

The background features a light blue gradient with a network diagram of interconnected nodes and lines. Two large, overlapping circles in a darker shade of blue are positioned in the center, framing the text.

# 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, Management and myself to welcome you all to this 22<sup>nd</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, 2022 for your kind consideration and adoption. In the following paragraphs we review the year under report for your information and appraisal. The year 2022 has seen the ups and downs of many economies, and just recovering from the rigors of the global pandemic. Bangladesh was no exception, it has also experienced severe downturn in its Exports, Remittances and general economic slowdown resulting from the world-wide effects of this pandemic and war devastation. Fortunately for us, ITC, our beloved company has been able to sustain most of these downturns, rather expanded in some business areas, keeping our revenue stream intact or extended.

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

The Pandemic and its aftershocks have severely affected country's economy during the 1st quarter of 2021, which ultimately continued throughout the whole of 2022. To that, the war in Europe further dented governmental initiatives for business and economic revival. The economy in general, thus remained sluggish for extended periods and only opened tentatively, during the third quarter.

However, despite the downward spiral, Bangladesh economy sustained the challenges and grew up by 6.9% during the year 2021-22 as against the previous year. Bangladesh was enjoying the reputation of one of the fastest growing Economy in South Asia for the last few years, recording highest growth of 8% plus in previous years. The recorded growth rate however, remarkably surprised most analysts who expected the contraction to be even more severe. Though the growth rate also resulted in unusual high growth of inflation rate recorded at 6% as per Asia Development Bank.

Consequent to the pressure of the just ended pandemic, the latest war between Russia and Ukraine has severely curtailed Economic activities due to the high cost of Imported oil and consumer products, low volume of export to war effected EU countries and low intake of wage-earning labor force in the gulf countries and South East Asia. Fortunately, the Economy still managed to keep the inflationary challenges considerably lower, contrasting the comparable to regional economies like INDIA and PAKISTAN, and Sri Lanka.

Our hope and confidence are however on the, unshackled energy of our young entrepreneurs who will continue their persistent drive, for expansion. War not only devastate Economies; it also provides opportunities to the brave and intelligent The Government and Private sector- joint initiatives will hopefully sync and transform the socio-economic sector of the country towards a sustainable 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. We solicit all your combined blessings and good wishes for us to overcome the dark patch of wartime economic challenges.

The Agricultural Sector of the Economy, as always has been dependent on the nature and good will of our water flow controlling neighbors. The North east region was again hit by a massive flood due to heavy rain fall and flood plunging from up-stream. Agro activities and food grain production got hit, effecting the bottom-line of the average farmers and the general consumers.

### **Silver Linings:**

ITC has however been able to extend its reach in all new innovative products in the market during the year, outlines of which are provided below for your kind information's:

**Bangla QR** – Bangladesh Bank formulated a common specification for 'Bangla QR' to facilitate QR (quick response) based payment transactions to extend digital payment services. QR code-based payment technology is not CAPEX intensive and thus, it is easy to rollout throughout the country for small retailers. ITC always keeps the technology up-to-date and takes advance actions to adopt latest payment technology for Q-Cash network. Therefore, ITC has done the necessary certification of its platform to enable Bangla QR payment transactions which shall facilitate the end customers to pay at retail outlets or pay bills at fingertips. ITC expects to cater substantial payment transactions with this new feature in coming years and earn transaction processing income.

**Inbound remittance local fund transfer** – ITC incorporated local fund transfer facility to transfer the remittance fund along with government provided incentives within 5 seconds to the beneficiaries' any bank account or card. Banks can now offer instant fund transfer facility and remittance senders are now encouraged to use banking channels to transfer remittance for instant processing.

**Green PIN generation** – ITC launched web-based green PIN service successfully for its client banks. Cardholders can generate and change personal identification number using green PIN service that helps customers to set own PIN by themselves and ensure better security. ITC can generate enhanced revenue through this service.

**ITSM for my Gov Platform** - We have been awarded by Access to Information (a2i) against the tender for hiring a firm for IT Service Management (ITSM) for my Gov Platform. my Gov a central platform providing digital services of various government organizations a single digital platform. By using "My Gov" Rapid digitalization or digitalization of government services are in progress in fastest time. ITC will provide maintenance and training service for this platform.

IT Consultants had been able to lead the innovation and continued its good will as the number one service oriented IT Company and with timely response to its present and future clients. That's why ITC had been the first choice for most of our client - as we continue to serve our clients and patrons with low-cost and e-skilled services, as always.

**Inflationary pressure:**

As indicated above- most of the GDP growth has been balanced out by the high level of inflation. Though the Government has taken appropriate measures and kept in check through prudent monetary policy, but the war time uncertainty and devastating economic situation in Sri Lanka has kept the policy makers on their toes.

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

It's heartening to report that, ITC has maintained its lead as the number one, third party IT SERVICE PROVIDER in the Banking Sector. Thanks to the timely providing of service to our clients, responding to their queries, Our relentless efforts to innovation in IT platforms in Banking and other relevant areas.

Most client banks today have a Core Banking software (CBS) in place and has at-least a basic online facility. ITC in its ever-expanding field of online Transaction Processing and POS Services, has been supported by 37 member banks, moreover our 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, has remained unchallenged till day.

Authorities have now recognized the potential of ICT and digitization, have been gracious enough to support our innovations, which has helped us to continue to provide best services to our clients. We firmly believe that our efforts will be further valued by even bigger number of clients and will allow us to help alleviate themselves towards providing best services to their own clients, in turn.

(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 2021-2022 the Company had contributed Tk.16,156,223/- to the national exchequer as against TK. 65,982,869 /- in 2020-2021.

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: 2017-18 (Tk.)	Year: 2018-19 (Tk.)	Year: 2019-20 (Tk.)	Year: 2020-21 (Tk.)	Year: 2021-22 (Tk.)
Customs duty	8,419,244/-	14,154,707/-	23,521,095/-	11,614,824/-	908,597/-
VAT & ATV/AT	26,632,814/-	35,234,206/-	37,186,509/-	22,374,205/-	1,454,722/-
Advance Income Tax (AIT)	22,198,849/-	20,798,655/-	43,486,497/-	31,993,840/-	13,792,904/-
<b>Total</b>	<b>57,250,907/-</b>	<b>70,187,568/-</b>	<b>104,194,101/-</b>	<b>65,982,869/-</b>	<b>16,156,223/-</b>

## 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/CMRRC/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 2021-22. 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:

During the year under review, gross revenue was recorded as BDT 1,014.613 million (BDT 101.46 crore) with an overall decrease 24.1% compared to the previous year. The only growth area was the Transaction Processing Charges, recording @15.60% growth and which cover partially revenue stream. We consider this increase as an ongoing business pattern for the post-pandemic dependence on online transactions, which is currently the business trend despite a recessionary trend in the economy.

However, the revenues from Service & Maintenance Charges & Business sale revenue has recorded a substantial downward trend (20.20% & 88.90%) respectively due to the expected long-time effect of post-pandemic uncertainty & global economic recession which resulted in a drastic devaluation of BDT against USD and have resulted in a substantial crisis and operational disruption for the company. The crisis also stemmed in revenue flow for ITC due to sudden reductions in business demand from banking customers, who experienced long period of branch closure and as well as anticipating financial or economic recession in our banking sector during the year. And thus, the banking procurement of the financial sector was recording a slower growth. Resulting in a drastically drop in our Trading business, which also caused reduced in Service & Maintenance Charges.

Particulars	Year-2021-2022 (Tk.)	Year-2020-2021 (Tk.)	Increased/(decreased)	Growth %
REVENUE:				
Q-Cash transaction Processing charge	723,053,469	625,582,391	97,471,078	15.6%
Service & Maintenance charges	247,134,026	309,787,510	(62,653,484)	-20.2%
Sales	44,425,769	400,666,315	(356,240,546)	-88.9%
<b>Total Revenue</b>	<b>1,014,613,264</b>	<b>1,336,036,216</b>	<b>(321,422,952)</b>	<b>-24.1%</b>

Comparatives on the financial performance of the company for the year ended June 30, 2022 are summarized hereunder:

Particulars	2021-2022 (Tk.)	2020-2021 (Tk.)	Increased/(decreased)	Growth %
Revenue	1,014,613,264	1,336,036,216	(321,422,952)	-24.1%
Cost of Service	472,522,538	628,169,781	(155,647,243)	-24.8%
Cost of sales	43,176,748	248,859,078	(205,682,330)	-82.7%
Gross Profit	498,913,978	459,007,357	39,906,621	8.7%
Operating Expenses	201,612,998	191,931,158	9,681,840	5.0%
Operating Profit	297,300,980	267,076,199	30,224,781	11.3%
Profit Before Tax	251,864,202	227,042,453	24,821,749	10.9%
Profit After Tax	240,227,113	198,030,308	42,196,805	21.3%

Due to factors described above Cost of Service & Cost of Sales has decreased @ 24.80% & @ 82.70% respectively, resulting the gross profit of only @ 8.7% valuing Tk. 39,906,621/- increased during the year-2021-22 compared to the last year- 2020-21.

Net Profit before Tax for the year has increased by Tk. 24,821,749/- from the last year and reflection growth is 10.9% due to increase of Q-Cash Transaction Processing. The growth in Net Profit after Tax is 21.30%, which comprises of Tk. 42,196,805/-.

Additionally, just as a point of reference 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 Banks are experiencing a financial crunch overall, due to various recessional factors.

#### Revenue Growth & Products:

The Revenue of Tk. 1,014,613,264/- which has decreased by 24.1% during the year 2021-2022 against Tk.1,336,036,216/- in the year 2020-2021 and the list of Products and Services are shown in the page no. 26.

#### Appropriation of Profit Proposed:

Board of Directors in its meeting held on October 25, 2022 has recommended the appropriation of the Net Profit earned during the year 2021-2022 in the following manner:

Net Profit After Tax during the year 2021-22		<b>Tk. 240,227,113/-</b>
Appropriation Recommended: Cash Dividend @6% (Tk. 0.60 per share)	Tk. 77,155,598/-	Tk. 77,155,598/-
Net Un-Appropriated Profit		<b>Tk. 163,071,515/-</b>

#### 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:

	<b>2021-2022</b>	<b>2020-2021</b>
Beginning of the year	359	369
New recruitment	28	8
Released	23	18
Closing of the year	364	359

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, 2022 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, BSEC 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, 2022 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.



### Basis for Qualified Opinion:

Note # 3.01(d) to the financial statements disclosed the method so charging depreciation on property, plant, and equipment. However, the Company has not disclosed the useful lives of fixed assets which is a departure from Paragraph 51 of the International Accounting Standards (IAS) 16. The Company is in the process of identifying the useful lives of its non-current assets by an expert professional valuer, as disclosed in Note # 3.01 (d).

### Emphasis of Matter:

Note # 3.02 (c) of the financial statements, the company has disclosed the rationality for determining the amortization rate of its Intangible Assets. Statutory Auditor's opinion is not modified with respect to this matter.

### 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, 2022, a total 05 (five) Meetings of the Board of Directors were held.

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

Sl. No	Name	Meeting during 2021-2022	Attendance During 2021-2022	
1	Mr. Lim Kiah Meng, Chairman (Nominated Director of SiS Capital (Bangladesh) Pte Limited	05	02	
2	Mr. Salahuddin Alamgir, Vice Chairman	05	04	
3	Mr. Kazi Saifuddin Munir, Ph.D, Managing Director & CEO	05	05	Re-Appointed as on 30/12/2022
4	Mr. Lim Kia Hong, Nominated Director of SiS Capital (Bangladesh) Pte Limited	05	02	
5	Mr. Lim Hwee Hai, Nominated Director of SiS Capital (Bangladesh) Pte Limited	05	02	
6	Madam Lim Hwee Noi, Nominated Director of SiS Capital (Bangladesh) Pte Limited	05	02	
7	Madam Fauzijas Tjandra Nominated Director of Regent Pacific Limited	05	02	
8	Mr. Md. Waliuzzaman FCA, Independent Director	03	03	Expired as on 10/01/2022
9	Mr. Md. Haqueful Shaikh, Independent Director	03	03	Expired as on 10/01/2022
10	Mr. Md. Kamal Uddin FCA, Independent Director	02	02	Appointed as on 10/01/2022
11	Mr. Dasgupta Asim Kumar, Independent Director	02	02	Appointed as on 10/01/2022

## Shareholding Patterns

The shareholding patterns of the Company as at June 30, 2022 are shown in the following table:

Sl. No.	Name	Status	Number of Share held as of 30.06.2022	% 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. Kamal Uddin, FCA	Independent Director	Nil	Nil
9	Mr. Dasgupta Asim Kumar	Independent Director	Nil	Nil
<b>B 2)</b>	<b>CEO, CFO, CS, HOIA and their Spouses and Minor Children:</b>			
	Mr. Shyamal Kanti Karmakar	Chief Financial Officer	Nil	Nil
	Mr. Anindya Sarkar FCS	Company Secretary	Nil	Nil
	Mr. 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. Zubear Ahmed	Chief Strategy 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, 2022 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	97	26,947,372	20.95%
General Public	3,445	35,943,680	27.95%
Foreign Company	3	12,927	0.01%
<b>Total</b>	<b>3,549</b>	<b>128,592,664</b>	<b>100%</b>

## 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. 5,000 (Five Thousand) for each meeting attended.

### On the Basis of Shareholding:

SL. No.	Group Name	Number of Shareholders	Number of Shares	Ownership (%)
1	1-100	574	17,857	0.01
2	101-500	720	226,586	0.18
3	501-1000	638	525,244	0.41
4	1001-10000	1,198	4,392,948	3.42
5	10001-20000	192	2,845,405	2.21
6	20001-50000	117	3,955,525	3.08
7	50001-100000	37	2,773,684	2.16
8	100001-1000000	53	18,638,071	14.49
9	1000001-50000000	15	23,855,159	18.55
10	5000001-100000000	3	18,359,265	14.28
11	10000001 and Above	2	53,002,920	41.22
<b>Total:</b>		<b>3,549</b>	<b>128,592,664</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 no. 40 of the Financial Statements at page no. 141 of this Annual Report.

### Proposed Dividend:

The Board of Directors has recommended an amount of Tk. 77,155,598/- as dividend, being 6% cash to be paid to the shareholders for the year 2021-22. This dividend is to be approved by the shareholders at the 22<sup>nd</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 in due time.

### 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 22<sup>nd</sup> Annual General Meeting and being eligible, they have offered themselves for re-election:

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

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

Madam FauzijuTjandra  
Nominated Director of Regent Pacific Limited

Brief profiles of the Directors being proposed for re-appointment are given at page 14, 15, 16 of the Annual Report, which fulfill condition no.1(5)(xxiv) of the codes of corporate governance of BSEC.

#### **Re-Appointment of Managing Director**

As proposed by the Nomination & Remuneration Committee (NRC), the Board of Directors in its meeting held on December 26, 2021 had re-appointed Mr. KaziSaifuddinMunir, Ph.D as Managing Director of the company with effect from 30th December, 2021 for a further tenure of 5 years as per Companies Act, 1994 subject to approval from the shareholders at the 22<sup>nd</sup> Annual General Meeting (AGM). Brief profiles of the Managing Director being proposed for re-appointment is given at page 15 of the Annual Report, which fulfill condition no.1(5)(xxiv) of the codes of corporate governance of BSEC.

#### **Appointment of Independent Directors**

As proposed by the Nomination & Remuneration Committee, the Board of Directors in its meeting held on December 26, 2021 had re-appointed Mr. Md. Kamal Uddin FCA and Mr. Dasgupta Asim Kumar as Independent Directors of the Company with effect from January 10, 2022 for the tenure of 3 years subject to approval from the shareholders at the 22<sup>nd</sup> Annual General Meeting (AGM). Brief profiles of the Independent Director being proposed for appointment are given at page 16 & 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: 40 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: 26.01 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 # 31 in this Annual Report;
- The Company has proposed cash dividend for the year 2021-22;
- 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 2021-22 has been presented in the page # 73 in the Report;

- The patterns of shareholding as on June 30, 2021, has been presented in the page # 74
- A statement of 'Management Discussion and Analysis' has been presented on page 42 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 21<sup>st</sup> Annual General Meeting (AGM) the shareholders had appointed M/s. HUSSAIN FARHAD & Co., Chartered Accountants, as Statutory Auditors of the company for the year 2021-2022. The Auditors are, however 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 25, 2022, the matter for appointment of M/s. Hussain Farhad & Co, Chartered Accountants for the year 2022-2023 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 22<sup>nd</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 21<sup>st</sup> 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 2021-2022. 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 25, 2022, the matter of appointment of M/s. Al-Muqtadir Associates, Chartered Secretaries for the year 2022-2023 as Compliance Auditor of the Company and fixation of their remuneration at TK. 155,600 (one lac fifty five thousand six hundred taka only) excluding VAT is placed before the shareholders at the 22<sup>nd</sup> AGM for approval.

### **Unclaimed Dividend:**

The ageing of unclaimed dividend at the reporting date was:

Dividend Disbursement Year	Opening balance	Current year Unclaimed Dividend	Cumulative closing balance
2018-19	-	205,856	205,856
2019-20	205,856	199,484	405,340
2020-21	405,340	178,742	584,082

**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 2021-22 is a collective result of the pledge, promise, energy and hard works 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 25, 2022