



# 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 , Management myself to welcome you all to this 21<sup>st</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, 2021 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 year carried on the legacy of global health calamity from Corona Virus. Resultantly, the Pandemic has severely hit Bangladesh's economy during the 1st quarter of 2020, which ultimately continued throughout the whole of 2021. Government's health infrastructures remained uneven and weak, despite its best efforts. The situation worsened and eveng ot more complicated with the influx of highly infectious Delta Variant that sneaked in through the porous border areas, coupled with unavailability of Vaccine supplies on time. WHO guidelines and COVAX arrangement appeared like the only mitigating action Government could take. During the second Quarter Government succeeded in negotiations with major producer who agreed to supply Vaccine to Bangladesh. The economy in general, remained closed for extended periods and only opened slowly and tentatively.

However, despite the continued Pandemic related downward spiral, economy sustained the major blow-back and grew up by 5.47% during the year 2020-21 as against the 3.51% (revised) during the year 2019-2020. Historically, Bangladesh was enjoying fastest expansion of the Economy since recent past. During the last eight consecutive years, GDP growth in Bangladesh till 2019, recorded a per-centum growth greater than 6%. The recorded growth rate remarkably surprised most analysts who expected the contraction to be even more severe.

Despite the pressure of the pandemic, the ill-equipped health infrastructure sustained most of the shock. But the good news is that it still managed to keep the casualtyrate considerably lower, contrasting the comparable South Asian economies like INDIA and PAKISTAN.

The economy sustained most of its continuity, despite the severe drop in export orders in RMG sector plusreduction in remittance earnings from abroad. The RMG sector however, recouped some of its losses by switching over to Medical /Health products like Mask, PPE etc. and gradual opening of Markets in Europe and US. Loss of remittances however could not be matched till date, but are now being increased by slow but steady return of workers from Bangladesh to MENA and SE Regions.

These twin blows have seriously hampered the continuous economic growth, what Bangladesh had been enjoying for the last several years.

We sincerely hope that, time being the best healer, the unfastened energy of our young entrepreneurs will continue their persistent drive, not only for recovery, but also for expansion. The Government and Private sector- joint initiatives will hopefully rapidly transform the socio-economic sector of the country towards recovery and expansion.

Dear Shareholders and Patrons, needless to mention here that, Bangladesh Economy in general has performed better than the benchmark economic growth of SAARC region for the last few years, and we are confident that our Economy will regain its past glory in no time, under normal Economic environment. We solicit all your combined blessings and good wishes for us to overcome the dark patch of economic slow-down.

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The Agricultural Sector of the Economy, unfortunately still dependent on the Nature-blessings, was also hit by the yearly flood plunging from up-stream, which was high due to incessant rainfall and other weather factors. Agro activities and food grain production got hit, effecting the bottom-line of the average farmers and the general consumers.

#### **Silver Linings:**

As reported during prior years, “Rural Urban Financial Service Availability Gap”, narrowed quite a bit with the introduction of Cell-phone based money transfer and large-scale FIN TECH activities, 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 stoppages.

ITC was able to extend its activities in partner-banks and service providers and had a firm footprint in the progress of digitization and service delivery to the effected people.

During this pandemic, general online activities, E-Commerce, Small Payment Solutions have created huge public demand for a cashless society. Rural population tried and experienced the benefits of online transactions using Nagod, Bkash, U-Cash, Rocket and the like. Various e-Commerce platforms have also extended their markets substantially. Urban Food related online platforms like Food-Panda, Hungry-naki etc., and a host of other small traders had been busy selling their items to a country-wide market place, which is a completely new trend. Panic buying was largely absent, during this continued closure period.

IT Consultants had been at the forefront of these online transactions and our continued service and timely response have attracted larger clients. ITC had been the first choice for most of our client’s IT needs- as we continue to serve our clients and patrons with low-cost and e-skilled services, as always.

#### **Inflationary pressure:**

As reported by the Central Bank, - inflation was 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 maintained its lead as a premier IT SERVICE PROVIDER in the Banking Sector. Thanks to our relentless efforts of popularizing IT platforms in Banking. Most banks today have a Core Banking software (CBS) in place and has at-least rudimentary online facilities. ITC in its ever-expanding field of online Transaction Processing and POS Services, presently has supports from 35 member banks, and 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), Cumilla District Police and more.

Government Authorities who have kindly recognized the potential of ICT industry, has been gracious enough to support our activities, which has helped us to continue to provide best services to our clients. We firmly believe that our efforts will be further noticed by the clients and will allow us to help them alleviate themselves towards providing best services to their own clients.

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

## Contribution to the National Economy

ITC recognizes that the company has certain responsibilities to the society for its own development and the development of the nation. For this, the Company has been making significant contribution to the Government each year by way of payment of Income Tax, VAT, Supplementary Duty, Custom & Regulatory Duty etc. During the year 2020-2021 the Company had contributed Tk. 65,982,869/- to the national exchequer as against TK. 104,194,101/- in 2019-2020.

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

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.)	Year: 2020-21 (Tk.)
Customs duty	3,941,202	8,419,244	14,154,707	23,521,095	11,614,824
VAT & ATV/AT	15,755,166	26,632,814	35,234,206	37,186,509	22,374,205
Advance Income Tax (AIT)	41,661,189	22,198,849	20,798,655	43,486,497	31,993,840
Total	61,357,557	57,250,907	70,187,568	104,194,101	65,982,869

## Safety and Security initiatives:

The global pandemic has forced us all to be alert, cautious and more proactive about health, safety and security of all including the working place, people and the adjoining environment. Keeping pace with that, the Company also woke up with its absolute keenness to match and combat the situation. Health safety and wellness of its workforce were paramount in the crisis drives. Based on the initial risk assessment and readiness to combat it, the Company introduced the 'work from home' initiatives for most of its employees, which was in line with the local and global guidelines. That minimised the exposure of our workforce in the open and thereby helped reduce, at least to some extent, the scope of further transmission of Covid-19. But, the drive at the same time necessitated institution of some additional digital mechanisms to make the scheme possible. That included activation of the new technology tool known as 'virtual platform' which allows remote concurrent live and real time visual interactions, online communication and collaboration with each other and thus completing the assigned tasks.

However, to ensure operational continuity for us as an essential frontline IT and network solution providers, there were extensive alignment, co-operation and guidance from the authorities, without which it would not have been possible. At this occasion, we thank the authorities for such support and co-operation. To minimise the health risk at the work place, the Company also arranged and distributed adequate facemask-packs, PPE and also implemented the global Corona control protocol throughout the functional lines. As part of its continuous employee wellbeing drives, ITC would maintain such initiatives even after recession of the Corona crisis.

## Governance and Compliance in ITC:

A well-practiced governance regime is essential to success and sustainability, whereas compliance stands to be the essence of governance. The Board of Directors in ITC acknowledges that the company, being a listed business entity, it has a role to play in upholding the interests of all its stakeholders. Improved and advanced governance practices are indispensable ingredients for an accomplished performance. The Company believes that a well-knit governance régime not only allows better control and monitoring, but also develops market trust, which is vital for sustainability. Accordingly, the Board and Management are pledge-bound to continue implementation of the highest standards of governance at the Company through a culture of accountability, transparency, ethical business conduct and well-understood policies and procedures. The Board of Directors of ITC has always played a pivotal role in meeting all stakeholders' interests and is committed to upholding the same in the future as well. It is the responsibility of the Company Secretary, being the highest governance official in the Company, to ensure effective compliance of rules and regulations and proper timely disclosures in that respect. The essential elements that define effective governance in the Company are outlined in the Corporate Governance Statement which is appended in this Annual Report.

In this respect, we have also to confirm that the Company has complied with all the necessary directives under BSEC CG Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3<sup>rd</sup> June 2018. The Compliance Report along with the necessary remarks and disclosures is appended in this Annual Report for the year 2020-21. Further, a Certificate of Compliance required under the said CG code as provided by M/s. Al-Muqtadir Associates, Chartered Secretaries, is also annexed to this report.

### Financial Results:

In the year under review, Revenue was BDT 1,333.04 million (BDT 133.60 crore) with 1% increase compared to the previous year. The growth in revenue was mainly in Q-Cash Transaction Processing Charges, which is containing 40% and cover up other decreasing revenue stream. Q-cash transaction processing charge revenue, therefore has appreciable increased during the year. We consider this as an ongoing business movement for the pandemic period, which is now growing up trend.

The revenues from Service & Maintenance Charges & sale revenue has dropped/decreased (17%) & (20%) respectively due to the long-time effect of COVID-19 pandemic and could have resulted in a substantial crisis and operational disruption for the company. The crisis also stemmed in revenue loss for ITC due to sudden reductions in transactional demand from banking customers, who experienced long period of branch closure and as well as financial or economic recession in our banking sector during the year. And thus, the procurement procedure of the banking sector is going slow.

Particulars	Year-2020-2021 (Tk.)	Year-2019-2020 (Tk.)	Increased/(decreased)	Growth %
REVENUE:				
Q-Cash transaction Processing charge	625,582,391	448,263,430	177,318,961	40%
Service & Maintenance charges	309,787,510	373,722,821	(63,935,311)	-17%
Sales	400,666,315	497,780,472	(97,114,157)	-20%
<b>Total Revenue</b>	<b>1,336,036,216</b>	<b>1,319,766,723</b>	<b>16,269,493</b>	

Comparatives on the financial performance of the Company for the year ended June 30, 2021 are summarized hereunder:

Particulars	2020-2021 (Tk.)	2019-2020 (Tk.)	Increased/(decreased)	Growth %
Revenue	1,336,036,216	1,319,766,723	16,269,493	1%
Cost of Service	628,169,781	536,986,826	91,182,955	17%
Cost of sales	248,859,078	370,166,619	(121,307,541)	-33%
Gross Profit	459,007,357	412,613,278	46,394,079	11%
Operating Expenses	191,931,158	190,724,740	1,206,418	1%
Operating Profit	267,076,199	221,888,538	45,187,661	20%
Profit Before Tax	227,042,453	185,164,032	41,878,421	23%
Profit After Tax	199,194,080	148,764,850	50,429,230	34%

Due to factors described above Cost of Service & Cost of Sales has increased @ 17% & decreased @ (-33%) resulting the gross profit is comprising @ 11% valuing Tk. 46,394,079/-during the year based on last year.

Net Profit before Tax for the year has increased by Tk. 41,878,421 /= from the last year and reflection growth is 23% due to increase of Q-Cash Transaction Processing. The growth in Net Profit after Tax is 34%, which comprises Tk. 50,429,230/.

Additionally, for the last couple of years, the Banks have also reduced the speed of new ATM rollout due to shifting of technology in Banking sector from ATM to Cash Recyclers, and also Banks are going through financial crunch overall.

**Revenue Growth & Products:**

The Revenue is Tk. 1,336,036,216 Growth is 1% of 2020-2021 against previous year 2019-2020 is Tk. 1,319,766,723 and the list of Products and Services are shown in the page no. 27

**Appropriation Proposed:**

1.	Net Profit After Tax for the year 2020-21	Tk. 198,030,308
2.	Add: Retained Earnings brought forward	Tk. 152,231,223
	Total fund for appropriation:	Tk. 350,261,531
3.	Less: Appropriation Proposed: Cash Dividend @5% (Tk. 0.50 per share)	Tk. 64,296,332
4.	Net Un Appropriated Profit	Tk. 285,965,199

**Cost of Sales Focus:**

Constrained by the global, national and health sector impediments, the overall cost of goods sold increased during the year due to increase in business creation cost, financing and related costs plus the Corona specific costs to keep the operations on track. However, despite the cost of sales shooting up, we took several deterrent measures and cost saving drives to cut off its overall effect in profit margin.

**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:

	2020-2021	2019-2020
Beginning of the year	369	357
New recruitment	8	36
Released	17	21
Closing of the year	360	369

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 it's 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 pay-back period.

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

**(a) Infrastructure Related Risk:**

Management always 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 Obsolescence:**

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.

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

**Financial Statements- conformity avowal:**

The Board of Directors of ITC would like to inform that the Financial Statements containing the audited accounts of the Company for the year ended June 30, 2021 are in conformity with the requirements of the Companies Act, 1994, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted and applicable, 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 all transactions carried out during the year under review and reasonably correctly present the Company's financial condition and results of its operations.

**Directors' declaration on the Financial Statements:**

The Directors are responsible for the governance of the Company and, as part of preparation and presentation of the financial statements for the year ended June 30, 2021 the Directors confirm, to the best of their knowledge that:

- . The financial statements, prepared by Management of the Company, which was duly scrutinised by the external auditors, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- . 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.
- . There is no extraordinary gain or loss or significant deviation during the financial year.

As required under the BSEC CG Code, the Directors further confirm that:

- The CEO and CFO have certified to the Board that they have reviewed the financial statements and affirmed that these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- The CEO and CFO have certified to the Board that they have reviewed the financial statements and affirmed that these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- The CEO and CFO have further certified to the Board that there are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.



### Internal Control System & Process

ITC has a competent stakes management process to ensure that the system of internal control is sound in design and has been effectively implemented and monitored. Although it is possible that all risks to the business are not fathomable, the Company takes reasonable measures to identify all material and financial risks that may hamper business operations and results. The Company then systematically reviews those latent risks considering the changing internal and external realities to assess that controls that are in place are adequate to address those risks that are likely to hit the Company's business activities, operations, liquidity and financial position for future performances. Based on experiences it could be concluded that for now the company's internal control system is commensurate with its size, stature and nature of business. 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. However, looking ahead, in view of the pandemic uncertainties, ITC might also adjust its business strategies and operations in future to adapt to the local as well as global realities.

### Board Meetings and Attendance by the Directors

During the year ended June 30, 2021, 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	Meeting during 2020-2021	Attendance During 2020-2021
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 Fauzjus 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 to Directors

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

## Shareholding Patterns

The shareholding patterns of the Company as at June 30, 2021 are shown in the following table:

Sl. No.	Name	Status	Number of Share held as of 30.06.2021	% of Shareholding
<b>A)</b>	<b>Parent/Subsidiary/Associated Companies/Others Related Party:</b>			
	SiS Capital (Bangladesh) Pte Limited	Nominated Director	42,139,058	32.77%
	Regent Pacific Ltd.	Nominated Director	10,863,862	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	5,794,856	4.51%
2	Mr. Salahuddin Alamgir	Vice Chairman & Director	6,890,909	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 FauzijasTjandra 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	Nil	Nil
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	42,139,058	32.77%

## Summary of shareholders and range of shareholding

The shareholding distribution schedule of Information Technology Consultants Limited as on June 30, 2021 is presented as below.

Group Name	Number of Share holders	Number of Shares	Ownership (%)
Sponsors/Promoters and Directors	4	65,688,685	51.09%
Institutions	77	30,420,134	23.65%
General Public	2,708	32,250,928	25.08%
Foreign Company	2	232,917	0.18%
Total	2,791	128,592,664	100%

**On the Basis of Shareholding:**

SL. No.	Group Name	Number of Shareholders	Number of Shares	Ownership (%)
1	1-100	590	16,293	0.01
2	101-500	542	1,52,920	0.12
3	501-1000	524	408,348	0.32
4	1001-10000	830	3,087,022	2.40
5	10001-20000	120	1,762,185	1.37
6	20001-50000	81	2,887,202	2.25
7	50001-100000	26	1,988,628	1.55
8	100001-1000000	59	19,033,997	14.80
9	1000001-50000000	13	22,545,784	17.53
10	5000001-100000000	4	23,707,365	18.44
11	10000001 and Above	2	53,002,920	41.22
Total :		2,791	128,592,664	100.00

**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 no. 41 of the Financial Statements at page no. 139 of this Annual Report.

**Proposed Dividend:**

The Board of Directors has recommended an amount of Tk. 64,296,332 as dividend, being 5% cash to be paid to the shareholders for the year 2020-21. This dividend is to be approved by the shareholders at the 21<sup>st</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 safeguards:**

The Board of Directors of ITC is committed to ensuring the highest standards of governance designed to protect the interests of all stakeholders alike, including the rights of its minority shareholders, while promoting integrity, transparency and accountability. Accordingly, the Board shall always act in a manner that will be in the best interest of the Company. In this respect, in compliance with code 1(5)(xvi) of the codes of corporate governance, the Board hereby confirms that the interests of the minority shareholders of ITC have been duly protected in the Company by means of open and fully transparent operations and proper disclosure of material information 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.

**Unclaimed Dividend:**

The ageing of unclaimed dividend at the reporting date was:

Dividend Disbursement Year	Opening balance	Closing balance for the current year	Cumulative closing balance
2016-17	-	2,250	2,250
2017-18	2,250	758,351	760,601
2018-19	760,601	2,443	763,044
2019-20	763,044	206,168	969,212
2020-21	969,212	208,241	1,177,453

**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 21<sup>st</sup> Annual General Meeting and being eligible, they have offered themselves for re-election:

Mr. Salahuddin Alamgir

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

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

Brief profiles of the Directors being proposed for reappointment are provided in the page no.16 and 17 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 hereby report that:

- There was no extraordinary gain or loss occurred during the financial year;
- Details of related party transactions have been presented at Note: 41 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: 27.01 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 there from 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 in the page # 32 in this Annual Report;
- The Company has proposed cash dividend for the year 2020-21;
- 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 2020-21 has been presented in the page # 74 in the Report;
- The patterns of shareholding as on June 30, 2021, has been presented in the page # 75
- A statement of 'Management Discussion and Analysis' has been presented on page 43 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 in the page # 79 of this Annual Report.
- Status of compliance of the conditions of BSEC CG Code dated 3rd June 2018 has been presented in the page # 81 of this Annual Report.
- A 'Certificate of Compliance' of the conditions of BSEC CG Code dated 3rd June 2018 has been presented in the page # 80 of this Annual Report.

### **Appointment of Statutory Auditors**

During the 20th Annual General Meeting (AGM) the shareholders had appointed M/s. ACNABIN, Chartered Accountants, as Statutory Auditors of the company for the year 2020-2021. The Auditors are, however, not 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 28, 2021, the matter for appointment of M/s. Hussain Farhad & Co., Chartered Accountants for the year 2021-2022 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 21<sup>st</sup> AGM for approval.

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

Pursuant to code 9.2 of the codes of corporate governance issued by BSEC, during the 20th Annual General Meeting (AGM) the shareholders had appointed M/s. Al-Muqtadir Associates, Chartered Secretaries as the Compliance Auditor of the company for the year 2020-2021. The Compliance Auditor is eligible for re-appointment. As proposed by the Audit Committee and recommended by the Board of Directors at its meeting dated October 28, 2021, the matter of appointment of M/s. Al-Muqtadir Associates, Chartered Secretaries for the year 2021-2022 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 21<sup>st</sup> AGM for approval.

### **Acknowledgement & appreciation:**

The performance of the Company during period under review, even with so many challenges and calamities confronted, demonstrates the resolves and determination of the Board, Management and overall the peoples in the Company. This also 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. At the same time, the Board also believes that the performance in 2020-21 is a collective result of the pledge, promise, energy and hard work of our Directors, Management and employees together. But that was derived indeed from the persistent support and guidance from the shareholders and numerous other stakeholders of the Company. And keeping those in mind the Board would like to place on record their unstinted gratitude and 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. 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 28, 2021