # 4, Sector # 3, Uttara, Dhaka-1230. | 4,662,080 | 46,620,800 | 6.22% | 5.36% |
| 3. | SiS Capital (Bangladesh) Pte Ltd. | Director | 4,Leng Kee Road, 02-08,SiS Building, Singapore-159088 | 28,509,390 | 285,093,900 | 38.01% | 32.77% |
| 4. | LankaBangla Finance Ltd.-IP Account  (14 shareholders) | Shareholder | Safura Tower, Level - 11, 20 Kemal Ataturk Avenue, Banani, Dhaka-1213. | 4,300,000 | 43,000,000 | 5.73% | 4.94% |
| 5. | Regent Pacific Ltd. | Director | 604, Eastern Harbour Centre, 28 Hoi Chak Street, Quarry Bay, Hong Kong. | 7,350,000 | 73,500,000 | 9.80% | 8.45% |
| Total | | | | 48,742,010 | 487,420,100 | 64.99% | 56.03% |

Securities of the Company owned by the Officers

Mr. Kazi Saifuddin Munir, Ph.D, Managing Director owns 3,920,540 ordinary shares and hold 5.23%, Mr. Tanzir Mannan Pavel, Chief Operation Office owns 30,000 ordinary shares and hold 0.04% and Mr. Zubaer Ahmed, Head of Transaction Processing & Business Initiaitives owns 20,000 ordinary shares and hold 0.03% of the Company’s shares. Apart from these top 10 salaried officers, 24 other employees own 571,000 ordinary shares and hold 0.76% of the company’s shares.

Securities of the Company owned by the Directors

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| # | Name of the Shareholders | Status | Address | No. of Shares subscribed | Subscribed Amount (Tk.) | % of Shareholding (at present) | % of Shareholding (after IPO) |
| 1. | Kazi Saifuddin Munir, Ph.D | Managing Director | House # 17, Road # 59, Apartment # 301, Concord Regina, Gulshan-2, Dhaka-1212. | 3,920,540 | 39,205,400 | 5.23% | 4.51% |
| 2. | Salahuddin Alamgir | Director | Flat # B/5, House # 30/A, Road # 4, Sector # 3, Uttara, Dhaka-1230. | 4,662,080 | 46,620,800 | 6.22% | 5.36% |
| 3. | SiS Capital (Bangladesh) Pte Ltd. (Represented by Lim Kiah Meng, Lim Kia Hong, Lim Hwee Hai, Lim Hwee Noi, Chiu Lai Chun Rhoda) | Director | 4,Leng Kee Road, 02-08,SiS Building, Singapore-159088 | 28,509,390 | 285,093,900 | 38.01% | 32.77% |
| 4. | Regent Pacific Ltd. (Represented by Fauzijus Tjandra) | Director | 604 Eastern Harbour Centre, 28 Hoi Chak Street, Quarry Bay, Hong Kong. | 7,350,000 | 73,500,000 | 9.80% | 8.45% |
| Total | | | | 44,442,010 | 444,420,100 | 59.26% | 51.09% |

FEATURESOF IPO Section: IX

DETERMINATION OF OFFERING PRICE

Net Asset Value (NAV) per share of Information Technology Consultants Limited

NAV per share is based on the information of the latest audited financial statements as on June 30,2014. NAV per sharewith revaluation reserve is BDT 18.28 and NAV Per share without Revaluation reserve is BDT 14.77 that has been derived by dividing the net assets at the end of the period by the number ofoutstanding shares before IPO as shown in the table below:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Method 1 : Net Asset Value Per Share ( With Revaluation Reserve) | | | |  |  |  |  |  |
| Particulars | | | |  |  |  |  | Amount in BDT |
| Share Capital | |  |  |  |  |  |  | 750,000,000 |
| Share Premium | |  |  |  |  |  |  | 310,201,854 |
| Retained Earnings | |  |  |  |  |  |  | 47,779,765 |
| Revaluation Reserve | |  |  |  |  |  |  | 263,154,934 |
| Total Share Holders Equity | |  |  |  |  |  |  | 1,371,136,553 |
| Number of ordinary shares outstanding | | |  |  |  |  |  | 75,000,000.00 |
| Net Asset Value (NAV) per share | | |  |  |  |  |  | 18.28 |
|  |  |  |  |  |  |  |  |  |
| Method 2 : Net Asset Value Per Share ( Without Revaluation Reserve) | | | |  |  |  |  |  |
| Particulars | | | |  |  |  |  | Amount in BDT |
| Share Capital | |  |  |  |  |  |  | 750,000,000 |
| Share Premium | |  |  |  |  |  |  | 310,201,854 |
| Retained Earnings | |  |  |  |  |  |  | 47,779,765 |
| Revaluation Reserve | |  |  |  |  |  |  |  |
| Total Share Holders Equity | |  |  |  |  |  |  | 1,107,981,619 |
| Number of ordinary shares outstanding | | |  |  |  |  |  | 75,000,000.00 |
| Net Asset Value (NAV) per share | | |  |  |  |  |  | 14.77 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Method 2: Historical Earnings Based Value per share (EBVPS) | | | | | | |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| Year | Paid up Capital | No. of Shares |  | Weight | Net profit after Tax (BDT) | |  | Weighted Net Profit after tax (BDT) | |
| 2010 | 529,201,000 | 52,920,100 |  | 16% | 59,708,273 | |  | 9,432,419 | |
| 2011 | 570,701,000 | 57,070,100 |  | 17% | 43,267,083 | |  | 7,371,131 | |
| 2012 | 750,000,000 | 75,000,000 |  | 22% | 41,090,809 | |  | 9,199,704 | |
| 2013 | 750,000,000 | 75,000,000 |  | 22% | 26,841,541 | |  | 6,009,476 | |
| 2014 | 750,000,000 | 75,000,000 |  | 22% | 78,250,971 | |  | 17,519,387 | |
| Total |  | 334,990,200 |  | 100% | 249,158,677 | |  | 49,532,116 | |
| Number of Shares before IPO | | |  | | 50 |  |  | 75,000,000 | |
| Diluted EPS based on WeightedAverage Net Profit (BDT) | | | | |  |  |  | 0.66 | |
| Benchmark Market Multiple\* | | |  | |  |  |  | 15.54 | |
| Price Per Share | |  |  | |  |  |  | 10.26 | |

\* Relevant P/E Multiple: Lower value of last three months average P/E of Miscellaneous Sector and Market

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Month | 15-Mar | 15-Apr | 15-May | Average |
| DSE PE | 16.52 | 14.42 | 15.68 | 15.54 |
| Sector PE | 24.42 | 19.00 | 24.63 | 22.68 |

Offer Price:

Based on the above-mentioned valuation methodologies as per Securities and Exchange Commission (Public Issue) Rules, 2006, the management of the Company in consultation with the Issue Manager has set the issue price at BDT 10.00 each at par.

MARKET FOR THE SECURITIES BEING OFFERED

The issuer shall apply to



Chittagong Stock Exchange Limited (CSE)

CSE Building, 1080, Sheikh Mujib Road, Chittagong - 4100

Dhaka Stock Exchange Limited (DSE)

9/F, Motijheel C/A,

Dhaka - 1000



and

Within 7 (Seven) working days from the date of consent accorded by the Commission to issue Prospectus.

DECLARATION ABOUT LISTING OF SHARES WITH STOCK EXCHANGE(S)

None of the stock exchange(s), if for any reason, grants listing within seventy five (75) days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said seventy five (75) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen (15) days, the company’s directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (Two Percent) per month above the bank rate, to the subscribers concerned.

The Issue Manager, in addition to the Issuer Company, shall ensure due compliance of the above mentioned conditions and submit compliance report, thereon, to the Commission within seven (7) days of expiry of the aforesaid fifteen (15) days time period allowed for refund of the subscription money.

## TRADING AND SETTLEMENT

Trading and settlement regulation of the stock exchanges shall apply in respect of trading and settlement of the shares of the Company.

The issue shall be placed in “N” Category with DSE and CSE.

DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

Dividend, Voting, Preemption Right

The share capital of the company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles of Association of the company. All Shareholders shall have the usual voting right in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of General Meeting – Ordinary or Extra Ordinary. On a show of hand, every shareholder present in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for every share held by him or her.

In case of any additional issue of shares for raising further capital, the existing shareholders shall be entitled to Issue of Right shares in terms of the guidelines issued by the BangladeshSecurities and Exchange Commission from time to time.

Conversion and Liquidation Rights

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are freely transferable. The Company shall not charge any fee for registering transfer of shares. No transfer shall be made to a firm, an infant or person of unsound mind.

Dividend Policy

The profit of the company, subject to any special right relating thereto created or authorized to be created by the Memorandum of Association and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the capital paid-up on the shares held by them respectively.

No larger dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of Net Profit of the Company shall be conclusive.

No dividend shall be payable except out of profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.

The Directors may from time to time pay the members such interim dividend as in their judgment the financial position of the Company may justify.

A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.

There is no limitation on the payment of dividends to the common stockholders of the Company.

Other Rights of Stockholders

In terms of provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. No transfer shall be made to a minor or person of unsound mind.

The Directors shall present the financial statements as required under the law & International Accounting Standard. Financial statements will be prepared in accordance with the International Accounting Standards consistently applied throughout the subsequent periods and present with the objects of providing maximum disclosure as per law and International Accounting Standard to the shareholders regarding the financial and operational position of the company. The shareholders shall have the right to receive all periodical statement and reports, audited as well as unaudited, published by the company from time to time.

The shareholder holding minimum of 10% shares of paid-up capital of the company shall have the right to requisition Extra-Ordinary General Meeting of the company as provided under Section 84 of the Companies Act, 1994.

## DEBT SECURITIES

Information Technology Consultants Limited has not issued or planning to issue any debt securities within 6 (six) months.

PLAN OF DISTRIBUTION Section: X

## UNDERWRITING OF SHARES

The Initial Public offering (IPO) is for 12,000,000 Ordinary Shares of TK. 10/- each at an issue price of Tk. 10/- each at par totaling to Tk. 120,000,000/- of Information Technology Consultants Limited. As per guideline of Bangladesh Securities and Exchange Commission, 50% of the said amount i.e. 6,000,000 Ordinary Shares of Tk. 10/- each totaling to Tk. 60,000,000/- has been underwritten on a firm commitment basis by the following underwriters:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| # | Name of Underwriters | No. of Shares Underwritten | Offer Price (Tk.) | Underwriting Amount (Tk.) | % of Total Underwriting |
| 1. | BetaOne Investments Limited | 3,000,000 | 10 | 30,000,000 | 50.00% |
| 2. | NBL Capital and Equity Management Ltd | 2,000,000 | 10 | 20,000,000 | 33.33% |
| 3. | Prime Finance Capital Management Limited | 1,000,000 | 10 | 10,000,000 | 16.67% |
| Total | | 6,000,000 | 10 | 60,000,000 | 100.00% |

## PRINCIPAL TERMS AND CONDITIONS OF UNDERWRITING AGREEMENT

If and to the extent that the shares offered to the public by a Prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within 10 (Ten) days of the closure of subscription call upon the underwriter in writing with a copy of said writing to the Bangladesh Securities and Exchange Commission, to subscribe for the shares not subscribed by the closing date and to pay for in cash in full for such unsubscribed shares in cash in full within 15 (Fifteen) days of the date of said notice and the said amount shall have to be credited into shares subscription account within the said period.

If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his underwriting commitment under the Agreement, until such time as the Cheque/Bank Draft has been en-cashed and the Company’s account credited.

In any case within 7 (seven) days after the expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and payment by the underwriter to the Commission.

In the case of failure by the underwriter to pay for the shares under the terms mentioned above, the said Underwriter will not be eligible to underwrite any issue, until such time as he fulfils his underwriting commitment under the Agreement and also other penalties as may be determined by the Commission may be imposed on him.

In case of failure by any underwriter to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under the Agreement.

In case of failure by the Company to call upon the underwriter for the aforementioned purpose within the stipulated time, the Company and its Directors shall individually and collectively be held responsible for the consequence and/or penalties as determined by the Bangladesh Securities and Exchange Commission under the law may be imposed on them.

## COMMISSION FOR THE UNDERWRITERS

The Company shall pay to the underwriters an underwriting commission at the rate of 0.50% of 50% of the public offering amount of the issue value of shares underwritten by them out of the public issue.

OFFICER OR DIRECTOR OF THE UNDERWRITER(S) ACTING AS DIRECTOR OF THE COMPANY

No Officer or Director of the Underwriter(s) is engaged as the Director of the Company.

SUBSCRIPTION AND MARKET Section:XI

## LOCK-IN PROVISION

## All issued shares of the issuer at the time of according consent to public offering shall be subjectto a lock-in period of 3 (Three) years from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided that the persons, other than directors and those who hold 5% or more, who have subscribed to the shares of the Company within immediately preceding 2 (Two) years of according consent, shall be subject to a lock-in period of 1 (One) year from the date of issuance of prospectus or commercial operation, whichever comes later.

The following table indicates the lock-in status of the shareholders of Information Technology Consultants Limited:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| SL. | Name of the Shareholderes | Status | BO ID | Nos. of Shares subscribed | % of shares hold | Date of Acquisition | | Expiry date of Lock-in |
| 1 | Dr. Kazi Saifuddin Munir | Managing Director | 1605770059470462 | 5,000 |  | 23.08.2000 | | 3 years |
| 70,000 | 07.05.2003 | | 3 years |
| 100,000 | 18.02.2004 | | 3 years |
| 100,000 | 05.04.2004 | | 3 years |
| 1,088,910 | 07.09.2004 | | 3 years |
| 106,630 | 07.09.2004 | | 3 years |
| 100,000 | 20.01.2008 | | 3 years |
| 150,000 | 16.08.2010 | | 3 years |
| 2,000,000 | 06.09.2011 | | 3 years |
| 200,000 | 30.11.2011 | |  |
|  |  |  |  | 3,920,540 | 5.23% |  | | 3 years |
| 2 | Mr. Salahuddin Alamgir | Vice Chairman | 1202400004189086 | 2,000,000 |  | 05.04.2004 | | 3 years |
| 250,000 | 07.09.2004 | | 3 years |
| 1,662,080 | 20.01.2008 | | 3 years |
| 750,000 | 06.09.2010 | | 3 years |
|  |  |  |  | 4,662,080 | 6.22% |  | | 3 years |
| 3 | SiS Capital (Bangladesh) Pte Ltd | Director | 1605770059835693 | 17,929,900 |  | 04.12.2011 | | 3 years |
| 2,959,220 |  | 07.03.2013 | | 3 years |
| 4,620,270 |  | 07.03.2013 | | 3 years |
| 3,000,000 |  | 07.03.2013 | | 3 years |
|  | 28,509,390 | 38.01% |  | |  |
| 4 | \*LankaBangla Finance Ltd.-IP Account | Share Holders |  | 4,300,000 | 5.73% | 22.11.2009 | | 3 years |
| 5 | Regent Pacific Ltd | Director | 1605770059835751 | 6,600,000 |  | 17.11.2011 | | 3 years |
| 550,000 |  | 17.09.2013 | | 3 years |
| 200,000 |  | 17.09.2013 | | 3 years |
|  | 7,350,000 | 9.80% |  | |  |
| 6 | Mrs. Jahanara Islam | Share Holder | 1605770059749950 | 5,000 |  | 12.10.2000 | | 3 years |
| 140,000 | 07.05.2003 | | 3 years |
| 1,011,660 | 05.04.2004 | | 3 years |
| 90,420 | 07.09.2004 | | 3 years |
| 750,000 | 06.09.2010 | | 3 years |
|  |  |  |  | 1,997,080 | 2.66% |  | | 3 years |
| 7 | Mrs. Shuvra Roy | Share Holder | 1204480059822866 | 70,000 |  | 07.05.2003 | | 3 years |
| 200,000 | 18.02.2004 | | 3 years |
| 1,024,160 | 05.04.2004 | | 3 years |
| 101,170 | 07.09.2004 | | 3 years |
| 410,580 | 20.01.2008 | | 3 years |
| 500,000 |  | 06.09.2010 | | 3 years |
|  |  |  |  | 2,305,910 | 3.07% |  | | 3 years |
| 8 | Ms. Rotraud Anna Khan | Shareholder | 1603870059835650 | 350,000 |  | 05.04.2004 | | 3 years |
| 650,000 | 07.09.2004 | | 3 years |
| 290,000 | 20.01.2008 | | 3 years |
|  |  |  |  | 1,290,000 | 1.72% |  | | 3 years |
| 9 | Excel Telecom (Pvt) Limited | Shareholder | 1203050059833841 | 500,000 | 0.67% | 15.04.2008 | | 3 years |
| 10 | Popular Life Insurance Company Limited. | Shareholder | 1204680000045409 | 2,000,000 | 2.67% | 22.11.2009 | | 3 years |
| 11 | Mr. Mohammad Rabban Ali | Shareholder | 1203710027332489 | 500,000 | 0.67% | 22.11.2009 | | 3 years |
| 12 | Trust Bank Limited. | Shareholder | 1205660000122040 | 2,000,000 | 2.67% | 22.11.2009 | | 3 years |
| 13 | AIMS First Guranteed Mutual Fund | Shareholder | 1604620000025075 | 250,000 | 0.33% | 22.11.2009 | 3 years | |
| 14 | Grameen Mutual Fund One | Shareholder | 1604620000025067 | 250,000 | 0.33% | 22.11.2009 | 3 years | |
| 15 | Grameen One: Scheme Two | Shareholder | 1604620016329737 | 500,000 | 0.67% | 22.11.2009 | 3 years | |
| 16 | National Bank Limited. | Shareholder | 1203980000035329 | 2,450,000 | 3.27% | 22.11.2009 | | 3 years |
| 17 | Ms. Shama Rabbani | Shareholder | 1202090003949215 | 500,000 | 0.67% | 22.11.2009 | | 3 years |
| 18 | LankaBangla Securities Limited. | Shareholder | 1201830000007813 | 500,000 | 0.67% | 22.11.2009 | | 3 years |
| 19 | LankaBangla Finance Limited. | Shareholder | 1201830000012220 | 500,000 | 0.67% | 22.11.2009 | | 3 years |
| 20 | Mercantile Bank Limited. | Shareholder | 1602170000104251 | 1,000,000 | 1.33% | 22.11.2009 | | 3 years |
| 21 | Mr. Mohius Samad Chowdhury | Shareholder | 1204500026602336 | 360,000 | 0.48% | 29.05.2010 | | 3 years |
| 22 | Mr. Ahmed Rajeeb Samdani | Shareholder | 1204500032808700 | 892,970 | 1.19% | 29.05.2010 | | 3 years |
| 23 | Partex Beverage Limited | Shareholder | 1201500019764155 | 642,810 | 0.86% | 29.05.2010 | | 3 years |
| 24 | Plastic Accessories Limited | Shareholder | 1201500059797081 | 642,810 | 0.86% | 29.05.2010 | | 3 years |
| 25 | Partex Plastic Limited | Shareholder | 1201500059797154 | 321,410 | 0.43% | 29.05.2010 | | 3 years |
| 26 | Mr. Zohir Ahmed | Shareholder | 1203410059777208 | 150,000 | 0.20% | 16.08.2010 | | 3 years |
| 27 | Mr. Yeasir Arafath | Shareholder | 1601880024865601 | 10,000 | 0.01% | 16.08.2010 | | 3 years |
| 28 | Mr. Mamudul Hassan | Shareholder | 1202210008519997 | 35,000 | 0.05% | 16.08.2010 | | 3 years |
| 29 | Mr. Shumun Mitra | Shareholder | 1601880058603891 | 20,000 | 0.03% | 16.08.2010 | | 3 years |
| 30 | Mr. Tariqul Basher | Shareholder | 1203180026798557 | 60,000 | 0.08% | 16.08.2010 | | 3 years |
| 31 | Kazi Manzur Habib | Shareholder | 1601880028723557 | 50,000 | 0.07% | 16.08.2010 | | 3 years |
| 32 | Md. Abdul Mannan Shojol | Shareholder | 1202430007535370 | 30,000 | 0.04% | 16.08.2010 | | 3 years |
| 33 | Md. Fazlul Kabir | Shareholder | 1202270059527833 | 10,000 | 0.01% | 16.08.2010 | | 3 years |
| 34 | Md. Mijanur Rashid | Shareholder | 1205690058601785 | 20,000 | 0.03% | 16.08.2010 | | 3 years |
| 35 | Md. Golam Mostafa | Shareholder | 1205690058601793 | 45,000 | 0.06% | 16.08.2010 | | 3 years |
| 36 | Md. Sayeed Uz Zaman | Shareholder | 1203580030396446 | 70,000 | 0.09% | 16.08.2010 | | 3 years |
| 37 | Mir Abrar Hossain | Shareholder | 1204390022663444 | 105,000 | 0.14% | 16.08.2010 | | 3 years |
| 38 | Mr. Abdus Salam | Shareholder | 1203830027540433 | 25,000 | 0.03% | 16.08.2010 | | 3 years |
| 39 | Md. Asraful Alam Biplob | Shareholder | 1201700058626493 | 15,000 | 0.02% | 16.08.2010 | | 3 years |
| 40 | Md. Abdul Hakim | Shareholder | 1203670059760557 | 10,000 | 0.01% | 16.08.2010 | | 3 years |
| 41 | Md. Gias Uddin Ahammed | Shareholder | 1202090058588658 | 10,000 | 0.01% | 16.08.2010 | | 3 years |
| 42 | Mr. SK Perves Marakar | Shareholder | 1601880029546691 | 10,000 | 0.01% | 16.08.2010 | | 3 years |
| 43 | Md. Shahadat Hossain | Shareholder | 1203020020710479 | 10,000 | 0.01% | 16.08.2010 | | 3 years |
| 44 | Md. Aminul Haque | Shareholder | 1202830010805905 | 30,000 | 0.04% | 16.08.2010 | | 3 years |
| 45 | Mr. Nitish Basak | Shareholder | 1202250043000208 | 10,000 | 0.01% | 16.08.2010 | | 3 years |
| 46 | Md. Rashed Pervez | Shareholder | 1201940020160491 | 15,000 | 0.02% | 16.08.2010 | | 3 years |
| 47 | Ms.Hamida Hasnu | Shareholder | 1601880019401588 | 10,000 | 0.01% | 16.08.2010 | | 3 years |
| 48 | Ms. Shahjadi Farhana Shafiq | Shareholder | 1202140030205171 | 25,000 | 0.03% | 16.08.2010 | | 3 years |
| 49 | Ms. Hasina Akter | Shareholder | 1202400058688678 | 10,000 | 0.01% | 16.08.2010 | | 3 years |
| 50 | Ms. Mariam Begum | Shareholder | 1201700037631807 | 30,000 | 0.04% | 16.08.2010 | | 3 years |
| 51 | Ms. Farhana Zabin Sony | Shareholder | 1202800025392181 | 40,000 | 0.05% | 16.08.2010 | | 3 years |
| 52 | Ms. Tabassum Mushfiq | Shareholder | 1204090058609369 | 25,000 | 0.03% | 16.08.2010 | | 3 years |
| 53 | Mr. Saiful Islam Sumon | Shareholder | 1201750028793416 | 15,000 | 0.02% | 16.08.2010 | | 3 years |
| 54 | Md. Khairul Islam Ripon | Shareholder | 1201750058609195 | 5,000 | 0.01% | 16.08.2010 | | 3 years |
| 55 | Md. Sikender Badsha | Shareholder | 1201750059548832 | 1,000 | 0.00% | 16.08.2010 | | 3 years |
| 56 | Md. Nazrul Islam | Shareholder | 1201750058609187 | 5,000 | 0.01% | 16.08.2010 | | 3 years |
| 57 | Mr. Tanzir Mannan Pavel | Shareholder | 1601880029095778 | 30,000 | 0.04% | 16.08.2010 | | 3 years |
| 58 | Mr. Sharif-Uz-Zaman Shakil | Shareholder | 1203040058620298 | 5,000 | 0.01% | 16.08.2010 | | 3 years |
| 59 | Md. Shahid Hossain | Shareholder | 1203830046497398 | 10,000 | 0.01% | 16.08.2010 | | 3 years |
| 60 | Md. Wahid Shikder | Shareholder | 1202380033419921 | 10,000 | 0.01% | 16.08.2010 | | 3 years |
| 61 | Muhammad Azad Rahman | Shareholder | 1201580004538103 | 25,000 | 0.03% | 16.08.2010 | | 3 years |
| 62 | Mr. Zubaer Ahmad | Shareholder | 1203680030286940 | 20,000 | 0.03% | 16.08.2010 | | 3 years |
| 63 | Mr. Nandan Kumar Saha | Shareholder | 1601880019401571 | 40,000 | 0.05% | 16.08.2010 | | 3 years |
| 64 | Mr. A. K. M. Ehteshamul Haque | Shareholder | 1202370022871821 | 20,000 | 0.03% | 16.08.2010 | | 3 years |
| 65 | Mr. Majharul Islam | Shareholder | 1203800046688799 | 50,000 | 0.07% | 16.08.2010 | | 3 years |
| 66 | Mr. A. K. M. Siddiqure Rahman | Shareholder | 1203690058558118 | 10,000 | 0.01% | 16.08.2010 | | 3 years |
| 67 | Mr. Iftekhar Ahmed | Shareholder | 1202150000209662 | 10,000 | 0.01% | 16.08.2010 | | 3 years |
| 68 | QooL Bangladesh Ltd | Shareholder | 1605770059835371 | 1,200,000 | 1.60% | 17.11.2011 | | 3 years |
|  | Mr. Rubel Aziz | Shareholder | 1201500011977670 | 705,000 | 0.94% | 17.11.2011 | | 3 years |
| 69  70 | Lanka Bangla Investments Ltd | Shareholder | 1201830043239232 | 56,000 | 0.07% | 01.11.2011 | | 3 years |
| 2,000,000 | 2.67% | 31.01.2013 | | 3 years |
| 8,000 | 0.01% | 08.07.2013 | | 3 years |
| 71 | Mr. Wazed Mollah | Shareholder | 1202210032312609 | 333,333 | 0.44% | 17.11.2011 | | 3 years |
| 72 | Mr. Binod Kumar Agarwal | Shareholder | 1202020001460458 | 133,333 | 0.18% | 17.11.2011 | | 3 years |
| 73 | Mrs. Akhy Bhowmik | Shareholder | 1204480059817216 | 33,334 | 0.04% | 17.11.2011 | | 3 years |
| 74 | Mr. Mohammad A. Moyeen | Shareholder | 1201830000011570 | 1,250,000 | 1.67% | 07.03.2013 | | 3 years |
|  |  |  |  |  |  |  | |  |
| Total | | |  | 75,000,000 | 100% |  | |  |

Note: Lock-in Period starts from the date of issuance of Prospectus i.e., October 8, 2015.

\* The break up of lock in under position of LankaBangla IP account

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No. | Name | Status | BOID | Number of shares |
| 1 | Mohd. Salim Miah | Share Holder | 1605280046940751 | 100,000 |
| 2 | Md. Mahabubur Rahman | Share Holder | 1605280046935393 | 400,000 |
| 3 | A K M Fazlul Haque | Share Holder | 1605280046946245 | 100,000 |
| 4 | Abu Md. Badruddin | Share Holder | 1605280046968787 | 100,000 |
| 5 | LankaBangla Securities Limited | Share Holder | 1605280046970274 | 1,200,000 |
| 6 | Afsar Uz Zaman | Share Holder | 1605280046932266 | 100,000 |
| 7 | Md. Rafiqul Islam | Share Holder | 1605280046934420 | 30,000 |
| 8 | Mashrul Haque | Share Holder | 1605280046935385 | 100,000 |
| 9 | Dr. Md. Abu Syed Tito | Share Holder | 1605280046936007 | 1,500,000 |
| 10 | Shahnaz Begum Rosy | Share Holder | 1605280046936066 | 70,000 |
| 11 | Md. Rafiqul Bari | Share Holder | 1605280046937558 | 300,000 |
| 12 | Rishit Computers Ltd. | Share Holder | 1605280046937582 | 75,000 |
| 13 | Azim Uddin Ahmed | Share Holder | 1605280046937590 | 25,000 |
| 14 | Mohammad Belal Hossain Chowdhury | Share Holder | 1605280046937756 | 200,000 |
|  |  |  |  | 4,300,000.00 |

## SUBSCRIPTION BY AND REFUND TO NON-RESIDENT BANGLADESHI (NRB)

Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to concerned Stockbroker/Merchant Banker. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.

The bank draft (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.

Stockbrokers/Merchant Bankers shall send the bank drafts (FDD) submitted by successful NRB and Foreign applicants to the Stock Exchange and return the drafts submitted by unsuccessful applicants.

Stockbrokers/Merchant Bankers shall send the drafts (FDD) submitted by unsuccessful NRB and Foreign applicants who are subject to penal provisions, to the respective Stock Exchange, along with a list.

Stock Exchanges shall send the drafts submitted by successful NRB and Foreign applicants and also by unsuccessful NRB and Foreign applicants who are subject to penal provisions, to the Issuer.

In case of drafts (FDD) submitted by successful NRB or Foreign applicant for any amount excess to the value of securities to be allotted or by unsuccessful NRB and Foreign applicants who are subject to penal provisions, refund of the balance amount shall be made by the Issuer to the applicant through bank drafts issued in the -same currency within 7 (seven) working days of receiving the drafts from Stock Exchange.

AVAILABILITY OF SECURITIES

Securities:

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | | Number of Shares | Amount in BDT |
| A. | 20% of IPO of Ordinary Shares are reserved for affected small investors (ক্ষতিগ্রস্থ ক্ষুদ্র বিনিয়োগকারী) | 2,400,000 | 24,000,000.00 |
| B. | 10% of IPO of Ordinary Shares shall be reserved for Non- Resident Bangladeshis (NRB) | 1,200,000 | 12,000,000.00 |
| C. | 10% of IPO of Ordinary Shares shall be reserved for mutual funds and Collective Investment schemes registered with the Commission | 1,200,000 | 12,000,000.00 |
| D. | Remaining 60% of IPO of Ordinary Shares shall be opened for subscription by the General Public | 7,200,000 | 72,000,000.00 |
| Total (A+B+C+D) | | 12,000,000 | 120,000,000.00 |

All securities as stated in clause 1(A), 1(B), 1(C), and 1(D) shall be offered for subscription and subsequent allotment by the issuer, subject to any restriction, which may be imposed, from time to time by the Bangladesh Securities and Exchange Commission.

In case of over-subscription under any of the categories mentioned in the clause 1(A), 1(B), 1(C), and 1(D), the Issue Manager shall conduct an open lottery of all the applications received under each category sepately in accordance with the letter of consent issued by the Bangladesh Securities and Exchange Commission.

In case of under-subscription under any of the 20% and 10% category as mentioned in clause 1(A), 1(B) and 1(C), the unsubscribed portion shall be added to the general public category, and, if after such addition there is oversubscription in the general public category the issuer and the issue manager shall jointly conduct an open lottery of all the applicants added together.

In case of under-subscription of the public offering, the unsubscribed portion of shares shall be taken up by the underwriter(s).

The lottery as stated in clause (3) and (4) should be conducted in the presence of the representatives of Issuer, Stock Exchange(s) and the applicants, if there be any.

## ALLOTMENT

The company reserves the right of accepting any application, either in whole, or in part. Within 02 (two) working days of conducting lottery, the Issuer shall issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Stock Exchange in electronic form. On the next working day, Stock Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format. The Stockbrokers/Merchant Bankers shall inform the successful applicants about allotment of securities.

## APPLICATION FOR SUBSCRIPTION

Application for shares may be made for a minimum lot for 500 Ordinary shares to the value of Taka, 5,000/- (Five Thousand Only). Prospectus may be obtained from the Registered Office of the Company, members of Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited. Application/ buy instruction must not be for less than 500 shares. Any application/ buy instruction not meeting this criterion will not be considered for allotment purpose.

An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. subscription closing date).

The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant.

Application/buy instruction must be in full name of individuals or limited companies or trusts or societies and not in the name of firms, minors or persons of unsound mind. Application/buy instruction from insurance, financial and market intermediary companies and limited companies must be accompanied by Memorandum and Articles of Association.

An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.

The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money too.

Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.

An IPO applicant shall ensure his/her BO account remains operational till the process of IPO (including securities allotment or refund of IPO application/buy instruction) is completed. If any BO account mentioned in the application/buy instruction is found closed, the allotted security may be forfeited by BSEC

Bangladeshi Nationals (including non-resident Bangladeshi Nationals working abroad) and Foreign Nationals shall be entitled to apply for shares

Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer/Mutual Fund for an amount equivalent to the application money, with their application to concerned Stockbroker/Merchant Banker. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.

The bank draft (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.

The IPO subscription money collected from investors (other than Non-Resident Bangladeshis in US Dollar or UK Pound Sterling or EURO) by the Stock brokers/ Merchant Bankers will be remitted to the Company’s Special Notice Deposit (SND) A/CNo. 0017-0320001315 with Trust Bank Limited, Dilkusha Corporate Branch,Dhaka, Bangladesh for this purpose.

The subscription money collected from Non-Resident Bangladeshis in US Dollar or UK Pound Sterling or EURO shall be deposited to three FC accounts opened by the Company for IPO purpose are as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| # | Name of the FC Accounts | Currency | Account No. | Bank | Branch |
| 1. | Information Technology Consultants Ltd | EURO | 0017-5804000020 | Trust Bank Limited | Dilkusha Corporate |
| 2. | Information Technology Consultants Ltd | USD | 0017-5802000024 | Trust Bank Limited | Dilkusha Corporate |
| 3. | Information Technology Consultants Ltd | GBP | 0017-5803000022 | Trust Bank Limited | Dilkusha Corporate |

ক্ষতিগ্রস্থ ক্ষুদ্র বিনিয়োগকারীগণ সকল পাবলিক ইস্যুতে একক অথবা যৌথ হিসাবের যে কোনটি অথবা উভয়টি হতে সংরক্ষিত ২০% কোটায় আবেদন করতে পারবেন। তবে ইচ্ছা করলে ক্ষতিগ্রস্থ সংরক্ষিত ২০% কোটায় আবেদন না করে সাধারণ বিনিয়োগকারীদের জন্য নির্ধারিত কোটায়ও আবেদন করতে পারবেন।

APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS ARE LIABLE TO BE REJECTED.

MATERIAL CONTRACTS AND OTHERS Section: XII

## MATERIAL CONTRACTS

The following are material contracts in the ordinary course of business, which have been entered into by the Company:

Underwriting Agreements between the Company and the Underwriters

Issue Management Agreement between the Company and BetaOne Investments Limited

Contract between the Company and the Central Depository Bangladesh Limited (CDBL)

Copies of the aforementioned contracts and documents and a copy of Memorandum of Association and Articles of Association of the Company and the Consent Letter from the Bangladesh Securities and Exchange Commission may be inspected, on any working day during office hours at the Corporate Office of the Company and the Manager to the Issue.

## MANAGER TO THE ISSUE

BetaOne Investments Limited, Green Delta AIMS Tower, 51-52 Mohakhali C/A, Dhaka 1212.

The Issue Management Fee for the IPO shall be 1% on the public offering amount or Tk. 2,000,000 only whichever is lower.

CORPORATE DIRECTORY Section: XIII

|  |  |  |
| --- | --- | --- |
| REGISTERED OFFICE | : | Information Technology Consultants Limited  Evergreen Plaza (3rd Floor), 260/B Tejgaon I/A,  Dhaka - 1208, Bangladesh |
| AUDITOR | : | Hoda Vasi Chowdhury & Co  BTMC Bhaban (8th floor),7-9 Kawran Bazar-C/A, Dhaka-1215 |
| MANAGER TO THE ISSUE | : | BetaOne Investments Limited  Green Delta AIMS Tower,  51-52 Mohakhali C/A, Dhaka 1212 |
| LEGAL ADVISOR | : | Tanjib-ul Alam & Associates  BSEC Bhaban (Level -11), 102 Kazi NAzrul Islam Avenue,  Karwan Bazar, Dhaka -1215 |
| TAX CONSULTANT | : | Zahir Ahmed & Co. Chartered Accountants  22, Dilkusha C/A (1st Floor),  Dhaka – 1000 |
| COMPANY SECRETARY | : | Md. Haqueful Shaikh |
| LEAD BANKER FOR IPO | : | Trust Bank Limited |
| BANKERS-TO-THE ISSUE | : | Trust Bank Ltd;IFIC Bank Ltd;National Bank Ltd: Mercantile Bank Ltd;The City Bank Ltd;ICB Investment Corporation; Jamuna Bank Ltd;Mutual Trust Bank Ltd;Dhaka Bank Ltd; One Bank Ltd; Commercial Bank Of Ceylon |

All investors are hereby informed by the Company that the Company Secretary would be designated as Compliance Officer who will monitor the compliance of the Acts, and rules, regulations, notification, guidelines, conditions, orders/directions etc. issue by the Commission and/or stock exchange(s) applicable to the conduct of the business activities of the Company so as to promote the interest of the investors in the security issued by the Company, and for redressing investors’ grievances.

AUDITORS’ REPORT TO THE SHAREHOLDERSOF INFORMATION TECHNOLOGY CONSULTANTS LIMITED (ITCL) AND ITS SUBSIDIARY BANGLADESH ELECTRONIC PAYMENT SYSTEMS LIMITED (BEPS)

Section: XIV

Auditors’ Report

To the Shareholders of

Information Technology Consultants Ltd.

Introduction

We have audited the accompanying financial statements of Information Technology Consultants Ltd. (the“Company”), which comprise the statement of financial position as at 30 June 2014, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes and all related consolidated financial statements of Information Technology Consultants Ltd.and its subsidiary (together referred to as "the Group").

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), the Companies Act (#18) 1994 and other applicable laws and regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors’ responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conduct our audit in accordance with Bangladesh Standard on Auditing (BSA). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements including consolidated financial statements, prepared in accordance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the Company’s/group's affairs as at 30 June 2014 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act (#18) 1994, and other applicable laws and regulations.

We also report that:

we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

in our opinion, proper books of account as required by law have been kept by the Company/Group so far as it appeared from our examination of these books;

the statement of financial position (balance sheet) and statement of comprehensive income (profit and loss account) dealt with by the report are in agreement with the books of account; and

the expenditures incurred were for the purposes of the Company and its subsidiary.

Sd/-

Hoda Vasi Chowdhury & Co.

Chartered Accountants

Dated: Dhaka

September 3, 2014



Sd/-

Kazi Saifuddin Munir, Ph.D

Managing Director

Sd/-

Md. Salahuddin Alamgir

Director

Sd/-

Md. Haqueful Shaikh

Company Secretary

Dated: Dhaka

3/09/2014

Sd/-

Hoda Vasi Chowdhury & Co.

Chartered Accountants

Sd/-

Kazi Saifuddin Munir, Ph.D

Managing Director

Sd/-

Md. Salahuddin Alamgir

Director

Sd/-

Md. Haqueful Shaikh

Company Secretary

Dated: Dhaka

3/09/2014

Sd/-

Hoda Vasi Chowdhury & Co.

Chartered Accountants



Sd/-

Kazi Saifuddin Munir, Ph.D

Managing Director

Sd/-

Md. Salahuddin Alamgir

Director

Sd/-

Md. Haqueful Shaikh

Company Secretary



Sd/-

Kazi Saifuddin Munir, Ph.D

Managing Director

Sd/-

Md. Salahuddin Alamgir

Director

Sd/-

Md. Haqueful Shaikh

Company Secretary



















































Additional Disclosures

Capital Expenditure Commitment

The Company has not yet made any material commitment for capital expenditure except for those that are required in the course of carrying out of business operations and require fund to be supported by company’s revenue.

Foreign Currency Earned

During the period the Company earned foreign currencies by BDT 1,079,400 from selling of Biometric ATM software license fee.

Credit Facility Not Availed

There was no credit facility available to the company under any contract, but not availed as on 30 June2014 other than trade credit available in the ordinary course of business.

Attendance Status of Board Meeting of Directors

During the period from 01.07.2013 to 30.06.2014 there were 5 (Five) Board Meetings were held. The attendance status of all the meetings is as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| Name of Directors | Position | Meeting Held | Attended |
| Mr.LimKiahMeng | Chairman | 5 | 5 |
| Mr.SalahuddinAlamgir | Vice Chairman | 5 | 5 |
| Mr. Mohammad A. Moyeen | Vice Chairman | 5 | 5 |
| Dr. Kazi SaifuddinMunir | Managing Director & CEO | 5 | 5 |
| Mr. Lim Kia Hong | Nominated Director of SiS Capital (Bangladesh) Ltd | 5 | 5 |
| Mr.LimHweeHai | Nominated Director of SiS Capital (Bangladesh) Ltd | 5 | 5 |
| Madam Lim HweeNoi | Nominated Director of SiS Capital (Bangladesh) Ltd | 5 | 5 |
| Madam FauzijusTjandra | Nominated Director of Regent Pacific Ltd. | 5 | 5 |
| Ms. Chiu Lai Chun Rhoda | Nominated Director of SiS Capital (Bangladesh) Ltd | 5 | 5 |

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

Disclosure as per requirement of Schedule XI, Part II of the Company Act1994

Disclosure as per requirement of Schedule XI, Part II, Note 5 of Para 3

a (i). Employee Position for Information Technology Consultants Limited (As 30

June2014)

|  |  |  |  |
| --- | --- | --- | --- |
| Monthly Salary Range (In Taka) | Permanent Basis | Contract Basis | Total Employees |
| Below 3,000 | Nil | Nil | Nil |
| Above 3,000 | 235 | Nil | 235 |
| Total | 235 | Nil | 235 |

b. Disclosure as per requirement of Schedule XI, Part II, Para 4

Only the Managing Director is taking monthly remuneration due to he has been working full time/fledged in the Company. During the period Managing Director & CEO has been paid as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name of Directors | Designation | Remuneration | Festival Bonus | Total Payment |
| Mr.LimKiahMeng | Chairman | nil | nil | nil |
| Mr.SalahuddinAlamgir | Vice Chairman | nil | nil | nil |
| Mr. Mohammad A. Moyeen | Vice Chairman | nil | nil | nil |
| Dr. Kazi SaifuddinMunir | Managing Director & CEO | 3,990,000/- | 320,000/- | 43,10,000/- |
| Mr. Lim Kia Hong | Nominated Director of SiS Capital (Bangladesh)Pte Ltd | nil | nil | nil |
| Mr.LimHweeHai | Nominated Director of SiS Capital (Bangladesh) PteLtd | nil | nil | nil |
| Madam Lim HweeNoi | Nominated Director of SiS Capital (Bangladesh)Pte Ltd | nil | nil | nil |
| Madam FauzijusTjandra | Nominated Director of Regent Pacific Ltd. | nil | nil | nil |
| Ms. Chiu Lai Chun Rhoda | Nominated Director of SiS Capital (Bangladesh) PteLtd | nil | nil | nil |
| Mohammad Nasir Uddin Chowdhury | Alternate Director of Mr. Mohammad A. Moyeen of LankaBangla Finance Ltd. | nil | nil | nil |
| Total |  | 3,990,000/- | 320,000/- | 43,10,000/- |

B (i) Period of payment to Directors is from 01 July 2013 to 30June 2014.

B (ii) The above Directors of the company did not take any benefit from the company other than theremuneration and festival bonus.

C. Disclosure as per requirement of Schedule XI, Part II, Para 7

(i) Details of production capacity utilization: The Company’s nature of business is service oriented and its service capacity depends on its employed human resources. Therefore, production capacity is not applicable for the company.

D. Disclosure as per requirement of Schedule XI, Part II, Para 8

i) Raw Materials, Spare Parts, Packing Materials and Capital Machinery: The Company’s nature of business is service oriented and its service capacity depends on its employed human resources. Therefore, Raw Materials, Spare Parts, Packing Materials and Capital Machineryare not applicable for the company.

E. Disclosure as per requirement of Schedule XI, Part II, Para 3

|  |  |
| --- | --- |
| Requirements under condition No. | Compliance status of Disclosure of Schedule XI, Part II, Para 3 |
| 3(i)(a) The turnover | BDT 670,707,822/- |
| 3(i)(b) Commission paid to selling agents | N/A |
| 3(i)(c ) Brokerage and discount of sales, other than the usual trade discount | N/A |
| 3(i)(d)(i) The value of the raw materials consumed, giving item-wise as possible | N/A |
| 3(i)(d)(ii) The opening and closing stocks of goods produced | N/A |
| 3(i)(e)In the case of trading companies, the purchase made and the opening and closing stocks | Opening stock-262 ATMs, 730POS,48Kiosk & Closing stock-283 ATMs,2422POS, 32Kiosk. |
| 3(i)(f) In the case of Companies rendering or supplying services, the gross income derived from services rendered or supplied | BDT 228,681,392/- |
| 3(i)(g) Opening and Closing stocks, purchases, sales and consumption of raw materials with value and quantity breakup for the Company, which falls under one or more categories i.e. manufacturing and/or trading | Details in below table |
| 3(i)(h) In the case of other companies, the gross income derived under different heads | BDT (7,360,554)/- |
| 3(i)(i) Work-in-progress, which have been completed at the commencement and at the end of the accounting period | N/A |
| 3(i)(j) The amount provided for depreciation, renewals or diminution in value of fixed assets | BDT 38,690,712/- |
| 3(i)(k) Interest on the debenture paid or payable to the Managing Director, Managing Agent and the Manager | N/A |
| 3(i)(l) Charge for income tax and other taxation on profits | BDT 726,788/- |
| 3(i)(m) Reserved for repayment of share capital and repayment of loans | N/A |
| 3(i)(n)(i) Amount set aside or proposed to be set aside, to reserves, but not including provisions made to meet any specific liability, contingency or commitment, known to exist at the date as at which the balance sheet is made up. | N/A |
| 3(i)(n)(ii) Amount withdrawn from above mentioned reserve | N/A |
| 3(i)(o)(i) Amount set aside to provisions made for meeting specific liabilities, contingencies of commitments. | N/A |
| 3(i)(o)(ii) Amount withdrawn from above mentioned provisions, as no longer required. | N/A |
| 3(i)(p) Expenditure incurred on each of the following items, | Details given below: |
| separately for each item: (i) Consumption of stores and spare parts |
| (ii) Power and Fuel (iii) Rent (iv) Repairs of Buildings (v) Repairs of |
| Machinery (vi)(1) Salaries, wages and bonus (2) Contribution to provident and other funds (3) Workmen and staff welfare expenses to the extent not adjusted from any previous provision or reserve. |

3(i)(g) Opening and Closing stocks, purchases, sales and consumption of raw materials with value and quantity breakup for the Company, which falls under one or more categories i.e. manufacturing and/or trading

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | ATM | | POS(Sand + VeriFone) | | KIOSK | | Card | |
| Qty | Value | Qty | Value | Qty | Value | Qty | Value |
| Closing stock | 283 | 130,830,049 | 2422 | 52,445,809 | 32 | 7,683,034 | 58592 | 8,261,876 |
| Opening stock | 262 | 116,501,921 | 730 | 17,183,066 | 48 | 11,524,552 | 71615 | 8,836,533 |
| Consumption of raw materials | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Purchase | 375 | 198,393,380 | 3327 | 71,553,567 | 0 | 0 | 0 | 0 |
| Sales | 354 | 184,065,252 | 1635 | 36,290,824 | 16 | 3,841,518 | 13023 | 574,657 |

3(i)(p) Expenditure incurred on each of the following items:

(i) Consumption of stores and spare parts - BDT 2,296,042/-

(ii) Power and Fuel -BDT 4,821,112/-

(iii) Rent -BDT 8,558,686/-

(iv)Repairs of Buildings- N/A

(v) Repairs of Machinery- N/A

(vi) (1) Salaries, wages and bonus – BDT86,217,417/-

(2) Contribution to provident and other funds - N/A

(3) Workmen and staff welfare expenses to the extent not adjusted from any previous provisionor reserve.-N/A

Subsequent Disclosure of Events after the Balance Sheet Date - Under IAS 10

There is no non-adjusting post balance sheet event of such importance, non-disclosure ofwhich would affect the ability to the users of the financial statements to proper evaluation and decision.

(I) Debt considered good in respect of which the company is fully secured

The debtors occurred in the ordinary course of business are considered good and secured.

(II) Debt considered good for which the company hold no security other than the debtors’ personal security.

There is no such debt in this respect as on 30June2014.

(III) Debt considered doubtful or bad

The companyhas made provisionfor doubtful debtsagainst accounts receivables by BDT 6,042,725 as on 30 June2014, because of the fact that sales&service are being made on regular basis with fixed maturity dates.

(IV) Debt due by directors or other officers of the company

There is no such debt in case of Directs of the Company and in case of other officers debt amount is as follows.

(V) Debt due by Common Management

There are no amount due form sister company under common management as 30 June2014.

(VI) The maximum amount due by directors or other officers of the company

There is no such debt in case of Directs of the Company and in case of other officers debt amount is BDT 1,280,800 as on 30 June2014.

Approval of the financial statements

These financial statements were authorized for issue in accordance with a resolution of the company's Board of Directors on 03 September, 2014.

Preparation and presentation of Financial Statements of the Company and its Subsidiaries/Events after the Balance Sheet date

The Board of Directors of respective companies are responsible for the preparation and presentation of financial statements of Information Technology Consultants Limited and its subsidiary (BEPS).

Proposed Dividend

No dividend is proposed.

Internal Control

The following steps have been taken for implementation of an effective internal control procedure of the Company:

A strong internal control and compliance division has been formed with a view to establish a well designated system of internal control.

Regular review of internal audit reports with view to implement the suggestion of internal auditors in respect if internal control technique.

To establish an effective management system that includes planning, organizing and supervising culture in the individual division as well as at Head Office.

INDEPENDENT AUDITORS’ REPORT

To

The Shareholders of Bangladesh Electronic Payment Systems Limited

We have audited the accompanying financial statements of Bangladesh Electronic Payment Systems Limited, which comprise the statement of financial position as at 30 June 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’sResponsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Bangladesh Electronic Payment Systems Limited as at 30 June 2014 and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with The Companies Act 1994, Securities and Exchange Rules, 1987 and other applicable laws and regulations.

We also report that:

we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;

the company's statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account and returns;

the expenditure incurred was for the purposes of the company's business.

|  |  |
| --- | --- |
| Dated, Dhaka;  26 August 2014 | Sd/-  Zahir Ahmed & Co.  Chartered Accountants |



Sd/-

Md. Salahuddin Alamgir

Director

Sd/-

Kazi Saifuddin Munir, Ph.D

Managing Director

Md. Salahuddin Alamgir

Director

Sd/-

Md. Haqueful Shaikh

Company Secretary

Dated: Dhaka

26/08/2014

Sd/-

Zahir Ahmed& Co.

Chartered Accountants



Sd/-

Md. Salahuddin Alamgir

Director

Sd/-

Kazi Saifuddin Munir, Ph.D

Managing Director

Md. Salahuddin Alamgir

Director

Sd/-

Md. Haqueful Shaikh

Company Secretary

Dated: Dhaka

26/08/2014

Sd/-

Zahir Ahmed& Co.

Chartered Accountants



Sd/-

Md. Salahuddin Alamgir

Director

Sd/-

Kazi Saifuddin Munir, Ph.D

Managing Director

Md. Salahuddin Alamgir

Director

Sd/-

Md. Haqueful Shaikh

Company Secretary

Dated: Dhaka

26/08/2014

Sd/-

Zahir Ahmed& Co.

Chartered Accountants



Sd/-

Md. Salahuddin Alamgir

Director

Sd/-

Kazi Saifuddin Munir, Ph.D

Managing Director

Md. Salahuddin Alamgir

Director

Sd/-

Md. Haqueful Shaikh

Company Secretary

Dated: Dhaka

26/08/2014

Sd/-

Zahir Ahmed& Co.

Chartered Accountants

Bangladesh Electronic Payment Systems Limited

Notes to the Financial Statements

for the year ended 30 June 2014

Legal Status of the Company

Bangladesh Electronic Payment Systems Limited (BEPSL) was incorporated as private companies on December 08, 2003 vide Registration No. C-51222 (1517)/2003. Authorized capital is Tk. 250 million divided into 2.50 million ordinary shares of Tk. 100/- each. The paid up capital of the company as on June 30, 2014 is Tk. 40,000,000/- divided into 400,000 ordinary shares of Tk. 100/- each fully paid. The company has become the subsidiary Company of Information Technology Consultants Limited in exchange of 92.875% of its shares. Information Technology Consultants Limited is holding 371,500 Ordinary Shares of Bangladesh Electronic Payment Systems Limited (BEPSL).

Nature of Business Activities

The company provides a suite of complete turnkey card management solutions to banks and other financial institutions in Bangladesh and is specialization in implementing global branded (VISA, Master Card, JCB, Diners) Debit Card and ATM card management systems “CARDPRO V5”.

Basis of preparation and significant accounting policies

* 1. Basis of Measurement of Elements of Financial Position

The financial statements have been prepared on the Historical Cost Basis, and, therefore, do not take into consideration the effect of inflation. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

* 1. Statement on Compliance with Local Laws

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1994, Securities and Exchange Rules, 1987 and other relevant local laws as applicable.

## Statement on Compliance of Bangladesh Accounting Standards

The financial statements have been prepared in accordance with the applicable Bangladesh Accounting Standard (BASs) and Bangladesh Financial Reporting Standard (BFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) based on International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs).

## Going Concern

As per BAS-1, a company is required to make an assessment at the end of each year to ensure that it has the capability to continue as a going concern. The management of the company makes such assessment last couple of years. After completion the assessment, the Management of the Company recognizes that the Company does not anticipate any adverse situation that may affect the going concern status due to its member banks’ Host migration. The Management of the Company will look for alternative business strategy to continue its operational activity in line of Electronic Transaction Processing & software development. Therefore, the management of the company states that the Company has adequate resources to continue its operation for the foreseeable future and the directors of the Company continue to adopt going concern basis in preparing the Financial Statements.

## Accrual Basis

The financial statements have been prepared, except cash flow information, using the accrual basis of accounting.

## Structure, Contents and Presentation of Financial Statements

Being the general purpose of financial statements, the presentation of these financial statements is in accordance with the guidelines provided by BAS 1: “Presentation of Financial Statements”. A complete set of financial statements comprise:

Statement of Financial Position as at 30 June 2014.

Statement of Comprehensive Income for the year ended 30 June 2014.

Statement of Changes in Equity as at 30 June 2014.

A Statement of Cash Flow for the year ended 30 June 2014.

Notes comprising a summary of significant accounting policies and other explanatory information to the Financial Statements for the year ended 30 June 2014.

## Reporting Period

The Financial Period of the company under audit covers year from 01 July 2013 to 30 June 2014.

## Revenue

Revenue represents the invoice value of services to the customers during the period and it recognized in the income statement when the significant risks and rewards of ownership have been transferred to the buyer by when the delivery certificate is raised against confirmed orders to the buyer and acceptance received from buyers on that services. Revenue shall be measured at the fair value of the consideration received or receivable as per BAS-18.

## Property, Plant and Equipment

# Initial Recognition and measurement

Property, plant and equipment are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation in compliance with the requirements of BAS-16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties, non-refundable taxes and un-allocated expenditures etc.

# Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of an 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 recognized in the statement of comprehensive income as “Repair & Maintenance” when it is incurred.

# Depreciation on Property, Plant and Equipment

Depreciation is provided to amortize the cost or valuation of the assets after commissioning, over the period of their expected useful life, in accordance with the provisions of BAS 16: Property, Plant and Equipment. Full year depreciation is charged in the year of acquisition regardless of the date of purchase. No depreciation is charged in the year of disposal regardless of the date of disposal. Depreciation of an asset begins when it is available for use. Depreciation is charged on all Property, Plant and Equipment. Rates of depreciation is noted below:

|  |  |
| --- | --- |
| Particular of Assets | Rate of Depreciation |
| Plant & Machinery | 20% |
| POS Terminal | 15% |
| Furniture and Fixture | 15% |
| Computer & Components | 15% |
| Office Equipment | 15% |
| Operating Equipment | 15% |
| Office Decoration | 20% |
| ATM Booth | 15% |
| Generator | 15% |
| Vehicles | 20% |
| Other Assets | 15% |

The fair value of the property, plant and equipment on 30.06.2014 is not materially differing with the carrying amount.

Recognition of Intangible Assets:

Software costs are capitalized where it is expected to provide future enduring economic benefits. Capitalization costs include license fees & cost of implementation/ system integration services which are capitalized in the period in which the relevant software is installed for use. Costs of maintenance, up gradation and enhancements are charged off as revenue expenditure unless they bring similar significant additional long term benefits. Providing an Electronic Fund Transfer solution provider, the Company has taken a special initiative massive development of its technological infrastructure.

The company amortized the intangible assets in the following rates:

|  |  |
| --- | --- |
| Particular of Intangible Assets | Rate of Amortization |
| Switching Software | 20% |
| Software Development | 20% |

## Cash and Cash Equivalent and Statement of Cash Flows

Cash and cash equivalents comprise cash in-hand and in current account that are readily convertible to a known amount of cash, and that are not subject to significant risk of change in value.

The Statement of Cash Flows is prepared using the Direct Method as stipulated in Bangladesh Accounting Standards BAS- 7 “Statement of Cash Flows”

## Earnings Per Share

The company calculates Earnings Per Share (EPS) in accordance with the requirement of BAS– 33: “Earning Per Share”, which has been shown on the face of the Statement of Comprehensive Income and the computation is shown in “Note - 18”.

# Basic earnings

This represents earnings for the year ended on 30 June 2014 attributable to the ordinary shareholders.

Basic Earning Per Share

Basic earnings per share has been calculated by dividing the basic earning by the number of ordinary shares outstanding for the year.

## Impairment of Assets

All assets, except inventory, arising from construction contracts and financial assets is assessed at the end of each reporting period to determine whether there is any indication that an assets may be impaired. If any such indication exists the company assesses the recoverable amount. If, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the assets is reduced to its recoverable amount. The reduction is an impairment loss.

An impairment loss is recognized immediately in profit or loss, unless the asset is carried at revalued amount in accordance with another standard. Any impairment loss of a revalued asset is treated as a revaluation decrease. No such assets have been impaired during the period under audit and for this reason no provision has been made for impairment of assets.

## Authorization date for issuing Financial Statements

The Financial Statements were authorized by the Board of Director’s on 26 August, 2014 for issue after completion of review.

## Reporting Currency

The Financial Statements has been prepared and presented in Bangladesh Currency (Taka), which is the company’s functional currency.

## Risk and uncertainty for use of estimates (Provisions)

The Preparation of Financial Statements in conformity with Bangladesh Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses, assets and liabilities and disclosure requirements for contingent assets and liabilities during and the date of the Financial Statements. Due to inherent uncertainty involved in making estimates, actual result reported could differ from those estimates.

In accordance with the guidelines in BAS – 37: “Provisions, Contingent Liabilities and Contingent Assets”, provisions are recognized in the following situations –

When the company has an obligation as a result of past events;

When it is probable that an outflow of resources embodying economic benefits willbe required to settle the obligation; and

Reliable estimate can be made of the amount of the operation.

## Accruals & Deferrals

Deferrals and accruals have been made as per the guidance in BAS- 1:“Presentation of Financial Statements”. In order to meet their objectives, Financial Statements, except for the Statement of Cash Flows and related information, are prepared on accrual basis of accounting. Under the basis, the effects of transactions and other events are recognized when they occur (and not when cash or its equivalent is received or paid) and they are recorded in the accounting records and reported in the Financial Statements of the years to which they relate.

Others payable are not interest bearing and are stated at their nominal value.

## Advances, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions or adjustments. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to the statement of comprehensive income.

## Financial Instruments

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

Initial recognition

An entity recognizes a financial assets or liabilities in its Statement of Financial Position when, and only when, the entity becomes a party to the contractual provision of the instrument and subsequently recognized at their Amortized Cost.

Accounts Receivable are recognized at cost or net realizable value from the ordinary course of sales in the market whichever is lower. Accounts Receivables from foreign currency transactions are recognized into Bangladeshi Taka using exchange rates prevailing on the closing date of the accounts in accordance with BAS-21: “The Effects of Changes in Foreign Exchange Rates”.

## Segment Reporting

As the Company operates in a single industry segment, so no segment reporting is applicable for the Company as per BAS -14: “Segment Reporting”.

## Related Party Disclosures

The Company carried out related party transaction only with Information Technology Consultants Limited. The information as required by BAS-24: “Related party Disclosure” has been disclosed separately in notes to the accounts (Note 19).

## Corporate Tax

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period. Provision for income tax has not been made during the year as the Company has been enjoying tax free under para-33 of part A of the 6th schedule of Income Tax Ordinance 1984 up to 30th day of June 2019.

## Contingent Assets and Liabilities

A contingent asset is disclosed when it is a possible that asset arises from the past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent liability is disclosed when it is a possible obligation that arises from the past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The company has no contingent assets or liabilities which require disclosure under BAS-37 “Contingent assets and contingent liabilities” are not recognized in the financial statements.

A contingent assets is disclosed as per BAS-37, where an inflow of or economic benefits is probable. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

## Comparative Information

Comparative information has been disclosed as required by BAS-34: “Interim Financial Reporting” in respect of the previous period for all numerical information in the current financial statements as below:

Statement of Financial Position as of the end of the preceding financial period.

Statement of Comprehensive Income for the comparable year to date period of preceding financial period.

Statement of Changes in Equity for the comparable year to date period of preceding financial period.

Statement of Cash Flows for the comparable year to date period of preceding financial period.

Narrative and descriptive information for comparative information have also been disclosed whenever it is relevant for understanding of the current year’s financial statement.















AUDITORS’ REPORT IN PURSUANCE OF SECTION-135(1) UNDER PARA-24(1) OF

PART II OF THE THIRD SCHEDULE OF THE COMPANIES ACT, 1994

Dated: Dhaka

15/10/2014

Sd/-

Hoda Vasi Chowdhury & Co.

Chartered Accountants

Dated: Dhaka

23/04/2014

Sd/-

Hoda Vasi Chowdhury & Co.

Chartered Accountants

B. Income Statement:





Sd/-

Hoda Vasi Chowdhury & Co.

Chartered Accountants

Dated: Dhaka

15/10/2014

Dividend:

The Company’s data relating to dividend is as under:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 30.06.2014 | 30.06.2013 | 30.06.2012 | 30.06.2011 | 30.06.2010 |
| Cash Dividend (%) | - | Nil | Nil | Nil | Nil |
| Stock Dividend (%) | - | Nil | Nil | Nil | Nil |

The company was incorporated on 23 August 2000 in the name of Information Technology Consultants Ltd as a Private Limited Company under the Companies Act 1994 & converted into Public Limited Company on 16 March 2008. The authorized share capital has been changed from 100 crore to 200 crore on 21 August 2011 and denominator of share has been changed from Tk. 100 to Tk. 10 on 16 April 2009.

We certify the Parent Company’s (ITCL) Statement of Assets and Liabilities (Balance Sheet) as at 30 June 2014, audited by us and for the year ended 30 June 2013, 2012, 2011 & 2010 audited by G. Kibria & Co. Chartered Accountants.

As well as the Subsidiary Company’s (BEPSL) Statement of Assets and Liabilities (Balance Sheet) as at 30 June 2014, audited by M/S.Zahir Ahmed & Co. Chartered Accountants and for the year ended 30 June 2013, audited by G. Kibria & Co. Chartered Accountants and for the year ended 30 June 2012, 2011 & 2010 audited by Azad Abul Kalam & Co. Chartered Accountants.

We certify the Parent Company’s (ITCL) Statement of Operating Results (Income Statement) for the year ended 30 June 2014, audited by us and for the year ended 30 June 2013, 2012, 2011 & 2010 audited by G. Kibria & Co. Chartered Accountants.

As well as the Subsidiary Company’s (BEPSL) Statement of Operating Results (Income Statement) for the year ended 30 June 2014, audited by Zahir Ahmed & Co. Chartered Accountants and for the year ended 30 June 2013, audited by G. Kibria & Co. Chartered Accountants and for the year ended 30 June 2012, 2011 & 2010 audited by Azad Abul Kalam & Co. Chartered Accountants.

We also enclose and certify the Parent Company’s (ITCL) Cash Flow Statement for the year ended 30 June 2014, audited by us and for the year ended 30 June 2013, 2012, 2011 & 2010 audited by G. Kibria & Co. Chartered Accountants.

We also enclose and certify the Subsidiary Company’s (BEPSL) Cash Flow Statement for the year ended 30 June 2014, audited by Zahir Ahmed & Co. Chartered Accountants and for the year ended 30 June 2013, audited by G. Kibria & Co. Chartered Accountants and for the year ended 30 June 2012, 2011 & 2010 audited by Azad Abul Kalam & Co. Chartered Accountants.

The Company has a subsidiary namely “Bangladesh Electronics Payment Systems Limited” (BEPSL);

No proceeds or part of proceeds of the issue of shares were applied directly or indirectly by the company in the purchase of any other business;

The Company did not prepare any financial statements for any period subsequent to 30 June 2014; and

Figures related to previous years have been rearranged wherever considered necessary.

Sd/-

Hoda Vasi Chowdhury & Co.

Chartered Accountants

Dated: Dhaka

15/10/2014





AUDITORS’ ADDITIONAL DISCLOSURE Section: XV

Auditors’ Additional Disclosures relating to the Financial Statements of

Information Technology Consultants Limited (ITCL)

For the year ended 30 June 2014

Query

It appears from auditors' report under section 135(1), Para 24(l) of Part-ll of the Third Schedule of the Companies Act, 1994 that net cash provided from operating activities shows a negative balance of Tk.31,65,58,391 for the period ended on June 30,2012 and negative balances of Tk.11,74,61,333 for the year ended on June 30, 2010 respectively which is a threat for the company to continue as a going concern. Provide auditors’ explanation on the above with reasons for such negative cash flows;

Auditors’ Response:

In accordance with BSA-570, Para-10 under clause-A2 (Risk Assessments Procedures and Related activities) about Going Concern issues, there are lots of indicators/ events or conditions that make cast significant doubt about the certainty of the enterprise as Going Concern. But all the indicators are not at all inclusive nor do the existences of one or more items always signify that a material uncertainty exists.

In the case of the Company only items exist “Negative operational Cash Flow indicated by historical financial statements”. Under this circumstance this negative operational cash flow is not at all a threat for the Company as going concern. Intact.

During the year 2010, Companies Receivables, Inventory have tremendously increased which yield to negative cash flow. On the other hand ,during the year 2012, the Company has invested Tk.15.00 crore in Fixed Deposit and similarly to the year 2010 Inventory & Receivables have increased because operational volume have increased accordingly.

|  |  |
| --- | --- |
|  | Sd/- |
| Dated: 05 February, 2015 | G. Kibria & Co. |
|  | Chartered Accountants |

Query

It also appears from the financial statements of it's subsidiary" Bangladesh electronic Payment Systems Limited" that net

cash provided from operating activities shows a negative balance of Tk.52,33,143/- for the period ended on June 30, 2014

which is a threat for the company to continue as a going concern and a risk for it's parent's investment there . Provide

auditors' explanation on the above with reasons for such negative cash flows;

Auditors’ Response:

We have found in the Financial Statements of Bangladesh Electronic Payment Systems Limited which is in continues losses for last two years and it has a negative cash flows in 30 June, 2014 amounting Tk.5,233,143.00, we issued a letter to Bangladesh Electronic Payment Systems Limited by reference no. ZAC-2014-2015 dated 19 August 2014, required to detail explanation of Evaluating Management’s Plans for Future Actions as per BSA-570, Para 19 & 20. The entity’s explanation is as follows viding the reference no. BEPS/ZA/Audit/01/2014, dated 21 August 2014.

Evaluating Management’s Plans for Future Actions As Per BSA- 570 , Para 19 & 20 .

BEPS is engaged in similar nature of Payment Transaction Processing business like ITCL in Bangladesh. BEPS was integrated with 09 (Nine) member Banks in Bangladesh such as The City Bank Limited, South East Bank Ltd, United Commercial Bank Ltd, N.C.C Bank Ltd, Dhaka Bank Ltd, BRAC Bank Ltd, EXIM Bank Ltd, Bank Asia Ltd and Prime Bank Ltd. BEPS became ITCL’s subsidiary company in the year 2009-10. Subsequently, most of the member banks of BEPS migrated from BEPS host to ITCL host during the year 2013 and 2014. Due to migration process, BEPS could not realize its receivable in the year 2014. As a consequence, net cash provided from operating activities showed a negative balance. However, an amount of Tk. 315,333 was realized against its Account Receivables in the year 2014.

The Management of BEPS has assessed present and future prospects of the company. According to the assessment, the Management of the Company has made an action plan towards execution of its continuing operational activities in line with Electronic Transaction Processing & Software Development. Present & Future action plan are as follows:

The Infrastructure of the Company is already well established for new business strategy to be implemented.

Bangladesh Electronic Payment Systems Ltd. has net current asset of Tk.23,772,828.00.

To reduce expenditure.

To restructure business policy by alternate business strategy, such as Software Development for banking application, Technological security Compliance, Mobile banking Software, SMS gateway application & other miscellaneous activities of similar nature.

Recruit personnel of relevant expertise

To set up a recovery team for collection of Receivables to reduce the collection period at minimum level within the year.

Based on our judgment of the above explanation & practical views, Bangladesh Electronic Payment Systems Limited is a going concern though it presents negative cash flows amounting Tk.52,33,143.00.

|  |  |
| --- | --- |
|  | Sd/- |
| Dated: Dhaka | Zahir Ahmed & Co |
| 02 February, 2015 | Chartered Accountants |

Note: Please refer to the Management disclosure regarding Winding up of BEPS that has been approved vide Board meetings as on 23.5.2015 in the Page no. 171

Query

It appears from note # 3.1(c) to the financial statements for the period ended on June 30, 2014 and the valuation report done by M/S Ahmed & Akter that ‘lnformation Technology Consultants Limited’ has revalued its some tangible assets and all its intangible assets on September 15, 2010 to Tk.52,68,22,335 from its cost price 21,03,87,488. Explain the reason for such revaluation in line with the Commission's revaluation guideline;

Auditors’ Response:

M/S. Ahmed &Akter, Chartered Accountants firm has revalued some Fixed assets (Tangible & Intangible assets) as per BAS-16 (Property, Plant and Equipment) and BAS-38 & BFRS-3 revised in 2008 (Intangible Assets) and with other method. The asset revaluation was recognized in its financial statements ending on June 30, 2010 as per decision of the Board of Directors and as per requirements of BAS-16. It is required to mention that the said revaluation was done prior to issuance of BSEC notification SEC/CMRRCD/2009-193/150/Admin dated August 18, 2013 which is in effect from August 18, 2013.

|  |  |
| --- | --- |
|  | Sd/- |
| Dated: Dhaka | Ahmad & Akhtar |
| 05 February, 2015 | Chartered Accountants |

Query

It appears from note # 4 to the financial statements for the year ended on June 30, 2014 that the company has presented revaluation surplus of Tk. 31,64,34,847 up to June 30,2013 without any movement/change though revaluation was made on September 15,2010. Explain the reason with reference to BAS;

Auditors’ Response:

As per BAS -16, the Company has depreciated both revalued amount and cost value of it’s tangible assets from the year 2011 to 2014 without making any adjustment with revaluation surplus. The Board of Directors of the Company has decided not to amortize its intangible assets and not to make any adjustment with revaluation surplus against the revalued fixed assets vide the resolutions passed on the board meetings held on 15th May 2010, 7th May 2011,25th June 2012 and 15th April 2013 for the year ended June 2010,2011,2012 and 2013 respectively.

|  |  |
| --- | --- |
|  | Sd/- |
| Dated: 05 February, 2015 | G. Kibria & Co. |
|  | Chartered Accountants |

Query:

It appears from note # 25 to the financial statements for the year ended on June 30, 2014 that the company has made provision for WPPF but disbursement from the fund among workers is not clear. Provide the amount of total disbursement from the fund among workers from the very inception of the fund.

Auditors’ Response:

We were reported as at 15 January, 2015 that the disbursement from WPPF fund is under process of payment. Trust Deed in connection with WPPF of ITCL has already been completed by virtue of the Company’s Board meeting held on 20 March 2014.

Query:

The comparative scenario of Accounts Receivable and turnover for the period ended June 30, 2013 with that of June 30, 2014 was as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Particulars | 30-06-2013 | Growth (%) | 30-06-2014 | Growth (%) |
| Accounts Receivable | 318,920,318 | -12% | 450,601,709 | 41.29% |
| Turnover | 434,951,730 | 0.65% | 670,707,822 | 54% |

It is observed from above table that turnover during the period 1st July 2013 to 30 June 2014 has been increased by 54% whereas the growth in revenue was only 0.65% during previous period. It is also observed that accounts receivable as on 30 June 2014 has been increased by 41.29% the growth of which was -12% as on 30 June 2013. What is the reason of such unusual growth in revenue and accounts receivables in the year 2014. Also mention whether there is any artificial / fictitious sale in the year 2014 or not with proper justification.

Auditors’ Response:

During the year ended 30 June 2014, the Company has collected significant revenue and increase of 54% revenue from last year through obtaining substantial work orders against supply of 354 ATMs, 1635 POS, 120 UPS and Switching Software from several banks in the year 30 June 2014. It is mentionable that ITCL has supplied 25 units of Special high valued PROCASH 285 KMAT & CINEO C2590 FLKMAT ATMs to the City Bank Ltd during the year ended 30 June, 2014. But in the year ended 2013, the Company sold 271 units ATM & 1059 units POS. Comparative scenarios of work orders including values are as follows:

Sales statement:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Name of the Bank | Year -2013 | Year-2014 | Increase/  (decrease) | Year -2013 | Year-2014 | Increase/  (decrease) |
| Work Order/ Sales Qty | Work Order/ Sales Qty | Value in BDT | Value in BDT |
| ATM | 271 | 354 | 31% | 191,769,000 | 301,116,615 | 57% |
| POS | 1059 | 1635 | 54% | 28,468,000 | 50,017,600 | 76% |
| UPS | 30 | 120 | 300% | 9,000,000 | 36,112,000 | 301% |
| Switching Software | - | 1 | 100% | - | 56,855,000 | 100% |
|  | | | | | | |
| Total | | | | 229,237,000 | 444,101,215 | 94% |

Significant Revenue status under Turnover:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Particulars | 30 June, 2012 | 30 June, 2013 | Y-12-13(%) | 30 June, 2014 | Y-13-14(%) |
| Q-Cash Transaction Processing Fees | 151,718,347 | 144,940,297 | -4% | 138,310,159 | -5% |
| Servicing & maintenance fee | 27,527,967 | 51,610,603 | 87% | 82,486,279 | 60% |
| Sale of ATM | 180,241,000 | 191,769,000 | 6% | 301,116,615 | 57% |
| Sale of POS | 27960000 | 28,468,000 | 2% | 50,017,600 | 76% |
| Sale of UPS | - | 9,000,000 | 100% | 36,112,000 | 301% |
| Sale of Kiosk | 14,301,794 | 8,775,000 | -39% | 4,730,769 | -46% |
| Biometric ATM software license fee | 406,750 | 388,830 | -4% | 1,079,400 | 178% |
| Sale of Switching software | 30,000,000 | - | -100% | 56,855,000 | 100% |
| Total | 432,155,858 | 434,951,730 | 0.65% | 670,707,822 | 54% |

Accounts receivable has been increased by 41.29%as on 30 June 2014 not only due to increase of sales & other revenue but also for non-collection or realization of substantial portion of account receivables. On the other hand in the year ended 30 June 2013, ITCL had realized or collected a handsome amount of Tk. 35,67,52,397/- (Y-2011-12 & Y-2012-13) from the Banks against accounts receivable. Below table is an explanation for justification of receivables:

Statement of Accounts Receivable Status

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Particulars | 30 June, 2012 | 30 June, 2013 | 30 June, 2014 | 12-13 | 13-14 |
| ATM software support & maintenance fee | 13,197,575 | 17,312,500 | 18,525,000 | 31% | 7% |
| Online tax payment system integration service | - | 1,550,000 | 1,550,000 | 100% | - |
| Card management & software license fee | 550,000 | - | - | 100% | - |
| Card fee | 52,480,369 | 53,588,691 | 50,064,139 | 2% | -7% |
| Connectivity fee | 6,387,518 | 8,425,164 | 11,175,835 | 32% | 33% |
| Transaction fee | 4,757,714 | 6,427,136 | 10,125,121 | 35% | 58% |
| Servicing & maintenance fee | 7,626,478 | 14,647,459 | 34,267,628 | 92% | 134% |
| Sale of ATM | 224,503,151 | 176,076,709 | 237,394,052 | 22% | 35% |
| Sale of POS | 14,201,000 | 2,690,000 | 700,000 | -81% | -74% |
| Sale of KIOSK | 8,013,397 | 9,370,000 | 9,100,000 | 17% | -3% |
| Sale of UPS | - | 1,350,000 | 27,580,000 | 100% | 1943% |
| Sale of Switching software | 30,000,000 | 15,000,000 | 43,680,000 | -50% | 191% |
| Biometric ATM software license fee | - | - | - | 0% | 0% |
| Other Receivable | - | 12,482,659 | 6,439,934 | 100% | -48% |
|  | 361,717,202 | 318,920,318 | 450,601,709 | -12% | 41.29% |

The business of the Company is of exceptional nature by its operational and technological activities in the banking sector as well as Govt. sectors in Bangladesh such as Bangladesh Post Office, NBR, Dhaka Metropolitan Police (DMP) and Bangladesh Bank. The Company is now a patron and partner of some ‘First Time Ever’ projects in Bangladesh, mostly introduced and rolled by Government/ Semi Government Organizations and banking sectors. In this connection, the Company generates its income/ sales derived from those professional organizations subject to valid agreement and work order. So, there was no scope to generate or incorporate any artificial / fictitious sales.

Query:

It appears from auditors’ report under section 135(1), Para 24 (1) of Part-II of the Third Schedule of the Companies Act, 1994 that growth in net profit after tax during the year 2013 - 2014 is 195% which was -37%, -5%, -28% during the year 2012- 2013, 2011-2012 and 2010 - 2011 respectively. From the above mentioned information, it is observed that growth in net profit after tax (the company's net profit is exempted from tax) in the year 2013-2014 is very high, unusual and abnormal. Explain the reason of such unusual growth in net profit in the year 2013 -2014.

Auditors’ Response:

In line with the explanation about thepreceding query, the Company has achieved in the year 2013-2014, 54%higher revenue compared to the year 2012-2013. But the revenue of the preceding year’s i.e.2011-2012 &2012 -2013 were almost same andpercentages (%) of revenue growth are 1% in both years. During the year 2013-2014, the Cost of service and operating expenses were not increased compared to the preceding year’s growth. Selling and Distribution Expenses were decreased during the year also. Apart from this, during the year 2014, the Company received some profitable work orders against supply of Special ATM, Switching Solution & Others, which has significantly supported towards the growth of profitability. Details are as follows:

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Particulars | 30.06.2014 | 30.06.2013 | 30.06.2012 | | 30.06.2011 | | | | 30.06.2010 | |
| Amount in BDT | | | | | | | | | |
| Revenue | 670,707,822 | 434,951,730 | | 432,155,858 | | | 428,886,036 | | | 350,771,917 |
| Cost of Sales & Services | (442,026,430) | (293,757,744) | | (286,905,620) | | | (287,840,538) | | | (209,910,537) |
| Gross Profit | 228,681,392 | 141,193,986 | | 145,250,238 | | | 141,045,498 | | | 140,861,380 |
| Operating Expenses |  | | | | | | | | | |
| General and Administrative expenses | (74,955,495) | (65,201,749) | (51,528,970) | | | (44,750,724) | | (22,757,065) | | |
| Selling & distribution Expenses | (27,422,726) | (29,298,614) | (23,492,920) | | | (12,931,802) | | (8,937,140) | | |
| Other Operating Expenses | (12,768,082) | (4,612,183) | (6,708,540) | | | (4,836,445) | | (25,746,203) | | |
|  | (115,146,303) | (99,112,546) | (81,730,430) | | | (62,518,971) | | (57,440,408) | | |
| Operating profit | 113,535,089 | 42,081,440 | 63,519,808 | | | 78,526,527 | | 83,420,972 | | |
| Non-operating Income | 4,454,646 | 1,388,845 | 412,299 | | | 107,917 | | 2,366,796 | | |
| Profit/(Loss) before Finance Costs | 117,989,735 | 43,470,285 | 63,932,107 | | | 78,634,444 | | 85,787,768 | | |
| Finance expenses | (34,906,246) | (14,948,649) | (16,953,691) | | | (30,408,196) | | (21,017,178) | | |
| Profit/(Loss) before WPP & WF | 83,083,489 | 28,521,636 | 46,978,416 | | | 48,226,248 | | 64,770,590 | | |
| Contribution to Workers' Profit Participation Fund | (4,635,808) | - | - | | | - | | - | | |
| Profit/(Loss) before Income Tax | 78,447,681 | 28,521,636 | 46,978,416 | | | 48,226,248 | | 64,770,590 | | |
| Tax Holiday Reserve | - | - | - | | | - | | (2,229,558) | | |
| Income Tax Expenses | (726,788) | (2,178,294) | (5,262,665) | | | (4,432,773) | | (2,090,211) | | |
| Profit/(Loss) after Income Tax | 77,720,893 | 26,343,342 | 41,715,751 | | | 43,793,475 | | 60,450,821 | | |
| Net Profit Growth | 195% | -37% | -5% | | | -28% | |  | | |
| Revenue Growth | 54% | 0.65% | 0.76% | | | 22% | |  | | |
| Cost of sales & Services -Increased/(decreased) | 50% | 2% | -0.32% | | | 37% | |  | | |
| Operating expenditure-Increased/(decreased) | 16% | 21% | 31% | | | 9% | |  | | |

In fact, the below mentioned business transactions were considered additionally to impact upon significant growth in respect of net profit in the year 2013-2014. It is to be noted that no major additional costs were involved in achieving such kind of business transactions. So the unusual growth of net profit in the year 2013-2014 was not achieved in any unusual and abnormal way being the business of the Company was related with the Banks, NBR, BPO, DMP and Bangladesh Bank.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Particulars | Bank Name | | | | | Total (Taka) |
| UCC Bank Ltd | Islami Bank Bangladesh Ltd | | City Bank Ltd | |
| Product Name | Switching Software | ATM | UPS | ATM PC285 | ATM CINO |  |
| Quantity | 1 | 120 | 120 | 20 | 5 |  |
| Per unit Sales price | 56,855,000 | 781,500 | 300,933.33 | 1,325,000 | 3,750,000 |  |
| Total Sales Value | 56,855,000 | 93,780,000 | 36,112,000 | 26,500,000 | 18,750,000 | 231,997,000 |
| Per unit Cost Price | 30,340,450 | 462,297 | 258,330 | 953,906 | 2,578,286 |  |
| Total Cost price | 30,340,450 | 55,475,640 | 30,999,600 | 19,078,120 | 12,891,430 | 148,785,240 |
|  | | | | | | |
| Gross Margin | 26,514,550 | 38,304,360 | 5,112,360 | 7,421,880 | 5,858,570 | 83,211,760 |

Query:

It appears from Note # 2.1 to the financial statement for the year ended on 30 June, 2014 that some of regulatory compliances in case of preparation of financial statements are mentioned but compliance status of Securities and Exchange Rules, 1987 for preparing such statements is not mentioned. Please explain the reason and also mention that compliance status of Securities and Exchange Rules, 1987 in case of preparation of financial statements.

Auditors’ Response:

The statement of compliance under the Note # 2.1 of the financial statements will be read as follows:

These financial statements have been prepared in accordance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), Companies Act (#18) 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Query:

It is observed from the consolidated financial statements and the financial statements of the company for the year ended June 30, 2014 that the company did not charge any deferred tax though it has revaluation surplus and other non-operating income. Please explain the reason in line with BAS 12.

Auditors’ Response:

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. Furthermore, the Company’s tax assessment is based on section 82(C), of the Income Tax Ordinance (#36) 1984; and the revaluation surpluses by ITCL are permanent differences. Thus, provision for deferred tax is not applicable for Information Technology Consultants Limited (ITCL).

Query:

It is observed from consolidated Financial Statements for the year ended June 30, 2014 that cash & cash equivalent at the end of the year shown in the statement of cash flows is not in agreement with cash and cash equivalents shown in the statement of Financial Position. Explain the reason with proper justification.

Auditors’ Response:

Cash and Cash equivalent balance shown in the Statement of Financial position accurately. Moreover, Statement of Cash Flow as per auditors’ report under section 135(1), Para 24 (1) of part-II of the Third Schedule of the Companies Act, 1994 shows the same balance. Due to an inadvertent mistake in page replacement during documentation, Cash and Cash equivalent balance shown in the Statement of Cash Flows differs from the above mentioned statements. A fresh copy of Statement of Cash Flow obtained.

Query:

It is observed from the consolidated financial statements for the year ended June 30, 2014 that there are rearrangement / restatements of some items. Disclose in which years these treatments occurred. Provide reason and basis for such restatement and as well as impact on EPS and NAV for such rearrangements.

Auditors’ Response:

As per BAS 1 Comparative Information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information, where it is relevant for understanding of the current year's financial statements (2013-2014). Comparative figures have been re-arranged/restated wherever considered necessary to ensure better comparability with the current year as reported in the financial statements. Following are figures rearranged for the year ended June 30, 2013:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Particulars | 30.06.13 (Adjusted) | 30.06.13 | Difference | Remarks |
| Accounts receivable, net | 318,920,318 | 321,029,569 | (2,109,251) | For better presentation, the provision head under current liabilities in the Financial Statements of 2013 has now been segregated and provision for bad debtis now shown after netting off with accounts receivable and income tax provision is shown separately under the head income tax payable. |
| Income tax payable | (11,785,650) | - | (11,785,650) |
| Provision | - | (13,894,901) | 13,894,901 |
| Other receivable | 25,449,414 | 23,126,538 | 2,322,876 | Considering the nature of VISA Plastic card and LC Stock in Transit under other current assets, it is now incorporated under inventory head. Furthermore, Interest income receivable also moved to the head other receivable. |
| Inventories | 168,930,117 | 153,056,159 | 15,873,958 |
| Interest income receivable | - | 18,196,834 | (18,196,834) |
| Advance, deposits & prepayments | 254,200,644 | 170,104,001 | 84,096,643 | In spite of showing separately on the face of financial position Bank Guarantee, Deferred Expenses & prepaid expenses is now shown under the head Advance, deposits & prepayments.  Due to being intercompany receivable & payable, short term borrowings and short term loan to ITCL was not considered in the consolidated financial statements. |
| Bank Guarantee & Earnest money (Tender) | - | 8,621,815 | (8,621,815) |
| Deferred expense | - | 506,645 | (506,645) |
| Prepaid expenses | - | 81,664,672 | (81,664,672) |
| Short term borrowings | - | (6,696,489) | 6,696,489 |
| Trade payables | (36,340,366) | (32,856,081) | (3,484,285) | As these amounts arerelated with trade vendors so the amount is shown under the head trade payables. |
| Liabilities/Payable against expense | (6,807,998) | (10,292,283) | 3,484,285 |
| Other liabilities | (15,623,000) | - | (15,623,000) | In spite of showing separately Unearned revenue and interest payable is now shown under the single head named Other liabilities. |
| Unearned revenue | - | (6,240,000) | 6,240,000 |
| Interest payable | - | (9,383,000) | 9,383,000 |
| Net effect | | | - |  |

Due to restatement, there was no impact on the net profit and net value of assets and liabilities of the company for the financial year 2012-13. However, the impacts on NAV and EPS for the financial year 2012-13 are as follows:

|  |  |  |
| --- | --- | --- |
| Impact on EPS& NAV | | |
| Particulars | 30.06.13 (Restated) | 30.06.13 |
| EPS | 0.35 | 0.36 |
| NAV | 17.67 | 17.70 |

Query:

Subsequent realization of accounts receivable with schedule thereof. Also mention whether there is any related party transactions in the accounts receivable.

Auditors’ Response:

Subsequent realization of account receivables with schedule up to 15 January 2015 is given below:

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | Balance as at  30-Jun-14 | Realized up to  15-Jan-15 | Balance after realization |
| ATM Software Support & Maintenance Fee Receivable | 18,525,000 | 12,620,000 | 5,905,000 |
| Online Tax Payment System Integration Service Receivable | 1,550,000 | - | 1,550,000 |
| Card Fee Receivable | 50,064,139 | 11,165,516 | 38,898,623 |
| Connectivity Fee Receivable | 11,175,835 | 3,360,711 | 7,815,124 |
| Transaction Fee Receivable | 10,125,121 | 6,831,062 | 3,294,059 |
| Servicing & Maintenance Fee Receivable | 34,267,628 | 28,705,626 | 5,562,002 |
| Sales Receivable | 318,454,052 | 70,771,600 | 247,682,452 |
| Others Accounts Receivable | 6,439,934 | - | 6,439,934 |
| Total | 450,601,709 | 133,454,515 | 317,147,194 |

Schedule of related party transaction in accounts receivable is given below:

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | Balance as at  30-Jun-14 | Realized up to  15-Jan-15 | Balance after realization |
| Trust Bank Ltd | 14,845,111 | 5,678,875 | 9,166,236 |
| National Bank Ltd | 352,239 | 352,239 | - |
| Mercantile Bank Ltd | 31,486,115 | 11,788,253 | 19,697,862 |
| Total | 46,683,465 | 17,819,367 | 28,864,098 |

Query:

Subsequent payment of Accounts Payable and also mention whether accounts payable contains any related party transaction as per BAS 24.

Auditors’ Response:

Subsequent payments to accounts payable with schedule up to 15 January 2015 is given below:

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | Balance as at | Paid up to | Balance  after payment |
| 30-Jun-14 | 15-Jan-15 |
| Accounts Payable | 29,916,377 | 7,531,251 | 22,385,126 |
| Tax Deducted at Source | 573,912 | 509,000 | 64,912 |
| VAT Deducted at Source | 2,953,143 | - | 2,953,143 |
| Total | 33,443,432 | 8,040,251 | 25,403,181 |

There are no related party transactions in accounts payable.

Query:

Year-wise break-up of interest charged on different bank loans, capitalization of loan interest and interest charged as financial expenses on the income statement.

Auditors’ Response:

Year-wise break-up of interest charged on different bank loans, capitalization of loan interest and interest charged as financial expenses on the income statement are stated as under:

interest charge on different bank loans:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Particulars | 30-06-2014 | 30-06-2013 | 30-06-2012 | 30-06-2011 | 30-06-2010 |
| Dutch Bangla Bank COD A/C | 11,873,927 | 12,977,423 | 9,463,542 | 12,810,606 | 4,049,598 |
| Dutch Bangla Bank Term Loan | - | 2,429,041 | 4,102,757 | 5,253,168 | 7,543,500 |
| Jamuna Bank | - | 6,878 | 406,054 | 1,203,012 | 1,685,715 |
| NCC SOD A/C | 1,943,807 | 4,117,867 | 4,803,390 | 3,559,427 | - |
| Sonali Bank | 72,728 | 1,632,953 | 2,942,346 | 1,940,510 | 1,478,585 |
| Trust Bank SOD A/C | 39,641,797 | 15,687,262 | 4,523,099 | 3,788,942 | 675,045 |
| Trust Bank Term Loan | 1,162,500 | - | - | - | - |
| Jamuna Bank Lease Finance | - | - | 251,985 | - | - |
| Uttara Finance | - | - | 1,854,533 | - | 2,428,321 |
| NCC Short Term Loan | - | - | - | 59,028 | - |
| DBBL LATR | - | - | - | 1,256,295 | 364,099 |
| Pubali bank ltd | - | - | - | - | 186,945 |
| Envoy textile Ltd | - | - | - | - | 547,478 |
| National Bank Ltd | - | - | - | - | 391,888 |
| City bank Ltd | - | - | - | - | 588,932 |
| Total | 54,694,759 | 36,851,424 | 28,347,706 | 29,870,988 | 19,940,106 |

capitalization of loan interest:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Particulars | 30-06-2014 | 30-06-2013 | 30-06-2012 | 30-06-2011 | 30-06-10 |
| Dutch Bangla Bank COD A/C | 11,873,927 | 12,977,423 | 9,463,542 | 12,810,606 | 4,049,598 |
| NCC SOD A/C | 1,943,807 | 4,117,867 | 4,803,390 | 3,559,427 | - |
| Sonali Bank | 72,728 | 1,632,953 | 2,942,346 | 1,940,510 | 1,478,585 |
| Trust Bank SOD A/C | 39,641,797 | 15,687,262 | 4,523,099 | 3,788,942 | 675,045 |
| Total | 53,532,259 | 34,415,505 | 21,732,377 | 22,099,485 | 6,203,228 |

Interest charge as financial expense on income statement:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Particulars | 30-06-2014 | 30-06-2013 | 30-06-2012 | 30-06-2011 | 30-06-10 |
| Dutch Bangla Bank COD A/C | 11,873,927 | 12,977,423 | 9,463,542 | 12,810,606 | 4,049,598 |
| Dutch Bangla Bank Term Loan | - | 2,429,041 | 4,102,757 | 5,253,168 | 7,543,500 |
| Jamuna Bank | - | 6,878 | 406,054 | 1,203,012 | 1,685,715 |
| NCC Bank SOD | 1,943,807 | 4,117,867 | 4,803,390 | 3,559,427 | - |
| Sonali Bank | 72,728 | 1,632,953 | 2,942,346 | 1,940,510 | 1,478,585 |
| Trust Bank SOD A/C | 39,641,797 | 15,687,262 | 4,523,099 | 3,788,942 | 675,045 |
| Trust Bank Term Loan | 1,162,500 | - | - | - | - |
| NCC Short Term Loan | - | - | - | 59,028 | - |
| DBBL LATR | - | - | - | 1,256,295 | 364,099 |
| Uttara Finance | - | - | 1,854,533 | - | 2,428,321 |
| Jamuna Bank Lease Finance | - | - | 251,985 | - | - |
| Interest from LankaBangla | 666,667 | - | - | - | - |
| Pubali Bank Limited | - | - | - | - | 186,945 |
| Envoy Textile | - | - | - | - | 547,478 |
| National Bank | - | - | - | - | 391,888 |
| City Bank limited | - | - | - | - | 588,932 |
| Lease Installment against Car-PBL | - | - | - | 442,512 | 442,512 |
| Lease Installment against Car-NHFL | - | - | 581,680 | 634,560 | 634,560 |
| Total | 55,361,426 | 36,851,424 | 28,929,386 | 30,948,060 | 21,017,178 |

Query:

Disclosure in accordance with Rule 8.B. (16) (20) (e) & (g) of Securities and Exchange Commission (Public issue) Rules, 2006.

Auditors’ Response:

Earnings per Share (EPS) on fully diluted basis (The total existing no. of shares):

|  |  |
| --- | --- |
| Particulars | Amount in Taka |
| Net profit attributable to ordinary shareholders | 78,250,971 |
| No. of shares before IPO | 75,000,000 |
| Earnings per Share (EPS) on fully diluted basis | 1.04 |

Net profit excluding Extra-ordinary income or non-recurring income coming from other than core operations:

|  |  |
| --- | --- |
| Particulars | Amount in Taka |
| Net profit attributable to ordinary shareholders | 78,250,971 |
| Other Income | 4,454,646 |
| Net profit after tax except other income | 73,796,325 |

Earnings per shares excluding extra-ordinary income or non-recurring income coming from other than core operations:

|  |  |
| --- | --- |
| Particulars | Amount in Taka |
| Net profit attributable to ordinary shareholders | 78,250,971 |
| Other Income | 4,454,646 |
| Net profit after tax except other income | 73,796,325 |
| No. of shares before IPO | 75,000,000 |
| Earnings per Share (EPS) on fully diluted basis | 0.98 |

\*The Company has no extra- ordinary income except other income.

Query:

It is observed from statement of ratio analysis that Return on Assets and Return on Equity as well as EPS of the Company is declined sharply year by year. Please clarify your position regarding decreasing ROA, ROE and EPS and any measures taken for improvement of the same.

Auditors’ Response:

The reason for significant decline in Return on Asset (ROA), Return on Equity (ROE) and EPS is relatively lower Net Profit compared to Total Assets , Shareholders’ Equity and Number of shares due to competitive business scenario.

ITCL has experienced volatility in its profitability as the company was running in business development phase. To ensure uninterrupted service and to introduce innovative services to its member banks and other organizations, ITCL invested on software development over the periods. This huge investment was supported by equity investment. The Management of the Company has given emphasis about the upcoming and existing business trend. It is observed from the financial statements that ROA, ROE and EPS in the year 2014 increased than that of previous year.

Query:

Earnings per share (EPS) of the company to be shown for last five years complying Para 64 of BAS 33 and Rule 8.B. (16) (20 (e) of Securities and Exchange Commission (Public Issue) Rules, 2006.

Auditors’ Response:

Earnings per share (EPS) of the company for last five years complying Para 64 of BAS 33:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Particulars | Number of share issues | Date of issue | Days weighted | Weighted average number | Profit attributable to the ordinary shareholders (Taka) | | EPS |
| 2009-10 | | | | | | | |
| Opening number of share | 28,355,100 | Opening | 365 | 28,355,100 |  |  | |
| Allotment (First stage) | 21,000,000 | 22/11/2009 | 219 | 12,600,000 |  |  | |
| Allotment 2nd stage) | 3,565,000 | 29/05/2010 | 31 | 302,781 |  |  | |
| Weighted average number of share | 52,920,100 |  | | 41,257,881 | 59,708,273 | 1.45 | |
|  | | | | | | | |
| 2010-11 | | | | | | | |
| Opening number of share | 52,920,100 | Opening | 365 | 52,920,100 |  |  | |
| Allotment (First stage) | 4,150,000 | 16/08/2010 | 320 | 3,638,356 |  |  | |
| Weighted average number of share | 57,070,100 |  | | 56,558,456 | 43,267,083 | 0.76 | |
|  | | | | | | | |
| 2011-12 | | | | | | | |
| Opening number of share | 57,070,100 | Opening | 365 | 57,070,100 |  |  | |
| Allotment (First stage) | 17,929,900 | 04/12/2011 | 210 | 10,315,833 |  |  | |
| Weighted average number of share | 75,000,000 |  | | 67,385,933 | 41,090,809 | 0.61 | |
|  | | | | | | | |
| 2012-13 | | | | | | | |
| Opening number of share | 75,000,000 | Opening | 365 | 75,000,000 |  |  | |
| Weighted average number of share | 75,000,000 |  | | 75,000,000 | 26,841,541 | 0.36 | |
|  | | | | | | | |
| 2013-14 | | | | | | | |
| Opening number of share | 75,000,000 | Opening | 365 | 75,000,000 |  |  | |
| Weighted average number of share | 75,000,000 |  | | 75,000,000 | 78,250,971 | 1.04 | |

Since share split happened in the earlier period reported for the purpose of EPS calculation (on April 16, 2009 of face value per share from TK 100 to TK 10), hence adjusted/restated EPS (per share of TK 10) for the year ended 30 June, 2010 is not required to compute.We considered net profit after tax and total number shares in computation of EPS in auditors’ certificate given under section 135(1) and paragraph 24 (1) of part –II of third schedule of the Companies Act 1994.

Earnings per share (EPS) of the company for last five years complying Rule 8.B. (16) (20 (e) of Securities and Exchange Commission (Public Issue) Rules, 2006

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Particulars | 30.06.14 | 30.06.13 | 30.06.12 | 30.06.11 | 30.06.10 |
| Profit attributable to the ordinary shareholders | 78,250,971 | 26,841,541 | 41,090,809 | 43,267,083 | 59,708,273 |
| Number of shares before IPO | 75,000,000 | 75,000,000 | 75,000,000 | 57,070,100 | 52,920,100 |
| Fully diluted earnings per share (EPS) | 1.04 | 0.35 | 0.56 | 0.77 | 1.14 |

|  |  |
| --- | --- |
|  | Sd/- |
| Dated: Dhaka | Hoda Vasi CHowdhury & C0. |
| 16 February, 2015 | Chartered Accountants |

Query:

It appears from note # 28.03 to the financial statement for the year ended on June 30, 2014 that sales revenue has significantly increased due to company has obtained a lot of work orders against ATM, POS, UPS and switching software solutions from the several banks. Provide name of the banks with amount of sales against ATM, POS, UPS and switching software solution during the year 2013 – 2014

Response:

Name of the banks with amount of sales against ATM, POS, UPS and Switching Software solution included in the sales revenue during the year 2013 – 2014 is attached in the Annexure 01.

Query:

Provide cash received against current year sales of ATM, POS, UPS and switching software solutions during the years 2013- 2014 as shown in note # 28.03 and also disclose subsequent realization thereof

Response:

Amount received against current year sales of ATM, POS, UPS and switching software solutions during the year 2013- 2014 as shown in note # 28.03 and their subsequent realization are attached in the Annexure 02.

Query:

Please mention whether you have obtained copies of balance confirmation certificate against sales of ATM, POS, UPS and switching software solutions made to several banks. If not please send the same to banks and incorporate the same in the report

Response:

Balance confirmation certificates against sales of ATM, POS, UPS and switching software solutions made to several banks during the year 2013- 2014are enclosed in Annexure 03.

Query:

It appears from note 28.03 that sales of UPS has increased from Tk.90 lac to Tk.3.6112 crore during the year ended on 30-06-14 and also from note 11.05 it appears that UPS sales receivables has increased from Tk. 13.50 lac to Tk. 2.758 crore. Provide detailed schedule showing name, address, telephone number, quantity of UPS sold, price per UPS, total price, manufacturing country and amount realized with date & bank name there from up to date of audit report. Also provide detailed schedule of sales of ATM and POS in the same manner as mentioned above

Response:

Detailed schedule showing name, address, telephone number, quantity of sold, price per item, total price, manufacturing country and amount realized with date & bank name there from up to date of audit report for UPS, ATM & POS sales are attached in the Annexure 04.

Query:

Please mention five years tax payment (actual) by the company to NBR

Response:

Details schedule of five years tax payment by the company to NBR:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Particulars | 2013-2014 | 2012-2013 | 2011-2012 | 2010-2011 | 2009-2010 |
| BDT | BDT | BDT | BDT | BDT |
| Advance Income Tax | 21,313,402 | 15,218,068 | 7,749,645 | 8,645,668 | 5,964,904 |
| Tax on Bank Interest | - | 2,178,294 | 1,304,035 | - | - |
| Total | 21,313,402 | 17,396,362 | 9,053,680 | 8,645,668 | 5,964,904 |

Query:

It appears from note # 17 and 17.01 to the financial statements for the year ended onJune 30, 2014 that the company has made prior year adjustment of BDT 34,353633 against retained earnings. Please mention the reason and basis of such adjustment with reference to BAS. Also mention whether these adjustments were made for previous year errors or not and if for errors, please mention details of those errors;

Response:

Adjustments were made for prior year errors in note 17.01 and details of those errors are presented below:

|  |  |  |
| --- | --- | --- |
| Particulars | Details | Prior Year Adjustment  Gain/(Loss)  (BDT) |
| Over Provision of Cost of Switching Software | In the year 2011-2012 Cost of software had been over provisioned by Tk. 4,430,616 (Provision amount TK. 23,500,000 less actual payment TK. 19,069,382)due to unsettlement of LC retirement during the year. | 4,430,618 |
| Realization of Bad Debts | Bad debts amount has been realized from Trust Bank Ltd against Link/ATM connectivity Charges. | 79,200 |
| Over Stated of POS Transaction Fee | Trust Bank POS TXN fee- April'13 had been double charged as revenue as an 08.05.13 & 07.07.13 | (63,960) |
| Compliance Validation Service (Addendum) | In the absence of Service level Agreement (SLA) against PCI DSS no payment was made during 2010 - 2013. After completion of SLA the payment was made in 2013-2014 | (2,176,781) |
| Google Mail Server Software License Fee | The payment of Google Mail server Software License Fee for the year 2011-2012 & 2012-2013was made in the year 2013-14 | (110,500) |
| Advance Value Added Tax | Inadvertently VAT payable has been recognized as sales in earlier years which has been rectified | (36,583,311) |
| Card Host Processing Fee (City Bank) | Revenue had been understated | 42,471 |
| TDS (Employee Salary) | Excess deduction of TDS from salary of BEPS's staff | 28,630 |
| Total | | (34,353,633) |

The prior year adjustment of BDT 34,353,633/- in the notes-17.01 to the financial statements for the year ended on June 30, 2014 has been adjusted subject to compliance with BAS-8, Para– 44.

Query:

Provide detailed description of Card Fee Receivable from AB Bank Ltd. Tk. 61,25,250/- with a comment on balance confirmation certificates from AB bank Ltd. And also amount realized against the AB Bank Ltd. up to date of signing the audit report;

Response:

Details description of card fee receivables from AB Bank Ltd. for Tk. 61,25,250 is given below. Balance confirmation certificate has been obtained.

|  |  |  |  |
| --- | --- | --- | --- |
| Item | Quantity | Unit Price | Total Fee receivable |
| VISA Electron debit plastic Card | 20142 | 250 | 5,035,500 |
| Credit cards | 4359 | 250 | 1,089,750 |
| Total | | | 6,125,250 |

Query:

It appears from note 28.01 that no revenue is incurred from card host processing fee. However note 11.01 shows account receivable (net) from card host processing fee is Tk. 1.35 crore. Explain and also provide detailed schedule.

Response:

The Subsidiary Company (BEPS) has been generating Card Host Processing Fees from their member banks before migration their Cards to ITCL’s (Holding Company) host, the migration process has been completed in the year 2013-2014. Therefore no revenue against card host processing fees was generated by BEPS during the year 2013-14. But the mentioned account receivable (net) from Card host Processing Fees of Tk.1.35 crore are being shown as receivables for the preceding year’s transaction.Detailed Schedule is given below, which are under process for realization:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Bank's Name | Up to June 2013 | Sales during  the period | Realization during the period | June 2014 |
| BDT | BDT | BDT | BDT |
| The City Bank Ltd | 191,781 | - | 191,781 | - |
| United Commercial Bank Ltd | 7,726,806 | - | - | 7,726,806 |
| South East Bank Ltd | 1,471,513 | - | - | 1,471,513 |
| Bank Asia Ltd | 797,013 | - | - | 797,013 |
| EXIM Bank Ltd | 371,690 | - | - | 371,690 |
| Dhaka Bank Ltd | 552,947 | - | 72,150 | 480,797 |
| NCC Bank Ltd | 2,643,794 | - | - | 2,643,794 |
| Total | 13,755,544 | - | 263,931 | 13,491,613 |
|  |  |  |  |  |

Query:

Provide information regarding accounts receivable and advance as per requirement of Schedule XI, Part-1, Para 4 & 6 of the Companies Act 1994;

Response:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Disclosure as per Schedule XI, Part-1 of the Companies Act 1994: | | | | | | | |
|  | June 30, 2014 | | |  | June 30, 2013 | | |
| Particulars | Consolidated |  | Separate |  | Consolidated |  | Separate |
| Taka |  | Taka |  | Taka |  | Taka |
| Advance exceeding 6 months | 260,114,318 |  | 259,008,852 |  | 239,552,753 |  | 237,720,787 |
| Advance not exceeding 6 months | 14,168,392 |  | 14,168,392 |  | 14,647,891 |  | 15,054,391 |
|  | 274,282,710 |  | 273,177,244 |  | 254,200,644 |  | 252,775,178 |
|  |  |  |  |  |  |  |  |
| Advance, deposits & Prepayments considered good & secured | 274,282,710 |  | 273,177,244 |  | 254,200,644 |  | 252,775,178 |
| Advance, deposits & Prepayments considered good without security | - |  | - |  | - |  | - |
| Advance, deposits & Prepayments considered doubtful & bad | - |  | - |  | - |  | - |
| Advance, deposits & Prepayments due by any director or other officer of the Company | 1,280,800 |  | 1,280,800 |  | 1,865,300 |  | 1,865,300 |
| Advance, deposits & Prepayments due from companies under Common Management | - |  | - |  | - |  | - |
| The Maximum Advance due by directors or officers & staffs at any time | - |  | - |  | - |  | - |
|  |  |  |  |  |  |  |  |
| Disclosure as per Schedule-XI, Part-1 of the Companies Act,1994 | | | |  |  |  |  |
|  | June 30, 2014 | | |  | June 30, 2013 | | |
| Particulars | Consolidated |  | Separate |  | Consolidated |  | Separate |
| Taka |  | Taka |  | Taka |  | Taka |
| Maturity less than 6 months | 132,199,827 |  | 132,546,692 |  | 64,959,582 |  | 51,905,627 |
| Maturity more than 6 months | 318,401,882 |  | 292,379,939 |  | 253,960,736 |  | 241,024,280 |
|  | 450,601,709 |  | 424,926,631 |  | 318,920,318 |  | 292,929,907 |
|  |  |  |  |  |  |  |  |
| Debts considered good & Security | 450,601,709 |  | 424,926,631 |  | 318,920,318 |  | 292,929,907 |
| Debts considered good without security | - |  | - |  | - |  | - |
| Debts considered doubtful & bad | - |  | - |  | - |  | - |
| Debts due by directors or other officers & staffs | - |  | - |  | - |  | - |
| Debts due from companies under same management | - |  | - |  | - |  | - |
| Maximum debt bue by directors or officers & staffs at any time | - |  | - |  | - |  | - |

Query:

Provide detailed of Bad Debt Provisions as shown in note 32(B);

Response:

Detailed of bad debt provision as shown in note 32(b) given below:

|  |  |
| --- | --- |
|  |  |
| Particulars | Amount in BDT |
| Receivable against Q-Cash Network Sharing: | |
| AB Bank Ltd | 991,000 |
| The City Bank Ltd | 1,300,332 |
| IFIC Bank Ltd | 1,107,625 |
| Jamuna Bank Ltd | 138,518 |
| Janata Bank Ltd | 1,350,000 |
| Mercantile Bank Ltd | 925,250 |
| KIOSK Modification Receivables: | |
| Bank Asia Ltd | 230,000 |
| Total | 6,042,725 |

Query:

Disclose revenue generated against plastic card (promotional) expenses of Tk. 24,34,050/- as shown in note 31.00

Response:

Details statement of Revenue generated against plastic card (promotional) expenses of Tk. 24,34,050/- as shown in note 31.00 are attached in the Annexure 05.

Query:

Number of foreign employees working in the company, if any

Response:

There are no foreign employees working in ITCL and its subsidiary company BEPS (Bangladesh Electronic Payment Systems Limited). Management representation in this regard attached here with Annexure 06.

Query:

It appears from note # 35.01 to the financial statements for the year ended on June 30, 2014 that there is a declaration mentioning the company is operating under loss there is no income tax liability, which is not clear. Provide auditor’s clarification with reasons

Response:

ITCL generates revenue from trading & IT related services. According to the Sixth Schedule part A para-33 of Income Tax Ordinance (#36) 1984 ‘Any income derived from the business of [software development or Nationwide Telecommunication Transmission Network (NTTN) or]Subs F. A. 2014 Information Technology Enabled Services (ITES) for the period from the first day of July, 2008 to the thirtieth day of June, [2024]Subs. F. A. 2015” is exempted from payment of tax. But tax is applicable on trading & other income. Since the Company is generating loss on trading business(Annexure 07) there is no income tax liability but as per section 16CCC of Income Tax Ordinance (#36) 1984, the Company is liable to pay the minimum tax on gross receipts. So ITCL made minimum tax provision on gross receipts from trading & other business.

Query:

Net profit of the company for the last five years (05) has shown unusual trend. Please submit management clarification regarding this and incorporate the same in the draft prospectus

Response:

Management clarification regarding the issue as follows:

Management Clarification:

Initially the Company developed Q-Cash network with 6 (Six) Scheduled Banks of Bangladesh like as AB Bank Ltd, City Bank Ltd, Janata Bank Ltd, Eastern Bank Ltd, Mercantile Bank Ltd & IFIC Bank Ltd. But Last during Couple of years another 29 Banks, Bangladesh Post Office, NBR, DMP & Bangladesh Bank have since joined with ITCL host. As a consequences, revenue has been derived significantly in preceding years to till now through Q-Cash transaction Processing charge, Card Fees, Service & Maintenance and sales also. Revenue of the company also increased over the years due to securing more work order against supply of ATMs, POS, UPS and Switching Software from several banks. On the other hand, the Cost of service and Operating expenses were low in respect of revenue generation during the financial year 2014 in comparison to preceding years. As such, Net Profit after Tax grew by 195% in the year 2014 to that of previous year.

The table given below shows a comparison over the years in respect of revenue generation and cost efficiency:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Particulars | 30.06.2014 | Cost as %  of Sales | 30.06.2013 | Cost as %  of Sales | 30.06.2012 | Cost as %  of Sales | 30.06.2011 | Cost as %  of Sales |
| Revenue | 670,707,822 |  | 434,951,730 |  | 432,155,858 |  | 428,886,036 |  |
| Cost of Sales & Services | 442,026,430 | 65.90% | 293,757,744 | 67.54% | 286,905,620 | 66.39% | 287,840,538 | 67.11% |
| Gross Profit | 228,681,392 |  | 141,193,986 |  | 145,250,238 |  | 141,045,498 |  |
| Operating Expenses | 115,146,303 |  | 99,112,546 |  | 81,730,430 |  | 62,518,971 |  |
| General and Administrative Expenses | 74,955,495 | 11.18% | 65,201,749 | 14.99% | 51,528,970 | 11.92% | 44,750,724 | 10.43% |
| Selling & Distribution Expenses | 27,422,726 | 4.09% | 29,298,614 | 6.74% | 23,492,920 | 5.44% | 12,931,802 | 3.02% |
| Other Operating Expenses | 12,768,082 | 1.90% | 4,612,183 | 1.06% | 6,708,540 | 1.55% | 4,836,445 | 1.13% |
| Operating Profit | 113,535,089 |  | 42,081,440 |  | 63,519,808 |  | 78,526,527 |  |
| Non-Operating Income | 4,454,646 |  | 1,388,845 |  | 412,299 |  | 107,917 |  |
| Profit/(Loss) before Financial Costs | 117,989,735 |  | 43,470,285 |  | 63,932,107 |  | 78,634,444 |  |
| Finance Expenses | 34,906,246 | 5.20% | 14,948,649 | 3.44% | 16,953,691 | 3.92% | 30,408,196 | 7.09% |
| Profit/(Loss) before WPP & WF | 83,083,489 |  | 28,521,636 |  | 46,978,416 |  | 48,226,248 |  |
| Contribution to Workers' Profit  Participation Fund | 4,635,808 | 0.69% | - |  | - |  | - |  |
| Profit/(Loss) before Tax | 78,447,681 |  | 28,521,636 |  | 46,978,416 |  | 48,226,248 |  |
| Tax Holiday Reserve | - |  | - |  | - |  | - |  |
| Income Tax Expenses | 726,788 | 0.11% | 2,178,294 | 0.50% | 5,262,665 | 1.22% | 4,432,773 | 1.03% |
| Profit/(Loss) after Income Tax | 77,720,893 |  | 26,343,342 |  | 41,715,751 |  | 43,793,475 |  |
| Non-Controlling Interest | 530,078 |  | 498,199 |  | (624,942) |  | (526,392) |  |
| Profit attributable to owners of the Company | 78,250,971 |  | 26,841,541 |  | 41,090,809 |  | 43,267,083 |  |
| Net Profit Margin | 11.59% |  | 6.06% |  | 9.65% |  | 10.21% |  |

Query:

It appears from the documents of fixed asset addition that some revenue nature expenditure like purchase of brush, screw and some other consumable items were shown as capital expenditure which is not clear. Provide auditor’s clarification with reasons

Response:

As stated in BAS 16 PPE (Property, Plant & Equipment) Para 8 “……. Similarly, if the spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant & equipment.” Due to this reason fixed asset addition of operating equipment amounting to TK.460,881 has been accounted under PPE as those items/equipment are the tools of the Company’s Service Support Engineers & Technicians.

Query:

Incorporate basic NAV and Diluted NAV as well as basic EPS and diluted EPS (showing retrospective effect) for the last 5 years under ratio analysis

Response:

Basic EPS & Diluted EPS as well as basic NAV & Diluted NAV for last five years given below:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Particulars | 2013-2014 | 2012-2013 | 2011-2012 | 2010-2011 | 2009-2010 |
| Profit attributable to owners of the Company | 78,250,971 | 26,841,541 | 41,090,809 | 43,267,083 | 59,708,273 |
| Weighted Average Number of Shares | 75,000,000 | 75,000,000 | 67,385,933 | 56,558,456 | 41,257,881 |
| Basic EPS | 1.04 | 0.36 | 0.61 | 0.76 | 1.45 |
| Diluted EPS (with the total existing number of shares) | 1.04 | 0.36 | 0.55 | 0.58 | 0.80 |
|  |  |  |  |  |  |
| Total Equity excluding Minority Interest | 1,371,136,553 | 1,327,239,215 | 1,300,183,242 | 770,634,015 | 712,416,932 |
| Number of Shares | 75,000,000 | 75,000,000 | 75,000,000 | 57,070,100 | 52,920,100 |
| Basic NAV | 18.28 | 17.70 | 17.34 | 13.50 | 13.46 |
| Diluted NAV | 18.28 | 17.70 | 17.34 | 10.28 | 9.50 |

Query:

It appears from the financial statements prepared for the year ended on June 30, 2010, 2011, 2012 and 2013 that no depreciation and amortization was charged on addition of fixed assets. Justify the reason with reference to BAS

Response:

According to ITCL management, the addition of the fixed assets of the Company has been acquisitioned subject to the delivery date and payment settlement date. As per the nature of the Company’s infrastructure, those assets were not in a position to available for use. These were being involved installation, configuration and needed some R&D purpose. That’s why, the addition of Fixed Assets were not considered for depreciation and amortization in the year ended on June30, 2010,2011,2012 and 2013 and to follow BAS -16 under para-55.

Query:

It appears from the note #12.02 to the financial statements for the years ended on June 30, 2014 that the company has provided short term loan to CEO for car purchase. Provide a disclosure for the amount disbursed for the year and cumulative amount disbursed in last 5 years including interest charged & realized thereof (mention rate of interest).

Response:

The Board of directors of the Company had agreed to provide a car to CEO for official purpose from company’s account. But unfortunately due to financial constraints, the company could not provide him a car facility during that period. In this respect, the Board of Directors of the Company unanimously agreed to purchase a car which is owned by CEO from his own source or taking loan in his name from any bank or financial institution. The company would pay to CEO the cost of the vehicle including interest as per company’s financial flexible time. Accordingly the ownership of the car will be transferred to the company as and when the cost of the car is paid to the CEO. The Company has paid an amount to CEO against Car over the years which are given below:

|  |  |  |
| --- | --- | --- |
| Particulars | Yearly Disbursement amount | Cumulative disbursement amount (including Interest) |
| Year-2009-2010 | 1,609,160 | 1,609,160 |
| Year-2010-2011 | 1,530,760 | 3,139,920 |
| Year-2011-2012 | 1,948,240 | 5,088,160 |
| Year-2012-2013 | 1,669,920 | 6,758,080 |
| Year-2013-2014 | 1,669,920 | 8,428,000 |
|  | 8,428,000 |  |

Query:

Explain why car loan given to CEO is not disclosed in related party transaction

Response:

The procurement cost of the car purchase for CEO has been completed in June 2014. But the transfer price has been paid by CEO from his personal account which is reimbursed subsequently from ITCL according to the decision of the board of directors of ITCL. In this sequence, it is not considered as disclosure in the related party transaction.

Query 24:

Current status of non-interest bearing short term loan from BEPS amounting BDT 10,460,289 /-

Response:

Current status of non-interest bearing short Term Loan from BEPS is BDT 10,454,289/-.

Query:

It appears from note #4 that during the year addition of vehicle is amounting to Tk. 6.00. Explain it.

Response:

In order to strengthen the control, the company has decided to record fully depreciated motor vehicle at a nominal value of taka 1 (one) for each vehicle. The details of such addition of vehicles during the year 2013-2014 are as follows:

Dhaka Metro-Ga-17-0391

Dhaka Metro-Ga-19-8239

Dhaka Metro-Cha-51-5683

Dhaka Metro-Ga-13-6127

Dhaka Metro-Ga-23-0373

Dhaka Metro-Ga-23-0375

Sd/-

Dhaka, 14 July , 2015 Hoda Vasi Chowdhury& Co

Chartered Accountants

Disclosure Regarding Car Loan to CEO:

This is to confirm that the car loan of Managing Director (MD) has been settled and the owenership of the car has been transferred in the name of Information Technology Consultants Limited.

Date: August 19, 2015 Sd/-

Hussain Farhad and Co.

Chartered Accountants



Date: August 16, 2015 Sd/-

HodaVasi Chowdhury and Co.

Chartered Accountants















Annexure-06

Date: 9July 2015

HodaVasi Chowdhury & Co

Chartered Accountants

BTMC Bhaban (Level-8)

7-9, Kawran Bazar

Dhaka-1215

Bangladesh

TO WHOM IT MAY CONCERN

We do hereby declare that there are no foreign employees working in ITCL and its Subsidiary Company BEPS (Bangladesh Electronic Payment Systems Limited).

For IT Consultants Limited

Sd/-

Kazi Saifuddin Munir, Ph.D

Managing Director & CEO



Revised Cash Flow statement showing Income Tax payment





MANAGEMENT DISCLOSURE Section: XVI

Query

It appears from the financial statements prepared for the year ended on June 30, 2010, 2011, 2012 and 2013 that no amortization was charged on revalued Fixed assets which is a non compliance of Paragraph 48 of BAS 16. lt is also observed that by avoiding amortization expense the company artificially increased its net profit a well as EPS in the year 2010, 2011, 2012 and 2013. As such the financial statements prepared for those years do not show true and fair view of the company's financial position and its state of affairs. Justify the reason with reference to BAS;

Management Explanation:

The Company did not amortize it’s Intangible Assets during those year as the Board of Directors of the Company has decided not to amortize of its intangible assets. As per management perception that software of the company are subject to continuous up gradation and modification in order to meet the market demand through its own resources. There is a continuous cost that is being added to the value of the software as a significant no. of scheduled banks are integrated so far with this system under Q-Cash Shared ATM network.

However, the Company has started to amortize its intangible assets during the year 2013-2014 amounting Tk. 14,486,004 under BAS-38.

Query

Justification of acquisition with a company (Bangladesh Electronic Payment Systems Limited) which has continuous Loss and negative EPS;

Management Explanation:

In the acquisition period, Bangladesh Electronic Payment Systems Limited (BEPS) were engaged in providing Core Banking Solution, Credit Card Solution and Transaction Processing services to 09 (nine) leading member banks such as The City Bank Limited, South East Bank Ltd, United Commercial Bank Ltd, N.C.C Bank Ltd, Dhaka Bank Ltd, BRAC Bank Ltd, EXIM Bank Ltd, Bank Asia Ltd and Prime Bank Ltd. Both ITCL and BEPS belong to similar nature of business in the Banking sector of Bangladesh. But they could not explore their business in its business arena. With a view to strengthen the activities of ITCL, the Board of Directors of the Company has agreed to acquire BEPS as per Board meeting held on 27.05.2009. To be able to offer manifold services jointly to the member banks as well as establish ITCL’s broader Q-Cash Shared ATM network in Bangladesh, the acquisition would help the Company to become sound both financially and technologically. The Management of ITCL had realized that the Company should be gathered more business to utilize their own existing resources.

Considering the above, most of the BEPS’ members Banks have migrated from BEPS host to ITCL’s host within the year 2013 to 2014. Since the acquisition period, BEPS has generated a sum of net profit amounting to Tk.15,487,790/-, which has reflected to ITCL’s profitability position.

In this connection it is required to mention that Bank Asia, National Bank, City Bank, United Commercial Bank, South East Bank, NCC Bank & EXIM Bank have migrated from BEPS host to ITCL’s host during the year 2013 and 2014. It is to be noted that ITCL has gathered significant revenue from the above mentioned BEPS member banks from the preceding two years. Moreover, the Management of BEPS has assessed present and future prospects of the company and made an action plan towards execution of its continuing operational activities in line with Electronic Transaction Processing & Software Development.

Query

It is observed from the audited financials prepared for the year ended June 30, 2013 that revenue has been increased by 0.65% compared to previous year whereas profit after tax has been decreased by 36.85% which seems very unusual trend between revenue and profit after tax. Explain the reason with proper justification;

Management Explanation:

During the year 2013, the Company has spent a significant amount against employee’s salary and incurred more business promotional expenses for the hope of future business, Expenses for Post office Project for upcoming revenue and others. As a result, Cost of Service, Operating Expenditure and Selling & Distribution Expenses had increased 33.19%, 21.04%, &86.63% respectively. So the revenue has been increased by 0.65% in the year ended June 30, 2013 compared to previous year.

The table given below shows a vertical comparison across years:

Comprehensive Income Statement Comparison

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | Year-2011-12 | Year-2012-13 | Increased/  (Decreased) |
| Revenue (excluding non-Operating Income) | 432,155,858 | 434,951,730 | 0.65% |
| Cost of Sales | 176,714,750 | 159,877,888 | -9.53% |
| Cost of Service | 26,972,823 | 35,925,020 | 33.19% |
| Operating expenditure | 107,592,344 | 130,226,405 | 21.04% |
| Selling & Distribution expenses | 12,090,150 | 22,563,905 | 86.63% |
| Total | 323,370,067 | 348,593,218 | 7.80% |
| Operating Profit | 108,785,791 | 86,358,512 | -20.62% |
| Non-Operating Income | 13,692,029 | 23,291,620 | 70.11% |
| Finance Expenses: |  |  |  |
| Interest on Bank Facilities/Bank Over Draft | 28,929,386 | 36,851,424 | 27.38% |
| Contribution to WPP &WF |  |  |  |
| Profit before depreciation & amortization and income tax | 93,548,434 | 72,798,708 | -22.18% |
| Depreciation & Amortization | 45,265,983 | 44,277,072 | -2.18% |
| Net Profit before Income Tax | 48,282,451 | 28,521,636 | -40.93% |
| Income tax | 6,566,700 | 2,178,294 |  |
| Net Profit after Income tax | 41,715,751 | 26,343,342 | -36.85% |

Query

It is observed from the revaluation report conducted by M/S. Ahmed &Akter that the valuer signed the revaluation

report on September 15, 2010.lt is also observed from the audited financial statements for the year ended June 30, 2010

that such revalued assets and revaluation surplus were shown in the balance sheet, which is not clear to us. Please

explain the reason with reference to BAS;

Management Explanation:

Although the valuation report was signed by Ahmed &Akter on September 15,2010 and the cutoff date of the report was 30 June 2010, so the effect of valuation has been incorporated in the value of the assets as stated in the draft revaluation report , which was accepted by the board of directors of the Company and decided to adopt the revaluation report within 30 June 2010. Being the draft Revaluation report & final report were same which was adopted in the year ended 30 June,2010.

Query

Explain why card free receivables from AB Bank Ltd. is amounting to Tk.61,25,250/-

Response: In accordance with work Orders from AB Bank Ltd, Card division against supply of 35,500 nos VISA Electron debit plastic Card & 5499 Credit cards, the Company has procured the same quantities Blank Plastic cards and subsequently delivered to AB Bank Ltd as on 07.02.2005 & 28.03.2007. As per business understanding with AB Bank Ltd, the company has been personalized those cards as per requirement basis of AB Bank Ltd subject to provide card Annual & renewal fees @Tk.250/- per card. In this connection, AB Bank Ltd had issued 15,358 nos VISA Electron Debit & 1140 units VISA Electron Credit cards up to 31 December 2010 to their customers and simultaneously paid to ITC. After 31 December 2010, ITC has billed to ABBL against remaining 20142 nos VISA Debit Card & 4359 nos VISA Credit card fees @Tk.250/-, which contained those amount e.g (20142 x Tk.250/- + 4359 x Tk.250/-)= Tk. 61,25,250/- as ABBL Card Fee Receivables. But they would not like to pay us 20142 nos VISA Debit Card & 4359 nos VISA Credit card fees @Tk.250/- due to the discrepancies about the system generated reports of ITC & ABBL, which has under process for reconciliation. Relevant documents has been obtained.

Query

What securities the company usually takes for collection of credit sales of UPS;

Response:

The company supplied UPS to Islami Bank Bangladesh Ltd. so far. This sort of transaction has been made under valid work order provided by the bank detailing different terms and conditions. The work order contains detailed information of the supply along with terms of payment. Usually bank does not provide any sort of security in such type of business transactions. As bank is a regulated institution, transactions with bank under valid work order are secured.

Query

It is learnt that Bangladesh Bank is going to implement RTGS very shortly. Explain whether this will be a threat to your business.

Response:

Real-time gross settlement systems (RTGS) is a large-value funds transfer system for interbank electronic credit  transfer system where transfer of fund and security take place from one bank to another on a real time and gross basis, while settlement will take place in central bank funds. RTGS is a good initiative of Central Bank.

However, ITCL is processing electronic-payments for the transactions done using plastic cards or virtual cards or mobile banking through ATM, merchant POS, e-commerce, mobile banking, mobile wallet or e-wallet, internet banking channel being the certified Payment System Operator (PSO). Plastic card users and mobile banking customers are increasing rapidly in Bangladesh since Government is pursuing to achieve financial inclusion and thus e-payment delivery channels like ATM, merchant POS, e-commerce, mobile banking, mobile wallet or e-wallet, internet banking services are promptly growing by nature since people are enjoying the benefits of e-payment services.

More than 30 banks were connected with ITCL Switch, Q-Cash network, where interbank transactions have been done since long using ITCL Switch. However, Bangladesh bank has implemented the National Payment Switch Bangladesh (NPSB) where only Q-Cash Switch is connected as PSO and now all the commercial banks can make transaction through Q-Cash network and vice-versa where settlement is done by Bangladesh Bank only. It’s a virtue for ITCL that Bangladesh Bank has set interchange fee for ATM cash withdrawal transaction at Tk 20.00 whereas interchange fee was Tk 10.00 in Q-Cash network. In this connection, not only Q-Cash banks are making transaction through ITCL Switch but also other banks are doing same and thus, ITCL is likely to have bigger transaction volume and transaction revenue.

However, ITCL is the local implementation and service support partner for NPSB of Bangladesh Bank where ITCL will get a service and support fee for this engagement. Thus, ITCL is strongly connected with NPSB not only as PSO but also as local implementation partner.

It can be mentioned here that Bangladesh Bank has allowed ITCL to collect different payments using ATM, merchant/bank POS, e-commerce and mobile banking channel e.g. mobile airtime recharge, ISP bill collection, dish bill collection and a letter has been issued in favor of ITCL which is furnished herewith as reference. Bangladesh Bank is willing to bring lot more value added payment services for the cardholders’ benefit and ITCL will have higher growth in transaction while new payment services will be introduced as per guideline of Bangladesh Bank.

In view of above, ITCL’s business will not be vulnerable even after implementation of RTGS, rather it will boost the business for ITCL with these new initiatives.

Query

It is observed from the audited financials that Information Technology Consultants Limited (ITCL) has acquired 92.875% equity of Bangladesh Electronic Payment Systems Limited (BEPSL) in exchange of 3,715,000 shares of ITCL. It is also observed from the financial statements of ITCL and BEPS that at the time of acquisition Net Asset Value (NAV) of ITCL was BDT 13.30 which was BDT 11.53 in the case of BEPS. Justify the reason of such unequal exchange of shares (with mode of acquisition) in case of acquisition of BEPS and incorporate the same in the draft prospectus.

Response:

The management of both the Company has jointly agreed upon acquisition of BEPs by ITCL by virtue of their Board meeting held on 27.05.2009(ITCL) & 27.06.2009 (BEPS). In these consequences, ITCL has acquired 92.875% of BEPS shares in consideration of ITCL’s shares at par. In line with this, ITCL obtained consent from the commission vide letter-SEC/CI/CPLC-229/2010/494, dated-May25,2010 for raising ITCL Paid UP capital from Tk.49,35,51,000/- to Tk.52,92,01,000/-.

It may be mentioning here that to be able to offer manifold services jointly to the member banks as well as establish ITCL’s broader Q-Cash Shared ATM network in Bangladesh, it was expected that the acquisition would help the Company to become sound both financially and technologically. The Management of ITCL had realized that the Company might generate more business by utilizing their own existing resources.

# Disclosure regarding Winding up of Bangladesh Electronic Payment Systems Limited (BEPS)

With a view to strengthen the activities of ITCL, the Board of Directors of the Company has agreed to acquire BEPS as per Board meeting held on 27.06.2009.In this regard BSEC in its letter- SEC/CI/CPLC-229/2010/494, dated- May 25,2010 has given its consent to raise capital through acquisition. To be able to offer manifold services jointly to the member banks as well as establish ITCL’s broader Q-Cash Shared ATM network in Bangladesh, it was expected that the acquisition would help the Company to become sound both financially and technologically. The Management of ITCL had realized that the Company might generate more business by utilizing their own existing resources.

After migration, the revenue of BEPS has been reduced on its transaction processing arena. It is mentionable that both ITCL &BEPS belong to similar nature of business in the Banking sector of Bangladesh. Considering the above, most of the BEPS’ members Banks have migrated from BEPS host to ITCL’s host within the year 2013 to 2014. Since the acquisition period, BEPS has generated a sum of net profit amounting to Tk.15,487,790/-, which has reflected to ITCL’s profitability position.

However, as BEPS is operating under Loss, the holding Company is carrying BEPS losses in its financial statement resulting a risk factor is involved to the shareholders of the ITCL.

Under the circumstances, the Board of Directors of BEPS vides their Board meetings as on 23.5.2015 has decided to voluntary winding up as per the Company Act, 1994, under section-286(Kha). The matter has already been notified in the daily Bhorer Shomoy and the Daily Aajker Probhat; dated -21 May, 2015.

|  |  |
| --- | --- |
|  | Sd/- |
| Date: July 13, 2015 | Kazi Saifuddin Munir, Ph.D |
|  | Managing Director |
|  | Bangladesh Electronic Payment Systems Limited |

TO WHOM IT MAY CONCERN

Independent Directors:

The Company is yet to select Independent Directors before listing. The Company shall select Independent Directors as per guidelines given by BSEC in the next AGM of the Company on having approval from the Share Holders.

Sd/- Sd/-

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Kazi Saifuddin Munir,Ph.D M.H. Shaikh

Managing Director & CEO Company Secretary

IPO APPLICATION PROCESS Section: XVII

Step-1 (Applicant)

An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be the 25th (twenty fifth) working day from the date of publication of abridged version of prospectus.

The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:

Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.

Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to the concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02(two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.

Step-2 (Intermediary)

The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely “Public Issue Application Account”. The Stockbroker/Merchant Banker shall:

post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;

accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the “Public Issue Application Account” maintained with its bank within the first banking hour of next working day of the cut-off date. In case of application submitted by the Stock-dealer or the Merchant Banker’s own portfolio, the application amount should also be transferred to the “Public Issue Application Account”;

instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.

Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.

For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall prepare a list containing the draft information against the respective applicant’s particulars.

The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and within 03 (three) working days from the cut-off date, send to the respective Exchange, the lists of applicants in electronic (text format with tilde ‘~’ separator) format, the certificate(s) issued by its banker, the drafts received from Non-resident Bangladeshi (NRB) and Foreign applicants and a copy of the list containing the draft information.

On the next working day, the Exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers, the drafts submitted by Non-resident Bangladeshi (NRB) and Foreign applicants and the list containing the draft information. Exchanges shall verify and preserve the bankers’ certificates in their custody.

The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with exchange.

Step-3 (Issuer)

The Issuer shall prepare consolidated list of the applications and send the applicants’ BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website and websites of the Exchanges. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.

On the next working day, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents’ Name, Joint Account and Bank Account information along with the verification report.

After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the Exchanges within 10 (ten) working days from the date of receiving information from the Exchanges.

The Issuer and the issue manager shall conduct category wise lottery with the valid applications within 03 (three) working days from the date of reporting to the Commission and the Exchanges, if do not receive any observation from the Commission or the Exchanges.

The Issuer and issue manager shall arrange posting the lottery result on their websites within 06 (six) hours and on the websites of the Commission and Exchanges within 12 (twelve) hours of lottery.

Within 02 (two) working days of conducting lottery, the Issuer shall:

send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde ‘~’ separator) format to the respective Exchange.

send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde ‘~’ separator) format to the Commission and Exchanges mentioning the penalty amount against each applicant.

issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Exchange in electronic form.

send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

Step-4 (Intermediary)

On the next working day, Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:

remit the amount of successful (other than NRB and Foreign) applicants to the Issuer’s respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;

send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer’s respective Escrow Accounts along with a list and unblock the balance application money;

On the next working day of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker shall request its banker to:

release the amount blocked for unsuccessful (other than NRB and foreign) applicants;

remit the aggregate amount of successful applicants and the penalty amount of unsuccessful applicants (other than NRB and foreign) who are subject to penal provisions to the respective ‘Escrow’ accounts of the Issuer opened for subscription purpose.

On the next working day of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer’s ‘Escrow’ account.

Simultaneously, the stockbrokers/Merchant Bankers shall release the application money blocked in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts and send documents to the Exchange evidencing details of the remittances made to the respective ‘Escrow’ accounts of the Issuer. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk.5.00 (five) per withdrawal.

All drafts submitted by NRB or Foreign applicants shall be deposited in the Issuer’s respective ‘Escrow’ accounts and refund shall be made by the Issuer by refund warrants through concerned stockbroker or merchant banker or transfer to the applicant’s bank account through banking channel within 10 (ten) working days from the date of lottery.

Miscellaneous:

The Issuer, Issue Manager(s), Stockbrokers and Merchant Bankers shall ensure compliance of the above.

The bank drafts (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.

Amount deposited and blocked in the “Public Issue Application Account” shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.

The Issuer shall pay the costs related to data transmission, if claimed by the Exchange concerned up to an amount of Tk.2,00,000.00 (taka two lac) for a public issue.

The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk.5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.

The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.

The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.

The concerned Exchange are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

LIST OF THE STOCKBROKERS of DSE TO RECEIVE IPO APPLICATION

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| SL.No | Name of TREC Holder | TREC No. | Sl. | Name of TREC Holder | TREC No. |  |
| 1 | A.B Ispahani Securities Ltd. | 1 | 46 | Al-Muntaha Trading. Co Ltd | 49 |  |
| 2 | S & H Equities Limited | 2 | 47 | Imtiyaz Husain Securities Limited | 50 |  |
| 3 | Shyamol Equity Management Limited | 3 | 48 | S. B. Securities Limited | 51 |  |
| 4 | Phoenix Securities Limited | 4 | 49 | M. Zubair Securities Limited | 52 |  |
| 5 | Harun Securities Ltd. | 5 | 50 | Mian Abdur Rashid Securities Ltd. | 53 |  |
| 6 | A. K. Khan Securities Ltd. | 6 | 51 | UGC Securities Limited | 54 |  |
| 7 | Apex Investments Limited | 7 | 52 | Transcon Securities Ltd. | 55 |  |
| 8 | Crest Securities Ltd. | 8 | 53 | Alpha Equities Ltd. | 56 |  |
| 9 | International Leasing Securities Limited | 9 | 54 | Hasan Securities Ltd. | 57 |  |
| 10 | Khwaja Equity Services Limited | 10 | 55 | IDLC Securities Ltd. | 58 |  |
| 11 | Brac epl stock brokerage ltd. | 11 | 56 | Green Delta Securities Ltd. | 59 |  |
| 12 | Pasha Capital Ltd. | 12 | 57 | Global Securities Ltd. | 60 |  |
| 13 | MAH Securities Limited | 13 | 58 | NCCB Securities & Financial Services Ltd. | 61 |  |
| 14 | DMR Securities Services Ltd. | 14 | 59 | Reliance Brokerage Services Ltd. | 62 |  |
| 15 | ACE Capital Management Service Ltd. | 16 | 60 | Banco Securities Limited | 63 |  |
| 16 | Adil Securities Ltd. | 17 | 61 | Shahjahan Securities Limited | 64 |  |
| 17 | Greenland Equities Ltd. | 18 | 62 | ASENZ Securities Ltd. | 65 |  |
| 18 | Azam Securities Limited | 19 | 63 | E‐Securities Ltd. | 66 |  |
| 19 | BDBL Securities Ltd. | 20 | 64 | Sinha Securities Limited | 67 |  |
| 20 | Royal Capital Ltd. | 21 | 65 | Popular Equities Ltd. | 68 |  |
| 21 | A. R Chowdhury Securities Ltd. | 22 | 66 | Mohammad Talha & Co Ltd. | 69 |  |
| 22 | Ershad Securities Limited | 23 | 67 | First Capital Securities Ltd. | 70 |  |
| 23 | Vision Capital Management Ltd. | 24 | 68 | SBC Securities & Investment Ltd. | 71 |  |
| 24 | Arena Securities Ltd. | 25 | 69 | H R Securities & Investments Limited | 72 |  |
| 25 | EBL Securities Limited | 26 | 70 | Prudential Securities Limited | 73 |  |
| 26 | SAR Securities Ltd. | 27 | 71 | HAC Securities Limited | 74 |  |
| 27 | Sadeque Finance Management Ltd. | 28 | 72 | Multi Securities & Services Limited | 75 |  |
| 28 | Kazi Firoz Rashid Securities Limited | 29 | 73 | Square Securities Management Ltd. | 76 |  |
| 29 | B. D Finance Securities Ltd. | 30 | 74 | Royal Green Securities Limited | 77 |  |
| 30 | ETBL Securities & Exchange Ltd. | 31 | 75 | R. N. Trading Limited | 78 |  |
| 31 | Bulbul Securities Ltd. | 32 | 76 | PFI Securities Limited | 79 |  |
| 32 | Ibrahim Securities Limited | 33 | 77 | Latif Securities Ltd. | 80 |  |
| 33 | B & B Enterprise Limited | 34 | 78 | Tamha Securities Limited | 81 |  |
| 34 | Rashid Investment Services Limited | 35 | 79 | Desa Securities Ltd. | 85 |  |
| 35 | Daulatunnessa Equities Limited | 37 | 80 | MAM Securities Ltd. | 86 |  |
| 36 | Quayum Securities Limited | 38 | 81 | Farida Raquib Securities Ltd. | 87 |  |
|  | Shahiq Securities Ltd.(Shanta Securities |  | 82 | Asia Securities Ltd. | 88 |  |
| 37 | Limited) | 39 | 83 | Uniroyal Securities Ltd. | 89 |  |
| 38 | Haji Ahmad Brothers Securities Ltd. | 41 | 84 | Md. Fakhrul Islam Securities Ltd. | 90 |  |
| 39 | Rapid Securities Limited | 42 | 85 | Md. Sahidullah Securities Limited | 91 |  |
| 40 | AB & Company Limited | 43 | 86 | Alhaj Securities & Stocks Limited | 93 |  |
| 41 | M‐Securities Ltd. | 44 | 87 | SIBL Securities Ltd. | 94 |  |
| 42 | Federal Securities And Investment Limited | 45 | 88 | Salta Capital Limited | 95 |  |
| 43 | SAHCO Securities Limited | 46 | 89 | Jamal Ahmed Securities Ltd. | 97 |  |
| 44 | Khurshid Securities Ltd. | 47 | 90 | Dhanmondi Securities Ltd. | 98 |  |
| 45 | Aries Securities Ltd. | 48 | 91 | Country Stock (Bangladesh) | 99 |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| SL.No | Name of TREC Holder | TREC No. | Sl. | Name of TREC Holder | TREC No. |
| 92 | ARC Securities Ltd. | 100 | 141 | Bali Securities Ltd. | 153 |
| 93 | Dayton Holdings Ltd | 101 | 142 | Indicate Securities Consultants Ltd. | 154 |
| 94 | Howlader Equity Services Limited | 102 | 143 | EMES Securities Ltd. | 155 |
| 95 | Prime Islami Securities Ltd. | 104 | 144 | Standard Bank Securities Ltd. | 156 |
| 96 | Ali Securities Co. Limited | 105 | 145 | Getway Equity Resouces Ltd. | 157 |
| 97 | Island Securities Ltd. | 106 | 146 | Investment Promotion Services Limited | 158 |
| 98 | Islami Bank Securities Limited | 107 | 147 | Peace Securities Ltd | 159 |
| 99 | Remons Investment & Securities Ltd. | 108 | 148 | Anwar Securities Ltd. | 160 |
| 100 | Unique Share Management Ltd. | 109 | 149 | Trustee Securities Ltd. | 162 |
| 101 | Ettihad Securities Ltd. | 110 |  | SES Company Limited (Unicap Securities |  |
| 102 | Surma Securities Holding Co. Ltd | 111 | 150 | Ltd. | 163 |
| 103 | Nouvelle Securities Ltd. | 112 | 151 | Mona Finan. Consultancy & Sec. Ltd. | 164 |
| 104 | CMSL Securities Limited | 113 | 152 | Haji Mohammad Ali Securities Ltd. | 165 |
| 105 | Ahmed Iqbal Hasan Securities Ltd. | 114 | 153 | Times Securities Ltd. | 166 |
| 106 | Nabiul Karim Securities Limited | 115 | 154 | Khurshid Alam Securities Limited | 167 |
| 107 | Murshed Securities Limited | 116 | 155 | Subvalley Securities Ltd. | 168 |
| 108 | A N F Management Company Limited | 117 | 156 | Merchant Securites Limited | 169 |
| 109 | Saad Securities Ltd. | 118 | 157 | Fareast Islami Securities Limited. | 170 |
| 110 | Dragon Securities Limited | 119 | 158 | Shah Mohammad Sagir & Co. Ltd. | 171 |
| 111 | Sheltech Brokerage Limited | 120 | 159 | Tobarrak Securities Ltd. | 172 |
| 112 | SCL Securities Limited | 121 | 160 | Hazrat Amanat Shah Securities Ltd. | 173 |
| 113 | K‐Securities and Consultants Ltd. | 122 | 161 | T. A. Khan Securities Co. Ltd. | 174 |
| 114 | Shahed Securities Ltd | 123 | 162 | BLI Securities Limited | 175 |
| 115 | A B S Safdar & Co. Ltd. | 124 | 163 | Peoples Equities Ltd. | 176 |
| 116 | Rose Securities Ltd. | 125 | 164 | Anchor Securities Ltd. | 177 |
| 117 | Dynamic Securities Consultants Ltd. | 126 | 165 | Beximco Securities Limited | 178 |
| 118 | Doha Securities Limited | 127 | 166 | JKC Securities Ltd. | 179 |
| 119 | R N I Securities Ltd. | 128 |  | Commerce Bank Securities and Investment |  |
| 120 | ICB Securities Trading Company Limited | 129 | 167 | Ltd. | 180 |
| 121 | Thea Securities Ltd. | 130 | 168 | UCB Capital Management Limited | 181 |
| 122 | Harpoon Securities Ltd. | 131 | 169 | Nur-E-Alam Siddique & Company Ltd | 182 |
| 123 | LankaBangla Securities Ltd. | 132 | 170 | C-Maart Securities Limited | 183 |
| 124 | DSFM Securities Ltd | 133 | 171 | Razzak Securities Ltd. | 184 |
| 125 | Moshihor Securities Ltd. | 134 | 172 | Delta Capital Limited | 185 |
| 126 | Kazi Equities Ltd. | 135 | 173 | G M F Securities Ltd. | 186 |
|  | Securities Broking & Management Services |  | 174 | Habibur Rahman Securities Ltd. | 187 |
| 127 | Ltd. | 136 | 175 | Globe Securities Limited | 189 |
| 128 | Alliance Securities & Management Ltd. | 137 | 176 | Salam & Company Limited | 190 |
| 129 | Al-Haja Jahanara Securities Ltd. | 138 | 177 | Eminent Securities Ltd. | 191 |
| 130 | Aloco Securities Ltd. | 139 | 178 | IFIC Securities Ltd. | 192 |
| 131 | Hedayetullah Securities Ltd | 140 | 179 | DBL Securities Limited | 193 |
| 132 | Midway Securities Ltd. | 142 | 180 | Parkway Securities Ltd. | 194 |
| 133 | K.H.B. Securities Ltd. | 143 | 181 | Jahan Securities Ltd. | 195 |
| 134 | City Brokerage Limited | 145 | 182 | M&Z Securities Ltd. | 196 |
| 135 | Cosmopolitan Traders (Pvt.) Ltd. | 146 | 183 | MTB Securities Ltd. | 197 |
| 136 | Fortune Securities (Pvt.) Ltd. | 147 | 184 | Coast To Coast Securities Ltd | 198 |
| 137 | Joytun Securities Intl. Ltd. | 148 | 185 | Stock & Bond Limited | 199 |
| 138 | Shakil Rizvi Stock Ltd. | 149 | 186 | Total Communication Ltd. | 200 |
| 139 | AHC Securities Limited | 151 | 187 | AB Securities Ltd. | 201 |
| 140 | Bangladesh Shilpa Bank | 152 | 188 | Prilink Securities Ltd. | 202 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| SL.No | Name of TREC Holder | TREC No. | Sl. | Name of TREC Holder | TREC No. |
| 189 | NBL Securities Limited | 203 | 212 | Conmark Limited | 228 |
| 190 | Synthia Securities Ltd. | 204 | 213 | Modern Securities Ltd. | 229 |
| 191 | A. M. Securities and Financial Services Limited | 205 | 214 | Expo Traders Ltd. | 230 |
| 192 | Modern Equity Limited | 206 | 215 | Akij Securities Ltd. | 231 |
| 193 | United Enterprises & Co. Ltd. | 207 | 216 | Popular Life Insurance Company Ltd. | 232 |
| 194 | Oshadhi Securities Ltd. | 208 | 217 | Shahjalal Islami Bank Securities Ltd. | 233 |
| 195 | Mondol Securities Ltd. | 209 | 218 | AIBL Capital Market Services Ltd. | 234 |
| 196 | Wifang Securities Ltd. | 210 | 219 | PHP Stock & Securities Ltd. | 235 |
| 197 | AD Holdings Limited | 213 | 220 | Premier Bank Securities Ltd. | 236 |
| 198 | Pubali Bank Securities Ltd. | 214 | 221 | Bank Asia Securities Limited | 237 |
| 199 | Mika Securities Ltd. | 215 | 222 | IIDFC Securities Limited | 238 |
| 200 | Sharp Securities Limited | 216 | 223 | Dhaka Securities Ltd. | 239 |
| 201 | Rasti Securities Consultant Ltd. | 217 | 224 | A N W Securities Ltd. | 240 |
| 202 | Nexus Securities Limited | 218 | 225 | One Securities Ltd. | 241 |
| 203 | Prime Bank Securities Limited. | 219 | 226 | Trust Bank Securities Ltd. | 242 |
| 204 | BRB Securities Limited | 220 | 227 | DLIC Securities Ltd. | 243 |
| 205 | Treasure Securities Ltd | 221 | 228 | NLI Securities Ltd. | 244 |
| 206 | A. L. Securities Ltd. | 222 | 229 | Meghna Life Securities and Investment Ltd | 245 |
| 207 | Mirror Financial Management Ltd. | 223 | 230 | Rupali Bank Securities Limited | 246 |
| 208 | Mercantile Bank Securities Limited | 224 | 231 | BD Sunlife Securities Ltd. | 248 |
| 209 | Shohrab Securities & Trade Ltd. | 225 | 232 | Sterling Stocks & Securities Ltd. | 249 |
| 210 | FAREAST Stocks & Bonds Ltd. | 226 | 233 | Uttara Bank Securities Limited | 250 |
| 211 | United Financial Trading Co. Ltd. | 227 |  |  |  |

LIST OF THE STOCKBROKERS of CSE TO RECEIVE IPO APPLICATION

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| SL.No | Name of TREC Holder | TREC No. | Sl. | Name of TREC Holder | TREC No. |
| 1 | Alpha Securities Ltd. | CSE 001 | 58 | Century Securities Ltd. | CSE 079 |
| 2 | ISPI Securities Limited | CSE 002 | 59 | International Leasing Securities Limited | CSE 080 |
| 3 | Meenhar Securities Limited | CSE 003 | 60 | DBL Securities Limited | CSE 081 |
| 4 | South Asia Securities Limited | CSE 004 | 61 | UniCap Securities Ltd. | CSE 082 |
| 5 | Island Securities Ltd. | CSE 005 | 62 | Abacus Securities Ltd. | CSE 083 |
| 6 | Chittagong Capital Ltd. | CSE 006 | 63 | Skys Securities Limited | CSE 084 |
| 7 | British bangla Securities Ltd. | CSE 008 | 64 | Galaxy Capital Ltd | CSE 085 |
| 8 | Saya Securities Ltd. | CSE 010 | 65 | A M Securities and Financial Services Ltd. | CSE 086 |
| 9 | First Capital Securities Limited. | CSE 011 | 66 | Purabi Securities Ltd. | CSE 087 |
| 10 | BREC EPL Stock Brokerage Ltd. | CSE 013 | 67 | Reliance Brokerage Services Ltd. | CSE 088 |
| 11 | Stock & Security Linkway Ltd. | CSE 014 | 68 | D. N. Securities Ltd. | CSE 089 |
| 12 | UCB Capital Management Ltd. | CSE 015 | 69 | LankaBangla Securities limited | CSE 091 |
| 13 | Adams Securities Limited | CSE 016 | 70 | Square Securities Management Ltd. | CSE 092 |
| 14 | North West Securities Ltd. | CSE 019 | 71 | Holy City Securities Ltd. | CSE 093 |
| 15 | EBL Securities Ltd. | CSE 021 | 72 | Inter-Continental Securities Ltd. | CSE 094 |
| 16 | Salta Capital Limited | CSE 022 | 73 | PFI Securities Limited | CSE 095 |
| 17 | Azim Securities Ltd. | CSE 023 | 74 | International Securities Co.Ltd. | CSE 096 |
| 18 | Uttara Exchange And Securities Limited | CSE 024 | 75 | Multi Securities & Services Limited | CSE 097 |
| 19 | Sylhet Metro City Securities Ltd. | CSE 025 | 76 | EIC Securities Ltd | CSE 098 |
| 20 | Be Rich Limited | CSE 027 | 77 | Ten Star (PVT. Limited | CSE 100 |
| 21 | RAK Capital Ltd. | CSE 028 | 78 | Mona Financial Consultancy andSecurities Ltd. | CSE 103 |
| 22 | Nizam‟s Shares & Securities Ltd. | CSE 029 | 79 | Jalabad Securities Limited | CSE 104 |
| 23 | PHP Stocks & Securities Ltd. | CSE 031 | 80 | Pubali Bank Securities Ltd. | CSE 105 |
| 24 | A.A Securities Ltd. | CSE 032 | 81 | NC Securities Limited | CSE 107 |
| 25 | Sylnet Securities Ltd. | CSE 033 | 82 | Moharam Securities Ltd. | CSE 108 |
| 26 | Pioneer Shares & Securities Ltd. | CSE 034 | 83 | Sanmar Capital Management Ltd. | CSE 109 |
| 27 | Vanguard Shares & Securities Ltd. | CSE 036 | 84 | Starport Securities Ltd. | CSE 110 |
| 28 | Hillcity Securities Ltd. | CSE 037 | 85 | Lotus Shares & Securities Ltd. | CSE 112 |
| 29 | S.R.Capital Ltd. | CSE 038 | 86 | Cordial Securities Limited | CSE 113 |
| 30 | Base Capital Ltd. | CSE 040 | 87 | Hassan Shares & Securities Ltd. | CSE 114 |
| 31 | Remons Investment & Securities Ltd. | CSE 042 | 88 | Vantage Securities Ltd. | CSE 115 |
| 32 | United Financial Trading Company Ltd. | CSE 043 | 89 | Megacity Securities Ltd. | CSE 116 |
| 33 | 3A & Company Ltd. | CSE 044 | 90 | Hallmark Securities Ltd. | CSE 117 |
| 34 | ZATL Securities Ltd. | CSE 045 | 91 | IDLC Securities Ltd. | CSE 119 |
| 35 | Hefazatur Rahman & Co. Ltd. | CSE 046 | 92 | Western Securities Investment Management Ltd. | CSE 120 |
| 36 | Kishwar Securities Investment Ltd. | CSE 047 | 93 | Jesco Capital Management Ltd. | CSE 121 |
| 37 | Impel Shares & Securities Ltd. | CSE 049 | 94 | First Lead Securities Ltd. | CSE 122 |
| 38 | Mirpur Securities Limited | CSE 050 | 95 | Far East Shares & Securities Ltd. | CSE 123 |
| 39 | E‐Securities Limited | CSE 052 | 96 | S. N. Securities Ltd. | CSE 125 |
| 40 | Royal Capital Limited | CSE 053 | 97 | Amin Securities & Consultants Ltd. | CSE 128 |
| 41 | Habib Shares & Securities Ltd. | CSE 054 | 98 | Muntaha Shares & Capital Ltd. | CSE 129 |
| 42 | Prime Financial Consultants & Equities Ltd. | CSE 055 | 99 | Green Delta Securities Ltd. | CSE 130 |
| 43 | Kabir Securities Limited | CSE 056 | 100 | Phoenix Securities Limited | CSE 131 |
| 44 | Eastern Shares & Securities Ltd. | CSE 058 | 101 | NCCB Securities and Financial Services Ltd. | CSE 132 |
| 45 | Reliance Securities Consultant Ltd. | CSE 059 | 102 | City Brokerage Ltd. | CSE 133 |
| 46 | Chittagong Shares and Securities Ltd. | CSE 060 | 103 | Shahjalal Islami Bank Securities Limited | CSE 134 |
| 47 | CMSL Securities Limited | CSE 061 | 104 | Popular Life Insurance Company Ltd. | CSE 135 |
| 48 | Prudential Capital Ltd | CSE 062 | 105 | Premier Leasing Securities Ltd. | CSE 136 |
| 49 | Associated Capital Securities Ltd. | CSE 063 | 106 | Fareast Stocks & Bonds Limited. | CSE 138 |
| 50 | Platinum Securities Limited | CSE 064 | 107 | AIBL Capital Market Services Ltd. | CSE 139 |
| 51 | Finvest Services Limited | CSE 066 | 108 | SIBL Securities Limited | CSE 142 |
| 52 | Super Shares & Securities Ltd. | CSE 067 | 109 | Prime Islami Securities Ltd | CSE 145 |
| 53 | T.K. Shares & Securities Ltd. | CSE 069 | 110 | Islami Bank Securities Ltd. | CSE 146 |
| 54 | Ahmed Securities Services Ltd. | CSE 070 | 111 | Jamuna Bank Securities Ltd | CSE 147 |
| 55 | Chowdhury Securities Ltd | CSE 073 | 112 | ONE Securities Limited | CSE 148 |
| 56 | Raja Securities Ltd. | CSE 074 | 113 | Secure Capital Limited | CSE 20 |
| 57 | Sohel Securities Ltd. | CSE 076 | 114 | JIC Securities Limited | CSE 30 |

LIST OF THE MERCHANT BANKS TO RECEIVE IPO APPLICATION

|  |  |
| --- | --- |
| Sl.No. | Name of the Merchant Bankers |
| 1 | AAA Finance & Investment Limited. |
| 2 | AB Investment Limited |
| 3 | AFC Capital Ltd. |
| 4 | AIBL Capital Management Ltd. |
| 5 | Alpha Capital Management Ltd. |
| 6 | BD Finance Capital Holdings Ltd. |
| 7 | BLI Capital Limited |
| 8 | BMSL Investment Ltd. |
| 9 | BRAC EPL Investments Limited |
| 10 | City Bank Capital Resources Ltd. |
| 11 | EBL Investments Ltd. |
| 12 | EC Securities Limited |
| 13 | EXIM Islami Investment Ltd. |
| 14 | FAS Capital Management Ltd. |
| 15 | First Securities Services Ltd. |
| 16 | First Security Islami Capital & Investment Ltd. |
| 17 | Grameen Capital Management Ltd. |
| 18 | Green Delta Capital Ltd. |
| 19 | ICB Capital Management Ltd. |
| 20 | IDLC Investments Ltd. |
| 21 | IIDFC Capital Ltd. |
| 22 | IL Capital Ltd. |
| 23 | Imperial Capital Limited |
| 24 | Jamuna Bank Capital Management Ltd. |
| 25 | Janata Capital and Investment Ltd. |
| 26 | LankaBangla Investments Ltd. |
| 27 | MTB Capital Ltd. |
| 28 | PLFS Investments Ltd. |
| 29 | Prime Bank Investment Ltd. |
| 30 | Prime Finance Capital Management Ltd. |
| 31 | Rupali Investment Ltd. |
| 32 | SBL Capital Management Ltd. |
| 33 | Sonali Investment Ltd. |
| 34 | Southeast Bank Capital Services Ltd. |
| 35 | Swadesh Investment Management Ltd. |
| 36 | Trust Bank Investment Limited |
| 37 | UniCap Investments Limited |
| 38 | Uttara Finance and Investment Ltd. |
| 39 | Agrani Equity & Investment Limited |
| 40 | Banco Finance and Investment Limited |
| 41 | BetaOne Investments Limited |
| 42 | CAPM Advisory Limited |
| 43 | GSP Investments Limited |
| 44 | RACE Portfolio & Issue Management Limited |
| 45 | Royal Green Capital Market Limited |

