



FINTECH





**Annual Report**  
of  
Information Technology Consultants Limited  
2019-2020





# Table of Contents

# In this Report

Particulars	Page
Letter of Transmittal	05
Notice for the 20 <sup>th</sup> Annual General Meeting	07
Vision, Mission, Strategic Objectives	09
Core Values, Strengths and Competencies & Company Profile	10
Board of Directors	12
Profile of Directors	14
Corporate Directory	18
Significant Milestones	20
Company at a Glance	22
Products and Services	24
Q- Cash Client List	26
Operational Results for the Five Years	29
Performance at a Glance	30
Message from the Chairman	34
Statement from the Managing Director & CEO	36
Directors' Responsibility Statement	38
Management Discussion & Analysis	40
Report on Human Resource (HR) Management	44
Redress of Investors & Clients	45
Report of the Audit Committee	47
NRC Policy & Report	49
Statement of Corporate Governance	52
Directors' Report to the Shareholders	59
Declaration by CEO and CFO	69
Certificate of Compliance on Corporate Governance	70
Status of Compliance with the CG Codes	71
Auditor's Report & Audited Financial Statements	83
Snapshots	138
Proxy Form	140



# Letter of Transmittal



# Letter of Transmittal

Date: November 25, 2020

The Shareholders  
Bangladesh Securities and Exchange Commission  
Registrar of Joint Stock Companies & Firms  
Dhaka Stock Exchange Limited  
Chittagong Stock Exchange Limited  
Other Stakeholders

**Subject: Annual Report for the year ended June 30, 2020**

Dear Sir(s),

Enclosed herewith, please find, a copy of the Annual Report 2019-2020 containing Directors' Report and Auditor's Report along with the Audited Financial Statements for the year ended June 30, 2020 with notes therein of **Information Technology Consultants Limited** for your kind information and record.

Thanking you,

Sincerely Yours,



Anindya Sarkar FCS  
Company Secretary



**Notice of the  
20<sup>th</sup> AGM**

# Notice of the 20<sup>th</sup> Annual General Meeting

(Virtual AGM through Digital Platform)  
(link: <http://itcl20thagm.digitalagmbd.net>)

Notice is hereby given to the shareholders of Information Technology Consultants Limited that the 20<sup>th</sup> Annual General Meeting (AGM) of the Company will be held virtually by using Digital Platform on Thursday, December 10, 2020, at 10:30 a.m. to transact the following businesses:

- Agenda-1: To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2020 together with the Report of Directors' and Auditor's thereon.
- Agenda-2: To declare dividend for the year ending June 30, 2020.
- Agenda-3: To elect Directors in terms of relevant provision of the Articles of Association.
- Agenda-4: To appoint Statutory Auditors for the year 2020-2021 and fix their remuneration.
- Agenda-5: To appoint Compliance Auditor as per Corporate Governance Code-2018 for the year 2020-2021 and fix their remuneration.

By order of the Board



Anindya Sarkar FCS  
Company Secretary

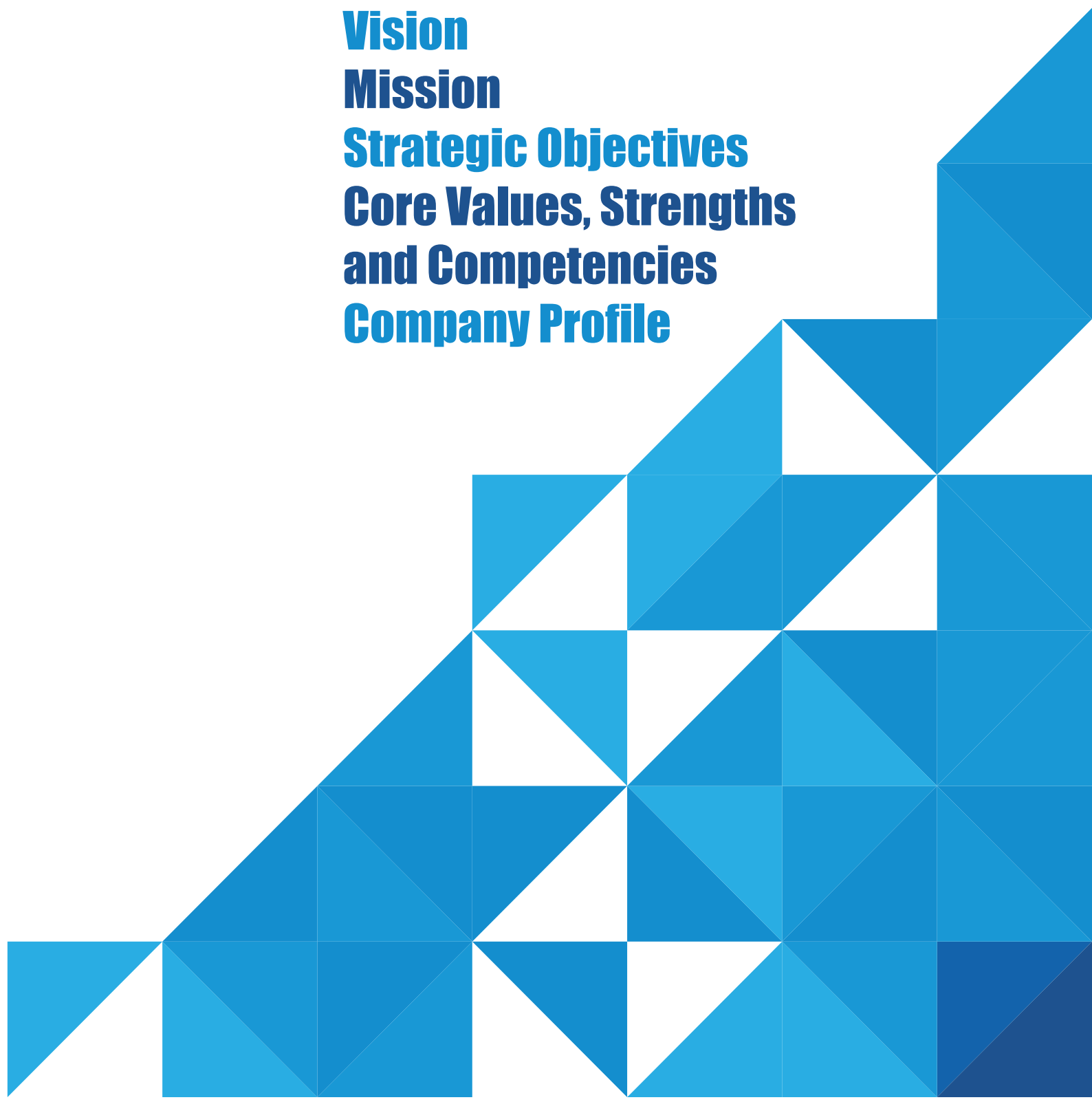
Dated: Dhaka  
November 18, 2020

## Notes:

1. The Record Date of the Company is November 19, 2020 and the Shareholders with names in the Register of Members or in the Depository Register on the Record Date will be eligible to attend the virtual meeting and qualify for dividend.
2. A member entitled to attend and vote in the general meeting is also entitled to appoint a proxy to attend the meeting and vote on his/her behalf. The proxy form duly completed, must be affixed with a revenue stamp of TK. 20/- and to be deposited at the Registered Office of the Company not later than 48 hours before the meeting.
3. Pursuant to the BSEC notification, the soft copy of the Annual Report 2019-20 is being sent to the e-mail addresses of the shareholders available in the BO account maintained with the Depository. The Annual Report 2019-20 is also available in the Website of the Company [www.itcbd.com](http://www.itcbd.com)



**Vision**  
**Mission**  
**Strategic Objectives**  
**Core Values, Strengths**  
**and Competencies**  
**Company Profile**



## Vision

Establishing Digital Infrastructure and Capabilities for Financial Transactions and Payment Frameworks.

## Mission

Information Technology Consultants Limited (ITC) aspires to lead the IT Horizons in Bangladesh by providing technological infrastructures, electronic payment solutions and real time processing services in the banking sector of the country. Fostering strong community partnerships with our clients, stakeholders and employees is an integral part of our mission.

## Strategic Objectives:

Information Technology Consultants Limited (ITC) concentrates in integrating electronic payment solution & banking automation with the ongoing socio-economic development of Bangladesh in its thrust for rapid digitalization. ITC has been instrumental in generating mass digital awareness through banking sector creating financial inclusions for unbanked population. ITC has also contributed greatly in assisting Government organizations in implementing their automation strategies.

## Process Focus

- To continuously improve internal processes for realizing efficiencies
- Improve system accuracy and responsiveness
- Ensure improvement of organizational structure
- Ensure Improving performance measurement and reporting capabilities
- Reduce administrative overheads
- Improve financial analysis, controls, and audit capability

## Business Focus

- Increase quality of service
- Implement innovative changes faster
- Increase and attain client loyalty
- Improve overall service and maximize market share
- Improve marketing, advertising and public relations
- Achieve and maintain excellent client service
- Increase regulatory compliances

## People Focus

- To engage, develop and maintain the right people at right places
- Employ professionals who bring success for clients
- Develop broad set of skills useful for client support
- To continuously learn and adopt applicable best practices
- To conduct training for employees and clients towards knowledge development both ways

Our Core Values	Our Core Strengths	Our Core Competencies
• Integrity	• Professionally Sound and competent Board of Directors	• Knowledge
• Transparency	• Strong Capital Base	• Experience and Expertise
• Professionalism & Excellence	• Transparent and Quick Decision Making	• Transparency
• Constant Client Focus	• Efficient Team of Performers	• Pursuit of Disciplined Growth Strategies
• Respect	• Optimizing Clients Satisfaction	• Reliability
• Fairness	• Strong Internal Control	• Adaptability
• Harmony	• Professionally capable & highly experienced Management	• Knowing in advance before competitors
• Team Spirit	• Unique Corporate Culture	
• Courtesy	• Sound Policy	
• Commitment		
• Compliance with laws		
• Business Ethics		
• Open Communication		

## Company Profile

Established in 2000, Information Technology Consultants Limited has since transformed to become a local leader of IT Technology in the rapidly changing arena of Electronic Payment Transaction Processing Systems. ITC is the only PSO (Payment System Operator) licensed by Bangladesh Bank to provide the end-to-end electronic payment services for banks, government organizations, retailers, billers and financial institutions. ITC currently serves 33 banks, with its network named 'Q-Cash' which is a popular brand-name in Banking and Financial sector.

Moreover, ITC is also the technology Integration and Automation partner of Bangladesh Post Office, provides Online Tax Payment platform to NBR (National Board of Revenue) and Sonali Bank Limited, technology provider for DMP (Dhaka Metropolitan Police) and Chattogram Metropolitan Police(CMP) for its E-Prosecution system.

ITC's payment system solutions are accredited, certified & recognized by Multinational Payment brands such as Visa, MasterCard, UnionPay International and AMEX. We continue to develop partnerships with clients and associates- so that we remain dynamic and relevant- and maintain our cutting-edge advantage, even if market needs to become more sophisticated and diverse.

By providing a broad range of payment solutions, ITC today deploys its products and services to multiple clients across various segments, including Governmental institutions, telecommunications, transportation and retail, not just limited to only banking and financial services.

# Leadership Board of Directors



## **Leadership at ITC**

### **Board of Directors**

1	Mr. Lim Kiah Meng	Chairman (Nominated Director of SiS Capital (Bangladesh) Pte Limited)
2	Mr. Salahuddin Alamgir	Vice Chairman
3	Mr. Kazi Saifuddin Munir, Ph.D	Managing Director & CEO
4	Mr. Lim Kia Hong	Nominated Director of SiS Capital (Bangladesh) Pte Limited
5	Mr. Lim Hwee Hai	Nominated Director of SiS Capital (Bangladesh) Pte Limited
6	Madam Lim Hwee Noi	Nominated Director of SiS Capital (Bangladesh) Pte Limited
7	Madam Fauzijos Tjandra	Nominated Director of Regent Pacific Limited
8	Mr. Md. Waliuzzaman FCA	Independent Director
9	Mr. Md. Haqueful Shaikh	Independent Director

### **Board Committees:**

#### **Audit Committee**

Mr. Md. Waliuzzaman FCA, Independent Director	- Chairman
Mr. Salahuddin Alamgir, Vice Chairman	- Member
Mr. Md. Haqueful Shaikh, Independent Director	- Member
Mr. Anindya Sarkar FCS, Company Secretary	- Secretary

#### **Nomination and Remuneration Committee (NRC)**

Mr. Md. Haqueful Shaikh, Independent Director	- Chairman
Mr. Lim Kiah Meng, Chairman	- Member
Mr. Md. Waliuzzaman FCA, Independent Director	- Member
Mr. Anindya Sarkar FCS, Company Secretary	- Secretary



# **Profile of Directors**



**Mr. Lim Kiah Meng**  
**Chairman (Nominated Director of SiS Capital (Bangladesh) Pte Limited)**

Mr.Lim Kiah Meng is a Singapore national and holds a Bachelor Degree in Commerce from Nanyang University, Singapore and Masters in International Management from the American Graduate School of International Management, USA. He has over twenty one years of experience in the information technology industry and he is an Executive Director of SiS Group, which is listed on the Hong Kong Stock Exchange.



**Mr. Salahuddin Alamgir**  
**Vice Chairman**

Mr. Salahuddin Alamgir, CIP has been running all his Business Organizations with good reputation, honest credibility and satisfactory turnover for last 21 years. He is the President of BDYEA, Director of FBCCI, Executive Committee Member of BCI and Member of BGMEA, BTMA, BMPIA, BCCAMEA, GCCI. He is also an Executive Committee Member of Modhumoti Bank Ltd. and Life Member of Kurmitola Golf Club, Army Golf Club, Gulshan Club, Dhaka. Besides those, he is involved in various social and humanitarian activities like financial help to distressed humanities, educational institutions, religious institutions and social institutions.

Based on his excellent Business Records and significant Contribution to the Commerce, Industry & Economy of Bangladesh, Mr. Salahuddin Alamgir, CIP has been awarded with National & International Recognitions like '20th BATEXPO AWARD-2009', 'NOKIA BEST DISTRIBUTION AWARD-2009', '21st BATEXPO AWARD-2010', 'NATIONAL EXPORT TROPHY 2010-2011', 'MERCANTILE BANK HONOUR-2017 AS INDUSTRIALIST', APPRECIATION TROPHY FOR EXCELENT PERFORMANCE AS A NATIONAL DISTRIBUTOR OF SAMSUNG IN BANGLADESH IN 2019, RECEIVED BEST EMPLOYER BRAND AWARD 2019 AND CSR LEADERSHIP AWARD 2019 FROM EMPLOYER BRANDING INSTITUTE , INDIA.



**Mr. Kazi Saifuddin Munir, Ph.D**  
**Managing Director & CEO**

Dr. Kazi Saifuddin Munir has over 29 year's professional experience in research, project development and implementation. He obtained his Master's degree in Mechanical Engineering from Chalmers University of Technology in Sweden. He was a research fellow under Japan/ Sweden Research and Technology Exchange Program and obtained his Ph.D 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 World Bank & UNDP.

As for ITC, he is not just the founder of ITC, but the main architect of this Company. Since inception of the organization he has been the main architect in the helms of affairs as its Managing Director & CEO and also holds a sizeable equity stakes in the Company.



**Mr. Lim Kia Hong**  
**Nominated Director of SiS Capital (Bangladesh) Pte Limited.**

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



**Mr. Lim Hwee Hai**  
**Nominated Director of SiS Capital (Bangladesh) Pte Limited**

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



**Madam Lim Hwee Noi**  
**Nominated Director of SiS Capital (Bangladesh) Pte Limited**

Ms. Lim is a Chartered Accountant for more than thirty years in Singapore and holds a Bachelors Degree in Commerce from the Nanyang University, Singapore. She is also the Finance Director of SiS Group which is listed on the Hong Kong Stock Exchange.





**Madam Fauzjus Tjandra**  
**Nominated Director of Regent Pacific Limited**

Ms.Tjandra is a national of Indonesia. She holds a Bachelors Degree in Offices and Administration from the University of Western Ontario, Canada. She has over twenty one years experience in IT distribution business.



**Mr. Md. Waliuzzaman FCA**  
**Independent Director**

Mr. Md. Waliuzzaman FCA after qualifying as Chartered Accountant worked with M/s. A. Qasem & Co., as a Chartered Accountant till February 1981. He then served as Deputy Chief Accountant (Head of Accounts and Finance Department) of TSP Complex Limited an enterprise of Bangladesh Chemical Industries Corporation for a very short period till August 1981. In August 1981 he joined Bangladesh Jute Mills Corporation (BJMC) in the position of Deputy General Manager and served with The Crescent Jute Mills Limited, BJMC Head Office, Peoples Jute Mills Limited and Hafiz Jute Mills Limited for long ten years till December 1990. Since January 1991 he started public practice and continued as Managing Partner of M/s. Toha Khan Zaman & Co., Chartered Accountants.



**Mr. Md. Haqueful Shaikh**  
**Independent Director**

Mr. Md. Haqueful Shaikh obtained his Master's Degree from the University of Dhaka in the year 1966. After academics, he took up banking as career in the year 1967 with the erstwhile Commerce Bank Ltd., that subsequently merged with Agrani Bank in 1972. During his service with Agrani Bank he was posted as CEO of Zenj Exchange Company, an affiliated Exchange House of the bank, in Bahrain in the year 1993. Later, he also worked with Bahrain Exchange Company, a sister concern of Bahrain Financing Company in Kuwait.

During his long 45 years of banking career, he was elevated to various important senior positions in different private banks- like Prime Bank, Social Islami Bank and Jamuna Bank. In course of his exposure with the govt. and private banks he had the privilege to obtain several banking trainings especially in Foreign exchange related matters as well as International Banking both at home and abroad.

Lastly, he was elevated to the position of Managing Director and CEO of Fast Remit, a reputed Remittance House in Malaysia from mid2009 to 2011 with great success wherefrom he retired from the banking service.

The image features a central blue rounded rectangle tilted at an angle. It contains the text 'Corporate Directory' in white. The rectangle is surrounded by several overlapping, semi-transparent squares in various shades of blue, creating a layered, abstract effect. The background is white with additional blue shapes on the left and right sides.

# Corporate Directory

# Corporate Directory

☐ Company Name	: <b>Information Technology Consultants Limited</b>
☐ Registered Office	: Evergreen Plaza, 260/B, Tejgaon I/A (3rd Floor), Dhaka –1208 Tel: +88 02 9830310-13, Fax: +88 02 9830309
☐ Date of Incorporation	: 23-08-2000
☐ Date of Commercial Operation	: 23-08-2000
☐ Legal Status	: Public Limited Company listed with DSE & CSE
☐ Authorized Share Capital	: Tk. 2,000,000,000
☐ Paid-up Share Capital	: Tk. 1,224,692,040
☐ Number of Shareholders	: 2,749
☐ Line of Business	: The business of the company includes online Switching Solution, Software Development and Service Provider of Q-Cash member banks shared ATM network, POS and Q-Cash transactions processing. Information Technology Consultants Ltd. is committed to be the leader as Electronic Payment Solutions Provider in the Banking sector as well as the Automated Transaction processing Industry in Bangladesh.
☐ Statutory Auditors	: M/s. ACNABIN, Chartered Accountants
☐ Compliance Auditor	: M/s. Al-Muqtadir Associates, Chartered Secretaries
☐ Legal Adviser	: Tanjib Alam & Associates
☐ Company Secretary	: Mr. Anindya Sarkar FCS
☐ Number of Employees	: 369



# Key Milestones

## Significant Milestones

❖ Incorporation of the Company	: August 23, 2000
❖ Date of Commercial Operation	: August 23, 2000
❖ Converted to Public Limited Company	: March 16, 2008
❖ Awarded Bangladesh Post Office (BPO) Electronic Fund Transfer (EFT)	: 2009
❖ Appreciation from WINCOR-NIXDORF1000 ATM installed in Bangladesh	: November, 2011
❖ NBR- Sonali Bank e Tax payment launched	: March 26, 2012
❖ Registered Trade Mark of Q-Cash	: August 31, 2013
❖ DMP (Dhaka Metropolitan Police) E-Traffic Prosecution system	: June, 2014
❖ PCI DSS Certificate of Compliance issued by Trust Wave	: August 14, 2014
❖ License from Bangladesh Bank as Payment System Operator (PSO)	: September 09, 2014
❖ Connected to National Payments Switch Bangladesh (NPSB) with Bangladesh Bank:	2014
❖ Awarded ISO-9001:2008 Certificate	: June 12, 2015
❖ Consent of Initial Public Offering (IPO)	: October 04, 2015
❖ Listing on Dhaka Stock Exchange	: December 24, 2015
❖ Listing on Chittagong Stock Exchange	: December 23, 2015
❖ Debut Trading on DSE & CSE	: January 10, 2016
❖ Trading Code	: ITC
❖ Membership from BAPLC	: January 17, 2016
❖ Best ICT Solution Provider-2015 (local market focus) Award by The Daily Star	: October 28, 2016
❖ CMP (Chattogram Metropolitan Police) E-Traffic Prosecution system	: December, 2017
❖ Comilla District Police E-Traffic Prosecution system	: December, 2017
❖ Apicta Awards (Global ICT Award) Runner up	: December, 2017
❖ Awarded "A2" rating by CRAB	: January 07, 2020



# Company at a Glance

## Company at a Glance

- Established in the year 2000, the first private third-party payment processing company in Bangladesh.
- Licensed Payment System Operator (PSO) in Bangladesh awarded by Bangladesh Bank.
- ITC is the owner of the largest payment platform in Bangladesh, known as 'Q-Cash'.
- 33 member banks are using different electronic payment services of Q-Cash Network.
- Being a certified service provider, ITC Host is connected with National Payment Switch Bangladesh (NPSB), VISA, MasterCard and UnionPay International Network.
- Provides more than 12,700 ATMs access for Q-Cash member banks.
- Provides the access for more than 50,000 POS all over Bangladesh.
- The total paid up capital is BDT 1,224,692,040.
- ITC has been awarded Payment Card Industry Data Security Standards (PCIDSS) certification; the first organization in Bangladesh to receive this highest standard data security certification which is mandatory for Card and Electronic Payment industry business.
- 369 employees are currently working at ITC of which 80% are IT engineers and technicians.
- ITC is also the technical partner of National Payments Switch Bangladesh (NPSB) as established and operated by Bangladesh Bank.
- Some of unique and first of its kind projects in Bangladesh like Bangladesh Post Office (BPO) automation, Online Tax Payment with NBR & Sonali Bank etc. have been handled as individual project and now been run by ITC.
- Providing services to major Government Banks for Electronic Payment Processing.
- ITC has implemented and running EGPP (Employment Generation Project for the Poorest) and CCD (Conditional Cash Transfer) project under Bangladesh Post Office (BPO) and World Banks joint initiative.
- ITC has also provided consultancy, development, deployment and maintenance of E-Traffic Prosecution system for Dhaka Metropolitan Police (DMP), Chattogram Metropolitan Police (CMP), Rajshahi Metropolitan Police (RMP), Comilla District Police and few other major areas.
- Converted as public limited company in 2008.
- IPO & Listed with Dhaka and Chittagong Stock Exchange in 2015.
- Debut Trading of shares with Dhaka and Chittagong Stock Exchange in 2016.
- Best ICT Solution Provider-2015 (local market focus) Award by The Daily Star in 2016.
- Apicta Awards (Global ICT Award) Runner up in 2017.



# Products and Services



## Products and Services

Transaction Processing and Maintenance Services	Sales and Support Services
▪ Transaction Switching with automated settlement and reconciliation (Real time)	▪ ATM and Recycling ATM
▪ ATM & POS Transaction Processing	▪ POS
▪ Online Payment Gateway	▪ Kiosk
▪ Remittance Transaction Processing	▪ Core Banking Solution
▪ Debit & Credit Card Personalization and Management	▪ Switching & CMS Solution
▪ VISA, MasterCard, UnionPay Certification support	▪ Tailor-made Software
▪ SMS Solution	▪ IT Infrastructure - Security Solution
▪ Interfacing/Integration and development of switching solutions/ middleware	
▪ E-Commerce Solution	▪ Biometric Reader
▪ Mobile Financial Services Solution	▪ Biometric ATM Solution
▪ Agent Banking solution	
▪ Online Tax Payment solution with development	
▪ Online Passport fees collection through Q-Cash PG	
▪ New service incorporation for ATM, POS, Internet Banking, Wallet, KIOSK and others	
▪ Payment Card Industry Data Security System (PCIDSS) certification	
▪ Electronic Case Management Solution for Traffic Police	



**Q-Cash  
Member Banks  
(Client List)**

## Q-Cash Client List

Name of the Members Banks			
01	Agrani Bank Limited	18	National Bank Limited
02	Bank Alfalah Bangladesh Limited	19	NCC Bank Limited
03	Bangladesh Commerce Bank Limited	20	NRB Commercial Bank Limited
04	Bangladesh Krishi Bank Limited	21	NRB Global Bank Limited
05	Bank Asia Limited	22	Rupali Bank Limited
06	BASIC Bank Limited	23	Shahjalal Islami Bank Limited
07	Community Bank Bangladesh Limited	24	Shimanto Bank Limited
08	EXIM Bank Limited	25	Social Islami Bank Limited
09	First Security Islami Bank Limited	26	Sonali Bank Limited
10	ICB Islamic Bank Limited	27	South Bangla Agriculture and Commerce Bank Ltd.
11	IFIC Bank Limited	28	Standard Bank Limited
12	Jamuna Bank Limited	29	Trust Bank Limited
13	Janata Bank Limited	30	Union Bank Limited
14	Meghna Bank Limited	31	Uttara Bank Limited
15	Mercantile Bank Limited	32	One Bank Limited
16	Midland Bank Limited	33	Woori Bank Bangladesh Limited
17	Modhumati Bank Limited		

Other Financial Institution			
01	Lanka Bangla Finance Limited		
Other Client Banks			
01	Standard Chartered Bank	09	Prime Bank Limited
02	Dutch Bangla Bank Limited	10	Mutual Trust Bank Limited
03	The City Bank Limited	11	Dhaka Bank Limited
04	BRAC Bank Limited	12	Premier Bank Limited
05	Islami Bank Bangladesh Limited	13	Padma Bank Limited
06	Eastern Bank Limited	14	Southeast Bank Limited
07	United Commercial Bank Limited	15	NRB Bank Limited
08	Commercial Bank of Ceylon		

Government Entities			
01.	Bangladesh Bank	16.	Mymensingh District Police
02.	Bangladesh Post Office	17.	Narsingdi District Police
03.	Bangladesh National Board of Revenue	18.	Kishoreganj District Police
04.	Telephone Shilpa Sangstha Limited	19.	Manikganj District Police
05.	Road Transport and Highways Division	20.	Gazipur Metropolitan Police
06.	United Nations Development Program (UNDP)	21.	Sherpur District Police
07.	Barisal Metropolitan Police	22.	Rangpur Metropolitan Police
08.	Sylhet Metropolitan Police	23.	Gopalganj District Police
09.	Dhaka Metropolitan Police	24.	Barisal District Police
10.	Chattogram Metropolitan Police	25.	Munshiganj District Police
11.	Khulna Metropolitan Police	26.	Shariatpur District Police
12.	Rajshahi Metropolitan Police	27.	Gazipur District Police
13.	Dhaka District Police	28.	Rajbari District Police
14.	Comilla District Police	29.	Tangail District Police
15.	Faridpur District Police		

# Corporate Operational Results



# Corporate Operational Results

## For the Last Five Years

### KEY OPERATING AND FINANCIAL INFORMATION

The key operating and financial information for the year- 2019-2020 along with the preceding four years are presented below:

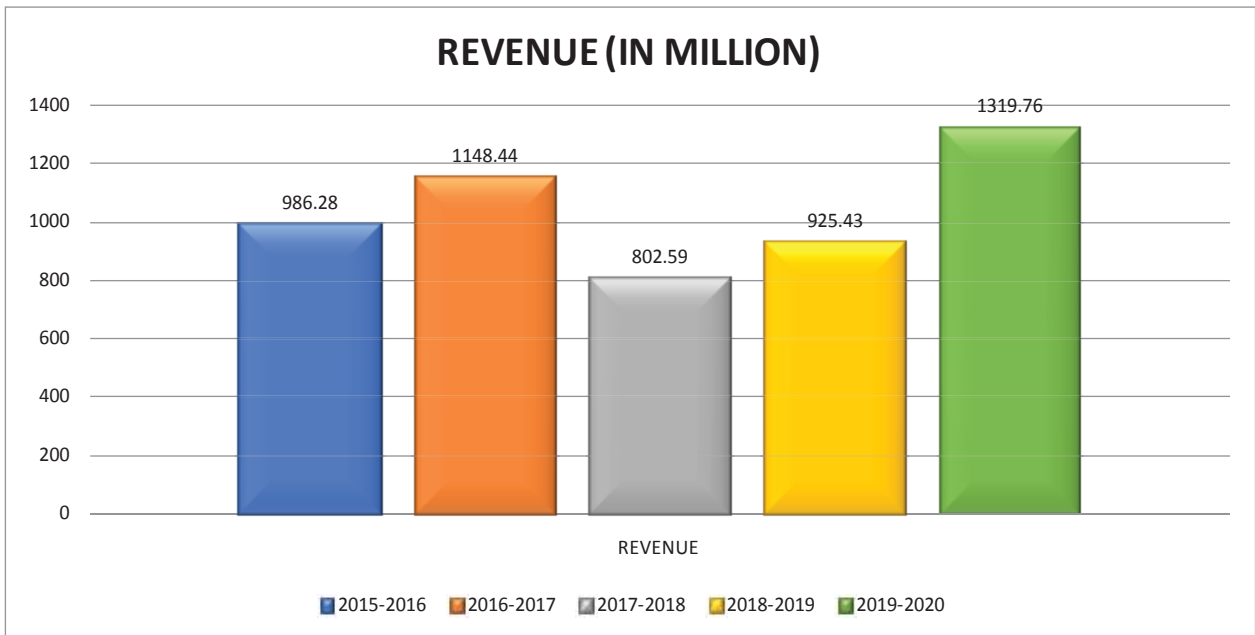
	Y-2019- 2020	Y-2018- 2019	Y-2017- 2018	Y-2016- 2017	Y-2015- 2016
<b>Assets Employed</b>					
Total Assets	2,742,242,279	2,537,413,600	2,463,191,060	2,501,345,652	2,346,310,224
Total Current Assets	1,562,959,672	1,459,759,620	1,374,410,026	1,435,800,878	1,375,037,622
Property, Plant & Equipment	241,045,075	244,933,913	256,141,723	248,841,236	250,077,835
Intangible Assets	855,633,082	802,451,877	797,227,643	717,522,610	649,214,807
Inventories	407,095,280	369,900,214	361,679,138	328,739,218	438,429,924
Accounts Receivables	476,642,028	452,110,539	411,061,604	404,388,824	436,391,323
<b>Financed By</b>					
Share Capital	1,224,692,040	1,144,572,000	1,040,520,000	1,000,500,000	870,000,000
Revaluation Reserve	196,969,201	206,061,581	215,765,163	226,187,806	237,456,401
Retained Earnings	234,209,557	217,065,593	130,662,677	81,573,772	118,044,308
<b>Revenue and Profit</b>					
Revenue	1,319,766,723	925,430,760	802,592,068	1,148,441,568	986,281,850
Gross Profit	412,613,278	418,274,486	359,812,401	353,993,429	299,824,882
Net Profit Before Tax	185,164,032	190,323,906	141,214,820	124,744,395	85,659,348
Net Profit After Tax	148,764,850	179,944,694	136,616,573	103,746,325	83,178,420
EPS	1.21	1.47*	1.19*	1.04	0.88*
Net Asset Value Per Share	15.93	15.21*	14.69*	14.00*	16.01*
Note: * Re-stated					

### DIVIDEND:

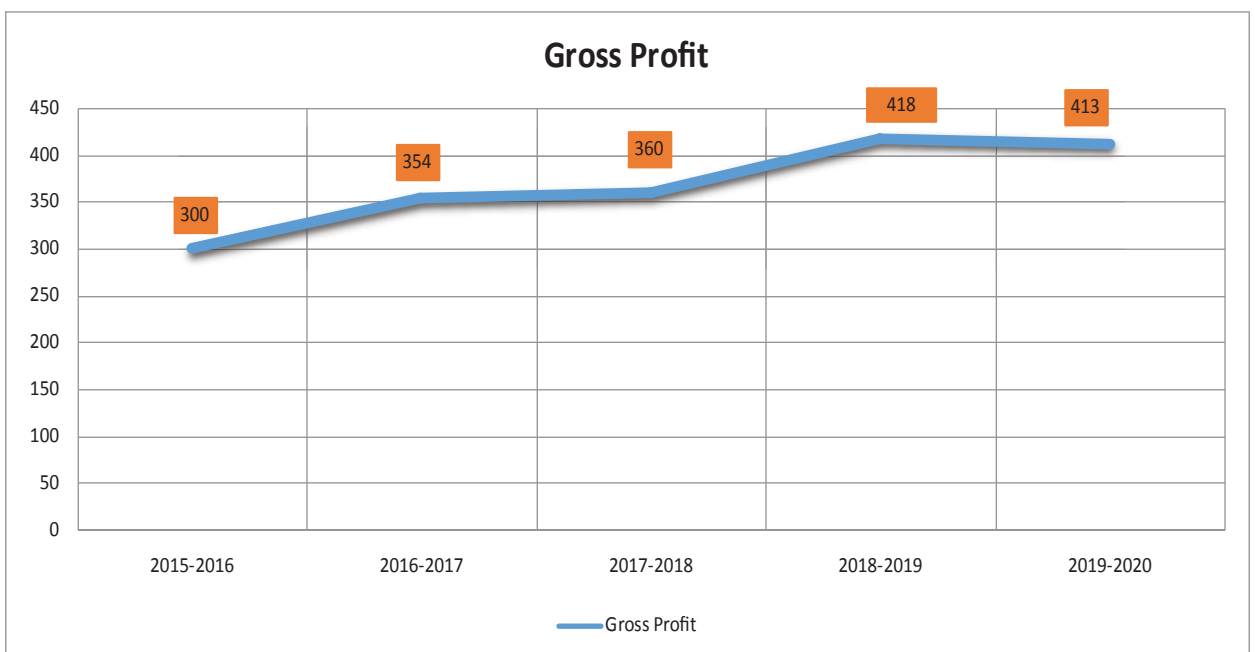
Cash	5% for General Shareholders	5%		6%	-
Stock	5% for all Shareholders	7%	10%	4%	15%
Number of Shareholders	2749	2816	4363	5581	6,533
Market Price (TK)	29.40(DSE) & 29.40 (CSE)	44.00(DSE) & 40.00(CSE)	42.40(DSE) & 42.10(CSE)	48.70(DSE) & 48.40(CSE)	52.10 (DSE) & 52.10 (CSE)

## Performance at a glance

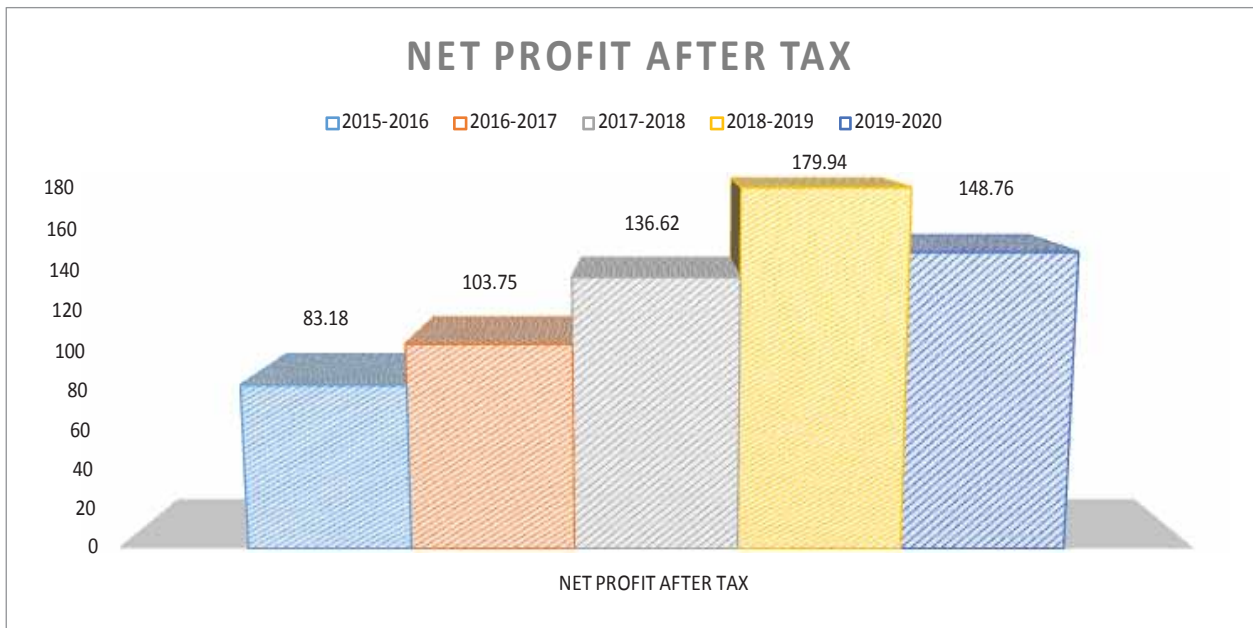
YEAR	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
REVENUE	986.28	1,148.44	802.59	925.43	1,319.76



YEAR	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Gross Profit	300	354	360	418	413.00

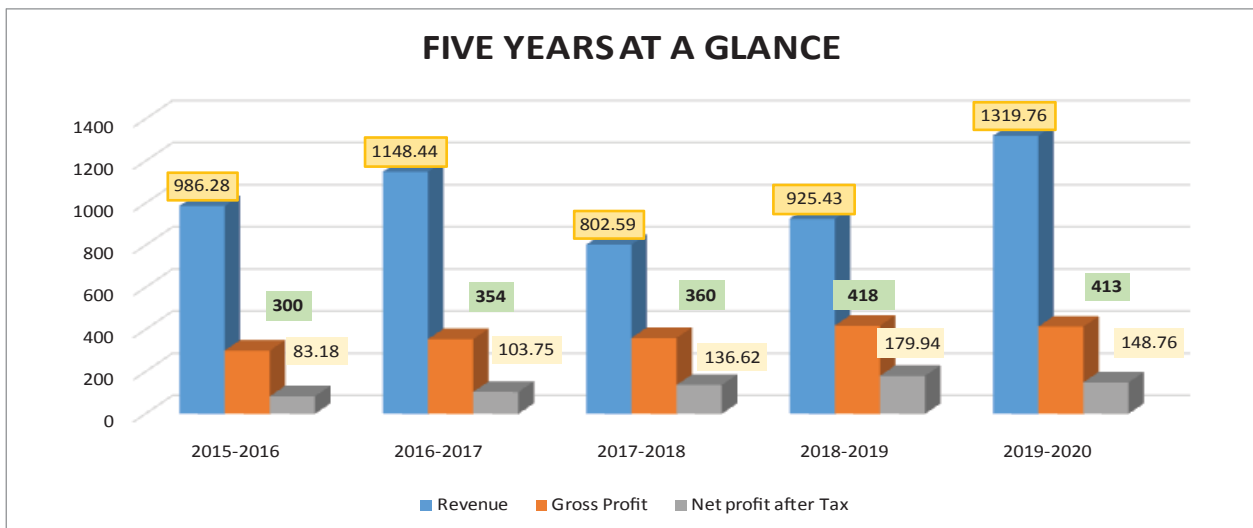


YEAR	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
NET PROFIT AFTER TAX	83.18	103.75	136.62	179.94	148.76



FIVE YEARS AT A GLANCE

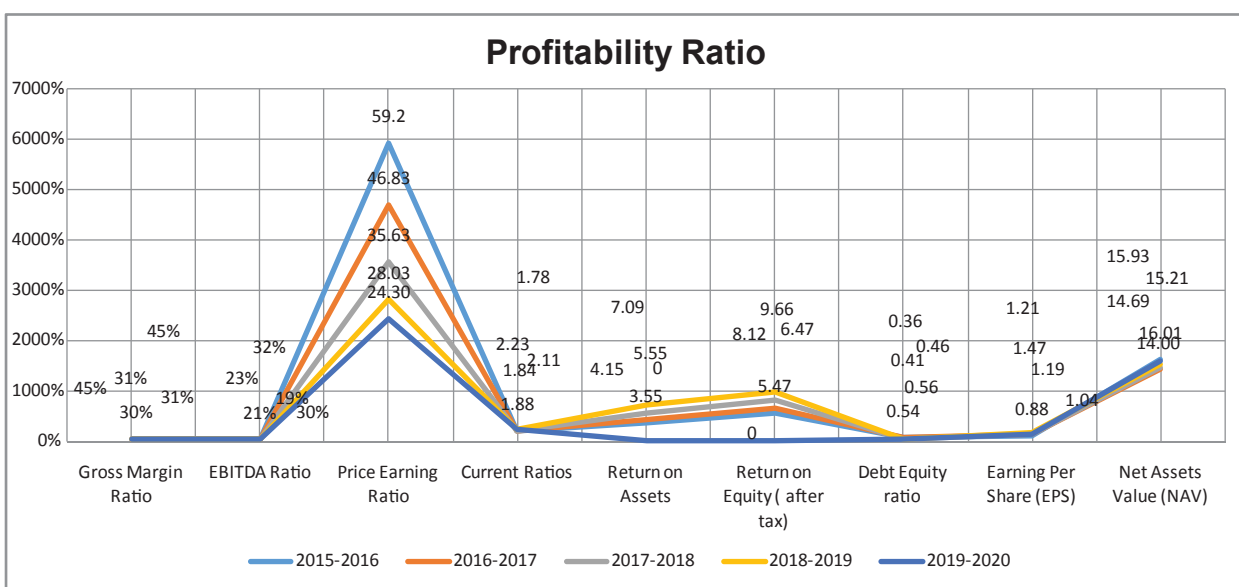
YEAR	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Revenue	986.28	1,148.44	802.59	925.43	1,319.76
Gross Profit	300	354	360	418	413.00
Net profit after Tax	83.18	103.75	136.62	179.94	148.76





**Profitability Ratio**

YEAR	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Gross Margin Ratio	30%	31%	45%	45%	31%
EBITDA Ratio	21%	19%	30%	32%	23%
Price Earning Ratio	59.20	46.83	35.63	28.03	24.30
Current Ratios	1.88	1.78	1.84	2.23	2.11
Return on Assets	3.55	4.15	5.55	7.09	5.00
Return on Equity ( after tax)	5.47	6.47	8.12	9.66	7.63
Debt Equity ratio	0.54	0.56	0.46	0.36	0.41
Earning Per Share (EPS)	0.88	1.04	1.19	1.47	1.21
Net Assets Value (NAV)	16.01	14.00	14.69	15.21	15.93





## Message from the Chairman



## MESSAGE FROM THE CHAIRMAN

Respected Guests, Shareholders, Colleagues,  
Ladies and Gentlemen,

Please accept our heartfelt gratitude for joining us in this joyous occasion, despite the worldwide health crisis, that has devastated economies of many countries, big or small.

I express my profound thanks and gratitude to you for the continued trust and confidence bestowed in our beloved Company, on my behalf and on behalf of my Board of Directors.

Covid-19 has created havoc in the traditional economic activities- but has also speeded up the “online business platform” extensively. This expansion of digital transactions in the consumer communities in the country- has also emerged with its own unique challenges and opportunities. Fortunately, ITC has been in the forefront- both legs of these transactions (hardware accusation and better processing capacity) and implementations of the same in the marketplace overall.

You are aware that, ITC – being traditionally focused in Banking, Finance and related transactions, has also been successful in expanding our footprint on more and more Government Institutions in implementing their automation and digital transformation. ITC has been successful in taking up challenges of sudden surge in volume, technology-security, gap-management, acquisition needs and has been generally successful in withstanding most of these challenges.

ITC has implemented sustainable dynamic growth strategy in expanding shareholder value, profitability, & reputational value during the year of report, which is reflected in the Annual Report which has been made available to you.

We thank our shareholders and patrons for their continued support & goodwill and solicit your uninterrupted patronization in all our endeavors.

We celebrate the hard work, dedication and commitment from our Executives and Employees, who are the pillars of our success, and thank them for their continuous discharge of duties despite all odds and dangers posed in their working environment.

On Behalf of the Board

A handwritten signature in black ink, appearing to read 'Lim Kiah Meng'.

Lim Kiah Meng  
Chairman

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**STATEMENT FROM THE  
MANAGING DIRECTOR & CEO**



## STATEMENT FROM THE MANAGING DIRECTOR & CEO

Assalamu-alaikum.

Respected Shareholders, Colleagues, Ladies and Gentlemen, On behalf of myself and the Board of Directors, I express my most sincere gratitude to you all for joining me and my colleagues, on this august gathering of the 20<sup>th</sup> Annual General Meeting of ITC, despite the health scare existing the our midst. The Annual Report and Financial Statements, of ITC for the year 2019-2020, will probably please you to note, that ITC has, as always- been able to withstand the devastation brought forward by COVID 19 in our Country-and the world beyond.

Dear Shareholders, COVID 19 has interrupted- the natural business cycle throughout the world, and expected to take a long time heal the wound it has created. ITC had to incorporate a lot of changes quickly, to cope with sudden surge of online transactions, caused due to General Insecurity, Social Distancing, long term leave and other disruptions that has happened during the time of this report.

We therefore, had to cope with the fast-changing business environment. ITC has been successful to meet these challenges quickly and creating opportunities to capture the sudden surge in the market and implement some new and add-value services, which has been welcome by our clients and patrons. ITC has sustained the challenges and also implemented its planned business growth pattern- and in some areas -also surpassed its set targets.

Honorable Members of the Board, Shareholders will please note that, in the fast-changing world of technology, challenges will be continuous, resources will be limited, our plans and strategies will be obstructed by change-technology, new products & process. But ITC, with your continued support will always be ready to take-on those challenges with our dynamic, flexible working ethics.

I am grateful to you for spending your valuable time at this august gathering, giving us the courage and adding value to our humble efforts, despite the health scare existing in our environment.

We will fervently appeal to your kindness to forgive us for any unwanted mistakes that you may experience in our humble arrangements.

Thanking you once again,

A handwritten signature in black ink, appearing to read 'Munir S. D.' with a stylized flourish at the end.

Kazi Saifuddin Munir, Ph.D  
Managing Director & CEO



# **Directors' Responsibility Statement**

# Directors' Responsibility Statement

## **Responsibility to Financial Statements;**

The Board of Directors of Information Technology Consultants Limited would like to inform that the financial statements containing the audited accounts for the year ended June 30, 2020 are in conformity with the requirements of the Companies Act, 1994, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by ICAB, Securities & Exchange Rules -1987 and the listing Regulations of the Dhaka and Chittagong Stock Exchanges and they believe that the financial statements reflect fairly the form and substance of transactions carried out during the year under review and reasonably present the Company's financial condition and results of operations. These Financial Statements are audited by the Statutory Auditors, M/s. ACNABIN, Chartered Accountants, Dhaka.

## **In preparation of accounts, the applicable accounting standards have been followed;**

The company has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and correct view of the state of affairs of the Company as at June 30, 2020 and of the profit of the Company for the year ended on that date;

The company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1994 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

The company has prepared the annual accounts on going concern basis. There was no extraordinary gain or loss during the year and there was no significant deviation from previous year in operating results of the Company.

## **Responsibility to Internal Control System;**

The Company has taken proper steps and sufficient care in building a system of internal control, which is reviewed, evaluated and updated regularly. The internal audit department of the Company, conducts periodic audit of provides reasonable assurance that the established policies and procedures of the Company were consistently followed.

## **Opinion of the Statutory Auditors;**

M/s. ACNABIN, Chartered Accountants, the external auditor of the Company has carried our annual audit to review the system of internal controls, as they consider appropriate and necessary, for expressing their opinion on the financial statements. They have also examined the financial statements made available by the Management together with all the financial records, related data, and minutes of shareholders meeting and Board meetings, relevant policies and expressed their opinion as such.

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# **Management Discussion & Analysis**



## Management Discussion & Analysis

### Company Outlook:

Established in 2000, Information Technology Consultants Limited has evolved to become a local leader in IT Technology in the rapidly changing arena of Electronic Payment Transaction Processing Systems. So far, ITC is the only PSO (Payment System Operator) licensed by Bangladesh Bank to provide the end-to-end electronic payment services for banks, government organizations, retailers, billers and financial institutions. ITC currently serves 33 member banks, with its network named 'Q-Cash' which is a popular brand-name in the Banking and Financial sectors of Bangladesh.

### Financial Highlights & Analysis:

We have the pleasure to report that during the year under review, ITC's gross revenue was BDT 1,319.76 million (BDT 131.76 crore) which records an increase of 43% compared to the previous year. The growth in revenue was mainly due to revenue increase in Service & Maintenance Charges (Software & Hardware), i.e. software services provided for up-gradation of the clientele bank and an impressive growth from sale of POS Terminals, which greatly contributed to the Sales ratio increase of 240% over the preceding year.

Particulars	Year-2019-2020 (Tk.)	Year-2018-2019 (Tk.)	Increased/(decreased)	Growth %
REVENUE:				
Q-Cash transaction Processing charge	448,263,430	463,867,820	(15,604,390)	-3%
Service & Maintenance charges	373,722,821	315,209,103	58,513,718	19%
Sales	497,780,472	146,353,837	351,426,635	240%

Comparatives on the financial performance of the Company for the year ended June 30, 2020 are summarized hereunder:

Particulars	2019-2020 (Tk.)	2018-19 (Tk.)	Increased/ (decreased)	Growth %
Revenue	1,319,766,723	925,430,760	394,335,963	43%
Cost of Service	536,986,826	376,267,427	160,719,399	43%
Cost of sales	370,166,619	130,888,847	239,277,772	183%
Gross Profit	412,613,278	418,274,486	(5,661,208)	-1%
Operating Expenses	190,724,740	181,029,865	9,694,875	5%
Operating Profit	221,888,538	237,244,621	(15,356,083)	-6%
Profit Before Tax	185,164,032	190,323,906	(5,159,874)	-3%
Profit After Tax	148,764,850	179,944,694	(31,179,844)	-17%

During the year 2019-2020 the revenue from the transaction processing charge has experienced a slight dip of 3% due to the sudden country-wide lockdown for almost three months due to spread of COVID-19 pandemic. The crisis also resulted in revenue loss for ITC in fact reductions in transactional demand from banking customers themselves experiencing long period of branch closure and as well as financial or transactional recession in the banking sector during the year. Moreover, the procurement drive on new technology of the banking sector came to a virtual standstill.

Additionally, during the last couple of years, the Banks have also reduced the speed of installation of new ATM's due to shifting of technology from ATM to Cash Recyclers, and some Banks also experienced financial crunch overall, due to prolonged period of low profitability.

Transaction Processing Revenue, therefore has experienced a slight deterioration during the year. We have considered this dip as an ongoing business movement due to the pandemic period turmoil, which is currently showing an upward trend. The Pandemic could have resulted in a substantial crisis and operational disruption for the company but ITC management has taken timely and appropriate initiatives to overcome these sudden disruptions and implemented existing plans to diversify into newer business areas. The strategy worked very well and our overall sales has recorded an increase of 240% (Taka 497,780,472/-). Due to the increased sale, Sales and Operating expenses consequently has also increased 43%, 183% & 5% respectively- in comparison with last year.

As a result of the circumstances explained above, Net Profit before Tax for the year has dipped by Tk. 51,59,874 /- from the last year and reflected downturn of -3%, resulting from the increased Cost of Service Tk.160,719,399/-. It May also be noted that, due to sudden spike of dollar price during the year and increase in the USD/Taka conversion rate- our cost pf procurement has been effected adversely. This also impacted the increased Landed cost of the Imported Items such as ATM equipment, POS & others. The resulting sales price/offer price was not very conducive to us, compared to projected Cost of sales. It may further be noted that- the offered prices have been pre-calculated on a conversion rate based on an exchange rates average last year. Therefore, the growth in Net Profit after Tax has decreased by -17% during the year in comparison to last year. Moreover, in compliance with External Auditor's requirement, an additional Tax provision had to be made during the year, amounting to (BDT. 39,398,572/-) although we are commencing our tax provision on the tax assessment basis - as being done in earlier years.

#### **Financial & Economic scenario of the country and the globe:**

Due to the onset of the worldwide crisis of Corona Virus pandemic and its resultant shutdown during the third quarter of the financial year, the National Economy suffered its downward slide and remained weak and stunted during the period 2019-2020.

This financial year also witnessed a number of negative events creating two major challenges for the economy, (1) Major loss of foreign remittance from returning working community and (2) major financial challenges due to loss of RMG business, moreover consecutive floods in the North east also created devastation in the Agro economy of the country. These worldwide events created a downward spiral in the Macroeconomic structure, thus creating negative impact in the society as a whole. Moreover, there seems to be no certainty as to when things may roll back to normal- creating further instability in the investment sector. Bangladesh economy grew by 8.2% during the year 2018-2019 with a consistent growth pattern that has created the fastest expansion of the economy last year, but the devastating pandemic has ruined this trend and stalled the Economy with a growth rate to only 5.4 % during the year 2020-2021. Though the IMF has predicted that Bangladesh Economy will surpass 9% growth next year.

Fortunately, due to eighth year un-faltered GDP growth in Bangladesh- despite pandemic, the Economy did not collapse as most analysts predicted, rather the economy recorded a modest growth- unlike most of the surrounding economies. The RMG sector quickly modified product range to produce Medical related products i.e. mask, PPE etc. thereby avoiding a total loss of business to a completely brand-new product range. Workers working in foreign countries has also slowly started travelling to their working destinations thereby retuning to a slow but steady normalcy in the sector. The flood water has receded in most areas creating some opportunities to grow winter crops and food grains.

Economic growth has also resulted in Inflation, but due to timely and appropriate monetary policy the rate was kept under check- to 5.65% during 2020, compared to FY19- 5.52%.

### Risk Management

The Company always concentrates on delivering high value to its stakeholders through appropriate trade-off between risk and return. ITC has a befitting risk management policy and a periodic monitoring system to address the concerns and uncertainties that are likely to hit the Company's business activities, operations, liquidity and financial position for future performances. The Company's risk recognition system works on a real time basis based on a comprehensive framework as such. Accordingly, a well-structured and proactive risk management system is in place within the Company to address the volatilities relating to market, liquidity, exchange rate and operations.

### Future Plan & Projection

The Company has taken numerous initiatives to introduce new technologies for electronic payment services and to cope up with market demand. Some of the major initiatives are:

- Interoperability & Integration with mobile financial service operators and 'Digital Wallet' service provider by following Bangladesh Bank guidelines. The Company has already created interface with bKash and particular services are in operation
- Extend Postal Cash Card services along with Bangladesh Post Office to facilitate disbursement of G2P subsidies, pensions and grants
- Extend transaction processing for Inter-bank fund transfer through ATM, Internet Banking, e-commerce and other channels. Some of these services have been launched.
- Expansion of Bangladesh Police Projects (e-traffic prosecution system) across the country.
- Enable NFC/contactless technology and QR & Bangla QR code technology through Visa / Mastercard for client banks. Some client banks have already launched NFC/contactless cards.



Kazi Saifuddin Munir, Ph.D  
Managing Director & CEO  
Information Technology Consultants Ltd.

Date: October 29, 2020

# Report on Human Resource (HR) Management

**Report on Human Resource (HR) Management**

Information Technology Consultants Limited believes that no organization can build a good team of working professionals without sound Human Resource Management. Any organization without a proper set up for Human Resource Management is bound to suffer while managing its regular activities. ITC is quite aware of the necessity for efficient Human Resource Management and has formulated its policy efficiently to cater to its future needs. The implementation thereof is based on different processes which inter-alia includes the following.

**Recruitment**

Priority is given to infuse fresh brains by recruiting new incumbent side by side the experienced ones. Keeping this in mind, process of recruiting fresh and experienced personnel is a regular feature. In case of new recruits, Bsc. Msc. in Engineering, CA, CMA, CS, Masters, BBA and MBA are given preference. The Management of ITC believes in the importance of recruiting young & energetic personnel and building them up for undertaking future leadership.

**Training**

To facilitate scope of training for the new recruits, changes in the schedule of In-house Training has been brought by increasing number of sessions and inviting guest speakers as and when required. The training programs of the Company are chalked out with idea to educate and develop selected personnel so that they acquire required knowledge, skill and experience needed to manage future positions.

Thus, the staff members get the opportunity to sharpen their existing skills or develop specialized skills which in turn, will help them to take up new roles.

**Performance Appraisal**

ITC evaluates performances of its work forces according to their potential and awards, benefits and incentives according to merits. In ITC there exists various beneficiary schemes for the welfare of employees which includes Medical benefit, Festival Bonus, Cash incentive for Eid festivals, Transport Facility, Car Allowance, Training Home & Abroad etc.

**Maintaining Work Atmosphere**

ITC believes that a safe, clean & healthy environment can bring out the best in employees. A friendly atmosphere gives the staff member's job satisfaction. ITC provides friendly atmosphere so that all the employees can enjoy working with encouragement. ITC is fully alive to its obligation and necessity to build up strong work force for its continuous growth and has formulated its Human Resource Policies keeping eyes open to satisfy all needs and requirements.


## **Redress of Investors**

ITC is committed to maintaining highest standard of conduct and professional behavior in dealing with its shareholders. Share Department of the company maintains systematic records and information relevant to the shareholders. Share Department officials are always ready to help shareholders whenever in need of share related services like share transfer, transmission, dividend warrant issue, dividend warrant re-validation, address updates etc. Shareholders get opportunity to speak on various issues relating to the operation of the Company at the Annual General Meeting which is held once a year, in which the Chairman/Managing Director of the Company with the help of Chief Financial Officer (CFO) and Company Secretary respond to all queries raised by the shareholders instantaneously. Generally, shareholders raise issues relating to utilization of Company's resources, yearly, half yearly and quarterly accounts and results, business turnover and profitability, declaration of entitlements, disbursement of benefits, share transfer and transmission, changes of shareholders address, non-receipt of Annual report, date and time of AGM, minutes of meetings of all AGM/EGM, implementation of decision of the AGM & EGM and so on. It is the responsibility of the Company Secretary to oversee that necessary actions are taken expeditiously so that these issues are resolved to the satisfaction of shareholders.

## **Redress of Clients**

ITC being a service industry, clients' satisfaction is of paramount importance in maintaining existing clientele base and tapping new business, thereby to achieve satisfactory business growth in the long run. Being fully aware of this, ITC always attends to its client's complaints, whether related to its services. ITC encourages its clients to come forward with any complaint they may have, and the top management is completely accessible to all of them. Complaints can be lodged with the Help Desk over telephone, by e-mail. During regular meetings with its clients of various types, the management actively solicits the client's views on the company's services, shortcomings, if any, and their suggestions.

**Report of the  
Audit Committee  
NRC Policy**



## Report of the Audit Committee

### Role of Audit Committee

The Company has established an Audit Committee as required under the codes of corporate governance of BSEC. The Audit Committee of ITC, being one of its prime Board sub-committees, assists the Board in discharging its governance responsibilities. It plays the key role in guidance and supervision of the Company's financial reporting. The Audit Committee, on behalf of the Board, ensures that standards of corporate reporting, control and compliance are achieved through effective implementation of the procedures and policies with the aim to enhance the effectiveness of operations and reduce the risks of business. The Audit Committee periodically reviews the state of affairs of business and makes recommendation on the reporting, control and compliance aspects as well as provides independent monitoring and guidance to the management. A brief of the Audit Committee, its roles, responsibilities and functions are presented as under:

### The Composition of the Audit Committee

The Board of Directors has appointed the Audit Committee comprising of the following members of the Board having adequate Knowledge about finance and accounts. The Committee, headed by an Independent Director, is quite capable in the discharge of its vested responsibilities. As required, the Company Secretary performs as the Secretary to the Audit Committee.

#### Name of Members

Mr. Md. Waliuzzaman FCA, Independent Director  
 Mr. Salahuddin Alamgir, Vice Chairman  
 Mr. Md. Haqueful Shaikh, Independent Director  
 Mr. Anindya Sarkar FCS

#### Position in the committee

Chairman  
 Member  
 Member  
 Secretary

### Meetings of the Audit Committee

The Committee conducted 4 meetings during the year under review.

Sl. No	Name	Number of Meeting during 2019-20	Number of Attendance During 2019-20	Remarks
1	Mr. Md. Waliuzzaman FCA, Independent Director	04	04	
2	Mr. Salahuddin Alamgir, Vice Chairman	04	04	
3	Mr. Md. Haqueful Shaikh, Independent Director	04	04	

### Principal responsibilities of the Audit Committee:

Some of the main responsibilities of the ITC Audit Committee are as follows:

- Review the annual, half-yearly and quarterly Financial Statements and any other financial results, and upon its satisfaction of the review, recommend the same to the Board for approval.
- Review the adequacy and effectiveness of financial reporting process, internal control system, risk management, auditing matters, and the Company's processes for monitoring compliance with laws and regulations and the Codes of Conduct.
- Recommend appointment, termination and determination of audit fees for statutory and compliance auditors. Consider the scope of work, and oversee and evaluate the works performed by auditors.
- Exercise its supervision over the works of Company's Internal Audit. Review the effectiveness of internal audit functions including performance, structure, adequacy of resources, and compliance with professional standards. Examine audit findings and material weaknesses and monitor implementation of audit action plans.
- Review related party transactions to ensure compliance with relevant rules and regulations.
- Review management discussion and analysis before finalization.



**Main activities of the Audit Committee during the reporting period:**

The Audit Committee performed the following functions during the year:

- a) Reviewed and recommended the quarterly, half yearly and annual financial statements of the Company for the year.
- b) Reviewed the Accounting procedure with a view to ascertaining that the International Financial Reporting Standard (IFRS) has been applied in maintaining books and records.
- c) Reviewed the Internal and External Inspection & Audit Report with a view to implementing the suggestions of Internal and External Auditors in respect of Internal Control structure and techniques.
- d) Reviewed the Management Letter from the external auditors in their presence.
- e) Reviewed the performance of the statutory/external auditors.
- f) Considered and made recommendation to the Board on the appointment and remuneration of the statutory and compliance auditors.
- g) Reviewed the adequacy of internal audit plan and functions, monitored progress and effected revisions, if and when necessary.
- h) Reviewed the management discussion and analysis report of the Company.
- i) Reviewed related party transactions and compliance of the codes of conduct of the company.
- j) Reviewed to minimize expenditures in all operational activities where possible.
- k) Received and reviewed the letter from Dhaka Stock Exchange on matters of CG compliance and Company's response to it with follow-up actions, if any.
- l) Reviewed other matters of significance as per TOR of the Audit Committee.

The Following steps were also taken for implementation of the Internal Control Plan and Procedures of the Company:

- a) Audit & Inspection division of the company carried out Internal Audit with a view to enrich the compliance culture and to ensure full control on the ITC operations. The division reports directly to the Board Audit Committee.
- b) Regular monitoring was done for the efficiency of the quality control policies and procedures with the purpose to evaluate the application of Internal Control System and Internal Audit Policy for effectiveness of financial risk, assessing existing rules and regulations.
- c) To establish Planning, Organizing and Supervising culture and monitoring of Audit and Inspection of the Technology and different other divisions.


**Reporting**

Pursuant to condition # 5(6).a of the Corporate Governance Code-2018 issued by BSEC, the Committee reported that it did not find any conflict of interest, any fraud, irregularity or material defect in the internal control system. There also was no infringement of laws, rules and regulations.

**Acknowledgement**

The Audit Committee expressed its sincere thanks to the members of the Board and Management of the Company for their support in carrying out its duties and responsibilities effectively.

On behalf of the Audit Committee



Md. Waliuzzaman FCA  
Chairman  
Audit Committee

Date: October 29, 2020

### Report of the Nomination & Remuneration Committee and (NRC) Policy

Pursuant to code 6.5(c) of the codes of corporate governance, the Policy and Report of the Nomination & Remuneration Committee of the Company is presented hereunder at a glance:

#### Features of Nomination & Remuneration Committee

The Nomination & Remuneration Committee (NRC) was set up with explicit terms of reference. The Nomination and Remuneration Committee shall, at least once a year, consider its own performance and terms of reference to ensure that it is operating at maximum effectiveness and shall recommend any changes necessary to the Board for approval.

#### Composition of the NRC

The Board of Directors has appointed the Nomination & Remuneration Committee comprising the following members of the Board having adequate Knowledge.

Name of Members	Position in the Committee
Mr. Md. Haqueful Shaikh, Independent Director	Chairman
Mr. Mr. Lim Kiah Meng, Chairman of the Board	Member
Mr. Md. Waliuzzaman FCA, Independent Director	Member
Mr. Anindya Sarkar FCS	Secretary

The duties of the NRC are:

- To review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- To identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- To assess the objectivity and detachment of independent non-executive directors; and
- To make recommendations to the Board on appointment or re-appointment of directors and succession planning for directors.

The Nomination & Remuneration Committee is mainly responsible for making recommendations to the Board on the Company's policy and structure for remuneration of Directors and Senior Management and reviewing and approving the compensations payable to the Managing Director & CEO and Senior Management. The meeting is held once in a year which was held on October 20, 2019 attended by all members of the committee.

**The duties of the NRC further include:**

- (i) Formulating the criteria for evaluation of performance of independent directors and the Board;
- (ii) Assessing Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality.
- (iii) Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
- (iv) Developing, recommending and reviewing annually the company's human resources and training policies.

**Activities of the NRC during the year:**

- Reviewed the Terms of Reference of the Committee,
- Reviewed the mix and composition of the Committee
- Reviewed the total personnel strength, Vacancy if any and future HR ... of the company.
- Reviewed the frequency of meetings of the Committee in a year.
- Reviewed the total personnel strength, vacancy identify and future HR needs of the company.

**Disclosure**

This disclosure is made pursuant to condition # 6.5(c) of the Corporate Governance Code-2018 issued by BSEC.

**Acknowledgement**

The NRC Committee expressed their sincere thanks to the members of the Board and Management of the company for their support in carrying out its duties and responsibilities effectively.

On behalf of the NRC Committee



Md. Haqueful Shaikh  
Chairman  
Nomination & Remuneration Committee (NRC)

Date: October 29, 2020

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# Statement of Corporate Governance

# Statement of Corporate Governance

ITC has always been a cognizant and responsible business organization. The Company believes that its strategic ambitions and the national aspirations are mutually inclusive and, accordingly, pursues a governing policy that recognizes social responsibility over its commercial interests. The Board of Directors of ITC acknowledges that the Company, being a listed business entity, it has a role to play in upholding the interests of all its stakeholders. Strong governance works as the backbone of an upright organization. Corporate Governance is about intense supervision, commitment to values, ethical business conducts and compliance to regulatory laws. It provides for a structure that works for the benefit of its stakeholders by ensuring that the enterprise adheres to accept ethical standards and best practices as well as to applicable laws, procedures and implicit rules. Being a technology-oriented business entity, ITC emphasizes on transparency, accountability and compliance, which are the essence of corporate governance. Good Governance principles encourage the Company to create value through innovations, development and exploration on the one hand and on the other to provide accountability and control systems commensurate with the risks involved. The other important part of the Corporate Governance is regular disclosure of information regarding the financial position of the Company, its performance, ownership and governance in a timely and accurate manner. The disclosures help in improving public understanding of the structure, activities and policies of the organization.

The structure of corporate governance in Bangladesh is guided by the BSEC codes of corporate governance as gazetted vide no. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018. The ITC Board has given prime attention to the codes and which are in the regular process of implementation in the Company.

## Corporate Governance in ITC

As part of its governance pursuits, the Board of ITC is committed to ensuring the highest standards of governance designed to protect the interests of all stakeholders while promoting integrity, transparency and accountability. The Board and the Management Team also put their best efforts to comply with all the laws of the land and all internal regulations, policies and procedures to make the Company viable and a thoroughly transparent entity. In such exercises, it also recognizes the regulatory authority's emphasis that the shareholders are the ultimate beneficiaries of the Company's all economic activities.

The Board is of the view that through out the reporting year the Company has complied with the then applicable CG conditions and continues to monitor and review the Company's governance pursuits and makes necessary changes to conform to newer codes. In addition to the primary role of monitoring corporate performance, the function of the Board includes approving business plans, reviewing and approving annual budgets and borrowing limits, fixing exposure limits and ensuring that the shareholders are kept informed about our plans, strategies and performances. To enable the Directors to discharge their responsibilities effectively, the management provides detailed reports on performance to the Board on quarterly basis. The Board also functions through its various committees, such as the Audit Committee, NRC etc.

## Ethics & Compliance

ITC's Corporate Governance philosophy encompasses not only regulatory and legal requirements, but also other best practices aimed at a high level of business ethics, effective supervision and enhancement of value for all shareholders.

We are performing perfectly fairly and efficiently to generate long-term value and wealth for all its stakeholders. The Governance principles of the Company ensure that the Board remains independent, informed and involved in the Company. At the same time there are continuous efforts to further improve the governance standards to augment the company strategies and to mitigate the beyond business risks. To that end, the Board periodically reviews the effectiveness of its initiatives and at the same time monitors compliance of all applicable laws and regulations and gives appropriate directions wherever necessary.

### **The Board mix and formation**

The basic responsibility of the Board is to provide effective governance over the Company's affairs exercising its reasonable business judgments on behalf of the Company. The Company's business is conducted by its employees under directions of the Managing Director & CEO and the overall supervision of the Board. The Board members have collective experience in diverse fields of business.

In order to comply with the BSEC's notification dated June 03, 2018 on Corporate Governance, the Board of ITC has appointed two eminent personalities as Independent Director of the Company. Thus, the Board of ITC comprises of 09 (Nine) members of which 6 (six) are Non-Executive Directors and 2 (Two) are Non-Executive Independent Directors and a Managing Director & CEO. The goal has been to form a competent Board, which is cohesive and has the expertise for quick and informed decision making. We believe that the ITC Board has the optimum level of knowledge, composure, skills and understanding about the Company's business and stands as the perfect platform to perform and deliver.

### **Role of the Board**

The Board of Directors is in full control of the company's affairs and is also accountable to the shareholders. The Board is committed to achieve greater financial performances and long-term prosperity, while meeting stakeholder's expectations of sound Corporate Governance practices. In discharging its responsibilities, the Board is guided by the regulations contained in the Memorandum and Articles of Association of the Company, the Companies Act 1994, laws of the land, relevant applicable regulations, BSEC Codes of Corporate Governance, Listing Regulations, Company's Codes of Conduct, Business Principles, Rules of Delegated Authorities and other generally accepted corporate best practices.

### **Board Meetings**

The Company holds at least four Board meetings in a year, one in each quarter, when duly called in writing, to review inter alia the financial results and other matters of the Company. The gap between the two Board Meetings does not exceed three months. The Board, accordingly, met five times during 2019-20. Dates for Board Meetings are decided in advance and notice of each Board Meeting is served in writing well ahead of the meeting. The notice contains the detailed statement of business to be transacted at each meeting. The Board meets for both scheduled meetings and on other occasions to deal with urgent and important matters that require immediate attention. Apart from the four stipulated Board Meetings, additional Board Meetings are also convened to address any specific requirements of the Company. Urgent matters are often also approved by the Board by passing resolutions through circulation. The Board performs the following functions in addition to overseeing the overall business and management:

- Formulating long-term strategies and setting the goals and direction for the Company.
- Review, monitor and approve major financial and business undertakings and corporate actions.
- Providing leadership necessary to ensure that the business objectives set out by the Board are met within the framework of internal controls.
- Assess critical risks facing by the Company and review options for their mitigations.
- Ensures that the processes are in place for maintaining the integrity of:
  - ◆ The Board of Directors
  - ◆ The Board Committees
  - ◆ The Management
  - ◆ Financial statements
  - ◆ Compliance with laws
  - ◆ Relationship with customers and shareholders
  - ◆ Overall public exposures

- The Board is also tasked to decide on the following business transactions and activities:
  - ❑ Acquisition, disposal or closure of a business unit.
  - ❑ Establishment of new businesses.
  - ❑ Capital investment and disposal of tangible assets.
  - ❑ Proposal for borrowings or credit facilities.
  - ❑ Appointment of top management and any expatriate officials.

### **Audit Committee**

There is an Audit Committee established by the Board. The primary role of the Audit Committee is to review the adequacy and effectiveness of financial reporting process, disclosure of financial information, internal control system, risk management, auditing matters, recommending appointment/removal of statutory and compliance auditors and fixing their remunerations and the Company's processes for monitoring compliance with laws and regulations and the Codes of Conduct. A separate report on activities of the Audit Committee is attached at page no. 47 of this report pursuant to condition # 5.7 of the Corporate Governance Code-2018.

### **Nomination & Remuneration Committee (NRC)**

The Board has also established a Nomination and Remuneration Committee (NRC) as required by regulatory guidelines. The primary role of the NRC is to oversee the structure, size and composition (including the skills, knowledge and experience) of the Board Members and to make recommendations to the Board on Company's policy and structure for remuneration of Directors and Senior Management, and reviewing and approving the compensations payable to the Managing Director & CEO and Senior Management. The policy of NRC is attached at page no. 49 of this report pursuant to condition # 6.5(c) of the Corporate Governance Code-2018.

### **Role of the Chairman**

The directors and their meetings are headed by a Chairman. The Chairman of the Company is elected by the Board of Directors and the Board considers the Chairman being neutral and independent. He plays authoritative role in the selection of members of the Board and senior management. He convenes the meetings and works closely with the Managing Director & CEO and Company Secretary to set the agenda of the Board Meetings. He provides leadership to the Board and ensures that the Board works effectively and discharges its responsibilities efficiently. A brief of the roles and responsibilities of the Chairman is as follows:

- ❑ The Chairman's responsibility is defined by the Board as directed by BSEC notification on Corporate Governance.
- ❑ The Chairman ensures that the Board is functioning in accordance with the Memorandum and Articles of Association of the Company as well as other applicable laws.
- ❑ The Chairman presides over meetings of the Board and Company (AGM) and ensures that good governance prevails in the conducts of the Board and Company.
- ❑ The Chairman maintains relations with the relevant stakeholders in consultation with the Board as well as the Managing Director, representing the Company as a good/responsible corporate citizen.

The Chairman may assume any other responsibility if the Board assigns within the purview of the relevant Rules, Regulations, Acts and Articles.

### **Chairman and Managing Director/CEO of the Company are different persons**

As required under the regulatory guidelines, Chairman of the Board and Managing Director of the Company are different individuals with different roles and responsibilities as defined by the Board and thereby preventing unregulated powers of decision making by a single hand. The Chairman is a Non-Executive

Director while the Managing Director is an Executive Director. The roles of the Chairman and Managing Director are clearly established, set out in writing and adopted by the Board to ensure transparency and better governance.

### **Role of the Managing Director & CEO**

The Managing Director & CEO is the key person and is responsible for running the business of the Company. He is also responsible for formulating as well as implementing Board strategy and policy. The Managing Director is responsible for establishing and execution of the Company's operating plan necessary to achieve business objectives of the Company. He has the overall control on the Company's day-to-day affairs and is accountable to the Board for the financial and operational performance of the Company. A brief of the roles and responsibilities of the Managing Director is as follows:

- ❑ The Managing Director is responsible for driving business operations, leading the development and execution of the Company's long-term strategies with a view to creating shareholders value.
- ❑ He is responsible for all day-to-day management decisions and for implementing the Company's long- and short-term plans.
- ❑ Managing Director acts as the direct liaison between the Board and Management of the Company and communicates to the Board on behalf of the Management.
- ❑ As the primary spokesman, the MD also communicates to the shareholders, employees, Government authorities, other stakeholders and the public on behalf of the Company.

### **Role of the Company Secretary**

There is a qualified Company Secretary to assist the Board. The Board has appointed the Company Secretary in order to maintain the necessary link and liaison with the internal organs as well as external agencies, and also to ensure effective collection, compilation and timely flow of information to and from the Board. The Corporate Governance Codes issued by BSEC also require a listed company to appoint a full-fledged Company Secretary. Being a governance official, the Company Secretary drives for corporate compliance and provides support to the Chairman, other members of the Board and the MD to ensure effective functioning of the Board. The Company Secretary organises and attends all Board and Committee meetings and ensures that deliberations on all issues are properly minute decisions recorded and are duly communicated across the respective authority lines for necessary information and actions. A brief of the roles and responsibilities of the Company Secretary is as follows:

- ❑ Maintaining linkage between the Board, Management, Shareholders and other stakeholders on matters of corporate interests,
- ❑ Performing duties as per guidelines mainly for corporate secretarial matters.
- ❑ Compliance of the Acts, rules, regulations, notifications, guidelines, codes, orders/directives, etc. as issued by BSEC or Stock Exchanges applicable to the Company so as to protect the interests of the investors and other stakeholders at large.
- ❑ Disclosure of the corporate price sensitive information (PSI) and other capital market related issues,
- ❑ Ensuring that appropriate Board procedures are followed as per given guidelines/secretarial standards (BSS) and best practices, and advises the Board on matters as such.
- ❑ Maintaining all statutory and other statistical registers as required under laws of the land.
- ❑ To act generally as the Public Relations Officer of the Company.

### **Role of the Head of Internal Audit & Compliance (HIAC)**

The Company's internal control system is designed to provide reasonable assurance regarding the achievement of the Company's objectives in respect of effectiveness and efficiency of operations, reliability (completeness and timeliness) of financial reporting and management information, compliance with applicable laws, regulations and the Company's policies. The Head of Internal Audit and Compliance is responsible for the internal control system and reporting to the Board Audit Committee regarding deviations from accounting and internal control system. He is also leading the internal control team of the Company.



The Company's internal control system is commensurate with its size and business nature. The system minimizes operational risks through effective control, systematic review and on-going audit. The internal auditors embark on a comprehensive audit of all functional areas and operations and their findings are referred to the Audit Committee of the Board for due appraisal.

The Company has institutionalized its legal and technical appraisal functions to ensure optimum control of the Company's multi-level authorization structures which has ensured that higher exposure levels were duly authorized by appropriate personnel and committees with required experience and authority. Training programs and guidelines have helped implement linkage between the goals and operations.

The Board has ultimate responsibility for establishing an effective system for internal control. The internal control system moderates all business risks, including financial, operational and strategic. To mitigate all the risks as well as to establish control environment, the Board holds its meeting regularly with comprehensive agenda dealing with all major aspects of business. There is an internal control and compliance department directly reporting to the Board Audit Committee which looks after compliance with the organizational policies by different departments.

ITC has made relevant mandatory disclosures in its financial statements under the regulatory framework, including compliance with the provisions of International Financial Reporting Standards (IFRS) as adopted in Bangladesh. Besides that, it submits all the reports/statements regularly which are required to be sent to the regulators as well as the other stakeholders of the Company.

### **Risk Management**

The Company always concentrates on delivering high value to its stakeholders through appropriate trade-off between risk and return. A well-structured and proactive risk management system is in place within the Company to address the risks and worries stemming from the competing markets, operational issues, legal knots, interest and exchange rate volatilities and potential changes in policies at the national or global level relating to market, liquidity and operations. The Company's risk recognition system works on a real time basis based on a comprehensive framework as such.

### **Related Party Transactions**

Transactions with related parties are made on arm's length basis and are in the ordinary course of business. Details of related parties and related party transactions are described at note 42 of the Financial Statements in the page no. 132 of this Annual Report as per requirements of relevant IFRS.

### **Financial Reporting**

Financial reporting system is the backbone of a successful information structure. ITC has strong financial reporting procedures in place. Financial statements are prepared in accordance with International /Bangladesh Financial Reporting Standards (IFRS/BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable financial legislations. These financial statements, once prepared, are reviewed initially by CFO and CEO and then by the Audit Committee on a regular basis. At every quarter, external auditors review the quarterly financial statements prepared in accordance with the local financial reporting policies and Company procedures. After all internal scrutiny, the financial reports are placed before the Board for final review and approval.

### **Statutory Audit & Certification**

Annual audit of the Company is governed by the Companies Act 1994 and Securities and Exchange Rules 1987. As per these regulations, auditors are appointed by Shareholders at each Annual General Meeting (AGM) and their remuneration is also fixed by the Shareholders at the same AGM. Appropriate structure is in place as per corporate governance best practices to ensure independence of statutory auditors. The Statutory auditors are rotated every three years in compliance with the Codes of Bangladesh Securities and Exchange Commission (BSEC). Audit Committee meets with the statutory auditors to ensure that auditors are acting independently and reviews the financial statements before submission to the Board for approval.

Further, to ensure adequate regulatory discharge, a Compliance Certificate is obtained from licensed practicing professional M/s. Al-Muqtadir Associates, Chartered Secretaries & Consultants, who certify that the Company has duly complied with all the regulatory requirements as stipulated by the Bangladesh Securities and Exchange Commission (BSEC). The Compliance Certificate is available in the page 70 of this report.

#### **Declaration of CEO and the CFO regarding Financial Statements**

A separate statement pertaining to due diligence of the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) as required under codes of corporate governance is presented in the page no. 69 of this report.

#### **Observance of BAS, BFRS & Applicable Laws**

The Directors confirm that the financial statements have been prepared in accordance with the Bangladesh Accounting Standards and applicable rules and regulations. A statement on implementations of the different accounting standards is set out at notes to the financial statements.

#### **Employee Health & Safety**

ITC maintains internal health and safety policies and procedures and country's regulations to ensure a safe working environment. We are working with our employees to ensure that health and safety standards are maintained and improved. ITC provides adequate life and hospitalization insurance coverage to all its permanent employees.

#### **Annual General Meeting (AGM)**

The General Meeting of Shareholders is the supreme governing forum in ITC. The Company recognizes the rights of Shareholders and the Shareholders' interests are primarily ensured through the Annual General Meeting (AGM). ITC holds Annual General Meeting of shareholders once a year and the Company ensures effective interaction with the shareholders at the Annual General Meeting. The Directors pay special attention in answering the various queries raised by the shareholders at the AGM. The Company's General Meetings provide a transparent and open platform for the shareholders to communicate with the Board. The Board Members and Statutory and Compliance Auditors attend the AGM to respond to the Shareholders' queries on the result or any other aspects of the Company, if any.

#### **Assets and Records Management**

The records, documents and assets are of prime importance to the Company. The Board of ITC recognizes its role as the Trustees of the investors' funds. And, as such, it assigns special care to protect and safeguard the records, documents and all assets of the Company. From acquisition to disposal of assets due transparency and accountability is ensured keeping in mind the interests of the investors. Implementation of adequate safety and security measures followed by periodic check and physical verification of the assets are duly ensured. Accuracy and genuineness of the inventory of assets are thoroughly checked with actual situation. The assets are properly insured with renowned insurance companies against fire and industrial risks. Records of the Company are systematically preserved to ensure adequate and timely retrieval as and when necessary.

Overall, ITC pledges its commitment to maintain good governance by applying standard best practices and to continue to work in upholding the best interests of the shareholders and all other stakeholders.

# Directors' Report to the Shareholders



# Directors' Report to the Shareholders

## Honorable Shareholders,

It is a great honor and privilege on the part of the Board of Directors and myself to welcome you all to this 20<sup>th</sup> Annual General Meeting of Information Technology Consultants Limited and to place before you the audited Annual Financial Statements of the Company for the year ended June 30, 2020 for your kind consideration and adoption. In the following paragraphs we review the year under report for your information and appraisal.

### **Monetary Management and Bangladesh Economy:**

The Worldwide pandemic of Covid-19 severely hit Bangladesh's economy during the 1st quarter of 2020. Like the rest of the world, the Government of Bangladesh was yet to be prepared and was dependent of WHO guidelines for most of its mitigating actions. The economy remained suspended for close to four months and opened slowly and tentatively.

However, fortunately- due to the continued expansion for last few years, the economy somehow sustained, the major pandemic blow and grew by 5.40 % during the year 2019/20 coming off the record 8.13% during the year 2018-2019. Bangladesh Economy was enjoying a growth pattern accommodating the fastest expansion of the Economy since recent past. It was also the eighth year continued GDP growth in Bangladesh till 2019, with a per centum greater than 6%. The growth rate pleasantly surprised most analysts who expected the contraction to be even larger. All these, came to a crushing halt due to the pandemic.

Despite the unprecedented pressure of the worldwide pandemic, the health infrastructure sustained most of the shock and kept the health rate to a minimum compared to other regional economies. The economy kept its continuity despite the substantial drop in export growth in RMG sector, substantial reduction in wage earners remittance. Fortunately, the RMG sector recouped some of its losses by switching to Medical /Health products like Mask, PPE etc. which are of high demand internationally. Loss of Remittances however could not be matched, but are now being recouped by slow but steady return of workers from Bangladesh to MENA and SE Regions, Suspension of remittance from related financial activities had also impacted the economy quite a bit, during this year.

With the passage of time and continued and persistent drive and implementation, from the Government and private sector, Economic recovery is now a reality which is rapidly transforming the socio-economic realm of the country towards normalcy.

As recorded during the last few years and according to most media report in EU, South East Asia, Bangladesh has been outpacing economic growth of regional economies like India & Pakistan, succeeded in increasing its per capita gross income by a large margin as against a timid growth in region, during the period of report. At this rate, Bangladesh's per capita income growth-rate would have exceeded that of all SARC countries by the year 2020, if we did not have to experience the Pandemic.

The Agricultural economy was also hit by the devastating recurring flood coming from up-stream countries, which was unusually lingered by uncontrollable weather factors like excessive rainfall, which has disadvantaged the Agro activities and food grain production hitting the bottom-line of the average farmers.

Though the Rural Urban gap had recorded some narrowing with the introduction of large-scale FIN TECH activities by the private sectors, Postal Digitization, expansion of Agent Banking by Banks, E-money transfers, thus greatly reducing the need for people to visit Bank Branches, during the COVID-19 related stoppage. ITC has been a natural partner of most of these activities and had a substantial footprint in the progress of digitization.

Though there was hardly any policy activity from the Government as regards to the TI Sector, during this pandemic period, the sector has created a tremendous public awareness of the needs of a cashless society. Even in the rural level population tried to make some transactions online, may be for settlement of small payments or small purchases, using NoGod, Bkash, U Cash, Rocket and the like. We have noticed with delight that despite the total closure period, no panic buying was experienced in the general population.

During the period of pandemic, we have also noticed some welcome attitude change from the older population, normally opposed to computerization in general, who are now interested to involve in e-commerce, online transaction etc. Fortunately for us despite the huge increase in number of transactions, in the diverse field of computerization, ITC has been able to offer customized solutions to its clients, assessing their exact business needs and by providing appropriate solutions, Future Visions and Budgeting priorities. Our friendly service and prompt response have attracted our clients to always offer us the first choice for any of their IT needs- and in most times remain satisfied with our cost effective and timely response.

#### **Inflationary pressure:**

Bangladesh Bank shows that despite the significant GDP growth- inflation have been kept in check through prudent implementation of Monetary policy. The rural-urban gap in food inflation also reduced marginally, but non-food inflation increased as un-seasonal flood situation caused some supply disruptions.

#### **Industry Outlook and Possible future Developments in the Service Industry sub-sector**

ITC has always maintained a view that digital developments are essential for a growing nation like Bangladesh and has positioned itself in the forefront, especially in the Banking and Financial digitization.

Our prudent outlook of the future has been accurate and timely and ITC has succeeded in remaining in the spot in the providing/ development of appropriate technology for Banks including the Central Bank. Almost all banks today have some kind of software in place and has at least rudimentary online facilities. ITC in its ever-expanding field of Transaction Processing and ATM services which presently supports 33 member banks, has also extended its service and expertise in the Governmental Digitization programs i.e. National Revenue collection, the revolution Digital Post and implementation of E-Traffic Prosecution system for Dhaka Metropolitan Police (DMP), Chattogram Metropolitan Police(CMP), Rajshahi Metropolitan Police (RMP), Comilla District Police. We are thankful that the Government Authorities who have kindly recognized the potential of ICT industry and its tremendous impact on the socio-economy.

In the ever-changing field of computerization, ITC has been able to offer customized solutions to its clients, assessing their exact business needs and by providing appropriate solutions, Future Visions and Budgeting priorities. Our friendly gesture and timely response have attracted our clients to offer us the first choice for any of their IT needs- and in most times remain satisfied with our cost effective and timely response.

(Source: CPD, Bangladesh Bank, Bangladesh Bureau of Statistics and The World Fact Book Bangladesh part).

#### **Contributon To The National Economy**

ITC recognizes that the company has certain responsibilities to the society for their development and the development of the nation. For this, the Company has been making significant contribution to the Government each year by payment of Tax, VAT, Custom & Regulatory Duty etc. During the year 2019-2020 the Company contributed Tk.104,194,101/- to the national exchequer as against TK. 70,187,568/- in 2018-2019.

The Company has also made an economic impact by creating employment and trained them to serve the country.

## Year-wise contribution to the National Exchequer (BDT)

Particulars	Year: 2016-17 Tk.	Year: 2017-18 (Tk.)	Year: 2018-19 (Tk.)	Year: 2019-20 (Tk.)
Custom duty	3,941,202	8,419,244	14,154,707	23,521,095
VAT & ATV/AT	15,755,166	26,632,814	35,234,206	37,186,509
Advance Income Tax	41,661,189	22,198,849	20,798,655	43,486,497
<b>Total</b>	<b>61,357,557</b>	<b>57,250,907</b>	<b>70,187,568</b>	<b>104,194,101</b>

**Financial Results**

We have the pleasure to report that, during the year under review, ITC's gross revenue was BDT 1,319.76 million (BDT 131.76 crore) which records an increase 43% compared to the previous year. The growth in revenue was mainly due to revenue increase in Service & Maintenance Charges (Software & Hardware), i.e. software services provided for up-gradation of the clientele bank and an Impressive growth from sale of POS Terminals, which greatly contributed to the Sales ratio increase of 240%, over the preceding year.

Particulars	Year-2019-2020(Tk.)	Year-2018-2019(Tk.)	Increased/(decreased)	Growth %
REVENUE:				
Q-Cash transaction Processing charge	448,263,430	463,867,820	(15,604,390)	-3%
Service & Maintenance charges	373,722,821	315,209,103	58,513,718	19%
Sales	497,780,472	146,353,837	351,426,635	240%

Comparatives on the financial performance of the Company for the year ended June 30, 2020 are summarized hereunder:

Particulars	2019-2020 (Tk.)	2018-2019 (Tk.)	Increased/(decreased)	Growth %
Revenue	1,319,766,723	925,430,760	394,335,963	43%
Cost of Service	536,986,826	376,267,427	160,719,399	43%
Cost of sales	370,166,619	130,888,847	239,277,772	183%
Gross Profit	412,613,278	418,274,486	(5,661,208)	-1%
Operating Expenses	190,724,740	181,029,865	9,694,875	5%
Operating Profit	221,888,538	237,244,621	(15,356,083)	-6%
Profit Before Tax	185,164,032	190,323,906	(5,159,874)	-3%
Profit After Tax	148,764,850	179,944,694	(31,179,844)	-17%

During the year 2019-2020 the revenue from the transaction processing charge has experience a slight dip of -3% due to the sudden country-wide lockdown for almost three months due to spread of COVID-19 pandemic. The crisis also resulted in revenue loss for ITC in fact reductions in transactional demand from banking customers themselves experiencing long period of branch closure and as well as financial or transactional recession in the banking sector during the year. Moreover, the procurement drive on new technology of the banking sector came to a virtual standstill.

Additionally, during the last couple of years, the Banks have also reduced the speed of installation of new ATM's due to shifting of technology from ATM to Cash Recyclers, and some Banks also experienced financial crunch overall, due to prolonged period of low profitability.

Transaction Processing Revenue, therefore has experience a slight deterioration during the year. We have considered this dip as an ongoing business movement due to the pandemic period turmoil, which is currently showing an upward trend. The Pandemic could have resulted in a substantial crisis and operational disruption for the company, ITC management has taken timely and appropriate initiatives to overcome thesesuddendisruptions and implemented existing plans to diversify into newer business areas. The strategy worked very well and our overall sales has recorded an increase of 240% (Taka 497,780,472/-). Due to the increased sale, Sales and Operating expenses consequently has also increased 43%, 183% & 5% respectively- in comparison with last year.

As a result of the circumstances explained above, Net Profit before Tax for the year has dipped by Tk. 51,59,874 /- from the last year and reflected downturn of -3%, resulting from the increased cost of Service Tk.160,719,399/-. It May please be noted that, due to sudden spike of dollar price during the year and increase in the USD/Taka conversion rate- our cost pf procurement has beneffected adversely. This also impacted the increased Landed cost of the Imported Items such as ATM equipment, POS & others. The resulting sales price/offer price was not very conducive to us, compared to projected Cost of sales. It may also be noted that- the offered prices have been pre-calculated on a conversion rate based on an exchange rates average last year. Therefore, the growth in Net Profit after Tax has decreased by -17% during the year in comparison to last year. Moreover, in compliance with External Auditor's requirement, an additional Tax provision had to be made during the year, amounting to (BDT. 39,398,572/-) although we are commencing our tax provision on the tax assessment basis - as being done in earlier years.

### Revenue Growth & Products

The Revenue is Tk. 1,319,766,723 Growth is 43% of 2019-2020 against previous year 2018-2019 is 925,430,760 and the list of Products and Services are provided in the page no. 24.

### Appropriation Proposed

1.	Net Profit After Tax for the year 2019-20		Tk. 148,764,850
2.	Add: Retained Earnings brought forward		Tk. 85,444,707
	Total fund for appropriation:		Tk. 234,209,557
3.	Less: Appropriation Proposed:		
	i) 5% in cash dividend for all General Shareholders excluding Sponsor Directors on share value worth Tk. 599,085,490. of shares 59,908,549, i.e. 48.91% (excluding Sponsor Directors portion of 62,560,655 Shares, i.e. 51.09%) and 5% stock dividend for all shareholders (including Sponsor Directors & all General Shareholders).	Tk. 29,954,275	
	ii) Issuance of 6,123,460.2 Bonus shares (Stock Dividend) @5% stock dividend for all shareholders (including Sponsor Directors & all General Shareholders): Face Value of Bonus Share.	Tk. 61,234,602	Tk. 91,188,877
4.	Net Un Appropriated Profit		Tk. 143,020,680

### Human Capital

ITC believes that human capital is vital for the company's success and which is the prime asset of the company. It is the composition of competencies, knowledge and personality in the ability to perform jobs as to produce economic value to the Company. Human capital can be increased through education, training and experience. ITC has the following policy to increase its human capital:

1. Establish and administer transparent policies that enable Company to develop and implement opportunities of recruitment, promotion, remuneration, benefits, reward and recognition system, transfer and training and performance management system without any regard to age, sex, race, political belief and religion.
2. Create trust and support within the company which encourage the employees to work well together as a team and at the same time, to encourage them to be innovative and creative in order to achieve Company's goals.
3. Develop an effective internal communication and involvement mechanism which encourage employees to identify them with the Company and its activities.
4. Ensure that the employment opportunities conform to the established and acceptable practices of the country

HR position:

	2019-2020	2018-2019
Beginning of the year	357	357
New recruitment	36	26
Released	21	27
Closing of the year	369	356

There are proper manpower planning and forecasting system in place along with enough people with the right skills and talents to meet company's current and future growths and needs.

**Risk Management:****Financial Risk Management**

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

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

**(a) Credit Risk**

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

**(b) Liquidity Risk**

Liquidity risk is the risk that the company may not be able to meet its financial obligations as they fall due. The company maintains sufficient resources and arrangement of credit lines with the various banks for managing its liquidity risk.

**(c) Market Risk**

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

**Technological Risk Management**

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

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

**(a) Infrastructure Related Risk**

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

**(b) Efficient Technical Expertise**

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

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

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



**(d) Product / Solution Obsolesce**

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

**Corporate and Financial Reporting Framework**

The Members of the Board, in accordance with the Bangladesh Securities & Exchange Commission Notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018; hereby confirm compliance with the financial reporting framework for the following:

- . The Financial Statements prepared by the Management of ITC, present its true state of affairs, the result of its operations, Cash Flows and Changes in Equity fairly and accurately.
- . Proper Books of Accounts of the company have been maintained.
- . Appropriate accounting policies have been consistently applied in preparation of the Financial Statements and that the accounting estimates are based on reasonable and prudent judgment.
- . International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS) International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the Financial Statements and any departure therefrom has been adequately disclosed.
- . The system of internal control is sound in design and has been effectively implemented and monitored.
- . There is no significant doubt on the ability of the company to continue as a going concern.
- . The financial statements of the company have been prepared on a going concern basis, there are no extraordinary gain or loss or significant deviation during the financial year.

**Internal Control System**

The company's internal control system is commensurate with its size and business nature. The system minimizes operational risks through effective control, systematic review and on-going audit. The internal auditors embark on a comprehensive audit of all functional areas and operations and their findings are referred to the Audit Committee of the Board for due appraisal.

**Board Meetings and Attendance by the Directors**

Because of the outbreak of global Corona virus pandemic, the Company had to maintain social distancing and remained cautious in respect to meetings. During the year ended June 30, 2020, a total 04 (four) Meetings of the Board of Directors were held.

Attendance of the Directors at the Board Meetings are summarized below:

Sl. No	Name	Number of Meeting during 2019-2020	Number of Attendance During 2019-2020	Remarks
1	Mr. Lim Kiah Meng, Chairman (Nominated Director of SiS Capital (Bangladesh) Pte Limited	04	01	
2	Mr. Salahuddin Alamgir, Vice Chairman	04	04	
3	Mr. Kazi Saifuddin Munir, Ph.D Managing Director & CEO	04	04	
4	Mr. Lim Kia Hong, Nominated Director of SiS Capital (Bangladesh) Pte Limited	04	01	
5	Mr. Lim Hwee Hai, Nominated Director of SiS Capital (Bangladesh) Pte Limited	04	01	
6	Madam Lim Hwee Noi, Nominated Director of SiS Capital (Bangladesh) Pte Limited	04	01	
7	Madam Fauzijas Tjandra Nominated Director of Regent Pacific Limited	04	01	
8	Mr. Md. Waliuzzaman FCA, Independent Director	04	04	
9	Mr. Md. Haqueful Shaikh, Independent Director	04	04	

### Remuneration of Directors

No remuneration was paid to the Directors, including the Managing Director & CEO for attending Board meetings, Independent Directors, however received an attendance fee of Tk. 3,000 (Three Thousand) for each meeting attended.

### Shareholding Pattern

The shareholding patterns of the Company as at 30th June 2020 are shown in the following table:

Sl. No.	Name	Status	Number of Share held as of 30.06.2020	% of Shareholding
<b>A)</b>	<b>Parent/Subsidiary/Associated Companies/Others Related Party:</b>			
	SiS Capital (Bangladesh) Pte Limited	Nominated Director	40,132,437	32.77%
	Regent Pacific Ltd.	Nominated Director	10,346,536	8.45%
<b>B 1)</b>	<b>Directors &amp; their Spouses and Minor Children:</b>			
1	Mr. Kazi Saifuddin Munir, Ph.D	Managing Director & CEO & Sponsor Director	5,518,911	4.51%
2	Mr. Salahuddin Alamgir	Vice Chairman & Director	6,562,771	5.36%
3	Mr. Lim Kiah Meng Nominated Director of SiS Capital (Bangladesh) Pte Limited	Chairman & Director	Nil	Nil
4	Mr. Lim Kia Hong Nominated Director of SiS Capital (Bangladesh) Pte Limited	Director		
5	Mr. Lim Hwee Hai Nominated Director of SiS Capital (Bangladesh) Pte Limited	Director		
6	Madam Lim Hwee Noi Nominated Director of SiS Capital (Bangladesh) Pte Limited	Director		
7	Madam FauzjusTjandra Nominated Director of Regent Pacific Ltd	Director.	Nil	Nil
8	Mr. Md. Waliuzzaman FCA	Independent Director	Nil	Nil
9	Mr. Md. Haqueful Shaikh	Independent Director	Nil	Nil
<b>B 2)</b>	<b>CEO, CFO, CS, HOIA and their Spouses and Minor Children:</b>			
	Shyamal Kanti Karmakar	Chief Financial Officer	Nil	Nil
	Anindya Sarkar FCS	Company Secretary	Nil	Nil
	Md. Mehedi Hasan	Head of Internal Audit	Nil	Nil
<b>C)</b>	<b>Top 5 (Five) Executives and their Spouses and Minor Children:</b>			
1	Mr. Osman Haidar	Director-Business	817	0.00067%
2	Mr. Md. Faizul Islam	Chief Information Officer	Nil	Nil
3	Mr. Muttahidur Rahman	Chief Technology Officer	Nil	Nil
4	Mr. Kazi Golam Sarwar Waheed	Chief Security and Compliance Officer	Nil	Nil
5	Mr. Farhad Malik	Chief Operating Officer	Nil	Nil
<b>D)</b>	<b>Shareholders Holding 10% or more voting interest in the company:</b>			
	SiS Capital (Bangladesh) Pte Limited	Nominated Director	40,132,437	32.77%

### Summary of shareholders and range of shareholding

The shareholding distribution schedule of Information Technology Consultants Limited as on June 30, 2020 is presented as below.

Group Name	Number of Share holders	Number of Shares	Ownership (%)
Sponsors/Promoters and Directors	4	6,25,60,655	51.09%
Institutions	82	2,94,26,052	24.02%
General Public	2,663	3,04,82,497	24.89%
Total	2,749	12,24,69,204	100%

**On the Basis of Shareholding:**

SL. No.	Group Name	Number of Shareholders	Number of Shares	Ownership (%)
	1-100	604	18,049	0.0140
	101-500	513	1,28,370	0.1050
	501-1000	471	3,37,846	0.2760
	1001-5000	629	14,89,877	1.2170
	5001-10000	191	13,42,585	1.0960
	10001-20000	149	21,12,848	1.7250
	20001-Above	192	11,70,39,629	95.5670
	<b>Total:</b>	<b>2,749</b>	<b>12,24,69,204</b>	<b>100.00</b>

**Related Party Transactions**

Transactions with related parties are made on arm's length basis and are in the ordinary course of business. Details of related parties and related party transactions are described at note 42 of the Financial Statements in the page no. 132 of this Annual Report.

**Proposed Dividend**

The Board of Directors has recommended 5% in cash dividend for all General Shareholders excluding Sponsor Directors on share value worth Tk. 599,085,490. of shares 59,908,549, i.e. 48.91% (excluding Sponsor Directors portion of 62,560,655 Shares, i.e. 51.09%) and 5% stock dividend for all shareholders (including Sponsor Directors & all General Shareholders an amount of Tk 91,188,877 as dividend of the paid-up capital of Tk. 1,224,692,040 to be paid to the shareholders for the year 2019-20, which is to be approved by the shareholders at the 20<sup>th</sup> AGM of the Company. The Board herewith states that no stock dividend was considered during the year as interim dividend, which fulfills condition no.1(5)(xxi) of the codes of corporate governance code of BSEC.

**Minority interests**

In compliance with code 1(5)(xvi) of the codes of corporate governance, the Board hereby confirms that the interests of the minority shareholders have been duly protected in the Company by means of open and fully transparent operations of the Company.

**Utilization of IPO Proceed**

As per BSEC consent letter no. SEC/CI/IPO-234/2014/485 dated October 04, 2015 with issued & approved prospectus for IPO, the company has received a total fund of Taka 12 crores from the public for expansion of business, term loan adjustment and to meet IPO expenses. The company has used the total IPO fund as per prospectus and submitted the relevant report to the Commission (BSEC) and stock exchanges.

**Directors' Appointment & Re-appointment**

With regard to the appointment, retirement and re-appointment of Directors, the Company is governed by its Articles of Association, the Companies Act. 1994 and other related legislations. As per Article 125 and 126 of the Articles of Association of the Company, the following Directors retire from office by rotation at the 20<sup>th</sup> Annual General Meeting and being eligible, they have offered themselves for re-election:

Madam Fauziju Tjandra  
Nominated Director of Regent Pacific Limited

Mr. Lim Kiah Meng  
Nominated Director of SiS Capital (Bangladesh) Pte Limited)

Mr. Lim Kia Hong  
Nominated Director of SiS Capital (Bangladesh) Pte Limited)

Brief profiles of the Directors being proposed for reappointment are provided in the page no. 14, 15 and 16 of the Annual Report, which fulfill condition no.1(5)(xxiv) of the codes of corporate governance of BSEC.

**Other regulatory disclosures:**

Pursuant to the BSEC Notification on 'Codes of Corporate Governance' dated 3rd June 2018, the Directors of ITC also report that:

- There was no extraordinary gain or loss occurred during the financial year;
- Details of related party transactions have been presented at Note: 42 in the Notes to the financial statements;
- The Company's IPO was made in the year 2015. No further issue of any instrument was made during the year;
- The amount of total remuneration paid to Directors including Independent Directors has been presented at Note: 28.01 in the Notes to the financial statements;
- The financial statements of the Company fairly present its state of affairs, result of its operations, cash flows and changes in equity;
- Proper books of account of the Company have been maintained;
- Appropriate accounting policies have been followed in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;
- The financial statements are prepared in accordance with IAS/IFRS and any departure therefrom has been adequately disclosed;
- The internal control system of the Company is sound in design and has been effectively implemented and monitored;
- There is no significant doubt about the Company's ability to continue as a going concern;
- Significant deviations from the previous year in operating results of the Company have been highlighted and reasons thereof have been explained;
- Rights and interests of the minority shareholders have been duly protected by means of transparent operations and proper disclosure of material information of the Company;
- Key operating and financial data of the preceding five years have been summarized at Note: 29 in this Annual Report;
- No bonus or stock dividend has been declared as interim dividend during the year;
- The number of Board meetings and attendance of Directors during the year 2019-20 has been presented at page 64 in the Report;
- The patterns of shareholding as on 30th June 2020 has been presented at page 65.
- A statement of 'Management Discussion and Analysis' has been presented on page 40 of this Annual Report.
- Certification under the Corporate Governance Code by the Managing Director/CEO and Chief Financial Officer on the financial reporting has been presented on page 69 of this Annual Report.
- Status of compliance of the conditions of BSEC CG Code dated 3rd June 2018 has been presented on page 71 of this Annual Report.
- A 'Certificate of Compliance' of the conditions of BSEC CG Code dated 3rd June 2018 has been presented on page 70 of this Annual Report.

**Appointment of Statutory Auditors**

During the 19<sup>th</sup> Annual General Meeting (AGM) the shareholders appointed M/s. ACNABIN, Chartered Accountants, as Statutory Auditors of the company for the year 2019-2020. The Auditors are eligible for re-appointment as per BSEC notification. As proposed by the Audit Committee and recommended by the Board of Directors at its meeting dated October 29, 2020, the matter for appointment of M/s. ACNABIN, Chartered Accountants for the year 2020-2021 as Statutory Auditors of the company and to fix their remuneration of TK. 375,000 (three lac seventy five thousand taka only) excluding VAT is placed before the shareholders at the 20<sup>th</sup> AGM for approval.

**Appointment of Compliance Auditor as per Corporate Governance Code**

Pursuant to code 9.2 of the codes of corporate governance code issued by BSEC, during the 19<sup>th</sup> Annual General Meeting (AGM) the shareholders appointed M/s. Al-Muqtadir Associates, Chartered Secretaries & Consultants as the Compliance Auditor of the company for the year 2019-2020. The Compliance Auditor is eligible for re- appointment. As proposed by the Audit Committee and recommended by the Board of Directors in its meeting dated October 29, 2020, the matter of appointment of M/s. Al-Muqtadir Associates, Chartered Secretaries for the year 2020-2021 as Compliance Auditor of the company and fixation of their remuneration at TK. 143,000 (one lac forty three thousand taka only) excluding VAT is placed before the shareholders at the 20<sup>th</sup> AGM for approval.

**Corporate Governance at ITC**

In the fast-paced world of digitalization, vibrant and dynamic Corporate Governance practices are an essential ingredient to success. As a Public Listed Company, the Board of Directors of ITC has always played a pivotal role in meeting all stakeholders' interests. The Board and Management Team of the Company are committed to maintaining effective Corporate Governance through a culture of accountability, transparency, well-understood policies and procedures. That is why the Company engages all its team in the process because good governance entails managing the business professionally, effectively and responsibly and in a way, which is transparent, ethical, law abiding and ensures accountability. And in that pursuit, the Company has ventured to comply with all the relevant provisions of the codes of corporate governance as outlined in the relevant BSEC notification. The Company aspires to uphold its long-acclaimed standards of good governance by standing ever alert in its management exercises.

**Note of appreciation**

The success story of ITC would not have been the same without the continued and loyal support of our valued customers. At the same time, the Board also believes that the performance in 2019-20, even under the vast pandemic uncertainties, is a collective result of the pledge, promise, energy and hard works of our Directors, Management and employees together. This establishes the fact that the Company has the necessary strengths, resources and commitments to enable the Company to propel ahead and augment its contribution to the nation to further empower the financial society. On this august occasion, the Board expresses on record its appreciation to the partners of ITC, its Shareowners, Customers, Financiers, Bangladesh Bank, the Bankers and Insurers of the Company, Bangladesh Securities & Exchange Commission (BSEC), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE), Registrar of Joint Stock Companies and Firms (RJSC), Central Depository Bangladesh Ltd. (CDBL) and other Regulatory Authorities for their support and patronage to bring the Company to this height and the Board shall continue to partner with them to build a speedy and conducive auto-system to accelerate Bangladesh's transformation into a digital nation. The Board also places on record the devoted efforts put in by the Company's executives & employees at all levels to uphold the Company's business performance during the challenging year. We value their continued support to fulfill our mission to improve the lives of people at large.

For & On behalf of the Board of Directors



LIM KIAH MENG

Chairman

Date: October 29, 2020

Annexure-A  
[As per condition No.1 (5) (xxvi)]

**Information Technology Consultants Limited**  
**Declaration by CEO and CFO**

Date: October 29, 2020

The Board of Directors  
Information Technology Consultants Limited  
Evergreen plaza, 260/B, Tejgaon I/A  
Dhaka-1208, Bangladesh

**Subject: Declaration on Financial Statements for the year ended on June 30, 2020**

Dear Sirs,

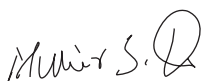
Pursuant to the condition No. 1(5) (xxvi) imposed vide the BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that.

- 1) The Financial Statement of Information Technology Consultants Limited for the year ended on June 30, 2020 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh and any departure there from has been adequately disclosed;
- 2) The estimates and judgments related to the financial statements were on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- 3) The form and substance of transactions and the company's state of affairs have been reasonably and fairly presented in its financial statements;
- 4) To ensure above, the company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- 5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the company were consistently followed; and
- 6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

In this regard, we also certify that: -

- i) We have reviewed the financial statements for the year ended on June 30, 2020 and that to the best of our knowledge and belief:
  - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) These statements collectively present true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Kazi Saifuddin Munir, Ph.D  
Managing Director & CEO  
Information Technology Consultants Ltd.



Shyamal Kanti Karmakar  
Chief Financial Officer (CFO)  
Information Technology Consultants Ltd.

Annexure-B  
[As per condition No.1 (5) (xxvii)]



Chartered Secretaries & Consultants

efforts umpteenth : প্রশাগ অন্তহীণ

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BIN No: 000179575-0202

### Report to the Shareholders of Information Technology Consultants Limited on compliance with the Corporate Governance Code

(As required under the BSEC Codes of Corporate Governance)

We have examined the compliance status to the Corporate Governance Code by **Information Technology Consultants Limited (ITCL)** for the year ended on 30<sup>th</sup> June 2020. This code relates to the gazette notification no: BSEC/CMRRCD/2006- 158/207/Admin/80 dated the 3<sup>rd</sup> June 2018 of Bangladesh Securities and Exchange Commission (BSEC).

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of Corporate Governance Code. This is a scrutiny and verification and an independent audit on compliance of the conditions of Corporate Governance as well as provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of the Corporate Governance Code.

We state that we have obtained all the information and explanations or representations, which we have required, and after due scrutiny and verification thereof, we report that in our opinion and subject to the remarks and observations as reported in the connected Compliance Statement :

- (a) The Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Corporate Governance Code issued by the Commission.
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code.
- (c) Proper books and records have been kept by the Company as required under the Companies Act 1994, the securities laws and other relevant laws, and
- (d) The standard of governance in the Company is somewhat satisfactory.

This report, however, is no endorsement about quality of contents in the Annual Report of the Company for the year 2019-20.

**AL-MUQTADIR ASSOCIATES**  
Chartered Secretaries & Consultants

A.K.A. Muqtadir FCS  
CEO & Chief Consultant

Dhaka, November 01, 2020

**Annexure-C**  
**[As per condition No.1 (5) (xxvii)]**

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3<sup>rd</sup> June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

**(Report under Condition no. 9)**

Condition No.	Title	Compliance Status Put ✓ in the appropriate column		Remarks (If any)
		Compiled	Not Compiled	
<b>1.00</b>	<b>Board of Directors</b>			
1.(1)	Board Size (minimum - 5 and maximum - 20)	✓		9 directors
<b>1.(2)</b>	<b>INDEPENDENT DIRECTORS</b>			
1.2.(a)	1/5th of total as Independent Director (ID)	✓		2 IDs
1.2 (b) (i)	Does not hold any share of less than 1% shares in the Company	✓		As declared by the IDs.
1.2(b) (ii)	Not a Sponsor of The Company	✓		- do -
1.2 (b)(iii)	Who has not been an executive of the company	✓		- do -
1.2 (b)(iv)	Does not have other relationship	✓		- do -
1.2 (b)(v)	Not a Member, Director or Officer of nay Stock Exchange	✓		- do -
1.2 (b)(vi)	Not a Shareholder, Director of Officer of any Member of Stock Exchange.	✓		- do -
1.2 (b)(vii)	Not a partner of an Executive or was not a partner of an Executive during the preceding 3 (Three) years of the concerned Company's statutory audit firm.	✓		- do -
1.2 (b)(viii)	Not an Independent Director in more than five listed Companies.	✓		- do -
1.2 (b)(ix)	Not Convicted by a curt of competent jurisdiction as a defaulter in payment of any loan to a Bank or a Non-Bank Financial Institution.	✓		- do -
1.2 (b)(x)	Not convicted for a Criminal Offence	✓		- do -
1.2 ( c )	Appointment by the Board and approved in AGM	✓		Appointments are duly approved
1.2 (d)	Post cannot remain vacant more than 90 days	✓		No such case in the year
1.2 (e)	Tenure of the Independent Director	✓		
<b>1.3</b>	<b>QUALIFICATION OF INDEPENDENT DIRECTOR</b>			
1.3(a)	Independent Director shall be a knowledgeable individual	✓		As declared by the IDs.
1.3(b)(i)	Business Leader who is or was a promoter or director of an unlisted company	✓		- do -
1.(3)(b)(ii)	Should be a Corporate Leader/Business Leader	✓		- do -
1(3)(b)(iii)	Former official of government.	✓		- do -
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law	-		N/A
1(3)(b)(v)	Professional Chartered Accountant/ Secretary or equivalent qualification.	✓		-



Condition No.	Title	Compliance Status Put ✓ in the appropriate column		Remarks (If any)
		Compiled	Not Compiled	
1 (3) ( c )	The independent director shall have at least 10(ten) years of experiences	✓		As declared by IDs
1 (3) (d)	Relaxation in special cases			N/A
<b>1(4)</b>	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer</b>			
1(4)(a)	The posts of Chairman of the board and Chief Executive Officer are filled by different individuals.	✓		They are different individuals
1(4)(b)	This Company MD and CEO of a listed Company shall not hold the same position in another listed Company.	✓		
1(4)(c)	The Chairperson shall be elected form among the non-executive directors of the company	✓		He is a non-executive director
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director.	✓		
1(4)(e)	In absence of Chairman etc.	-		No such case in the year
<b>1(5)</b>	<b>The Directors' Report to Shareholders :</b>			
1(5)(i)	Industry outlook and possible future developments in the industry	✓		Discussed in the Directors' Report
1(5)(ii)	Segment-wise or product-wise performance	✓		- do -
1(5)(iii)	Risks and concerns including internal and external risk factor.	✓		- do -
1(5)(iv)	A discussion on Cost of Goods sold Gross profit Margin and Net Profit Margin.	✓		- do -
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or Loss)	✓		
1(5)(vi)	Basis for related party transactions-a statement of all related party transactions	✓		- do -
1(5)(vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments	✓		- do -
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat public Offering (RPO), Rights Offer, Direct Listing, etc.	✓		- do -
1(5)(ix)	If significant variance occurs between Quarterly Financial Performance and Annual Financial Statements the management shall explain about the variance on their Annual Report	✓		
1(5)(x)	Remuneration to Directors including Independent Director	✓		- do -

Condition No.	Title	Compliance Status Put ✓ in the appropriate column		Remarks (If any)
		Compiled	Not Compiled	
1(5)(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	✓		- do -
1(5)(xii)	Proper books of account of the issuer company have been maintained	✓		- do -
1(5)(xiii)	Appropriate accounting policies have been consistently applied in preparation to the financial statements and that the accounting estimates are based on reasonable and prudent judgment	✓		- do -
1(5)(xiv)	International Accounting Statement (IAS) Bangladesh Accounting Standard(BAS)/ International Financial Reporting standard (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed	✓		- do -
1(5)(xv)	The system of internal control is sound in design and has been effectively implemented and monitored	✓		- do -
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or indirectly and have effective means of redress	✓		- do -
1(5)(xvii)	There are no significant doubts upon the issuer company's ability to continue as a going concern, If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed	✓		- do -
1(5)(xviii)	Significant deviations from the last year's operation results of the issuer company shall be highlighted and the reasons there of should be explained	✓		- do -
1(5)(xix)	Key operating and financial data of at least preceding 5 (Five) years shall be summarized	✓		- do -
1(5)(xx)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons there of shall be given	✓		Dividend declared
1(5)(xxi)	Declaration that no stock div. paid as interim div.	✓		Discussed in the Directors' Report
1(5)(xxii)	The number of Board meetings held during the year and attendance by each Director shall be disclosed	✓		- do -
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate (name wise details)	✓		- do -

Condition No.	Title	Compliance Status Put ✓ in the appropriate column		Remarks (If any)
		Compiled	Not Compiled	
1(5)(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details)	✓		- do -
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children ( name wise details)	✓		- do -
1(5)(xxiii)(c)	Executives	✓		- do -
1(5)(1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	✓		- do -
1(5)(xxiv)(a)	A brief resume of the director	✓		- do -
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas	✓		- do -
1(5)(xxiv)(c)	Names of the companies in which the person also holds the directorship and the memberships of committees of the Board	✓		- do -
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements	✓		- do -
1(5)(xxv)(b)	Changes in accounting policies and estimation as well as cash flows on absolute figure for such changes	✓		- do -
1(5)(xxv)(c)	Comparative analysis and financial position as well as cash flow for current financial year with immediate preceding five years explaining reasons	✓		- do -
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	✓		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe	✓		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements	✓		- do -
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation shall be explained to the shareholders in the next AGM	✓		- do -
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(30) shall be disclosed as per Annexure-A	✓		Given in the Annual Report
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed	✓		Given in the Annual Report
1(6)	Meeting of the Board of Directors			
1(6)	Compliance under Bangladesh Secretarial Standards (BSS)	✓		

Condition No.	Title	Compliance Status Put ✓ in the appropriate column		Remarks (If any)
		Compiled	Not Compiled	
1(7)	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee(NRC)	✓		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior, rules and regulations , prohibition of insider trading, relationship with environment, employees, customers and suppliers, and independency.	✓		
2	<b>Governance of Board of Directors of Subsidiary Company</b>			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company			N/A
2(b)	One Independent Director of holding company also in the subsidiary company			N/A
2(c)	Minutes of subsidiary company to be placed in the meeting of holding company			N/A
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company			N/A
2(e)	The Audit Committee of the holding company shall also review the financial statements in particular the investments made by the subsidiary company			N/A
3	<b>Managing Director (MD) or Chief Executive Officer, Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)</b>			
3.1	<b>Appointment</b>			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer, a Company Secretary (CS), Chief Financial Officer(CFO), and Head of Internal Audit and Compliance (HIAC)	✓		
3(1)(b)	The positions of the MD,CEO,CS,CFO,HIAC shall be filled by different individuals	✓		They are different persons
3(1)(c)	The MD or CEO, CS, CFO, and HIAC of a listed company shall not hold any executive position in any other company at the same time	✓		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS	✓		

Condition No.	Title	Compliance Status Put ✓ in the appropriate column		Remarks (If any)
		Compiled	Not Compiled	
3(1)(e)	The MD or CEO, CS, CFO, and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the commission and stock exchange	✓		No such case during the year
3.2	<b>Requirement to attend Board of Directors' Meetings</b>			
3 (2)	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board	✓		In practice
3.3	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>			
3(3)(a)(i)	The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	✓		Given in the Annual Report
3(3)(a)(ii)	The statements together present a true and fair view of the company's affairs and are in compliance	✓		- do -
3(3)(b)	The MD or CEO and CFO to certify on due diligence in the Report	✓		- do -
3(3)( c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report	✓		- do -
4	<b>Board of Directors' Committee</b>			
4 (i)	Audit Committee	✓		
4 (ii)	Nomination and Remuneration Committee	✓		
5	<b>Audit Committee</b>			
5.1	<b>Responsibility to the Board of Directors</b>			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board	✓		
5(1) (b)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business	✓		
5(1) (c)	The Audit Committee shall report on its activities to the Board of Directors	✓		
5.2	<b>Constitution of the Audit committee</b>			
5(2) (a)	The Audit Committee shall be composed of at least 3 (three) members	✓		There are 3 members in the audit committee
5(2) (b)	Board to appoint members of the Audit Committee who shall be non-executive	✓		
5(2) (c )	All members of the Audit Committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience	✓		

Condition No.	Title	Compliance Status Put ✓ in the appropriate column		Remarks (If any)
		Compiled	Not Compiled	
5(2) (d)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service	✓		
5(2) (e)	The Company Secretary shall act as the Secretary of the Audit Committee	✓		In practice
5(2)(f)	The quorum of Audit Committee meeting shall not constitute without at least 1 (One) independent director	✓		
5.3	<b>Chairperson of the Audit Committee</b>			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee who will be ID.	✓		The chairman of AC is an ID
5(3)(b)	In the absence of the Chairperson of the Audit Committee members to elect one			N/A
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM)	✓		
5.4	<b>Meeting of the Audit Committee</b>			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year	✓		Four meetings held
5(4)(b)	The quorum of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee whichever is higher	✓		
5.5	<b>Role of Audit Committee</b>			
5(5)(a)	Oversee the financial reporting process	✓		
5(5)(b)	Monitor choice of accounting policies and principles	✓		
5(5)(c)	Internal Audit and Compliance process to ensure that it is adequately resourced	✓		
5(5)(d)	Performance of external auditors	✓		
5(5)(e)	Hold meeting on annual financial statements before submission to the Board for approval or adoption	✓		
5(5)(f)	Review the annual financial statements before submission to the Board for approval	✓		
5(5)(g)	Review the Quarterly and half yearly financial statements before submission to the Board for approval	✓		
5(5)(h)	The review adequacy of internal audit function	✓		
5(5)(i)	Review the management's Discussion and Analysis before disclosing in the Annual Report	✓		

Condition No.	Title	Compliance Status Put ✓ in the appropriate column		Remarks (If any)
		Compiled	Not Compiled	
5(5)(j )	Review statement of all related party transactions submitted by the management	✓		
5(5)(k )	Review management letters or letter of Internal Control weakness issued by statutory auditors	✓		
5(5)(l )	Oversee determination of audit fees based on scope and magnitude	✓		
5(5)(m )	Oversee whether IPO proceeds utilized as per the published Prospectus			N/A
5.6	<b>Reporting of the Audit Committee</b>			
5.6 (a)	<b>Reporting to the Board of Directors</b>			
5(6)(a)(i)	The Audit Committee shall report on tis activates to the Board	✓		
5(6)(a)(ii)(a)	Report on conflicts of interests	-		No such case in the year
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process	-		- do -
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliance including securities related laws, relies and regulation	-		- do -
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately	-		- do -
5.6 (b)	<b>Reporting to the Authorities</b>			
5.7	<b>Reporting to the Shareholders and General Investors</b>			
5(7)	Reporting to the Shareholders and General Investors	✓		Audit committee report given in the AR
6	<b>Nomination and Remuneration Committee (NRC)</b>			
6.1	<b>Responsibility to the Board of Directors</b>			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board	✓		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications	✓		
6(1)(c)	The Terms of Reference of the NRC shall be clearly set forth in writing covering the areas stated at the condition	✓		
6.2	<b>Constitution of the NRC</b>			
6(2)(a)	The Committee shall comprise of at least three members including an independent director	✓		There are 3 members in the NRC
6(2)(b)	All members of the Committee shall be non-executive directors	✓		

Condition No.	Title	Compliance Status Put ✓ in the appropriate column		Remarks (If any)
		Compiled	Not Compiled	
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the committee	✓		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any another cases of vacancies the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee			N/A
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert members			N/A
6(2)(g)	The company secretary shall act as the secretary of the committee	✓		In practice
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director	✓		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium form the company	✓		
6.3	<b>Chairperson of the NRC</b>			
6(3)(a)	The Board shall select 1 ( One ) member of the NRC to be Chairperson of the Committee	✓		
6(3)(b)	The absence of chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting	✓		N/A
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM)	✓		
6.4	<b>Meeting of the NRC</b>			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year	✓		One metting was held on 2019
6(4)(b)	The Chairperson of the NRC, may convene any emergency meeting	-		No such case in the year
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee	✓		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such mines shall be confirmed in the next meeting	✓		
6.5	<b>Role of NRC</b>			



Condition No.	Title	Compliance Status Put ✓ in the appropriate column		Remarks (If any)
		Compiled	Not Compiled	
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders	✓		
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully	✓		
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance	✓		
6(5)(b)(i)(c)	The remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long term performance	✓		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, experience etc.	✓		
6(5)(b)(iii)	Identifying persons who are qualified the criteria laid down and recommend their appointment and removal to the Board.	✓		
6(5)(b)(iv)	Formulating criteria for evaluation of performance of independent directors and the Board	✓		
6(5)(b)(v)	Identifying company's needs for employees at different levels and determine their selection, transfer or replacement	✓		
6(5)(b)(vi)	Developing recommending and reviewing annually the company's human resources and training policies	✓		
6(5)(c )	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report	✓		Given in the Annual Report
7	<b>External or Statutory Auditors</b>			
7(1)(i)	External or Statutory Auditors shall not be engaged in Appraisal or valuation services or fairness opinions	✓		As declared by the auditors
7(1)(ii)	External or Statutory Auditors shall not be engaged in Financial information systems design and implementation	✓		- do -
7(1)(iii)	External or Statutory Auditors shall not be engaged in Book- keeping or other service related to the account in records	✓		- do -
7(1)(iv)	External or Statutory Auditors shall not be engaged in Broker –dealer services	✓		- do -
7(1)(v)	External or Statutory Auditors shall not be engaged in Actuarial services	✓		- do -

Condition No.	Title	Compliance Status Put ✓ in the appropriate column		Remarks (If any)
		Compiled	Not Compiled	
7(1)(vi)	External or Statutory Auditors shall not engage Internal audit services	✓		- do -
7(1)(vii)	External or Statutory Auditors shall not be engaged in any services that the Audit Committee may determine	✓		- do -
7(1)(viii)	External or Statutory Auditors shall not be engaged in Certification services on compliance of corporate governance	✓		- do -
7(1)(ix)	External or Statutory Auditors shall not be engaged in any other service that may create conflict of interest	✓		- do -
7(2)	No partner or employees of the External or Statutory Auditors audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company	✓		- do -
7(3)	Representative of External or Statutory Auditors shall remain present in the Shareholders Meeting ( Annual General Meeting or Extraordinary General Meeting)	✓		
<b>8</b>	<b>Maintaining a website by the company</b>			
8(1)	The company shall have an official website linked with that of the stock exchange	✓		
8(2)	The company shall keep the website functional from the date of listing	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchanges	✓		
<b>9</b>	<b>Reporting and Compliance of Corporate Governance</b>			
9(1)	The company shall obtain a certificate from a practicing professional firm on yearly basis regarding compliance of conditions of Corporate Governance and such certificate shall be disclosed in the Annual Report	✓		Given in the Annual Report
9(2)	The professional who will provide the certificate on compliance of Corporate Governance shall be appointed by the Shareholders in the Annual General Meeting	✓		Duly appointed at the AGM
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors report whether the company has complied with these conditions	✓		Given in the Annual Report

# **Audited Financial Statements**



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**INDEPENDENT AUDITOR'S REPORT**  
**To the shareholders of**  
**Information Technology Consultants Limited**  
**Report on the Audit of the Financial Statements**

### Qualified Opinion

We have audited the financial statements of Information Technology Consultants Limited (the Company), which comprise the statement of financial position as at 30 June 2020, and the statement of profit or loss and other comprehensive income, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### Basis for Qualified Opinion

1. Note#8.00 to the financial statements disclosed Inventories amounting to BDT291,043,322, which inter-alia includes Store Materials amounting to BDT 246,361,647. Due to not having adequate supporting documents, we could not confirm the value of this Store Materials .
2. Note# 3.01(d) to the financial statements disclosed the methods of charging depreciation on Property, Plant & Equipment, which is not in compliance with the Paragraph 60 of International Accounting Standard (IAS)-16.
3. Note# 3.02(c) to the financial statements disclosed the methods of charging amortization on Intangible Assets, which is not in compliance with Paragraph 97 and 108 of International Accounting Standard (IAS)-38.

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

### Emphasis of Matter

Without qualifying our opinion, we draw attention to note # 3.01(c) to the financial statements, wherein, the Company disclosed the reason for not conducting the revaluation of non-current assets.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters in our report.

<b>Revenue</b>	
<b>Risk</b>	<b>Our response to the risk</b>
<p>The revenue during the year represents revenue arising from various services of electronic transaction processing under Q-cash Shared ATM Network and from the sale of ATM, KIOSK, POS which are recognized when deliveries are made against the sales order received from the respective bank clients and after satisfying all the conditions for revenue recognition as provided in IFRS 15. We have identified the heads of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and therefore there is an inherent risk of misstatement arising from the timing of recognition of revenue by management to meet specific targets or expectations. Moreover, there is a risk of differences between the timing of happening of the electronic transactions and the recognition of the same. Accordingly, there could be a potential risk that these revenue transactions are not recognized in the proper reporting period. Also, there may remain risks in proper implementation of IFRS 15.</p>	<p>Our audit procedures to address the risks of material misstatement relating to revenue, which was considered to be significant audit risk, included-</p> <ul style="list-style-type: none"> <li>• Reviewing the recognition process of revenue;</li> <li>• Applying analytical procedures;</li> <li>• Reviewing the cut-off and classification;</li> <li>• Reviewing the related contracts with customers on sample basis;</li> <li>• Reviewing the transactions on sample basis;</li> <li>• Reperforming the calculation; and</li> <li>• Reviewing the presentation and disclosures.</li> </ul>
<p><b>Please see Note# 3.09 and 26.00 to the financial statements.</b></p>	

<b>Provision for Income Tax and Recognition of Deferred Tax</b>	
<b>Risk</b>	<b>Our response to the risk</b>
<p>The company is a provider of both Information Technology Enable Service (ITES) and Non-ITES services. So, there is considerable uncertainty towards execution tax assessment under para-33 of part-A of the 6<sup>th</sup> schedule of the Income Tax Ordinance, 1984 up to 30<sup>th</sup> day of June, 2024, i.e, the expiry of the tax exemption period. There may remain the risk of improper accounting of the tax holiday and its impact on deferred tax and also considering ITES related service as Non-ITES related services. Complexities associated with tax assessment of an ITES Company also involves audit risk. We have determined these to be a key audit matter, due to the complexity in income tax provisioning and the inherent uncertainty in forecasting the amount and timing of future taxable profits/ expenses and the reversal of temporary differences.</p>	<p>Our audit procedures to address the risks of material misstatement relating to Provision for Income Tax and Recognition of Deferred Tax, which was considered to be significant audit risk, included-</p> <ul style="list-style-type: none"> <li>• Performing recalculations;</li> <li>• Reviewing the current and deferred tax provision following the Income Tax Ordinance, 1984 and IAS 12;</li> <li>• Identifying if there are any disallowable expenses; and</li> <li>• Reviewing the presentation and disclosures.</li> </ul>
<p>Please see Note# 3.06, 17.00, 25.00, 35.00 and 36.00 to the financial statements</p>	

<b>Payable for expenses</b>	
<b>Risk</b>	<b>Our response to the risk</b>
The payable for expenses includes the provisions made for expenses which involves judgment and estimates. This year the balance of payable for expenses has increased by 1507.19%. Thus, it involves significant audit risks and we have determined these to be a key audit matter.	Our audit procedures to address the risks of material misstatement relating to payable for expenses, which was considered to be significant audit risk, included- <ul style="list-style-type: none"> <li>• Confirming the balances;</li> <li>• Reviewing the provisioning process; and</li> <li>• Reviewing the presentation and disclosures</li> </ul>
Please see Note# 23 to the financial statements	

<b>Implementation of IFRS 16 Leases</b>	
<b>Risk</b>	<b>Our response to the risk</b>
IFRS 16 Leases becomes effective for annual reporting beginning on or after 01 January 2019, which replaces the existing standard IAS 17 Leases. ITCL implemented the application of the new lease standard and recognize the right of use of asset and lease liabilities as at 31 December 2020. As the implementation of IFRS 16 is significant to the preparation of financial statements of the Company, we considered it as key audit matter.	Our audit procedures to address the risks of material misstatement relating to implementation of IFRS 16 Leases, which might be considered to be significant audit risk, included- <ul style="list-style-type: none"> <li>• Obtaining an understanding of the management's process for implementing IFRS 16 including financial controls designed by the management to mitigate the risks assessed by us independently;</li> <li>• Obtaining and reading the accounting policy for compliance with IFRS 16;</li> <li>• Obtaining listing of all contracts from the management and testing the contracts on a sample basis for impact under IFRS 16;</li> <li>• Obtaining and assessing the borrowing rates;</li> <li>• Testing the assumptions used in the calculation model for the sample contracts selected for testing;</li> <li>• Performing test of details on a sample basis of the right of use of asset and lease liability; and</li> <li>• Assessing the disclosures within the financial statements.</li> </ul>
Please see Note# 3.01(g), 3.16, 6.00 and 18.00 to the financial statements	

<b>Information technology systems and controls</b>	
<b>Risk</b>	<b>Our response to the risk</b>
The information required for the preparation of the financial statements of the Company is primarily generated through the Company's IT system. Thus, the information systems and controls have immense significance on the preparation of the financial statements. Moreover, the operation of the Company is based on its IT infrastructure. Accordingly, we are considering this as a KAM.	Our audit procedures to address the risks of material misstatement relating to Information Technology Systems included- <ul style="list-style-type: none"> <li>• Reviewing the security policy covering physical and logical access controls;</li> <li>• Reviewing controls instituted in view of the rapid changes in technology;</li> <li>• Identifying and evaluating the major risk points (including points of manual intervention) together with the key controls (including reconciliation controls) for each critical application system;</li> </ul>

	<ul style="list-style-type: none"> <li>• Examining business continuity plan and updates to plan; and</li> <li>• Reviewing controls ensuring the availability of systems.</li> </ul>
<b>Implications of COVID-19</b>	
<b>Risk</b>	<b>Our response to the risk</b>
The developments surrounding the Corona (Covid-19) virus have a profound impact on people's health and on our society as a whole and on the operational and financial performance of organizations and the assessment of the ability to continue as a going concern. The global pandemic COVID-19 has already had a significant impact on global trade and economy, with a consequential impact on trade, business, financial market, and Bangladesh's overall economy. There is a potential impact on the Company's smooth operation, impairment of assets, the fair value of the asset, expected credit loss, contract modification, valuation of inventories, and going concern of the Company.	<p>Our audit procedure included-</p> <ul style="list-style-type: none"> <li>• Checking the operational effectiveness and capacity utilization during the pandemic situation;</li> <li>• Checking the impairment testing of the assets, if the Company made any assessment;</li> <li>• Checking the subsequent position of the receivables and payables; and</li> <li>• Checking the going concern of the Company considering the existing operation and plan of the Company.</li> </ul>

### Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The draft Annual Report is expected to be made available to us after the date of this auditor's report but before the finalization of Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report before finalisation, if we conclude that there is a material misstatement therein, we will communicate the matter to those charged with governance of the Company so that the matter is duly addressed in the annual report.

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

The Company is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards (IFRSs), as explained in note # 2.01 to the financial statements, and for such internal control as management determines it is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the



key audit matters. We described these matters in our auditors' report unless law or regulations precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequence of doing so would reasonable be expected to outweigh the public interest benefits of such communication

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

We also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the Company's statements of financial position and statement of profit or loss and other comprehensive income with the note 1 to 43 dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred was for the purposes of the Company's business.

Dated, Dhaka  
Dated: 29 October, 2020



**ACNABIN**  
**Chartered Accountants**

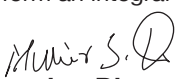
Signed by: Muhammad Aminul Hoque, FCA  
Partner

**Information Technology Consultants Limited**  
**Statement of Financial Position**  
As at 30 June 2020

	Notes	Amounte in Taka	
		30 June 2020	30 June 2019
<b>Assets</b>			
<b>Non-Current Assets:</b>			
Property, plant and equipment, net	4.00	241,045,075	244,933,913
Intangible assets, net	5.00	855,633,082	802,451,877
Right of use assets, net	6.00	69,677,572	-
Capital work-in-progress	7.00	12,926,878	30,268,190
		<b>1,179,282,607</b>	<b>1,077,653,980</b>
<b>Current Assets:</b>			
Inventories	8.00	291,043,322	273,446,463
Accounts receivable	9.00	476,642,028	452,110,539
Other receivable	10.00	129,251,347	73,419,204
Advance, deposits & prepayments	11.00	600,718,647	526,982,624
Cash and cash equivalents	12.00	65,304,328	133,800,790
		<b>1,562,959,672</b>	<b>1,459,759,620</b>
<b>Total Assets</b>		<b>2,742,242,279</b>	<b>2,537,413,600</b>
<b>Equity and Liabilities</b>			
<b>Shareholders' Equity:</b>			
Share capital	13.00	1,224,692,040	1,144,572,000
Share premium	14.00	294,578,430	294,578,430
Retained earnings	15.00	234,209,557	217,065,593
Revaluation reserve	16.00	196,969,201	206,061,581
		<b>1,950,449,228</b>	<b>1,862,277,604</b>
<b>Non-Current Liabilities:</b>			
Deferred tax liability	17.00	3,928,437	6,700,970
Lease liabilities	18.00	48,430,374	3,059,598
ITC-QOOL ATM project	19.00	-	12,075,000
		<b>52,358,811</b>	<b>21,835,568</b>
<b>Current Liabilities:</b>			
Trade payables	20.00	36,688,576	24,875,551
Bank overdraft	21.00	503,231,021	342,520,011
IPO subscription refund	22.00	55,277	115,750
Payable for expenses	23.00	22,173,926	1,379,674
Other liabilities	24.00	82,742,343	245,197,433
Lease liabilities	18.00	17,550,820	1,618,304
Provision for income tax	25.00	76,992,277	37,593,705
		<b>739,434,240</b>	<b>653,300,428</b>
<b>Total Liabilities</b>		<b>791,793,051</b>	<b>675,135,996</b>
<b>Total Equity &amp; Liabilities</b>		<b>2,742,242,279</b>	<b>2,537,413,600</b>
Net Asset Value (NAV) per share	38.00	<b>15.93</b>	<b>15.21</b>


The annexed notes from 1 to 43 form an integral part of these financial statements.

  
**Director**

  
**Managing Director & CEO**

  
**Company Secretary**

Place : Dhaka  
Dated: 29 October, 2020

  
**ACNABIN**  
Chartered Accountants  
Signed by: Muhammad Aminul hoque, FCA  
Partner

**Information Technology Consultants Limited**  
**Statement of Profit or Loss**  
For the year ended 30 June 2020

	Notes	Amounte in Taka	
		2019-2020	2018-2019
<b>Revenue</b>			
Cost of services and sales	26.00	1,319,766,723	925,430,760
<b>Gross Profit</b>	27.00	(907,153,445)	(507,156,274)
		<b>412,613,278</b>	<b>418,274,486</b>
<b>Operating Expenses:</b>			
General and administrative expenses	28.00	(129,795,432)	(123,852,211)
Selling and distribution expenses	29.00	(46,019,186)	(47,404,486)
Other operating expenses	30.00	(14,910,122)	(9,773,168)
<b>Total Operating Expenses</b>		<b>(190,724,740)</b>	<b>(181,029,865)</b>
<b>Operating Profit/(Loss)</b>		<b>221,888,538</b>	<b>237,244,621</b>
Non-operating income/(expenses)	31.00	(553,223)	(3,498,056)
<b>Profit/(Loss) before Finance Costs</b>		<b>221,335,315</b>	<b>233,746,565</b>
Finance costs	32.00	(48,688,847)	(51,424,851)
Finance income	33.00	21,775,766	17,518,387
<b>Profit/(Loss) before WPPF &amp; WF</b>		<b>194,422,234</b>	<b>199,840,101</b>
Contribution to WPPF & WF	34.00	(9,258,202)	(9,516,195)
<b>Profit/(Loss) before Income Tax</b>		<b>185,164,032</b>	<b>190,323,906</b>
<b>Income Tax</b>		<b>(36,399,182)</b>	<b>(10,379,212)</b>
Current tax	35.00	(39,398,572)	(13,777,198)
Deferred tax income/(expenses)	36.00	2,999,390	3,397,986
<b>Net Profit/(Loss)</b>		<b>148,764,850</b>	<b>179,944,694</b>
Earnings Per Share (EPS)	37.00	<b>1.21</b>	<b>1.47</b>

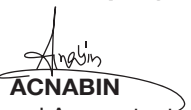
The annexed notes from 1 to 43 form an integral part of these financial statements.

  
Director

  
Managing Director & CEO

  
Company Secretary

Place : Dhaka  
Dated: 29 October, 2020

  
**ACNABIN**  
Chartered Accountants  
Signed by: Muhammad Aminul hoque, FCA  
Partner

**Information Technology Consultants Limited**  
**Statement of and Other Comprehensive Income**  
For the year ended 30 June 2020

	Amounts in Taka	
	2019-20	2018-19
<b>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):</b>		
Net profit after Tax	<b>148,764,850</b>	<b>179,944,694</b>
Deferred tax on revaluation surplus	(226,857)	930,383
Remeasurement on defined benefit plans	-	-
Deferred tax impact on defined benefit plans	-	-
<b>Other comprehensive income/ (loss) for the year, net of tax</b>	<b>(226,857)</b>	<b>930,383</b>
<b>Total comprehensive income for the year, net of tax</b>	<b>148,537,993</b>	<b>180,875,077</b>

The annexed notes from 1 to 43 form an integral part of these financial statements.

  
**Director**

  
**Managing Director & CEO**

  
**Company Secretary**

Place : Dhaka  
Dated: 29 October, 2020

  
**ACNABIN**  
Chartered Accountants  
Signed by: Muhammad Aminul hoque, FCA  
Partner

**Information Technology Consultants Limited**  
**Statement of Changes in Equity**  
**For the year ended 30 June 2020**

Particulars	Paid-up Capital	Share Premium	Retained Earnings	Revaluation Reserve	Total Equity
	Taka	Taka	Taka	Taka	Taka
Balance as at 01 July 2019	1,144,572,000	294,578,430	217,065,593	206,061,581	1,862,277,604
Net profit for the year	-	-	148,764,850	-	148,764,850
Stock dividend (2018 - 19)	80,120,040	-	(80,120,040)	-	-
Cash dividend (2018 - 19)	-	-	(57,228,600)	-	(57,228,600)
Prior year adjustment (IFRS - 16)	-	-	(3,137,769)	-	(3,137,769)
Transfer from revaluation reserve	-	-	9,092,380	(9,092,380)	-
Deferred tax on revaluation reserve	-	-	(226,857)	-	(226,857)
<b>Balance as at 30 June 2020</b>	<b>1,224,692,040</b>	<b>294,578,430</b>	<b>234,209,557</b>	<b>196,969,201</b>	<b>1,950,449,228</b>

Particulars	Paid-up Capital	Share Premium	Retained Earnings	Revaluation Reserve	Total Equity
	Taka	Taka	Taka	Taka	Taka
Balance as at 01 July 2018	1,040,520,000	294,578,430	130,662,677	215,765,163	1,681,526,270
Net profit for the year	-	-	179,944,694	-	179,944,694
Stock dividend (2017 - 18)	104,052,000	-	(104,052,000)	-	-
Prior year adjustment	-	-	(123,743)	-	(123,743)
Transfer from revaluation reserve	-	-	9,703,582	(9,703,582)	-
Deferred tax on revaluation reserve	-	-	930,383	-	930,383
<b>Balance as at 30 June 2019</b>	<b>1,144,572,000</b>	<b>294,578,430</b>	<b>217,065,593</b>	<b>206,061,581</b>	<b>1,862,277,604</b>


The annexed notes from 1 to 43 form an integral part of these financial statements.

  
**Director**

  
**Managing Director & CEO**

  
**Company Secretary**

Place : Dhaka  
Dated: 29 October, 2020

  
**ACNABIN**  
Chartered Accountants  
Signed by: Muhammad Aminul hoque, FCA  
Partner

**Information Technology Consultants Limited**  
**Statement of Cash Flows**  
For the year ended 30 June 2020

	Amounts in Taka	
	2019-20	2018-19
<b>A. Cash flows from operating activities</b>		
Cash receipts from customers/sales	1,133,081,533	1,004,880,109
Cash paid to suppliers	(713,619,555)	(236,627,442)
Cash paid for operating activities	(206,118,763)	(235,001,569)
Cash paid to employees	(217,749,667)	(237,043,781)
Interest paid	(48,688,847)	(51,424,851)
Income taxes paid	(42,675,163)	(20,798,655)
<b>Net cash provided by/(used in) operating activities</b>	<b>(95,770,462)</b>	<b>223,983,811</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant & equipment	(25,000,005)	(15,809,044)
Purchase of card bureau	(1,030,960)	-
Payment of right of use asset - Lease assets	(9,511,678)	-
Purchase of intangible assets	(27,834,183)	-
Purchase of property, plant & equipment (WIP)	(675,184)	(2,270,199)
Purchase of card bureau (WIP)	(6,626,604)	-
Purchase of intangible assets (WIP)	-	(7,599,603)
Payment of Bangabandu Hi-Tech Park project (WIP)	(1,157,931)	-
Interest received	21,431,993	17,228,419
<b>Net cash provided by/(used in) investing activities</b>	<b>(50,404,552)</b>	<b>(8,450,427)</b>
<b>C. Cash flows from financing activities</b>		
Payment of IPO subscription refund	(60,473)	-
Payment of secured loan	-	(11,087,441)
Proceeds from lease liabilities	2,500,000	-
Payment of lease liabilities	(16,159,389)	(1,406,090)
Proceeds from bank overdraft	438,445,195	207,082,456
Payment of bank overdraft	(277,734,185)	(314,383,017)
Proceeds from dividend refund	28,238	30,680
Payment of dividend	(57,265,834)	(34,045)
Payment of ITC-QOOL ATM project	(12,075,000)	(8,400,000)
<b>Net cash provided by/(used in) financing activities</b>	<b>77,678,552</b>	<b>(128,197,457)</b>
<b>D. Net changes in cash and cash equivalents (A+B+C)</b>	<b>(68,496,462)</b>	<b>87,335,927</b>
<b>E. Cash and cash equivalents at beginning of the year</b>	<b>133,800,790</b>	<b>46,464,863</b>
<b>F. Cash and cash equivalents at end of the year</b>	<b>65,304,328</b>	<b>133,800,790</b>
<b>Net Operating Cash Flows Per Share (NOCFPS) 39.00</b>	<b>(0.78)</b>	<b>1.83</b>


The annexed notes from 1 to 43 form an integral part of these financial statements.

  
**Director**

  
**Managing Director & CEO**

  
**Company Secretary**

Place : Dhaka  
Dated: 29 October, 2020

  
**ACNABIN**  
Chartered Accountants  
Signed by: Muhammad Aminul hoque, FCA  
Partner

**Information Technology Consultants Limited**  
Notes to the Financial Statements  
**As at and for the year ended 30 June 2020**

**1.00 Reporting Entity****1.01 Company Profile**

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

The Company has raised its paid-up capital by issuing ordinary shares through Initial Public Offering (IPO) for 12,000,000 ordinary shares of Tk.10.00 each at par totaling Tk. 120,000,000/- vide BSEC consent letter no - SEC/CI/IPO-234/2014/485; dated - 04 October, 2015. The Company became listed with Dhaka & Chittagong Stock Exchanges in 2016 and subscription for IPO was opened on 02 November 2015. The Company's shares were officially floated from 10 January 2016.

**1.02 Nature of business**

The business of the Company inter-alia includes online Switching Solution, Software Development and Service Provider of Q-Cash member banks shared ATM network.

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

**2.00 Basis of Preparation****2.01 Statement of Compliance**

The financial statements have been prepared in compliance with the requirements of the Companies Act 1994, the Securities & Exchange Rules 1987, the listing Regulations of Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) and other relevant local laws as applicable and in accordance with the applicable International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

Notes to the financial statements marked from 3.01 to 3.19 set out the accounting policies on all material accounting areas.

The Following IASs and IFRSs are applicable to the financial statements for the year under review:

Sl#	Name of IAS/IFRS	IAS/ IFRS No.	Status
01	Presentation of Financial Statements	IAS 1	Complied
02	Inventories	IAS 2	Complied
03	Statements of Cash Flows	IAS 7	Complied
04	Accounting Policies, Changes in Accounting Estimates and Errors	IAS 8	Complied*
05	Events after the Reporting Period	IAS 10	Complied
06	Income Taxes	IAS 12	Complied
07	Property, Plant and Equipment	IAS 16	Complied
08	Employee Benefits	IAS 19	Complied
09	Accounting for Govt. Grants and disclosures of Govt. Assistancess	IAS 20	N/A
10	The Effects of Changes in Foreign Exchange Rates	IAS 21	N/A
11	Borrowing Costs	IAS 23	*Complied

SI#	Name of IAS/IFRS	IAS/ IFRS No.	Status
12	Related Party Disclosures	IAS 24	Complied
13	Accounting and Reporting by Retirement Benefit Plan	IAS 26	N/A
14	Consolidated and Separate Financial Statements	IAS 27	N/A
15	Investments in Associates	IAS 28	N/A
16	Financial Instruments: Presentation	IAS 32	Complied
17	Earnings Per Share	IAS 33	Complied
18	Interim Financial Reporting	IAS 34	Complied
19	Impairment of Assets	IAS 36	*Complied
20	Provisions, Contingent Liabilities and Contingent Assets	IAS 37	Complied
21	Intangible Assets	IAS 38	Complied
22	Financial Instrument: Recognition and Measurement	IAS 39	N/A
23	Investment Property	IAS 40	N/A
24	Agriculture	IAS 41	N/A
25	First-time adoption of International financial Reporting Standards	IFRS 1	N/A
26	Share-based Payment	IFRS 2	N/A
27	Business Combinations	IFRS 3	N/A
28	Insurance Contracts	IFRS 4	N/A
29	Non-current Assets Held for Sale and Discontinued Operations	IFRS 5	*Complied
30	Exploration for and Evaluation of Mineral Resources	IFRS 6	N/A
31	Financial Instruments: Disclosures	IFRS 7	Complied
32	Operating Segments	IFRS 8	N/A
33	Financial Instruments	IFRS 9	Complied
34	Consolidated Financial Statements	IFRS 10	N/A
35	Joint Arrangements	IFRS 11	N/A
36	Disclosure of Interests in Other Entities	IFRS 12	N/A
37	Fair Value Measurement	IFRS 13	Complied
38	Regulatory Deferral Accounts	IFRS 14	N/A
39	Revenue from Contracts with Customers	IFRS 15	Complied
40	Leases	IFRS 16	Complied

\*Complied but there is no application of this IAS/ IFRS in current year

The Statement of Compliance has been disclosed in compliance with the requirements of Notification of the Bangladesh Securities and Exchange Commission dated 04.06.2008 under ref: # SEC/CMMRPC/2008-181/53/Adm/03/28.

## 2.02 Date of authorization

The financial statements were authorized for issue by the Board of Directors on 29 October, 2020.

## 2.03 Reporting period

The financial period of the Company covers one year from 01 July 2019 to 30 June 2020 and is followed consistently.



**2.04 Basis of measurement**

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The Financial statements have been prepared following the accrual basis of accounting. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year except otherwise mentioned.

**2.05 Functional and presentation currency**

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

**2.06 Regulatory Compliance:**

As required by the Company, the management complies with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations:

- The Income Tax Ordinance, 1984
- The Income Tax Rules, 1984
- The Value Added Tax and Supplementary Duty Act, 2012
- The Value Added Tax and Supplementary Duty Rules, 2016
- The Customs Act, 1969
- Bangladesh Labour Law, 2006
- The Securities and Exchange Ordinance, 1969 and
- The Securities and Exchange Rules, 1987

**2.07 Structure, content and presentation of financial statements**

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

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

**2.08 Responsibility for preparation and presentation of financial statements**

The Board of Directors /management the Company is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards (IFRSs), as explained in note # 2.01 to the financial statements, and for such internal control as management determines it is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**2.09 Statement of cash flows**

Statement of Cash Flows is prepared in accordance with "IAS 7: Statement of Cash Flows" and Securities and Exchange Rules 1987. As per the said standard and rules, the Company is required

to prepare Statement of Cash Flows following direct method. However, the Company calculates the cash flows (receipts and payments) by adjusting the previous year's closing balances and current year's closing balances (revenue, expenses, acquisition of assets and settlement of liabilities) with the balances during the year (if there is any).

## **2.10 Going concern**

As per IAS-1 a Company is required to assess at the end of each year its capability to continue as going concern. The management of the Company makes such an assessment every year. The Company has sufficient resources to continue its operation of the foreseeable future and hence, the financial statements have been prepared on a going concern basis. As per management assessment, there are no material uncertainties related to event or condition which may cast significant doubt upon the Company's ability to continue as a going concern.

### **a) Impact of COVID-19 pandemic**

The sudden spread of COVID-19 pandemic could have resulted in a substantial crisis and operational disruption for the Company. The Company, being a 24/7 EFT service provider, providing Online Financial Transaction Processing, has to be operated with maximum efficiency. The pandemic sent most major operational officers into quarantine, risking failure/disruption in providing support & services. Fortunately, due to our timely crisis management and planning, we have been able to avoid any such disruption.

The crisis also resulted in revenue loss for ITC due to sudden reductions in transactional demand from banking customers, who experienced long period of branch closure. This had created a cascading effect creating serious monetary and financial implications for companies, across a wider range of sectors- than initially anticipated. To make matters worse, ITC clientele has also experienced a reduced demand of business and service to their own core clients. Therefore, activities like-card personalization, system up-gradation etc. suffered, thus hampering the Company's collection of bills receivable- affecting the budgeted cash flow forecasting, drastically.

## **3.00 Significant accounting policies**

### **3.01 Property, plant and equipment**

#### **(a) Recognition and measurement**

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

#### **(b) Subsequent costs**

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

#### **(c) Revaluation of fixed assets**

The Company had revalued its fixed assets in the year 2009-10 viz, Plant & Machinery, ATM Machine, POS Terminal, Card Printers, Q- Cash retailer POS software, ATM Software, Switching Software, POS Software and Software Development by a competent consultant M/s. Ahmed & Akter, an independent Chartered Accountants firm who has no interest in the assets of the Company.

The management has assessed the fair value of the fixed assets during the year. But did not observe any material changes thereon, However, the management has decided to revalue the fixed assets by professional valuer within the shortest possible time.

**(d) Depreciation**

Depreciation is charged based on the reducing balance method on all tangible assets over their estimated useful economic lives.

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

<b>Name of Assets</b>	<b>Rate</b>
Plant & Machinery	15%
ATM Machinery	15%
POS Terminal	15%
Card Printer	15%
Data Centre	10%
Furniture & Fixture	10%
Computer & Components	15%
Office Equipment	15%
Operating Equipment	15%
Office Decoration	10%
ATM Booth	15%
Generator	10%
On Line UPS	10%
Switching Hardware	10%
Network Solutions (CISCO)	10%
Power Substation	10%
Power System	10%
Structure Cabling	10%
Call Centre	10%
Web Application Firewall	15%
Vehicles	20%

**(e) Retirements and disposals**

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

**(f) Impairment**

As all assets of the Company shown in the financial statements which is within the scope of IAS – 36 are in physical existence and valued not more than their recoverable amount following International Accounting Standards adopted in Bangladesh, disclosures with regard to “Impairment of Assets” as per IAS - 36 have not been considered necessary.

**(g) Leases**

IFRS 16 shall be applied by any company for annual reporting periods beginning on or after 01 January 2010. Thus, the Company adopted this IFRS 16 for the annual reporting period starting from 01 July 2019 for all leasing arrangements, which have been capitalized as “right to use” assets with a corresponding financial liability on the statement of financial position.

Leased assets are capitalized from the start date of the lease agreement at the present value of the future leased payments, based on the rate of interest entered in the asset master data. Low value and short-term leases (<12 months) have been excluded from the recognition requirements and expensed in operating profit as rental costs. Lease reassessment and lease modification to increase/(decrease) the value of an asset depending on change in scope of lease agreement can be made if necessary.

The asset is written off on a straight-line basis over the tenure of the lease agreements. Hence, the useful life of any lease asset depends on the number of periods the asset can be used. The useful lives of such assets are dependent on individual agreement and can vary from one agreement to another.

#### **i. Lease**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

#### **Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### **ii. Right-of-use Assets**

The Company recognizes right-of –use assets at the commencement date of the lease(i.e., the date the underlying asset is available for use). Right-of –use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any measurement of lease liabilities. The Cost of right-of use assets includes the amount of lease liabilities recognized and lease payments made at or before the commencement date less any lease incentives received.

#### **iii. Lease Liabilities**

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in- substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is premeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in Interest-bearing loans and borrowings.

#### **iv. Short-term leases and leases of low-value assets**

In compliance with IFRS 16, the Company measured and recognized the short-term leases (leases of less than 12 months maximum duration) and leases of low value as expense on a straight-line basis over the lease term.

### 3.02 Intangible assets

#### (a) Recognition and measurement

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

#### (b) Subsequent costs

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

#### (c) Amortization

Amortization of the intangible asset is recognized on the basis of the expected pattern of consumption of the projected future economic benefits embodied in the asset and is applied during the year. To the fact that the technology infrastructure of the Company was in development nature, to interface new member banks with ITC host and subsequent for expanding Q-Cash boarder network and continuous development & up-gradation of the intangible assets. So, the amortization of intangibles is the process of expensing the cost of an intangible asset over the projected life of the asset.

The Management of the Company has considered the estimated useful lives of the intangible assets to be 05-40 years based on existing and future consistency, and value of intellectual property, evolving business requirement and logics of the dynamic evolution with its business arena. Such concept globally accepted and proven by large technology giants (Oracle, Micro Soft) who has billions of dollar of valuation. In Bangladesh the Company is under process of similar standardization by BASIS and or similar competent body and consequently the amortization rates have applied as per the following manner:

Amortization of intangible assets is charged under the straight-line method and amortization rates applicable to the principal categories of intangible assets are: -

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

### 3.03 Capital Work in Progress

The assets procured for its infrastructure development & up-gradation time to time during the year, which are installed but yet to be operational due to its nature of business, are shown as capital work in progress. After being operational the value of those assets (tangible & intangible) are transferred to the respective asset arena of the Company.

### 3.04 Inventories

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

### 3.05 Cash and Cash equivalents

Cash and cash equivalents comprise cash in hand, bank current accounts and other bank deposit accounts which are held for the purpose of mitigating short term cash commitments rather than for investment or other purposes.

### 3.06 Taxation

#### (a) Current tax (General)

The provision for current tax is made as per the requirements of Income Tax Ordinance- 1984 and as per the applicable rates prescribed in the Finance Act, 2020 on the taxable profit made by the Company as per IAS-12 "Income Taxes". But the Company has been enjoying tax exemption on revenue from ITES services under Para-33 of part-A of the 6th schedule of the Income Tax Ordinance, 1984 extended up to 30th day of June 2024. Other than ITES services, the Company has also revenue from sale of hardware and other non-ITES services for which provision for tax has been made.

#### (b) Deferred tax

Deferred tax (asset)/ Liability is calculated in accordance with IAS-12. Deferred tax is made as per the balance sheet assets/liabilities method in respect of temporary differences arising from the difference between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are the income taxes payable in future periods in respect of taxable temporary differences and deferred tax assets are amounts of income taxes recoverable in future periods in respect of deductible temporary differences, the carryforward of unused tax losses and the carry forward of unused tax credits. The Company has made adequate provision for deferred tax for the year 2019-20.

### 3.07 Accrued Expenses and Other Payables

Liabilities for the goods and services received are accounted for, whether paid or not, those goods and services. Payables are not interest-bearing and are stated at their nominal value.

### 3.08 Trade and other receivables

Trade and other receivables are recognized at cost which is fair value of the consideration given from them.

### 3.09 Revenue recognition

The revenue during the year represents revenue arising from various services of electronic transaction processing under Q-Cash Shared ATM Network and from the sale of ATM, KIOSK, POS which are recognized following the provisions of IFRS 15 "Revenue from Contracts with Customers."

Revenue is presented net of value added tax (VAT), rebates and discounts. These taxes are regarded as collected on behalf of the authorities. Revenue comprises of the following:

- i. Q-cash transaction processing charge;
- ii. Service & maintenance charge; and
- iii. Sales revenue.

### **3.10 Earnings per Share (EPS)**

The Company calculates Earnings Per Share (EPS) in accordance with IAS - 33 "Earnings Per Share", which has been shown on the face of Statement of Comprehensive Income account and the computation of EPS are stated in note 37.00.

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

This has been calculated by dividing the net profit after tax by the weighted average number of ordinary shares outstanding for the period.

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

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

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

The Company calculates diluted earnings per share amounts for profit or loss attributable to ordinary equity holders of the Company, and, if presented, profit or loss from continuing operations attributable to those equity holders. For the purpose of calculating diluted earnings per share, the Company adjusts profit or loss attributable to ordinary equity holders of the Company and the weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares.

### **3.11 Provisions**

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

### **3.12 Employee benefits**

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

The Company keeps provision at the rate of 5% of net profit before tax contributed by the Company as per provisions of Bangladesh Labour (Amendments) Act 2013.

### **3.13 Related party transactions**

If the Company carries out any transaction during the period with its related parties in the normal course of business, the Company discloses those in accordance with the provisions of IAS 24 and those transactions are made on an arm's length basis. The name of related parties, nature of transactions, their total value and closing balance are set out in accordance with the provisions of IAS-24.

### **3.14 Events after the Reporting period**

The Company discloses the non-adjusting events after reporting date in the notes to the financial statements which among other things includes the dividend recommended by the Board of Directors of the Company for the year ended 30 June 2020 at the Board Meeting. The dividend is subject to final approval by the Shareholders at the forthcoming Annual General Meeting (AGM) of the Company

### 3.15 Comparative Information and Re-arrangement There of

Comparative information is disclosed in respect of the year for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

Figures for the year have been re-arranged wherever considered necessary to ensure better comparability with the current year as well as better presentation.

### 3.16 Changes in accounting policies and disclosures

New and amended standards and interpretations

During the year certain amendments to Standards and new interpretations became effective. The standards that became effective are listed below:

#### i) IFRIC 23 uncertainty over Income Tax Treatments

The IFRIC 23 shall be applied for the annual reporting periods beginning on or after 01 January 2019. The Company is currently assessing the impact of adopting this new interpretation on its financial statements.

#### ii) IFRS 16 - Leases

IFRS 16 is applicable for the annual periods starting after 01 January 2019 and it replaces IAS 17 Leases with effect from 01 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17.

As per IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset, for a period, in exchange for consideration. The distinction between operating and finance leases is eliminated for lessees under IFRS 16, and a new lease asset (representing the right to use the leased item for the lease term) and lease liability (representing the obligation to pay rentals) are recognized for all leases. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (underlying asset value, when new) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee is recognized a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessee is required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

#### As a lessee

ITC has lease agreements for warehouse, office, apartment and others, for a specified period of time in exchange of consideration. In 2019, the company completed an assessment of all leases under IAS 17 and recognized ROU (right-of-use) assets and leases liabilities for all leases under the scope of IFRS 16 Leases.

(i) Leases classified as operating leases under IAS 17 at transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at BATB's incremental borrowing rate as at 1 January 2019. Right-of -use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

(ii) Leases classified as Finance leases under IAS 17

The carrying amount of ROU asset and the lease liability at January 01, 2019 for the finance leases under IAS 17, is continued treating as the financial leases under new policy.

In summary the impact of IFRS 16 adoption is as follows:



**Impact analysis of adopting IFRS 16**  
**Impact on the statement of financial position**  
as at 30 June 2020

Notes	Amounte in Taka		
	As reported	Adjustments	Amounts without adoption of IFRS 16
<b>Assets</b>			
<b>Non-Current Assets:</b>			
Property, plant and equipment, net	241,045,075	-	241,045,075
Intangible assets, net	855,633,082	-	855,633,082
Right of use assets, net	69,677,572	(69,677,572)	-
Capital work-in-progress	12,926,878	-	12,926,878
	<b>1,179,282,607</b>	<b>(69,677,572)</b>	<b>1,109,605,035</b>
<b>Current Assets:</b>			
Inventories	291,043,322	-	291,043,322
Accounts receivable	476,642,028	-	476,642,028
Other receivable	129,251,347	-	129,251,347
Advance, deposits & prepayments	600,718,647	11,089,057	611,807,704
Cash and cash equivalents	65,304,328	-	65,304,328
	<b>1,562,959,672</b>	<b>11,089,057</b>	<b>1,574,048,729</b>
	<b>2,742,242,279</b>	<b>(58,588,515)</b>	<b>2,683,653,764</b>
<b>Total Assets</b>			
<b>Equity and Liabilities</b>			
<b>Shareholders' Equity:</b>			
Share capital	1,224,692,040	-	1,224,692,040
Share premium	294,578,430	-	294,578,430
Retained earnings	234,209,557	2,214,370	236,423,927
Revaluation reserve	196,969,201	-	196,969,201
	<b>1,950,449,228</b>	<b>2,214,370</b>	<b>1,952,663,598</b>
<b>Non-Current Liabilities:</b>			
Deferred tax liability	3,928,437	-	3,928,437
Lease liabilities	48,430,374	(45,709,283)	2,721,091
ITC-QOOL ATM project	-	-	-
	<b>52,358,811</b>	<b>(45,709,283)</b>	<b>6,649,528</b>
<b>Current Liabilities:</b>			
Trade payables	36,688,576	-	36,688,576
Bank overdraft	503,231,021	-	503,231,021
IPO subscription refund	55,277	-	55,277
Payable for expenses	22,173,926	-	22,173,926
Other liabilities	82,742,343	-	82,742,343
Lease liabilities	17,550,820	(15,093,602)	2,457,218
Provision for income tax	76,992,277	-	76,992,277
	<b>739,434,240</b>	<b>(15,093,602)</b>	<b>724,340,638</b>
	<b>791,793,051</b>	<b>(60,802,885)</b>	<b>730,990,166</b>
	<b>2,742,242,279</b>	<b>(58,588,515)</b>	<b>2,683,653,764</b>
<b>Total Equity &amp; Liabilities</b>			

**Impact on the statement of profit or loss and other comprehensive income**  
For the year ended 30 June 2020

Notes	Amounte in Taka		
	As reported	Adjustments	Amounts without adoption of IFRS 16
Revenue	1,319,766,723	-	1,319,766,723
Cost of services & sales	(907,153,445)	-	(907,153,445)
<b>Gross Profit</b>	<b>412,613,278</b>	<b>-</b>	<b>412,613,278</b>
<b>Operating Expenses:</b>			
General and administrative expenses	(129,795,432)	(1,079,060)	(130,874,492)
Selling & distribution expenses	(46,019,186)	-	(46,019,186)
Other operating expenses	(14,910,122)	-	(14,910,122)
<b>Total Operating Expenses</b>	<b>(190,724,740)</b>	<b>(1,079,060)</b>	<b>(191,803,800)</b>
<b>Operating Profit/(Loss)</b>	<b>221,888,538</b>	<b>(1,079,060)</b>	<b>220,809,478</b>
Non-operating income/(expenses)	(553,223)	-	(553,223)
<b>Profit/(Loss) before Finance Costs</b>	<b>221,335,315</b>	<b>(1,079,060)</b>	<b>220,256,255</b>
Finance costs	48,688,847	3,404,148	(45,284,699)
Finance income	21,775,766	-	21,775,766
<b>Profit/(Loss) before WPPF &amp; WF</b>	<b>194,422,234</b>	<b>2,325,088</b>	<b>196,747,322</b>
Contribution to WPPF & WF	(9,258,202)	(110,718)	(9,368,920)
<b>Profit/(Loss) before Income Tax</b>	<b>185,164,032</b>	<b>2,214,370</b>	<b>187,378,402</b>
<b>Income Tax</b>	<b>(36,399,182)</b>	<b>-</b>	<b>(36,399,182)</b>
Current tax	(39,398,572)	-	(39,398,572)
Deferred tax income/(expenses)	2,999,390	-	2,999,390
<b>Net Profit/(Loss)</b>	<b>148,764,850</b>	<b>2,214,370</b>	<b>150,979,220</b>

### Impact on the statement of cash flows

For the year ended 30 June 2020

Notes	Amounte in Taka		
	As reported	Adjustments	Amounts without adoption of IFRS 16
<b>A. Cash flows from operating activities</b>			
Cash receipts from customers/sales	1,133,081,533	-	1,133,081,533
Cash paid to suppliers	(713,619,555)	-	(713,619,555)
Cash paid for operating activities	(206,118,763)	17,585,742	(188,533,021)
Cash paid to employees	(217,749,667)	-	(217,749,667)
Interest paid	(48,688,847)	(2,632,779)	(51,321,626)
Income taxes paid	(42,675,163)	-	(42,675,163)
<b>Net cash provided by/(used in) operating activities</b>	<b>(95,770,462)</b>	<b>14,952,963</b>	<b>(80,817,499)</b>
<b>B. Cash flows from investing activities</b>			
Purchase of property, plant & equipment	(25,000,005)	-	(25,000,005)
Purchase of card bureau	(1,030,960)	-	(1,030,960)
Payment of right of use asset - Lease assets	(9,511,678)	-	(9,511,678)
Purchase of intangible assets	(27,834,183)	-	(27,834,183)
Purchase of property, plant & equipment (WIP)	(675,184)	-	(675,184)
Purchase of card bureau (WIP)	(6,626,604)	-	(6,626,604)
Payment of Bangabandu Hi-Tech Park project (WIP)	(1,157,931)	-	(1,157,931)
Interest received	21,431,993	-	21,431,993
<b>Net cash provided by/(used in) investing activities</b>	<b>(50,404,552)</b>	<b>-</b>	<b>(50,404,552)</b>
<b>C. Cash flows from financing activities</b>			
Payment of IPO subscription refund	(60,473)	-	(60,473)
Proceeds from lease liabilities	2,500,000	-	2,500,000
Payment of lease liabilities	(16,159,389)	(14,952,963)	(31,112,352)
Proceeds from bank overdraft	438,445,195	-	438,445,195
Payment of bank overdraft	(277,734,185)	-	(277,734,185)
Proceeds from dividend refund	28,238	-	28,238
Payment of dividend	(57,265,834)	-	(57,265,834)
Payment of ITC-QOOL ATM project	(12,075,000)	-	(12,075,000)
<b>Net cash provided by/(used in) financing activities</b>	<b>77,678,552</b>	<b>(14,952,963)</b>	<b>62,725,589</b>
<b>D. Net changes in cash and cash equivalents (A+B+C)</b>	<b>(68,496,462)</b>	<b>-</b>	<b>(68,496,462)</b>
<b>E. Cash and cash equivalents at beginning of the year</b>	<b>133,800,790</b>	<b>-</b>	<b>133,800,790</b>
<b>F. Cash and cash equivalents at end of the year</b>	<b>65,304,328</b>	<b>-</b>	<b>65,304,328</b>

### 3.17 Financial Risk Management

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

\* Credit Risk

\* Liquidity Risk

\* Market Risk

#### \* Credit Risk

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

#### \* Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company maintains sufficient resources and arrangement of credit lines with the various banks for managing its liquidity risk.

#### \* Market Risk

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

### 3.18 Technological Risk Management

Technology is a dynamic term that frequently changes its shape and nature. Every capital-intensive industry has to rapidly synchronize itself with technological changes and invest in sophisticated types of machinery. 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 payback period.

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

- Infrastructure Related Risk – Management always put high focus and undertake required CAPEX to keep the infrastructure updated to ensure smooth operation
- Efficient Technical Expertise – The Company is the pioneer in Bangladesh in this industry and has built up a strong team who has been involved since the revolution of the industry. So apparently, they have the most expert team in the industry to cater any technological dynamics
- Up-gradation of the Industry / Solutions: In line with the global financial market, Bangladesh is also adopting the upgraded solutions fast. ITCL is capable to adjust and cope up with the change in industry dynamics

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

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

**3.19 Finance income and expenses**

Finance income comprises interest on financial deposits with banks. Finance income is recognized on an accrual basis and shown under statement of profit or loss and other comprehensive income. Finance costs comprise interest expense on overdraft and borrowings.

**3.20 Number of employees**

As on 30 June 2020 the Company had 369 (30 June 2019, 356) employees who received a salary of Tk. 36,000 and above per annum and there were no employees who received a salary less than Tk. 36,000 per annum.

**4.00 Property, plant and equipment, net  
as at 30 June 2020**

Particulars	Cost/Revaluation				Depreciation				Net book As at 30 June 2020	
	As at 01 July 2019	Addition during the year	Disposal during the year	As at 30 June 2020	Rate	As at 01 July 2019	Charged during the year	Disposal during the year		As at 30 June 2020
	Taka	Taka	Taka	Taka	%	Taka	Taka	Taka		Taka
ATM booth	14,026,316	-	-	14,026,316	15%	9,819,671	630,996	-	10,450,667	3,575,649
ATM machinery	169,689,485	-	-	169,689,485	15%	120,525,631	7,374,576	-	127,900,207	41,789,278
Computer & components	53,489,733	3,106,625	-	56,596,358	15%	38,043,704	2,543,307	-	40,587,011	16,009,347
Data center	19,645,419	5,094,620	-	24,740,039	10%	6,773,508	1,525,928	-	8,299,436	16,440,603
Furniture & fixture	10,470,031	203,175	-	10,673,206	10%	5,704,519	494,032	-	6,198,551	4,474,655
Generator	14,800,000	-	-	14,800,000	10%	8,429,080	637,092	-	9,066,172	5,733,828
Network solution (CISCO)	10,335,467	5,187,947	-	15,523,414	10%	4,336,701	769,710	-	5,106,411	10,417,003
Office decoration	38,624,711	366,734	-	38,991,445	10%	20,644,035	1,834,740	-	22,478,775	16,512,670
Office equipment	37,477,382	584,820	-	38,062,202	15%	27,611,451	1,552,618	-	29,164,069	8,898,133
Online UPS	9,109,248	4,920,619	-	14,029,867	10%	2,005,414	1,120,438	-	3,125,852	10,904,015
Operating equipment	7,910,141	421,785	-	8,331,926	15%	4,519,382	568,588	-	5,087,970	3,243,956
Plant & machinery	34,686,637	-	-	34,686,637	15%	22,562,334	1,818,648	-	24,380,982	10,305,655
POS terminal	44,314,185	-	-	44,314,185	15%	26,903,278	2,611,632	-	29,514,910	14,799,275
Power sub station	2,460,500	-	-	2,460,500	10%	1,401,332	105,912	-	1,507,244	953,256
Power system	11,921,101	-	-	11,921,101	10%	6,219,282	570,180	-	6,789,462	5,131,639
Structure cabling	4,947,172	181,632	-	5,128,804	10%	2,555,892	242,152	-	2,798,044	2,330,760
Switching hardware	17,873,392	11,755,769	1,497,910	28,131,251	10%	8,519,684	1,515,685	910,287	9,125,082	19,006,169
Call center	100,000	-	-	100,000	10%	46,860	5,316	-	52,176	47,824
Web application firewall	83,300	-	-	83,300	15%	46,344	5,544	-	51,888	31,412
Vehicles	3	-	-	3	20%	-	-	-	-	3
<b>Sub total (a)</b>	<b>501,964,223</b>	<b>31,823,726</b>	<b>1,497,910</b>	<b>532,290,039</b>	--	<b>316,668,102</b>	<b>25,927,094</b>	<b>910,287</b>	<b>341,684,909</b>	<b>190,605,130</b>

(Cont....)

(Cont.....)

Particulars	Cost/Revaluation				Depreciation				Net book As at 30 June 2020	
	As at 01 July 2019	Addition during the year	Disposal during the year	As at 30 June 2020	Rate	As at 01 July 2019	Charged during the year	Disposal during the year		As at 30 June 2020
	Taka	Taka	Taka	Taka	%	Taka	Taka	Taka		Taka
<b>Card Bureau</b>										
Card printer	44,455,379	274,400	-	44,729,779	15%	22,348,330	3,343,496	-	25,691,826	
Computer & components	519,000	-	-	519,000	15%	-	77,856	-	77,856	
Online UPS	1,923,772	112,875	-	2,036,647	10%	-	194,254	-	194,254	
Network solution	881,800	42,995	-	924,795	10%	-	88,894	-	88,894	
Structure cabling	2,162,581	171,452	-	2,334,033	10%	-	223,404	-	223,404	
Server	-	2,390,722	-	2,390,722	10%	-	19,923	-	19,923	
Office decoration	1,192,201	68,036	-	1,260,237	10%	-	124,890	-	124,890	
Office equipment	1,725,691	361,202	-	2,086,893	15%	-	277,396	-	277,396	
Furniture & fixture	35,629	-	-	35,629	10%	-	3,564	-	3,564	
<b>Sub total (b)</b>	<b>52,896,053</b>	<b>3,421,682</b>	<b>-</b>	<b>56,317,735</b>	<b>--</b>	<b>22,348,330</b>	<b>4,353,677</b>	<b>-</b>	<b>26,702,007</b>	
<b>Disaster Recovery Centre</b>										
Switching hardware	25,906,828	-	-	25,906,828	10%	8,839,620	1,706,724	-	10,546,344	
Generator	1,698,025	-	-	1,698,025	10%	583,956	111,408	-	695,364	
Structure cabling	2,168,517	-	-	2,168,517	10%	745,752	142,272	-	888,024	
Firewall & router	548,000	-	-	548,000	10%	155,040	39,300	-	194,340	
Online UPS	1,800,000	-	-	1,800,000	10%	619,020	118,104	-	737,124	
Network solution	109,000	-	-	109,000	10%	10,896	9,816	-	20,712	
Office decoration	730,837	-	-	730,837	10%	234,876	49,596	-	284,472	
Office equipment	2,548,454	-	-	2,548,454	15%	1,218,144	199,548	-	1,417,692	
Furniture & fixture	167,040	-	-	167,040	10%	57,456	10,956	-	68,412	
<b>Sub total (c)</b>	<b>35,676,701</b>	<b>-</b>	<b>-</b>	<b>35,676,701</b>	<b>--</b>	<b>12,464,760</b>	<b>2,387,724</b>	<b>-</b>	<b>14,852,484</b>	
<b>Grand total (a+b+c)</b>	<b>590,536,977</b>	<b>35,245,408</b>	<b>1,497,910</b>	<b>624,284,475</b>	<b>--</b>	<b>351,481,192</b>	<b>32,668,495</b>	<b>910,287</b>	<b>383,239,400</b>	

**as at 30 June 2019**

Particulars	Cost/Revaluation				Depreciation				Net book As at 30 June 2019	
	As at 01 July 2018	Addition during the year	Disposal during the year	As at 30 June 2019	Rate	As at 01 July 2018	Charged during the year	Disposal during the year		As at 30 June 2019
	Taka	Taka	Taka	Taka	%	Taka	Taka	Taka		Taka
<b>2018-19</b>	<b>576,299,707</b>	<b>24,225,268</b>	<b>-</b>	<b>600,524,975</b>	<b>--</b>	<b>320,157,984</b>	<b>35,433,078</b>	<b>-</b>	<b>355,591,062</b>	
									<b>244,933,913</b>	

**5.00 Intangible assets, net  
as at 30 June 2020**

Particulars	Cost/Revaluation				Depreciation				Net book As at 30 June 2020	
	As at 01 July 2019	Addition during the year	Disposal during the year	As at 30 June 2020	Rate	As at 01 July 2019	Charged during the year	Disposal during the year		As at 30 June 2020
	Taka	Taka	Taka	Taka	%	Taka	Taka	Taka		Taka
Accounting software	90,000	-	-	90,000	20%	90,000	-	-	90,000	
ATM software	246,262,135	1,765,654	-	248,027,789	2.5%	27,442,222	6,200,698	-	33,642,920	
Mobile banking software	1,000,000	-	-	1,000,000	5%	300,018	50,002	-	350,020	
Oracle software	7,646,500	-	-	7,646,500	5%	2,293,928	382,323	-	2,676,251	
PCI DSS security compliance software	1,129,800	-	-	1,129,800	5%	338,967	56,493	-	395,460	
POS software	60,369,192	17,547,853	-	77,917,045	5%	11,673,912	3,676,502	-	15,350,414	
Q cash e portal software development	1,108,060	-	-	1,108,060	5%	332,423	55,404	-	387,827	
Q cash retailer POS software	8,449,820	-	-	8,449,820	5%	2,534,969	422,494	-	2,957,463	
Software development	168,175,800	-	-	168,175,800	2.5%	21,895,512	4,204,394	-	26,099,906	
Switching software	421,748,449	60,852,140	-	482,600,589	2.5%	50,273,719	11,704,392	-	61,978,111	
Call center	1,054,000	-	-	1,054,000	5%	316,218	52,702	-	368,920	
VMware software	870,700	-	-	870,700	5%	217,680	43,536	-	261,216	
Issue tracking software (JIRA)	1,000,000	-	-	1,000,000	5%	250,019	50,002	-	300,021	
E traffic web application	1,710,000	-	-	1,710,000	5%	202,992	85,500	-	288,492	
<b>Total</b>	<b>920,614,456</b>	<b>80,165,647</b>	<b>-</b>	<b>1,000,780,103</b>	<b>-</b>	<b>118,162,579</b>	<b>26,984,442</b>	<b>-</b>	<b>145,147,021</b>	

**as at 30 June 2019**

Particulars	Cost/Revaluation				Depreciation				Net book As at 30 June 2019	
	As at 01 July 2018	Addition during the year	Disposal during the year	As at 30 June 2019	Rate	As at 01 July 2018	Charged during the year	Disposal during the year		As at 30 June 2019
	Taka	Taka	Taka	Taka	%	Taka	Taka	Taka		Taka
2018-19	890,268,642	30,345,814	-	920,614,456	--	93,040,999	25,121,580	-	118,162,579	
<b>Total</b>	<b>890,268,642</b>	<b>30,345,814</b>	<b>-</b>	<b>920,614,456</b>	<b>--</b>	<b>93,040,999</b>	<b>25,121,580</b>	<b>-</b>	<b>118,162,579</b>	



### 6.00 Right of use of assets, net as at 30 June 2020

The company has leases for Vehicle and Rented office premises, and been capitalized under IFRS 16 Leases. Information related to Right-of-use Asset are depicted below:

Particulars	Cost/Revaluation			Depreciation			Net book As at 30 June 2020		
	As at 01 July 2019	Addition during the year	Disposal during the year	As at 30 June 2020	Rate	As at 01 July 2019		Charged during the year	Disposal during the year
	Taka	Taka	Taka	Taka	%	Taka	Taka	Taka	Taka
3rd, 4th & Ground floor - EP	60,322,540	-	-	60,322,540	--	41,220,403	12,064,508	-	53,284,911
2nd & Ground floor - EP	-	43,011,148	-	43,011,148	--	-	3,584,262	-	3,584,262
1st Floor - EP	5,399,977	-	-	5,399,977	--	4,285,696	1,028,567	-	5,314,263
Ground Floor - EP	3,144,070	-	-	3,144,070	--	1,572,035	628,814	-	2,200,849
Chittagong office	1,583,629	-	-	1,583,629	--	109,974	263,938	-	373,912
Kaliakoir Hi-Tech Park	-	13,543,778	-	13,543,778	--	-	225,730	-	225,730
Vehicle	11,201,875	3,832,276	-	15,034,151	--	4,498,698	2,879,096	-	7,377,794
<b>Sub total (a)</b>	<b>81,652,091</b>	<b>60,387,202</b>	<b>-</b>	<b>142,039,293</b>	<b>--</b>	<b>51,686,806</b>	<b>20,674,915</b>	<b>-</b>	<b>72,361,721</b>

### as at 30 June 2019\*

Particulars	Cost/Revaluation			Depreciation			Net book As at 30 June 2019		
	As at 01 July 2018	Addition during the year	Disposal during the year	As at 30 June 2019	Rate	As at 01 July 2018		Charged during the year	Disposal during the year
	Taka	Taka	Taka	Taka	%	Taka	Taka	Taka	Taka
2018-19	-	-	-	-	--	-	-	-	-

\*As the Company followed modified retrospective restatement, there was no balance as on 30 June 2019.

Notes	Amounts in Taka	
	30 June 2020	30 June 2019
<b>7.00 Capital work-in-progress</b>		
<b>Property, plant &amp; equipment:</b>		
Opening balance	2,270,199	4,889,354
Add: Addition during the period		
Plant & machinery	2,242,343	-
Switching hardware	14,583,769	-
Computer & component	-	593,125
Data center	-	605,550
Furniture & fixture	-	118,052
Office decoration	-	366,734
Office equipment	-	267,468
Operating equipment	-	319,270
	16,826,112	2,270,199
	19,096,311	7,159,553
Less: Transfer to property, plant & equipment	(13,953,968)	(4,889,354)
	5,142,343	2,270,199
<b>Card bureau:</b>		
Opening balance	-	-
Add: Addition during the period		
HSM	6,626,604	-
	6,626,604	-
	6,626,604	-
Less: Transfer to card bureau	-	-
	6,626,604	-
<b>Intangible assets:</b>		
Opening balance	27,997,991	30,345,814
Add: Addition during the period		
ATM software	-	1,765,654
Switching software	-	26,232,337
	-	27,997,991
	27,997,991	58,343,805
Less: Transfer to intangible assets	(27,997,991)	(30,345,814)
	-	27,997,991
<b>Bangabandu Hi-Tech Park (BHTP) project:</b>		
Opening balance	-	-
Add: Addition during the period		
Bangabandu Hi-Tech City	1,157,931	-
	1,157,931	-
	1,157,931	-
Less: Transfer to BHTP project	-	-
	1,157,931	-
	<b>12,926,878</b>	<b>30,268,190</b>

	Notes	Amounts in Taka	
		30 June 2020	30 June 2019
<b>8.00 Inventories</b>			
Finished goods	8.01	44,681,675	34,220,681
Store materials	8.02	246,361,647	239,225,782
		<b>291,043,322</b>	<b>273,446,463</b>
<b>8.01 Finished goods</b>			
Opening balance		34,220,681	47,407,329
Add: Direct addition during the year		210,437,939	81,822,443
Add: Addition from store materials		170,189,674	51,681,481
Less: Consumptions		(370,166,619)	(146,690,572)
		<b>44,681,675</b>	<b>34,220,681</b>
Details are given in <b>Schedule A</b>			
<b>8.02 Store materials</b>			
Opening balance		239,225,782	228,213,343
Add: Direct addition during the year		181,586,101	68,493,828
Less: Transfer to finished goods		(170,189,674)	(51,681,481)
Less: Consumptions		(4,260,562)	(5,799,908)
		<b>246,361,647</b>	<b>239,225,782</b>
Details are given in <b>Schedule B</b>			
<b>9.00 Accounts receivable</b>			
ATM software support & maintenance receivable		24,637,597	20,834,200
Contactless middleware card management software receivable		783,728	1,739,048
Q-cash joining & interface establishment receivable		119,048	-
NPS software support & maintenance receivable		807,143	1,937,143
Card charge receivable	9.01	119,096,127	111,125,212
Connectivity charge receivable	9.02	7,046,209	5,416,284
Transaction charge receivable	9.03	62,660,538	43,895,952
Servicing & maintenance charge receivable	9.04	184,120,965	165,645,037
Sales receivable	9.05	77,370,673	101,517,663
		<b>476,642,028</b>	<b>452,110,539</b>
<b>Ageing schedule of accounts receivable</b>			
<b>Duration</b>			
1 - 30 days		103,850,075	112,576,856
31 - 60 days		32,996,996	30,797,780
61 - 90 days		34,389,154	46,499,680
91 - 180 days		114,155,936	77,270,480
181 - 365 days		55,830,469	66,499,108
above 365 days		135,419,398	118,466,635
		<b>476,642,028</b>	<b>452,110,539</b>
i) Accounts receivable considered good in respect of which the company is fully secured:		-	-
There is no such accounts receivable in this respect as on 30 June 2020			
ii) Accounts receivable considered good for which the company holds no security other than the personal security:		476,642,028	452,110,539

Notes	Amounts in Taka	
	30 June 2020	30 June 2019
Accounts receivable accrued in the ordinary course of business are considered good as those are based on valid agreement with Banks & other clientele.		
iii) Accounts receivable considered doubtful or bad:	-	-
There is no such accounts receivable in this respect as on 30 June 2020		
iv) Accounts receivable from the Directors or other officers of the company:	-	-
There is no such accounts receivable in this respect as on 30 June 2020		
<b>9.01 Card charge receivable</b>		
Card annual charge receivable	41,833,688	50,938,347
Card renewal charge receivable	75,868,989	58,793,415
SEQAEP card charge receivable	1,393,450	1,393,450
	<b>119,096,127</b>	<b>111,125,212</b>
<b>9.02 Connectivity charge receivable</b>		
ATM link connectivity charge receivable	73,495	72,227
VISA connectivity charge receivable	6,972,714	5,344,057
	<b>7,046,209</b>	<b>5,416,284</b>
<b>9.03 Transaction charge receivable</b>		
ATM transaction charge receivable	19,215,380	12,921,261
POS transaction charge receivable	25,910,541	20,571,439
Card cheque transaction charge receivable	770,991	1,457,688
Fund transfer transaction charge receivable	188,410	303,930
SMS management charge receivable	534,572	450,442
SMS service charge receivable	11,787,201	8,066,176
Data SIM transaction charge receivable	1,330,573	-
E-commerce transaction receivable	2,922,870	125,016
	<b>62,660,538</b>	<b>43,895,952</b>
<b>9.04 Servicing &amp; maintenance charge receivable</b>		
ATM software servicing & maintenance charge receivable	81,490,845	89,670,200
NCR ATM switching software service charge receivable	760,800	311,400
ATM booth servicing & maintenance charge receivable	2,494,848	3,582,792
KIOSK software servicing & maintenance charge receivable	3,444,684	2,622,517
KIOSK modification charge receivable	1,610,000	1,314,286
Agent banking software service charge receivable	-	2,643
UPS servicing & maintenance charge receivable	2,145,254	4,127,472
POS software servicing & maintenance charge receivable	8,599,196	4,461,058
VbV certified ACS service charge receivable	-	100,000
Tranzware retail re-installation charge receivable	377,100	313,350
Switching software service charge receivable	74,854,998	59,139,319
PCI DSS security compliance charge receivable	550,000	-
Software customization & application development receivable	7,793,240	-
	<b>184,120,965</b>	<b>165,645,037</b>

	Notes	Amounts in Taka	
		30 June 2020	30 June 2019
<b>9.05 Sales receivable</b>			
ATM sales receivable		40,777,754	73,947,975
Anti skimming device sales receivable		1,960,000	2,240,250
CDM sales receivable		2,083,390	2,875,250
POS sales receivable		32,459,902	21,614,998
UPS sales receivable		-	675,000
Finger vein sales receivable		89,627	164,190
		<b>77,370,673</b>	<b>101,517,663</b>
<b>10.00 Other receivable</b>			
Trust Bank Limited (FDR A/C : 30060) - Interest		767,314	837,978
Trust Bank Limited (FDR A/C : 21516) - Interest		6,465,557	6,051,120
System Engineering		65,449,423	9,961,053
Receivable from NBR	10.01	56,569,053	56,569,053
		<b>129,251,347</b>	<b>73,419,204</b>
10.01 The mentioned receivable has been comprising taxrefund amount after necessary adjustment with Advance Income Tax. The break down of the amount is given below -			
Receivable from NBR			
2011-12		3,693,937	3,693,937
2012-13		3,044,480	3,044,480
2013-14		5,196,023	5,196,023
2014-15		22,095,384	22,095,384
2015-16		22,539,229	22,539,229
		<b>56,569,053</b>	<b>56,569,053</b>
<b>11.00 Advance, deposits &amp; prepayments</b>			
Advance	11.01	173,141,401	137,423,919
Advance against office rent	11.02	3,014,340	5,758,341
Bank guarantee margin	11.03	28,570,330	18,167,720
Security deposit (Non interest bearing)	11.04	1,539,641	3,539,641
Fixed deposit receipt (FDR)	11.05	264,244,939	245,375,183
Prepayments	11.06	3,680,216	4,227,265
Deferred expenses	11.07	10,475,822	16,036,804
Advance against LC	11.08	116,051,958	96,453,751
		<b>600,718,647</b>	<b>526,982,624</b>
<b>11.01 Advance</b>			
Advance to suppliers	11.01.01	6,861,683	25,052,412
Advance against purchase		2,037,829	1,273,158
Advance to employees		893,500	1,066,000
Advance income tax (AIT)	11.01.02	127,333,857	84,658,694
VAT current account		25,373,655	25,373,655
Advance tax		10,640,877	-
		<b>173,141,401</b>	<b>137,423,919</b>
<b>11.01.01 Advance to suppliers</b>			
CIBL Technology Consultants Ltd		2,400,000	-
Mega Technology		244,584	-
Move International		15,737	15,737
Everest Engineering & Service		-	31,000
Nawabpur Electric Works		34,700	34,700
Cool Craft		75,000	-
Superior Electronics Pvt. Ltd.		45,918	-

	Notes	Amounts in Taka	
		30 June 2020	30 June 2019
Eastcompeace Smart Card (BD) Ltd		-	150,000
Appnometry Ltd		-	4,433,575
AR Computers		96,850	-
Uptime Technologies		-	24,000
Express Systems Ltd		-	1,500,000
AJR Consultants (BD) Ltd		-	450,000
Traxcon		-	14,700,000
Asia Com		-	346,400
Probarton Engineering		800,000	-
Khorkuto Limited		1,683,020	-
MegaNet ICT Ltd		-	3,319,500
Anika Enterprise		47,500	47,500
Pathway Technology		1,000,000	-
Beam Trade International		250,000	-
M/S Kajol Automobiles		16,278	-
Amber IT Ltd		2,096	-
SP Enterprise		150,000	-
		<b>6,861,683</b>	<b>25,052,412</b>
<b>11.01.02 Advance income tax (AIT)</b>			
Opening balance		84,658,694	174,667,253
Add: Addition during the year	11.01.02.01	42,675,163	20,798,655
		<b>127,333,857</b>	<b>195,465,908</b>
Less: Adjustment during the year:			
Receivable from NBR		-	(56,569,053)
Adjustment of income tax		-	(54,238,161)
		-	(110,807,214)
		<b>127,333,857</b>	<b>84,658,694</b>
<b>11.01.02.01 Addition of advance income tax (AIT)</b>			
Advance income tax - Revenue		40,166,963	18,043,652
Advance income tax - Import		-	747,140
Advance income tax - Vehicle		365,000	285,000
Advance income tax - FDR & SND A/C		2,143,200	1,722,863
		<b>42,675,163</b>	<b>20,798,655</b>
<b>11.02 Advance against office rent</b>			
Tejgaon office		-	2,813,556
Chittagong office		-	184,000
Uttara office - DR center		1,671,900	2,289,000
Tejgaon warehouse		1,342,440	305,100
Essential Agencies (Pvt.) Ltd		-	166,685
		<b>3,014,340</b>	<b>5,758,341</b>
<b>11.03 Bank guarantee margin</b>			
Bank guarantee		2,408,098	890,848
Earnest money		4,437,100	4,437,100
Advance performance guarantee		17,281,460	8,497,800
Performance guarantee		4,443,672	4,341,972
		<b>28,570,330</b>	<b>18,167,720</b>

	Notes	Amounts in Taka	
		30 June 2020	30 June 2019
<b>11.04</b>	<b>Security deposit (Non interest bearing)</b>		
	Uttara office - DR center	144,000	144,000
	DESCO	11,000	11,000
	Security Deposit - RAJUK	600,000	600,000
	Teletalk Bangladesh Ltd	100,000	100,000
	Central Depository Bangladesh Ltd (CDBL)	500,000	500,000
	Dhaka Bank Ltd (Lease)	94,641	94,641
	Islami Bank Bangladesh Ltd	50,000	50,000
	Shahjalal Islami Bank Ltd	40,000	40,000
	Essential Agencies (Pvt.) Ltd	-	2,000,000
		<b>1,539,641</b>	<b>3,539,641</b>
<b>11.05</b>	<b>Fixed deposit receipt (FDR)</b>		
	FDR at Trust Bank Ltd (FDR A/C : 21516)	184,730,206	172,889,133
	FDR at Trust Bank Ltd (FDR A/C : 30060)	76,731,352	71,826,605
	FDR at Trust Bank Ltd (FDR A/C : 31694)	703,457	659,445
	FDR at Jamuna Bank Ltd (FDR A/C : 50394)	2,079,924	-
		<b>264,244,939</b>	<b>245,375,183</b>
<p>The Company has reserved as fixed deposit for an amount to Tk. 184.73 million and Tk. 76.73 million in Trust Bank Ltd. Another FDR of Tk. 0.703 million has lien to Banglalink Digital Communications Ltd for security deposit against i-top up service through Q-cash network. In addition FDR No. 50394 has been fixed deposited for an interim year.</p>			
<b>11.06</b>	<b>Prepayments</b>		
	Insurance premium on assets	296,532	1,116,118
	Google mail server software license fee	362,252	278,631
	Oracle software license renewal fee	1,107,166	917,525
	Commercial license charge (JIRA)	440,271	-
	VMware license fee	573,995	1,339,331
	Red Hat Linux server license fee	900,000	-
	VISA bureau card production	-	575,660
		<b>3,680,216</b>	<b>4,227,265</b>
<b>11.07</b>	<b>Deferred expenses</b>		
	Bonus	9,317,731	9,310,954
	KIOSK modification cost	1,158,091	1,158,091
	IT maintenance & rollout	-	1,178,760
	IT support	-	1,003,200
	Software development	-	1,097,250
	Integration with middleware software	-	877,799
	Business process outsourcing	-	1,410,750
		<b>10,475,822</b>	<b>16,036,804</b>
<b>11.08</b>	<b>Advance against LC</b>		
	LC for ATM spare parts	801,386	-
	LC for POS	18,148,932	996,965
	LC for switching software	42,579,009	80,630,127
	LC for Networking security device	-	2,330,022
	LC for Agent banking software	53,261,992	10,929,478
	LC for HSM protect server	-	1,567,159
	LC for CDM spare parts	1,260,639	-
		<b>116,051,958</b>	<b>96,453,751</b>

	Notes	Amounts in Taka	
		30 June 2020	30 June 2019
<b>12.00</b>	<b>Cash and cash equivalents</b>		
	Cash in hand	168,758	151,561
	Cash at bank	63,765,556	131,116,181
	Cash at Q-pay	1,370,014	2,533,048
		<b>65,304,328</b>	<b>133,800,790</b>
<b>12.01</b>	<b>Cash at bank</b>		
	NRB Commercial Bank Ltd (CD A/C: 010133300000685)	1,068,986	1,025,710
	Bank Asia Ltd (CD A/C : 00333006503)	1,113,901	2,133
	BRAC Bank Ltd (CD A/C : 1501201589532001)	107,211	3,032,036
	City Bank Ltd (CD A/C : 1102041731001)	3,494,960	1,063,055
	Dutch Bangla Bank Ltd (CD A/C : 1161100002212)	2,323,064	3,747,097
	Eastern Bank Ltd (CD A/C : 1011060011178)	7,199,486	8,553,036
	Eastern Bank Ltd (STD A/C : 1011360210568)	32,113	32,553
	Jamuna Bank Ltd (CD A/C : 00100210008907)	15,537	75,320,479
	Janata Bank Ltd (CD A/C : 0888001013819)	146,738	1,883,596
	National Bank Ltd (CD A/C : 099933143418)	1,793,812	457,582
	NCC Bank Ltd (CD AC : 00500210003280)	102,286	61,684
	Pubali Bank Ltd (CD A/C : 3677901016811)	-	13,098
	Shahjalal Islami Bank Ltd (CD A/C : 400511100000281)	1,676,233	4,880
	Sonali Bank Ltd (CD A/C : 0002633130481)	4,157,053	2,794,236
	One Bank Ltd (CD A/C : 0121020003189)	13,111	14,376
	Trust Bank Ltd (STD A/C : 0320000978)	268,542	3,854,787
	United Commercial Bank Ltd (CD A/C : 0951101000004308)	489,439	81,758
	Standard Chartered Bank (CD A/C : 01118353501)	21,763,848	1,820,759
	EXIM Bank Ltd (CD A/C : 03911100100275)	611,156	115,271
	IFIC Bank Ltd, (CD A/C : 1203522605001)	6,639,940	1,653,424
	Mutual Trust Bank Ltd (CD A/C : 00460210004114)	2,478,594	278,432
	Midland Bank Ltd (CD A/C : 00021050002804)	7,654	900,274
	Dhaka Bank Ltd (CD A/C : 02181000005561)	416,279	186,478
	Jamuna Bank Ltd (SND A/C : 00100320001009)	982,067	14,516,124
	Trust Bank Ltd (CD A/C : 0210001210)	150,221	7,185,795
	ICB Islami Bank Ltd (CD A/C : 1002400011916)	166,835	94,393
	Shimanto Bank Ltd (CD A/C : 1001241000525)	440,229	395,271
	First Security Islami Bank Ltd (CD A/C : 011211100019765)	2,219,115	1,803,510
	Bangladesh Commerce Bank Ltd (CD A/C : 00521001112)	34,831	28,830
	Padma Bank Ltd (CD A/C : 0111100082151)	105,348	7,049
	Community Bank Bangladesh Ltd (CD A/C : 0010302328101)	3,620,282	-
	Trust Bank Ltd (IPO A/C)	126,685	188,475
		<b>63,765,556</b>	<b>131,116,181</b>
<b>12.01.01</b>	<b>Trust Bank Ltd (IPO A/C)</b>		
	Trust Bank Ltd, SND A/C	BDT	71,408
	Trust Bank Ltd, FC A/C	USD	50,424
	Trust Bank Ltd, FC A/C	EURO	4,853
			<b>126,685</b>
			<b>188,475</b>



	Notes	Amounts in Taka	
		30 June 2020	30 June 2019
<b>12.02 Cash at Q-pay</b>			
Banglalink - i Top Up		57,019	712,026
Robi - Top Up		170,216	502,208
Teletalk - Telecharge		141,934	176,066
Grameenphone - Flexiload		778,333	804,314
Airtel - EasyLoad		222,512	338,434
		<b>1,370,014</b>	<b>2,533,048</b>
<b>13.00 Share capital</b>			
This is made up as follows:			
<b>Authorized:</b>			
175,000,000 Ordinary Shares of Tk.10/= each		1,750,000,000	1,750,000,000
25,000,000 Preference Shares of Tk.10/= each		250,000,000	250,000,000
		<b>2,000,000,000</b>	<b>2,000,000,000</b>
<b>Issued, subscribed and paid up:</b>			
Opening balance		1,144,572,000	1,040,520,000
Stock dividend (2018 - 19)*		80,120,040	104,052,000
		<b>1,224,692,040</b>	<b>1,144,572,000</b>

The position of shareholders as on 30 June 2020 is as follows:

Classification of investors	30 June 2020			30 June 2019
	No. of Shareholders	No. of Shares	Ownership (%)	Ownership (%)
Sponsors/Promoters and Directors	4	62,560,655	51.09%	51.09%
Institute	82	29,426,052	24.02%	26.35%
General Public	2663	30,482,497	24.89%	22.56%
	<b>2749</b>	<b>122,469,204</b>	<b>100%</b>	<b>100%</b>

Distribution schedule of each class of equity security setting out the number of holders and percentage as on 30 June, 2020.

	No. of Shareholders	Ownership (%)	No. of Shares
<b>Shareholding range</b>			
1-100	604	0.0140%	18,049
101-500	513	0.1050%	128,370
501-1000	471	0.2760%	337,846
1001-5000	629	1.2170%	1,489,877
5001-10000	191	1.0960%	1,342,585
10001-20000	149	1.7250%	2,112,848
20001-above	192	95.5670%	117,039,629
	<b>2749</b>	<b>100%</b>	<b>122,469,204</b>

<b>14.00 Share premium</b>			
Share premium from issue of 17,929,900 shares in 2011		294,578,430	294,578,430
		<b>294,578,430</b>	<b>294,578,430</b>
<b>15.00 Retained earnings</b>			
This is arrived as follows:			
Opening balance		217,065,593	130,662,677
Stock dividend (2018 - 19)*		(80,120,040)	(104,052,000)
Cash dividend (2018 - 19)*		(57,228,600)	-
Prior year adjustments	15.01	(3,137,769)	(123,743)
Transfer from revaluation reserve	Sch - C	9,092,380	9,703,582
Deferred tax on revaluation reserve		(226,857)	930,383
Profit/(Loss) during the year		148,764,850	179,944,694
		<b>234,209,557</b>	<b>217,065,593</b>

	Notes	Amounts in Taka	
		30 June 2020	30 June 2019
<p>* The Board of Directors of the Company had recommended 5% Cash and 7% Stock (Bonus) dividend for the year ended 30 June 2019 at the Board meeting held on 20 October, 2019. Subsequently, the dividend had been approved by the shareholders at the Annual General Meeting of the Company held on 05 December 2019 and disbursed to the Shareholders accordingly.</p>			
<b>15.01</b>	<b>Prior year adjustment</b>		
	Interest - IFRS 16	(12,318,993)	-
	Depreciation expenses - IFRS 16	(47,576,936)	-
	Office rent - IFRS 16	56,758,160	-
	Under provision against LC	-	(123,743)
		<b>(3,137,769)</b>	<b>(123,743)</b>
<b>16.00</b>	<b>Revaluation reserve</b>		
	Opening balance	206,061,581	215,765,163
	Addition during the year	-	-
		206,061,581	215,765,163
	Less: Transfer to retained earnings	Sch - C 9,092,380	9,703,582
		<b>196,969,201</b>	<b>206,061,581</b>
<p>Revaluation reserve Tk. 9,092,380 (difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets' original cost) had been transferred directly to retained earnings. Note: Schedule - C.</p>			
<b>17.00</b>	<b>Deferred tax liability</b>		
	Deferred tax liability excluding revaluation reserve		
	Net book value	58,968,271	39,931,941
	Tax base net book value	48,318,113	17,284,222
	Taxable temporary difference	10,650,158	22,647,719
	Applicable tax rate	25%	25%
	Deferred tax liability, closing (A)	(a) 2,662,539	5,661,929
	Deferred tax liability, opening (B)	5,661,929	9,059,915
	Deferred tax income (A-B)	(2,999,390)	(3,397,986)
	<b>Deferred tax liability on revaluation reserve</b>		
	Net book value	7,483,519	4,156,164
	Tax base net book value	-	-
	Taxable temporary difference	7,483,519	4,156,164
	Applicable tax rate	25%	25%
	Deferred tax liability, closing (A)	(b) 1,265,898	1,039,041
	Deferred tax liability, opening (B)	1,039,041	1,969,424
	Deferred tax, transfer to retained earnings (A-B)	226,857	(930,383)
		<b>(a + b) 3,928,437</b>	<b>6,700,970</b>
<b>18.00</b>	<b>Lease liabilities</b>		
	Lease liabilities, Non current portion	48,430,374	3,059,598
	Lease liabilities, Current portion	17,550,820	1,618,304
		<b>65,981,194</b>	<b>4,677,902</b>

IFRS 16 shall be applied by any company for annual reporting periods beginning on or after 01 January 2010. Thus, the Company adopted this IFRS 16 for the annual reporting period starting from 01 July 2019 for all leasing arrangements, which have been capitalized as "right to use" assets with a corresponding financial liability on the statement of financial position. Details are in Note - 3.01 (g).

	Notes	Amounts in Taka	
		30 June 2020	30 June 2019
<b>19.00</b>	<b>ITC-QOOL ATM project</b>		
	QOOL Bangladesh Ltd	-	12,075,000
		-	<b>12,075,000</b>
	QOOL Bangladesh Ltd had financed to ITCL against ITC-QOOL ATM project for Agrani Bank Ltd towards supply of 50 units ATM considering profit sharing of the project.		
<b>20.00</b>	<b>Trade payables</b>		
	Payable against supplier	20.01 31,437,076	19,924,104
	Payable for others	20.02 5,251,500	4,951,447
		<b>36,688,576</b>	<b>24,875,551</b>
<b>20.01</b>	<b>Payable against supplier</b>		
	Link 3 Technologies Ltd	315,000	315,000
	Metronet (BD) Ltd	100,800	50,400
	Telnet Communications Ltd	358,348	358,349
	Compass Plus	7,773,152	7,773,152
	ECSAS Computer & Equipment	2,292,035	561,000
	M/S Moral Enterprise	-	1,349,606
	BDCOM Online Ltd	189,000	189,000
	Thakral Information Systems Pvt Ltd	4,685,014	598,572
	Natty Com Pvt Ltd	1,837,500	1,052,196
	Eastcompeace Smart Card (BD) Ltd	200,000	-
	Royal Technology & Electronics	1,234,500	619,048
	Integrated Security Services Ltd	1,085,700	918,070
	NRB Commercial Bank Ltd (VISA connectivity)	1,401,675	1,394,250
	AR Computers	-	79,000
	Smart Technologies (BD) Ltd	2,670,222	60,000
	Property Care Services Bangladesh (Pvt) Ltd	556,746	266,468
	Leads Corporation Ltd	-	847,620
	Amber IT Ltd	319,562	159,781
	Flora Ltd	-	364,400
	Software Shop Ltd	2,002,821	1,709,150
	Mega Technology System	-	288,490
	Sonali Bank Ltd (E-Commerce)	3,747,390	970,552
	Express Systems Ltd	444,000	-
	MZ Pest Control Services	223,611	-
		<b>31,437,076</b>	<b>19,924,104</b>
<b>20.02</b>	<b>Payable for others</b>		
	TDS payable	607,345	131,536
	VAT payable	4,644,155	4,819,911
		<b>5,251,500</b>	<b>4,951,447</b>
<b>21.00</b>	<b>Bank over draft</b>		
	Trust Bank Ltd (OD A/C)	351,285,608	294,136,823
	Trust Bank Ltd (LTR A/C)	57,498,567	-
	Jamuna Bank Ltd (LTR A/C)	50,369,305	48,383,188
	Jamuna Bank Ltd (Time loan)	44,077,541	-
		<b>503,231,021</b>	<b>342,520,011</b>

		Notes		Amounts in Taka	
				30 June 2020	30 June 2019
<b>22.00</b>	<b>IPO subscription refund</b>	<b>Currency</b>	<b>A/C No.</b>	<b>30 June 2020 Taka</b>	<b>30 June 2019 Taka</b>
	Trust Bank Ltd, FC A/C	USD	0017-5802000024	50,424	110,897
	Trust Bank Ltd, FC A/C	EURO	0017-5804000020	4,853	4,853
				<b>55,277</b>	<b>115,750</b>
The balance amount of the IPO FC account is the refundable fund of IPO subscribers, which will be refunded to the respective applicants accordingly.					
<b>23.00</b>	<b>Payable for expenses</b>				
	Audit fee payable			402,500	330,000
	Legal & professional expenses payable			370,000	528,500
	Liabilities against EBL international credit card			752,765	8,641
	Liabilities against office rent			1,503,480	-
	Director's remuneration payable			570,000	-
	Salaries payable			18,575,181	512,533
				<b>22,173,926</b>	<b>1,379,674</b>
<b>24.00</b>	<b>Other liabilities</b>				
	Unearned revenue	24.01		72,721,087	234,909,188
	Provision for WPPF & WF	24.02		9,258,202	9,516,195
	Dividend payable	24.03		763,054	772,050
				<b>82,742,343</b>	<b>245,197,433</b>
<b>24.01</b>	<b>Unearned revenue</b>				
	Unearned revenue against ATM			-	95,000
	Unearned revenue against CDM			-	475,000
	Unearned revenue against POS			10,711,187	111,493,334
	Unearned switching software revenue			62,009,900	115,845,854
	Unearned revenue against POS roll			-	7,000,000
				<b>72,721,087</b>	<b>234,909,188</b>
<b>24.02</b>	<b>Provision for WPPF &amp; WF</b>				
	Opening balance			9,516,195	7,060,741
	Add: Current year provision			9,258,202	9,516,195
				18,774,397	16,576,936
	Less: Paid during the year			(9,516,195)	(7,060,741)
				<b>9,258,202</b>	<b>9,516,195</b>
<b>24.03</b>	<b>Dividend payable</b>				
	Unclaimed dividend - Opening			772,050	775,415
	Add: Cash dividend (2018-19)			57,228,600	-
	Fractional dividend (2018-19)			28,238	30,680
				57,256,838	30,680
				58,028,888	806,095
	Less: Paid during the year			(57,265,834)	(34,045)
				<b>763,054</b>	<b>772,050</b>

The Company has made payment fractional dividend (from stock dividend) amount and cash dividend to the respective shareholders' individual Bank A/C through BEFTN, but the mentioned dividend amounts has returned. Though the Company has issued cheques/dividend warrants to the recipients, which were not presented before the related banks till 30 June, 2020. These amounts are deposited in a bank account and are payable on demand.

	Notes	Amounts in Taka	
		30 June 2020	30 June 2019
<b>25.00 Provision for income tax</b>			
Opening balance		37,593,705	78,054,668
Add: Current year provision		39,398,572	13,777,198
		76,992,277	91,831,866
Less: Adjustments:			
Advance income tax (AIT)		-	(54,238,161)
		-	(54,238,161)
		<b>76,992,277</b>	<b>37,593,705</b>
<b>26.00 Revenue</b>			
Q-cash transaction processing charge	26.01	448,263,430	463,867,820
Service and maintenance charge	26.02	373,722,821	315,209,103
Sales revenue	26.03	497,780,472	146,353,837
		<b>1,319,766,723</b>	<b>925,430,760</b>
<b>26.01 Q-cash transaction processing charge</b>			
ATM software support & maintenance		61,056,580	61,009,056
Development of e-challan management system		5,300,000	1,204,803
Contactless middleware card management software		3,757,500	10,813,944
Q-Cash joining & interface establishment		2,500,000	-
NPS software support & maintenance		657,143	21,067,738
Development of NID enabled payment system		1,502,857	9,017,143
		<b>74,774,080</b>	<b>103,112,684</b>
<b>Card charge</b>			
Card annual/issuance charge (Customer data management software service)		109,340,413	127,324,128
Card renewal charge (Customer data management software maintenance)		104,027,607	92,122,745
		<b>213,368,020</b>	<b>219,446,873</b>
<b>Connectivity charge</b>			
Link connectivity charge		285,720	260,868
VISA connectivity charge		19,167,435	19,303,727
		<b>19,453,155</b>	<b>19,564,595</b>
<b>Transaction charge</b>			
ATM transaction charge		58,449,301	51,325,107
Q pay transaction charge		1,114,480	1,214,402
POS transaction charge		59,480,299	49,546,137
SMS management charge		984,276	995,000
SMS service charge		17,213,757	14,770,050
Card cheque transaction charge		1,246,621	1,376,940
Fund transfer transaction charge		264,930	256,130
Insurance premium transaction charge		-	2,207,220
Data SIM transaction charge		1,493,539	37,260
E-challan NBR tax		78,547	310
OTP transaction charge		8,834	-
E-mail notification charge		100,000	-
		<b>140,434,584</b>	<b>121,728,556</b>
<b>E-commerce transaction charge</b>			
E-challan VISA & MC transaction charge		219,076	8,406
E-challan Q-cash transaction charge		3,074	-
Topup VISA & MC transaction charge		11,441	6,706
		<b>233,591</b>	<b>15,112</b>
		<b>448,263,430</b>	<b>463,867,820</b>

	Notes	Amounts in Taka	
		2019-20	2018-19
<b>26.02</b>	<b>Service and maintenance charge</b>		
	ATM software servicing & maintenance charge	137,102,677	147,788,790
	KIOSK software servicing & maintenance charge	9,106,576	8,220,453
	POS software servicing & maintenance charge	19,088,405	9,894,597
	ATM carrying & labour charge	-	55,000
	Tranzware retail re-installation charge	711,000	701,100
	ATM booth servicing & maintenance charge	4,738,338	5,487,264
	Switching software service charge	111,170,433	126,423,020
	UPS servicing & maintenance charge	9,113,636	8,130,436
	KIOSK modification charge	295,714	1,314,286
	Agent banking software service charge	721,166	2,857,143
	VbV certified ACS service charge	200,000	200,000
	PCI DSS security compliance charge	900,000	950,000
	Biometric finger vein service charge	-	857,400
	E-statement implementation charge	180,000	-
	NCR ATM switching software service charge	1,552,800	1,186,400
	Income tax fair charge	890,890	914,379
	OTP service charge	18,788	228,835
	Software customization & application development	77,932,398	-
		<b>373,722,821</b>	<b>315,209,103</b>
<b>26.03</b>	<b>Sales revenue</b>		
	Sales of ATM	-	2,656,522
	Sales of POS	485,710,173	141,949,315
	Sales of CDM	10,110,299	-
	Sales of Anti Skimming Device	1,960,000	1,748,000
		<b>497,780,472</b>	<b>146,353,837</b>
<b>27.00</b>	<b>Cost of services &amp; sales</b>		
	Cost of services	27.01 536,986,826	376,267,427
	Cost of sales	27.02 370,166,619	130,888,847
		<b>907,153,445</b>	<b>507,156,274</b>
<b>27.01</b>	<b>Cost of services</b>		
	Salary & allowance	164,543,044	151,505,127
	Computer components expenses	524,700	356,600
	ATM carrying & labour charge	2,465,900	1,986,525
	ATM link connectivity charge	3,542,326	3,624,943
	ATM software servicing & maintenance	8,827,385	8,615,014
	Card printer repairs & maintenance	954,146	919,370
	KIOSK software servicing & maintenance	1,539,791	4,237,410
	KIOSK modification cost	522,585	910,778
	Mobile Van ATM servicing & maintenance	-	360,540
	Networking materials cost	-	107,180
	POS installation charge	430,000	-
	POS software servicing & maintenance expenses	1,800,029	1,515,965
	Data SIM bill expenses	1,832,279	1,477,989
	Post office project expenses	5,502,420	341,326
	Ribbon for card printer	1,956,007	2,932,309
	SMS service charge	11,723,522	8,553,831
	Call center service charge	205,276	205,276
	ATM spare parts	1,352,355	1,031,044
	VISA connectivity expenses	5,662,865	5,677,099

	Notes	Amounts in Taka	
		2019-20	2018-19
Short code allocation fee		124,200	296,700
MFS customization & support fee		2,956,800	3,225,600
Online UPS servicing & maintenance charge		7,849,400	12,006,313
Grounding/Earthing service charge		-	169,235
CryPTA stick subscription renewal fee		-	277,273
Servicing & maintenance expenses for data center		1,403,246	742,151
Data connectivity & radio link charge		227,340	227,340
Interface development/establishment service charge		-	3,863,794
VISA card expenses		11,320,000	1,600,000
VISA 3DS security module		-	422,888
Service interruption charge		351,775	411,000
Switching software customization charge - NBL project		16,800,000	-
Commercial license charge for JIRA		616,383	1,175,147
Q Pay settlement charge		209,517	213,547
Switching & CMS architectural expenses		-	93,000
LINUX OS license fee		300,000	-
License fee		1,438,734	235,725
Insurance premium transaction expenses		-	1,595,606
Software development expenses	27.01.01	40,586,657	24,506,999
Software customization expenses	27.01.02	31,825,964	5,860,625
Development of e-challan management system		4,000,000	-
EMV & NFC configuration expenses		-	2,100,000
EMV & NFC software certification expenses		491,507	6,414,450
VISA bureau card production charge		690,839	1,726,990
VMware license fee		765,336	765,336
Courier bill		1,990,045	1,948,270
Agent banking software service charge		431,718	2,359,500
Contactless Middleware Software License Expenses		-	2,482,474
Data processing charge		-	638,250
MC chip customization charge		-	531,875
MC software configuration charge		-	425,500
VISA bureau certification charge		4,139,917	2,704,625
Mobile topup & payment transaction application charge		564,470	-
Switching software license charge	27.01.03	67,648,258	-
E-mail service charge		8,400	-
Software maintenance charge		4,958,575	-
ATM booth servicing & maintenance expenses		3,675,001	3,981,252
Service charge - DEW		21,780,000	-
POS implementation project for BPO	27.01.04	40,759,184	41,124,932
PCI DSS security compliance expenses	27.01.05	583,333	3,788,242
Depreciation expenses		28,121,155	28,872,882
Amortization expenses		26,984,442	25,121,580
		<b>536,986,826</b>	<b>376,267,427</b>
<b>27.01.01 Software development expenses</b>			
Software development for Magnetic stripe card & flash memory		3,150,000	-
Middleware Wizar POS application software development		4,606,875	-
Software configuration & development for Infosys core banking software - CBBL project		6,984,432	-
Development & implementation of UNDP NID based payment system		4,057,850	-
POS software development & rollout for ITCL-PHQ project		4,725,000	-
Middleware POS application software development for City Bank		17,062,500	-
		<b>40,586,657</b>	<b>-</b>





	Notes	Amounts in Taka	
		2019-20	2018-19
	Security guard salary	4,273,354	4,025,442
	Computer spare parts	182,650	31,473
	Internet bill	454,992	572,078
	Legal & professional expenses	1,627,713	2,600,060
	Membership fee	2,500	199,609
	Mobile bill	5,941,249	5,964,844
	Newspaper bill	45,302	53,060
	Service charge	1,690,372	1,732,688
	Telephone bill	415,676	846,457
	Vehicle running expenses	1,627,227	2,024,217
	Festival expenses	55,000	60,000
	Books & periodicals	4,440	3,520
	Google mail server software license fee	1,408,559	1,153,940
	Internet security services	94,318	9,250
	Oracle software license renewal fee	1,708,359	1,530,375
	Antivirus software license fee	90,000	-
	Advertisement expenses	577,863	461,348
	Retirement allowance	300,000	-
	AGM expenses	982,521	821,932
	Bonus share distribution expenses	38,818	70,391
	Depreciation expenses	4,547,340	6,560,196
	Depreciation expenses on ROU assets	20,674,915	-
		<b>129,795,432</b>	<b>123,852,211</b>
28.01	Independent Directors have received the following meeting attendance fees during the year ended 30 June 2020:		
	<b>Name</b>	<b>No. of Meeting</b>	<b>2019-20 Taka</b>
			<b>2018-19 Taka</b>
	Md. Waliuzzaman, FCA	9	27,000
	Md. Haqueful Shaikh	9	27,000
			<b>54,000</b>
			<b>54,000</b>
<b>29.00</b>	<b>Selling &amp; distribution expenses</b>		
	Salary & allowance		30,793,860
	Advertisement expenses		559,094
	Plastic card (Promotional)		5,861,101
	Support & training expenses		65,374
	Business promotional expenses		7,906,686
	Tender expenses		94,000
	Travelling & tour allowance - Overseas		356,025
	Travelling & tour allowance - local		135,142
	Transportation expenses		247,904
			<b>46,019,186</b>
			<b>47,404,486</b>
<b>30.00</b>	<b>Other operating expenses</b>		
	Audit fees		402,500
	Bank charge		1,005,634
	Bank commission		5,325,307
	Excise duty		504,661
	Consultancy fee		208,598
	Credit rating fee		57,500
			379,500
			123,665
			1,477,068
			391,500
			84,845
			53,500

	Notes	Amounts in Taka	
		2019-20	2018-19
	Domain registration charge	147,929	49,049
	Gift & donation expenses	797,740	733,242
	Medical expenses	629,185	245,887
	Miscellaneous expenses	3,537,361	3,777,931
	Registration & renewals	373,958	542,562
	Stamp, duty & fees	69,338	78,810
	Income tax fair expenses	345,325	209,015
	Signing ceremony expenses	10,000	54,900
	Renewal fees - DSE, CSE & CDBL	1,495,086	1,571,694
		<b>14,910,122</b>	<b>9,773,168</b>
<b>31.00</b>	<b>Non-operating income/(expenses)</b>		
	Other income	34,400	251,944
	Gain/(Loss) from Switching Hardware	(587,623)	-
	Gain/(Loss) from Online UPS	-	(3,750,000)
		<b>(553,223)</b>	<b>(3,498,056)</b>
	San Switch Hardware" had been damaged due to life time expired and subsequently the written down value of San switch valuing Tk. 5,87,623 been disposed from the Property, plant & equipment.		
<b>32.00</b>	<b>Finance costs.</b>		
	Interest on short term loan	44,729,886	50,111,724
	Interest on lease from ROU Assets	3,958,961	-
	Interest on lease	-	718,338
	Interest on long term loan	-	594,789
		<b>48,688,847</b>	<b>51,424,851</b>
<b>33.00</b>	<b>Finance income</b>		
	Trust Bank Ltd, FDR A/C NO - 21516	13,598,963	12,323,700
	Trust Bank Ltd, FDR A/C NO - 30060	5,406,833	5,122,995
	Trust Bank Ltd, FDR A/C NO - 31694	49,458	34,585
	Trust Bank Ltd, FDR A/C NO - 38375	1,295,000	-
	Trust Bank Ltd, FDR A/C NO - 38366	1,145,000	-
	Trust Bank Ltd, SND A/C NO - 01315	901	1,093
	Jamuna Bank Ltd, SND A/C NO - 01009	172,952	26,300
	Jamuna Bank Ltd, FDR A/C NO - 50394	91,582	-
	Eastern Bank Ltd, SND A/C NO - 10568	971	973
	NRB Commercial Bank Ltd, CD A/C - 00685	14,106	8,741
		<b>21,775,766</b>	<b>17,518,387</b>
<b>34.00</b>	<b>Contribution to WPPF &amp; WF</b>		
	Contribution to WPPF & WF for current year	9,258,202	9,516,195
		<b>9,258,202</b>	<b>9,516,195</b>
<b>35.00</b>	<b>Current Tax</b>		
	<b>Profit before Income Tax</b>		
	Non-taxable	151,923,732	196,851,529
	Other than supply sales	23,664,650	18,728,487
	Supply sales	<b>9,575,650</b>	<b>(25,256,110)</b>
		<b>185,164,032</b>	<b>190,323,906</b>
	<b>Profit before Income Tax (Other than supply sales)</b>	<b>23,664,650</b>	<b>18,728,487</b>
	Provision for tax on profit of Taxable Services (Otherthan ITES)	5,871,289	4,570,820
	Minimum tax from supply sales	33,527,283	9,206,378
	<b>Provision for income tax during the year</b>	<b>39,398,572</b>	<b>13,777,198</b>

	Notes	Amounts in Taka	
		2019-20	2018-19
<b>35.01</b>	<b>Reconciliation of effective tax rate</b>		
	Profit before income tax	185,164,032	190,323,906
	Non-taxable	(151,923,732)	(196,851,529)
	Supply sales	(9,575,650)	25,256,110
	Profit before Income Tax on Taxable Services	<b>23,664,650</b>	<b>18,728,487</b>
	Applicable tax rate	25%	25%
	<b>Income tax</b>	<b>5,916,163</b>	<b>4,682,122</b>
	<b>Factors affecting the tax charge for current year:</b>		
	(Excess)/short of depreciation	(41,182)	(110,203)
	(Excess)/short of entertainment	(3,692)	(1,099)
	<b>Income tax on profit of Taxable Services (Otherthan ITES)</b>	<b>5,871,289</b>	<b>4,570,820</b>
	<b>Effective tax rate</b>	<b>24.81%</b>	<b>24.41%</b>
<b>36.00</b>	<b>Deferred Tax</b>		
	Deferred tax expenses/(income )	17.00 (2,999,390)	(3,397,986)
	Income tax	<b>(2,999,390)</b>	<b>(3,397,986)</b>

The provision for deferred income tax is raised due to taxable temporary differences for this year. Details breakup has been shown in the under Note - 17.00.

<b>37.00</b>	<b>Earnings per share (EPS)</b>		
	Net profit after tax	148,764,850	179,944,694
	Weighted average number of shares outstanding	39.01 122,469,204	122,469,204
		<b>1.21</b>	<b>1.47</b>

EPS of previous year has been restated due to increase in the number of shares by virtue of Stock Dividend and consideration of Weighted average number of shares outstanding as per the requirement of Paragraph 64 of IAS 33. The EPS of previous year before restatement was Tk. 1.57.

	Notes	30 June 2020	30 June 2019
<b>38.00</b>	<b>Net Assets Value (NAV)</b>		
	Share capital	1,224,692,040	1,144,572,000
	Share premium	294,578,430	294,578,430
	Retained earnings	234,209,557	217,065,593
	Revaluation reserve	196,969,201	206,061,581
	Total equity with revaluation reserve	1,950,449,228	1,862,277,604
	Weighted average number of shares outstanding	39.01 122,469,204	122,469,204
		<b>15.93</b>	<b>15.21</b>

NAV par share of previous year has been restated due to increase in the number of shares by virtue of Stock Dividend and consideration of Weighted average number of shares outstanding. The NAV par share of previous year before restatement was Tk. 16.27.

<b>39.00</b>	<b>Net Operating Cash Flows Per Share (NOCFPS)</b>		
	Net cash provided by/(used in) operating activities	(95,770,462)	223,983,811
	Weighted average number of shares outstanding	39.01 122,469,204	122,469,204
		<b>(0.78)</b>	<b>1.83</b>

NOCFPS of previous year has been restated due to increase in the number of shares by virtue of Stock Dividend and consideration of Weighted average number of shares outstanding. The NOCFPS par share of previous year before restatement was Tk. 1.96.

A significant amount expended against cash paid to suppliers, for Operating activities and mitigating the serveral LCs retirement during this year. So the NOCFPS has decreased during this year from the previous year.

	Notes	Amounts in Taka	
		2019-20	2018-19
<b>39.01</b>	<b>Weighted average number of shares outstanding</b>		
	Weighted average number of shares outstanding as at 30 June 2019	114,457,200	114,457,200
	Add: Stock dividend issued for the year 2018-19	8,012,004	8,012,004
		<b>122,469,204</b>	<b>122,469,204</b>
<b>40.00</b>	<b>Reconciliation of cash flows from operating activities through indirect method</b>		
	Net Profit/(Loss) before tax	185,164,032	190,323,906
	<b>Adjustments to reconcile profit before tax to net cash flows</b>		
	Depreciation	53,343,410	35,433,078
	Amortization	26,984,442	25,121,580
	(Gain)/ Loss from Switching Hardware	587,623	-
	Sub total (a)	80,915,475	60,554,658
	Working capital adjustments:		
	Increase/decrease in inventories	(17,596,859)	88,232,675
	Increase/decrease in accounts receivable	(24,531,489)	(41,048,935)
	Increase/decrease in other receivable	(55,832,143)	(66,820,074)
	Increase/decrease in advance, deposit & prepayments 40.01	(31,060,860)	(68,385,892)
	Increase/decrease in trade payable	11,813,025	(13,590,290)
	Increase/decrease in payable for expenses	20,794,252	(46,527,252)
	Increase/decrease in other liabilities	(162,455,090)	126,572,172
	Income tax paid as AIT	(42,675,163)	(20,798,655)
	Interest income	(21,775,766)	(17,518,387)
	Sub total (b)	(323,320,093)	(59,884,638)
	Adjustments for the non-current assets and liabilities portion included in the current assets and liabilities:		
	Adjustment against property, plant & equipment	(9,844,244)	(3,350,370)
	Adjustment against intangible assets	(24,333,473)	(20,398,388)
	Adjustment against capital W-I-P	(1,567,159)	-
	AIT adjustment	-	56,569,053
	Adjustment against lease	(3,137,769)	-
	Interest receivable & dividend	352,769	169,590
	Sub total (c)	(38,529,876)	32,989,885
	Total (a+b+c)	(280,934,494)	33,659,905
	<b>Cash flows from operating activities</b>	<b>(95,770,462)</b>	<b>223,983,811</b>
<b>40.01</b>	<b>Increase/decrease in advance, deposit &amp; prepayments</b>		
	Increase/decrease in advance, deposit & prepayments	(73,736,023)	21,622,667
	Increase/ decrease in Advance income tax (AIT)	(42,675,163)	90,008,559
		<b>(31,060,860)</b>	<b>(68,385,892)</b>

#### 41.00 Events after the Reporting period

The Board of Directors of the Company has recommended 5% cash dividend for all General Shareholders excluding Sponsor Directors on share value worth Tk. 599,085,490 of shares 59,908,549, i.e. 48.91% (excluding Sponsor Directors portion of 62,560,655 Shares, i.e. 51.09%) amounting Tk. 29,954,275 and 5% stock dividend for all shareholders (including Sponsor Directors & all General Shareholders) amounting Tk. 61,234,602 for the year ended 30 June 2020 at the Board Meeting held on 29 October 2020. The dividend is subject to approval by the Shareholders at the forthcoming Annual General Meeting (AGM) of the Company dated 10 December 2020. Dividend payable for the year 2019-2020 will be recognized after the dividend being approved by the shareholders in the AGM. Besides, as the amount of stock dividend recommended by the Board of Directors exceeded the amount of cash dividend by Tk. 31,280,328, 10% tax on the amount of stock dividend amounting Tk. 6,123,460 will be payable by the Company subject to the dividend being approved by the shareholders in the AGM as per the requirement of Section 16F of Income Tax Ordinance, 1984. If directors' recommendation on dividend is approved at the next AGM, the Company will recognize the tax payable on the amount of stock dividend.

#### 42.00 Related party transaction

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

Name of the related parties	Transaction during the year	Relationship with the entity	Nature of transaction	Balance as at 30 June 2020	Balance as at 30 June 2019
	Taka			Taka	Taka
Trust Bank Ltd.	44,950,213	Shareholder	Sale of equipment & service	27,960,387	19,722,863
National Bank Ltd.	37,840,209	Shareholder	Sale of equipment & service	16,421,383	2,698,481
Mercantile Bank Ltd	29,890,814	Shareholder	Sale of equipment & service	13,649,915	16,272,591
LankaBangla Finance Ltd.	21,783,836	Shareholder	Q-cash transaction	18,304,097	30,610,049
QOOL Bangladesh Ltd.	12,075,000	Shareholder	ITC-QOOL ATM project - Agrani Bank Ltd	-	12,075,000
Ares Communications Ltd.	23,902,500	The Key Management Persons of ITCL hold the shares of Ares Communications Ltd.	POS application software support	-	-

**43.00 Key Management Personnel Compensation**

Particulars	2019-20		2018-19	
	Managing Director	Other Managers	Managing Director	Other Managers
Basic salary	3,300,000	34,020,960	3,300,000	33,559,896
House rent	300,000	20,412,576	300,000	19,925,938
Conveyance	30,000	5,103,144	30,000	4,876,484
Medical	120,000	3,402,096	120,000	3,320,990
Technology allowances	-	1,499,981	-	1,676,820
Other allowances	-	3,523,832	-	4,240,471
Festival/other bonus	3,690,000	5,837,732	3,690,000	5,899,974
<b>Total</b>	<b>7,440,000</b>	<b>73,800,321</b>	<b>7,440,000</b>	<b>73,500,573</b>

**Schedule - A**  
**Finished Goods**  
**as at 30 June 2020**

Inventory items	Balance as at 01 July 2019		Direct addition during the year		Addition from Store Materials during the year		Consumption / Sales during the year		Balance as at 30 June 2020	
	Quantity	Taka	Quantity	Taka	Quantity	Taka	Quantity	Taka	Quantity	Taka
Stock in trade - ATM	18	7,341,422	-	-	-	-	-	-	18	7,341,422
PROCASH 280 NFL KMAT	-	-	2	1,159,633	-	-	-	-	2	1,159,633
DN Series 100D	3	2,596,491	-	-	-	-	-	-	3	2,596,491
PROCASH 285 KMAT	2	7,245,000	-	-	-	-	-	-	2	7,245,000
Opteva 378 Cash Recycler	76	5,540,965	-	-	-	-	28	2,041,408	48	3,499,557
Stock in trade - Anti-skimming device	1	96,491	-	-	-	-	-	-	1	96,491
Stock in trade - TMD device (Anti skimming)	15	227,353	-	-	-	-	-	-	15	227,353
Stock in trade - TMD security device (Anti skimming)	13	3,378,342	54	9,035,468	-	-	49	9,401,987	18	3,011,823
Stock in trade - CDM	34	446,203	18,311	200,242,838	-	170,189,674	17,741	358,723,224	604	12,155,491
Stock in trade - POS	130	1,682,552	-	-	-	-	-	-	130	1,682,552
Stock in trade - Finger vein	1,105	5,382,608	-	-	-	-	-	-	1,105	5,382,608
Stock in trade - Biometric device	9	23,460	-	-	-	-	-	-	9	23,460
Stock in trade - Finger print reader	1	259,794	-	-	-	-	-	-	1	259,794
<b>Total</b>		<b>34,220,681</b>		<b>210,437,939</b>		<b>170,189,674</b>		<b>370,166,619</b>		<b>44,681,675</b>

**Schedule - B**  
**Store materials**  
**as at 30 June 2020**

Inventory items	Balance as at 01 July 2019		Addition during the year		Consumption during the year		Transfer to Finished Goods during the year		Balance as at 30 June 2020	
	Quantity	Taka	Quantity	Taka	Quantity	Taka	Quantity	Taka	Quantity	Taka
ATM spare parts	-	214,726,829	-	11,139,910	-	1,111,911	-	-	-	224,754,828
KIOSK/CDM spare parts	-	8,035,007	-	-	-	1,034,155	-	-	-	7,000,852
POS spare parts	-	12,472,190	-	170,446,191	-	-	-	170,189,674	-	12,728,707
Card printer spare parts	-	944,496	-	-	-	944,496	-	-	-	-
VISA card	20,315	3,047,260	-	-	7,800	1,170,000	7,800	-	12,515	1,877,260
<b>Total</b>		<b>239,225,782</b>		<b>181,586,101</b>		<b>4,260,562</b>		<b>170,189,674</b>		<b>246,361,647</b>



**Schedule - C**  
**Statement of Revaluation Reserve on Property, Plant & Equipment and Intangible Assets**  
**as at 30 June 2020**

Particulars	Revaluation			Depreciation/Amortization			Net book value As at 30 June 2020			
	As at 01 July 2019	Addition during the year	Disposal during the year	As at 30 June 2020	Rate	As at 01 July 2019		Charged during the year	Disposal during the year	As at 30 June 2020
	Taka	Taka	Taka	Taka	%	Taka		Taka	Taka	Taka
<b>Property, Plant &amp; Equipment</b>										
ATM machinery	69,237,574	-	-	69,237,574	15%	53,200,979	2,405,488	-	55,606,467	13,631,107
Card printer	7,334,892	-	-	7,334,892	15%	5,636,007	254,832	-	5,890,839	1,444,053
Plant & machinery	9,917,246	-	-	9,917,246	15%	7,620,244	344,552	-	7,964,796	1,952,450
POS terminal	13,199,873	-	-	13,199,873	15%	10,142,559	458,596	-	10,601,155	2,598,718
<b>Sub total</b>	<b>99,689,585</b>	<b>-</b>	<b>-</b>	<b>99,689,585</b>	<b>--</b>	<b>76,599,789</b>	<b>3,463,468</b>	<b>-</b>	<b>80,063,257</b>	<b>19,626,328</b>
<b>Intangible Assets</b>										
ATM software	6,242,650	-	-	6,242,650	2.5%	936,396	156,068	-	1,092,464	5,150,186
POS software	4,186,345	-	-	4,186,345	5%	1,255,901	209,316	-	1,465,217	2,721,128
Q cash retailer POS software	4,224,910	-	-	4,224,910	5%	1,267,476	211,244	-	1,478,720	2,746,190
Software development	65,710,823	-	-	65,710,823	2.5%	9,856,625	1,642,772	-	11,499,397	54,211,426
Switching software	136,380,534	-	-	136,380,534	2.5%	20,457,079	3,409,512	-	23,866,591	112,513,943
<b>Sub total</b>	<b>216,745,262</b>	<b>-</b>	<b>-</b>	<b>216,745,262</b>	<b>--</b>	<b>33,773,477</b>	<b>5,628,912</b>	<b>-</b>	<b>39,402,389</b>	<b>177,342,873</b>
<b>Grand total</b>	<b>316,434,847</b>	<b>-</b>	<b>-</b>	<b>316,434,847</b>	<b>--</b>	<b>110,373,266</b>	<b>9,092,380</b>	<b>-</b>	<b>119,465,646</b>	<b>196,969,201</b>

**as at 30 June 2019**

Particulars	Revaluation			Depreciation/Amortization			Net book value As at 30 June 2019			
	As at 01 July 2018	Addition during the year	Disposal during the year	As at 30 June 2019	Rate	As at 01 July 2018		Charged during the year	Disposal during the year	As at 30 June 2019
	Taka	Taka	Taka	Taka	%	Taka		Taka	Taka	Taka
<b>2018-19</b>	<b>316,434,847</b>	<b>-</b>	<b>-</b>	<b>316,434,847</b>	<b>--</b>	<b>100,669,684</b>	<b>9,703,582</b>	<b>-</b>	<b>110,373,266</b>	<b>206,061,581</b>

## **WE Mourn**

The untimely demise of ITC family Members.



Late Md. Afaz Uddin  
Messenger  
Card Bureau Department

OUR most sincere condolence to the bereaved families.  
May Allah grant them the strength to bear the  
unbearable loss!

# Snapshots







Information Technology Consultants Limited  
Evergreen Plaza, 260/B, Tejgoan Industrial Area, Dhaka-1208

## PROXY FORM

I/We .....  
Of.....being a member of Information Technology Consultants Ltd.  
and entitled to vote, hereby appoint Mr./Mrs./Miss.....  
of ..... as my/our  
proxy to attend and vote for me/us and on my/our behalf at the 20<sup>th</sup> Annual General Meeting (AGM) of  
the Company to be held through virtual participation on Thursday, December 10, 2020 at 10:30 a.m.  
under digital mode in view of the Corona pandemic.

\_\_\_\_\_  
Signature of Shareholder

Revenue Stamp 20.00
---------------------------

\_\_\_\_\_  
Signature of proxy

Dated.....2020

BO A/C No. 

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**No. of Shares:**

**Note:**

- 1) This Form of Proxy, duly completed and signed must be deposited at least 48 hours before the meeting at the Company's registered office. Proxy is invalid if not signed and stamped as explained above.
- 2) Signature of the Shareholder must be in accordance with Specimen Signature recorded with the Company.



Information Technology Consultants Limited  
Evergreen Plaza, 260/B, Tejgoan Industrial Area, Dhaka-1208

## ATTENDANCE SLIP FOR VIRTUAL REGISTRATION

I do hereby record my/our attendance at the 20<sup>th</sup> Annual General Meeting (AGM) of ITC to be held  
virtually under digital participation on Thursday, December 10, 2020, at 10:30 a.m. Name of the  
Member/

Shareholder/ Proxy.....

BO ID: 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Signature.....

Date.....

**N.B.:** Shareholders attending the Meeting in person or by Proxy under virtual platform are requested to complete the Attendance Slip and deposit the same at the Registered Office of the Company before the meeting.

## Information Technology Consultants Limited

Evergreen Plaza 260/B, Tejgaon, Dhaka-1208, Bangladesh.

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