

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন”

“Investment in capital market involves certain degree of risks. The investors are required to read the prospectus and risk factors carefully, assess their own financial conditions and risk taking ability before making their investment decisions.”

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। বিনিয়োগকারীগণ প্রোসপেক্টাস পড়ে এবং ঝুঁকির বিষয়গুলি সতর্কতার সাথে অনুধাবন করে নিজ নিজ আর্থিক অবস্থা ও ঝুঁকিগ্রহণ করার সক্ষমতা বিবেচনা করে বিনিয়োগ সিদ্ধান্ত গ্রহণ করবেন।”

Qualified Investor Offer of 12,000,000 Ordinary Shares

Issue date of the Prospectus:

OFFER PRICE: TK. 10.00 each at par
TOTAL SIZE OF FUND: TK. 120,000,000.00

Opening and closing date of subscription:

Opening date of subscription:

Closing date of subscription:

PROSPECTUS

Name of Issuer:



Subra Systems Ltd.

Name of Issue Managers:



Imperial Capital Limited



CAPM Advisory Limited

(a) Preliminary Information and Declarations:

- (i) Name(s), address(s), telephone number(s), web address(s), e-mail(s), FAX number(s) and contact persons of the issuer, issue manager(s), underwriter(s), auditors, credit rating company and valuer;

| Issuer | | |
|--|--|---|
| Name & Address | Telephone & Fax Number, E-mail, Web Address | Contact Person |
| Subra Systems Ltd. (SSL) Hasney Tower, Level 10 3/A Kawran Bazar C/A, Dhaka-1215 | Tel: +8802-48120097 Fax: +88-02-8189460 Email: info@subrasystems.com Web: www.subrasystems.com | Md. Robiul Islam Chief Financial Officer |
| Issue Manager | | |
| Name & Address | Telephone & Fax Number, E-mail, Web Address | Contact Person |
| Imperial Capital Limited Saiham Sky View Tower (3rd Floor), 45 Bijoy Nagar, Dhaka-1000. | Tel: +88-02-48316870 Fax: +88-02-8392635 E-mail: imperialcapltd@gmail.com Web: www.imperialcapital.org | Md. Salauddin Sikder FCMA CEO & Managing Director |
| CAPM Advisory Limited Tower Hamlet (9th Floor) 16, Kemal Ataturk Avenue Banani C/A, Dhaka-1213. | Tel: +88-02-9822391-2 Fax: +88-02-9822393 E-mail: contact@capmadvisorybd.com Web: www.capmadvisorybd.com | Tania Sharmin Managing Director & CEO |
| Underwriters | | |
| Name & Address | Telephone & Fax Number, E-mail, Web Address | Contact Person |
| IIDFC Capital Limited PFI Tower, 3rd Floor, 56-57 Dilkusha C/A, Dhaka-1000 | Tel: +88-02-9514637-8 Fax: +88-02-9514641 E-mail: icl@iidfc.com Web: www.iidfc.com | Mohammad Saleh Ahmed Chief Executive Officer |
| Islami Bank Capital Management Limited Miah Amanullah Bhaban (5th Floor), 63 Dilkusha C/A, Dhaka 1000 | Tel: +88-02-47120793-4 Fax: +88-02-47120625 E-mail: info@ibcmibd.com Web: www.ibcmibd.com | Mohammad Abdur Rahim, FCA Managing Director & CEO |
| Uttara Finance Capital Management Limited Jibon Bima Tower (6th floor) 10 Dilkusha C/A, Dhaka-1000 | Tel: +88-02-9568207 Fax: +88-02-9552461 E-mail: uttarafinancecapital@gmail.com Web: www.uttarafinance-capitalmanagement.com | Mohammad Shahinur Rahman Managing Director |

| Auditor | | | |
|---|--|---|--|
| Name & Address | | Telephone & Fax Number, E-mail, Web Address | Contact Person |
| ARTISAN Chartered Accountants Sonargaon Terrace, House # 52, Road # 13/C, Block # E, Banani, Dhaka-1213 | | Tel: 88-02-8189883-7 Fax: +88-02-8180183-6 E-mail: info@artisan-ca.com web: www.artisan-ca.com | AFM Alamgir, FCA Chief Executive Partner |

The Company has no involvement with Valuer; Credit rating is not applicable for the issuer.

(ii) A person interested to get a prospectus may obtain from the issuer and the issue manager(s).

(iii) "If you have any query about this document, you may consult the issuer, issue manager and underwriter"

(iv) "CONSENT OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION (QUALIFIED INVESTOR OFFER BY SMALL CAPITAL COMPANIES) RULES, 2018. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER, MANAGING DIRECTOR, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY, ISSUE MANAGER, ISSUE MANAGER'S CHIEF EXECUTIVE OFFICER, UNDERWRITERS, AUDITOR(S), VALUER AND/OR CREDIT RATING COMPANY (IF ANY)."

(v) *'Risks in relation to the First Issue'*

"This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the securities is Tk. 10.00 (ten) and the issue price is Tk. 10.00, i.e. the face value. The issue price has been determined and justified at par value as stated under the paragraph on "Justification of Issue Price" should not be taken to be indicative of the market price of the securities after listing. No assurance can be given regarding an active or sustained trading of the securities or the price after listing."

(vi) *'General Risk'*

"Investment in securities involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offer. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. Given the emerging nature of small capital companies, there may be a higher investment risk attached to the securities being offered. The securities to be traded on the Small Capital Platform may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be an active market for trading of such securities. The securities have not been recommended by the Bangladesh Securities and Exchange Commission (BSEC) nor does BSEC guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'risk factors' given on page number(s) 111-120"

(vii) *'Subra Systems Ltd.'s Absolute Responsibility'*

"The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this prospectus contains all material information with regard to the issuer and the issue, that the information contained in the prospectus are true, fair and correct in all material aspects and are not misleading in any respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."

(b) **Availability of Prospectus**

(i) **Website addresses and e-mail addresses and names of contact persons of the institutions where the prospectus are available in soft forms;**

The Prospectus and abridged version prospectus in hard and soft forms of the Company shall be obtained from the following addresses:

| Issuer | Website and E-mail Address | Contact Person |
|---|---|---|
| Subra Systems Ltd. (SSL) Hasney Tower, Level 10, 3/A Kawran Bazar C/A, Dhaka-1215 | Web: www.subrasystems.com Email: info@subrasystems.com | Md. Robiul Islam Chief Financial Officer |
| Issue Manager | Website and E-mail Address | Contact Person |
| Imperial Capital Limited Saiham Sky View Tower (3rd Floor), 45 Bijoy Nagar, Dhaka-1000. | Web: www.imperialcapital.org E-mail: imperialcapltd@gmail.com | Md. Salauddin Sikder FCMA CEO & Managing Director |
| CAPM Advisory Limited Tower Hamlet (9th Floor), 16, Kemal Atatürk Avenue, Banani C/A, Dhaka-1213. | Web: www.capmadvisorybd.com E-mail: contact@capmadvisorybd.com | Tania Sharmin Managing Director & CEO |
| Stock Exchanges | Website and E-mail Address | Contact Person |
| Dhaka Stock Exchange Limited DSE Library, 9/F Motijheel C/A, Dhaka-1000 | Web: www.dsebd.org E-mail: reasearch@dsebd.org | Afzalur Rahaman Manager |
| Chittagong Stock Exchange Limited CSE Library, CSE Building, 1080, Sheikh Mujib Road Agrabad, Chittagong-4100. | Web: www.cse.com.bd E-mail: habib.ullah@cse.com.bd | Mohammad Habib Ullah Deputy Manager |

Prospectus would also be available on the web sites of BSEC (www.sec.gov.bd) and at the Public Reference Room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and studying.

(ii) Definitions and Acronyms or Elaborations

Acronyms or Elaborations:

A

| | |
|--|---|
| "Articles" or "Articles of Association" or "AoA" | The Articles of Association of Subra Systems Ltd., as amended |
| AGM | Annual General Meeting |
| Allotment | Letter of Allotment of shares |

B

| | |
|--|--|
| "Board" or "Board of Directors" or "our Board" | The Board of Directors of Subra Systems Ltd., as duly constituted from time to time including any committees thereof |
| B. A | Bachelor of Arts |
| B. Sc | Bachelor of Science |
| BAS | Bangladesh Accounting Standards |
| BB | Bangladesh Bank |
| BDT | Bangladeshi Taka |
| BFRS | Bangladesh Financial Reporting Standards |
| BIDA | Bangladesh Investment Development Authority |
| BO A/C | Beneficiary Owner's Account |
| BSEC | Bangladesh Securities and Exchange Commission |

C

| | |
|-------------|---|
| CA | Chartered Accountants |
| CDBL | Central Depository Bangladesh Limited |
| Certificate | Share Certificate |
| CFO | Chief Financial Officer |
| CIB | Credit Information Bureau |
| CIS | Collective Investment Scheme |
| Commission | Bangladesh Securities and Exchange Commission |
| CS | Company Secretary |
| CSE | Chittagong Stock Exchange Limited |

D

| | |
|-----|------------------------------|
| DSE | Dhaka Stock Exchange Limited |
|-----|------------------------------|

E

| | |
|-----------|--------------------|
| EI | Eligible Investor |
| E-Mail | Electronic Mail |
| EPS | Earnings Per Share |
| Exchanges | Stock Exchanges |

F

| | |
|--------|------------------------------|
| FC A/C | Foreign Currency Account |
| FDR | Fixed Deposit Receipt |
| FY | Fiscal Year |
| FCA | Fellow Chartered Accountants |

G

| | |
|-----|---------------------|
| GBP | Great Britain Pound |
|-----|---------------------|

I

| | |
|----------------|--|
| ICL | Imperial Capital Limited |
| Issue | Qualified Investor Offer |
| Issue Managers | Imperial Capital Limited & CAPM Advisory |

| | |
|--|---|
| | Limited |
| Issuer | Subra Systems Ltd. |
| L | |
| L/C | Letter of Credit |
| LLM | Master of Laws |
| M | |
| “Memorandum” or “Memorandum of Association” or “MoA” | The Memorandum of Association of Subra Systems Ltd., as amended |
| M. Com | Master of Commerce |
| M.A | Master of Arts |
| M.S. | Master of Science |
| MBA | Master of Business Administration |
| MS-Word | Microsoft word |
| N | |
| NAV | Net Asset Value |
| NBFI | Non-Banking Financial Institution |
| NBR | National Board of Revenue |
| NRB | Non Resident Bangladeshi |
| O | |
| “Our Company” | Subra Systems Ltd., a public limited company incorporated under the Companies Act |
| Offering Price | Price of the Securities of SSL |
| P | |
| PE | Price to Earnings |
| R | |
| RJSC | Registrar of Joint Stock Companies and Firms |
| S | |
| Securities | Share of Subra Systems Ltd. |
| Securities Market | The Share Market of Bangladesh |
| Sponsors | The sponsor shareholders of Subra Systems Ltd. |
| SSL | Subra Systems Ltd. |
| Subscription | Application Money |
| T | |
| The Company/Issuer | Subra Systems Ltd., a public limited company incorporated under the Companies Act |
| TIN | Tax Identification Number |
| Tk. | Taka |
| U | |
| UK Pound | United Kingdom Pound |
| USD | United States Dollar |
| V | |
| VAT | Value Added Tax |

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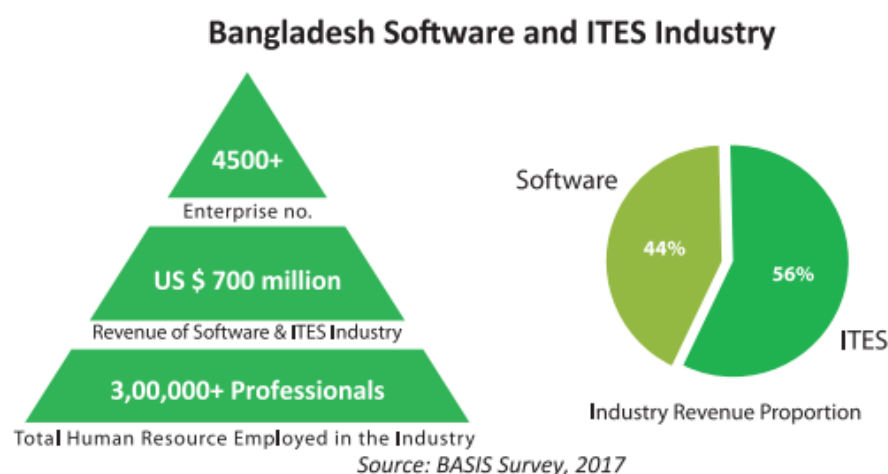
| | |
|---|------------|
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| (h) Quarterly or half-yearly EPS should not be annualized while calculating the EPS; | 238 |
| (i) Net asset value (with and without considering revaluation surplus or reserve) per unit of the securities being offered at the date of the latest audited statement of financial position. | 238 |
| (j) The Commission may require the issuer to re-audit the audited financial statements, if any deficiency or anomaly is found in the financial statements. | 238 |
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CHAPTER (I)

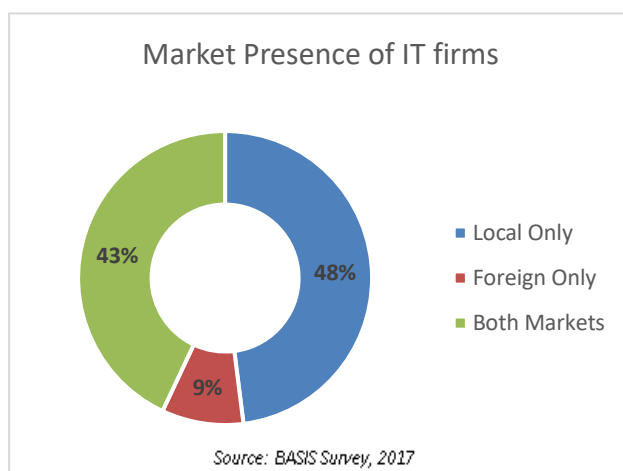
EXECUTIVE SUMMARY

(i) About the industry:

The software and information technology enabled services (ITES) industry is one of the most promising sectors of Bangladesh, with several growth drivers that consist of a large pool of efficient young professionals, collaborative environment with the government and dynamic leadership from Bangladesh Association of Software and Information Service (BASIS). Some twenty years ago, this industry predominantly existed as a hardware vendor market with little or no value addition on the local front. A series of programmes were initiated in 1997 with a specific focus on export of software and IT services with 18 charter members, with the Trade Organization License 428 registered under DTO of Ministry of Commerce. Today, as an association of 1498 members, BASIS is the leading trade body of the Software and IT Service Industry in Bangladesh. The Bangladeshi government, in its Export Policy, has formally identified the ICT sector including software industry as one of the "thrust sectors", thereby strengthening the political initiatives of software industry from the middle of 1990s. Examples of such initiatives are exemption of income tax, value-added tax, and customs duty for ICT industry, establishment of national ICT policy, organizing the ICT National Taskforce (the chair is the Prime Minister), establishment of ICT incubation center, enactment of Copyright Law, approval of ICT Act draft in the parliament, increase in IT budget allocation by the government (targeting 2% of annual development plan expenditure), and others. With the support of such political initiatives, the software industry in Bangladesh has grown rapidly since 1990s. Bangladesh has recently been focused by other countries as an outsourcing target. The European Union (EU) officially announced that Bangladesh is one of the best 20 outsourcing target countries. Further, Goldman Sachs & Co. positioned Bangladesh at one of "Next Eleven," which are potentially growing countries following Brazil, Russia, India, and China (BRICs).



Currently, the industry is estimated to be worth around \$700 million, where approximately 300,000 professionals, mostly IT graduates, are employed. As per BASIS, there are over 4,500 registered software and ITES companies, along with a few hundred unregistered small and home-based software and IT ventures engaging in business in local and international markets.

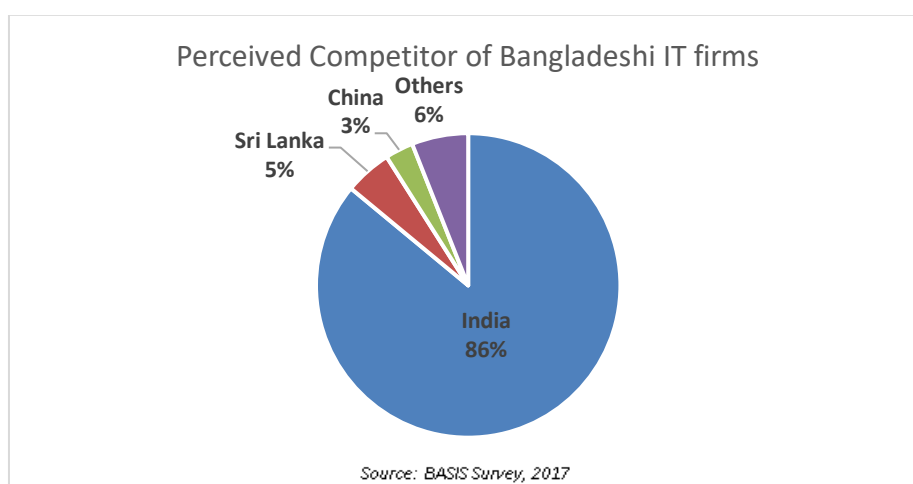


Key Growth Drivers

- Low operation cost and tax advantages
- Availability of technically skilled workforce
- Rapid introduction of IT technologies in major sectors such as telecom, BFSI.
- Growth in exports
- New technology usage like Cloud Computing
- Government established Special Economic Zones (SEZ)s
- Supportive policies from the government

Bangladesh is recognized as one of the emerging IT outsourcing and software exporting countries in South-East Asia and is strategically positioned to benefit from the global industrial growth. The global software & services industry released forecasts showing a value of \$3,223.4 billion by the end of 2017 with an anticipated Compound Annual Growth Rate (CAGR) of 4.4% for the last five-year period from 2012 to 2017.

The IT industry has been identified as a thrust-sector by the Government of Bangladesh and contributions made by the industry has led to steady growth in the nation's economy and is expected to increase significantly more in the near future. In comparison to our neighboring country, India, one of the biggest players in the IT/ITES arena, Bangladesh is still relatively small in comparison but possesses similar demographics, making the country a viable and cheaper alternative in a highly competitive and crowded market.



We have already seen remarkable changes over the last decade as the country is becoming a more lucrative option every day. Renowned international organizations such as Microsoft already opened local offices, and other institutions are retaining local companies for Business-Process-Outsourcing purposes.

The IT industry has slowly grown over time and is poised to turn into the biggest industry after RMG. Currently, the industry generates significant revenue for the national exchequer and creates new high-skilled jobs for the graduates of the country. Entrepreneurs are starting new IT ventures and proving to be highly competitive options to what's available in the global marketplace.

(ii) About the Issuer:

| | |
|---|---|
| Incorporation | Incorporated as Private Limited Company on March 25, 2008 & vide registration no. C 70514 (2023)/08 |
| Converted Public Limited Company | June 25, 2020 |
| Commencement of Commercial Operation | March 25, 2008 |
| Registered & Corporate Office | Hasney Tower, Level 10 3/A Kawran Bazar C/A, Dhaka-1215 |
| Nature of Business | The principal activities of the Company are to provide a comprehensive integrated business software solution. Providing ERP and other customize software according to different customer needs. The Company is also connected with web page & data transmit to different clients. |
| Back ground of the Company | The company namely "Subra Systems Ltd. (SSL)" was incorporated on March 25, 2008 vide registration no. C 70514 (2023)/08 as a private limited company in Bangladesh under the Companies Act, 1994 and converted as a public limited company vide EGM dated June 25, 2020. |

(iii) Financial Information:

Major financial information of Subra Systems Ltd. (SSL) is as follows:

| Particulars | 31-Dec-20 | 30-Jun-20 | 30-Jun-19 | 30-Jun-18 | 30-Jun-17 | 30-Jun-16 |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Revenue | 103,436,543 | 170,957,567 | 149,054,844 | 125,507,250 | 94,071,192 | 81,537,587 |
| Gross Profit | 64,705,380 | 115,432,961 | 99,612,015 | 85,383,794 | 68,185,520 | 59,353,436 |
| Profit Before Income Tax | 46,169,168 | 84,086,234 | 77,739,906 | 63,888,900 | 58,227,330 | 49,760,381 |
| Net Profit after Tax | 46,169,168 | 84,086,234 | 76,894,325 | 63,888,900 | 58,227,330 | 49,760,381 |
| Total Assets | 801,755,127 | 755,581,519 | 535,686,842 | 320,986,971 | 258,430,745 | 200,694,770 |
| Share Capital | 500,000,000 | 500,000,000 | 98,012,100 | 4,000,000 | 4,000,000 | 4,000,000 |
| Retained Earnings | 280,365,104 | 234,195,936 | 346,403,386 | 313,515,061 | 249,626,161 | 191,398,831 |
| Total Liabilities | 21,390,023 | 21,385,583 | 91,271,356 | 3,471,910 | 4,804,584 | 5,295,939 |
| Net Asset Value (NAV) per share | 15.61 | 14.68 | 45.34 | 793.79 | 634.07 | 488.50 |
| Earnings Per Share (Diluted) | 0.92 | 1.68 | 1.54 | 1.28 | 1.16 | 1.00 |

(iv) Features of the issue and its objects:

| | |
|--------------------------------|---|
| Offer Price | Tk. 10.00 |
| Number of Shares | 12,000,000 |
| Offer Size | Tk. 120,000,000.00 |
| Purpose of Raising Fund | Proceeds from Qualified Investor Offer (QIO) will be used for working capital and for QIO Expenses. |
| Date of Implementation | After receiving QIO fund |

(v) Legal and other Information:

| Name of Certificate/license/ Registration/ NOC | License Issuer/Issuing Authority | Certificate / License No. | Expiry Date |
|---|--|--|---|
| Incorporation | RJSC | March 25, 2008 & Reg. No. C 70514 (2023)/08 | N/A |
| Certificate of Commencement of Business | RJSC | N/A | N/A (Incorporated as a private Ltd. Company) |
| Trade license | Dhaka North City Corporation | 001875 | 30-Jun-21 |
| TIN Certificate | National Board of Revenue | 333909776604 | N/A |
| VAT Reg. No. | Customs, Excise & VAT Commissionerate, Dhaka | 001245226-0203 | N/A |
| Membership | Bangladesh Association of Software & Information Services (BASIS) | G344 | 31-Dec-2020 (applied for renewal) |
| | Bangladesh Computer Samity | 1486 | |

(vi) Promoters' background:

At the time of incorporation following persons were the subscribers to the memorandum:

| Sl. No. | Name of Promoter | Present Status |
|---------|-------------------|---------------------|
| 1 | Md. Shafiul Azam | Chairman |
| 2 | Shaikh Sohel Rana | Sponsor shareholder |
| 3 | Runa Laila | Sponsor shareholder |
| 4 | Bushra Chowdhury | Director |

Their background is stated below:

Md. Shafiul Azam, Chairman

Md. Shafiul Azam, Chairman of Subra Systems Ltd, was born in 1976, in a respectable muslim family. He is a son of Md. Khalilur Rahman Chowdhury and Mrs. Ofia Khanam Chowdhury and his wife's name is Mrs. Bushra Chowdhury. After completion of MBA he started career in business sector and gather vast experience in this field. He has been successfully delivering an excellent business services in many prospective sectors particularly in software industry and asset management. Due to his extra ordinary presentation, approach and entrepreneurship attitude he has become a successful young market player in domestic financial market. He has completed many short courses of Business Management.

Shaikh Sohel Rana, Sponsor

Shaikh Sohel Rana was born in 1978, in a respectable Muslim family. He is son of Mr. Shaikh Rofiuddin. He completed his Masters and stated his career and gathered vast knowledge in various sectors over the years.

Runa Laila, Sponsor

Runa Laila was born 1981 in a respectable Muslim family. She is daughter of Mr. Shaikh Rofiuddin. After completing her education, she stated her career and gathered vast experience.

Bushra Chowdhury, Director

Bushra Chowdhury, Director of Subra Systems Ltd. was born in 1987, in a respectable muslim family. She is a daughter of Fakhrul Islam Chowdhury and Zannatul Ferdous and her husband name is Md. Shafiul Azam. She completed her MA and stated her career in IT sector and gather vast experience in this field.

(vii) Capital structure and history of capital raising:

The Company intends to issue 12,000,000 ordinary shares of Tk. 10.00 each at par through Qualified Investor Offer (QIO) totaling to Tk. 120,000,000.00 subject to regulatory approvals.

| Particulars | No. of Shares | Face Value (Tk.) | Issue Price (Tk.) | Amount in Taka |
|-----------------------------------|-------------------|------------------|-------------------|--------------------|
| Authorized Capital | 100,000,000 | 10.00 | 10.00 | 1,000,000,000 |
| Before QIO: | | | | |
| Paid up capital | 50,000,000 | 10.00 | 10.00 | 500,000,000 |
| After QIO: | | | | |
| To be issued through QIO | 12,000,000 | 10.00 | 10.00 | 120,000,000 |
| Paid up capital (Post QIO) | 62,000,000 | 10.00 | 10.00 | 620,000,000 |

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

| Particulars of Allotment | Date of Allotment | Form of Consideration (No. of Shares) | | | Face Value of Share (Tk.) | Paid-up Capital |
|--|-------------------|---------------------------------------|--------------------|------------|---------------------------|--------------------|
| | | In cash | Other than in cash | Bonus | | |
| 1 st (subscriber to the Memorandum & Articles of Association at the time of incorporation) | 25-Mar-08 | 40,000 | - | - | 100.00 | 4,000,000 |
| 2 nd | 26-Jan-19 | 4,000,600 | - | - | 10.00 | 40,006,000 |
| 3 rd | 30-Mar-19 | - | - | 4,400,600 | 10.00 | 44,006,000 |
| 4 th | 15-May-19 | 1,000,010 | - | - | 10.00 | 10,000,100 |
| 5 th | 20-Mar-20 | - | - | 19,602,420 | 10.00 | 196,024,200 |
| 6 th | 30-Jun-20 | 20,596,370 | - | - | 10.00 | 205,963,700 |
| Total | | | | | 10.00 | 500,000,000 |

Notes: The Company has changed the face value of its ordinary share from Tk. 100.00 to Tk. 10.00 by passing a special resolution in its extraordinary general meeting held on April 29, 2018 and necessary amendments in capital clause of the Memorandum and Articles of Association were made accordingly.

(viii) Summary of Valuation Report of securities:

| Particulars | Amount (in Tk.) |
|--|-----------------|
| Method 1: Net Asset Value (NAV) per share/Equity based valuation | 15.61 |
| Method 2: Historical Earnings based valuation | 28.53 |
| Method 3: Average market price of similar stock based valuation | 36.83 |

(ix) Others:

- a) **Declaration by the issuer that it has not made any material change including raising of paid-up capital after the date of audited financial statements as included in the prospectus as per 3 (2) (c) of the Bangladesh Securities & Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018:**

We, the Issuer, declare that we did not make any material changes including raising of paid-up capital after the date of audited financial statements as included in the prospectus as per 3 (2) (c) of the Bangladesh Securities & Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018.

Sd/-

Md. Shaifullah Khaled Shams
Managing Director
Subra Systems Ltd.

- b) **Declaration by the issue manager that it or any of its connected persons is in no way connected with the issuer or any of its connected person nor does hold any securities thereof as per 3 (2) (b) of the Bangladesh Securities & Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018:**

We, the Issue Manager, declare that we do not have any connection with the Issuer, nor any connected persons of us are connected with the Issuer. Moreover, we do not have any connection with the connected persons of the Issuer nor hold any securities thereof.

Sd/-

Md. Salauddin Sikder FCMA
CEO & Managing Director
Imperial Capital Limited

Sd/-

Tania Sharmin
Managing Director & CEO
CAPM Advisory Limited

- c) **ISSUER DECLARATION IN CONNECTION WITH ISSUE MANAGER**

We, the Issuer, declare that we do not have any connection with the Issue Manager, nor any connected persons of Issue Manager. Moreover, the Issue Manager do not hold any securities of us.

Sd/-

Md. Shaifullah Khaled Shams
Managing Director
Subra Systems Ltd.

CHAPTER (II)

CONDITIONS IMPOSED BY THE COMMISSION

We will incorporate these conditions after getting the consent letter from Bangladesh Securities and Exchange Commission.

CHAPTER (III)

DECLARATION AND DUE DILIGENCE CERTIFICATES

DECLARATION ABOUT THE RESPONSIBILITY OF THE DIRECTORS, INCLUDING THE CEO OF THE ISSUER IN RESPECT OF THE PROSPECTUS

[Rule 4 (1)(d)]

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

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

Sd/-

Md. Shafiul Azam

Chairman

Sd/-

Md. Shaifullah Khaled Shams

Managing Director

Sd/-

Bushra Chowdhury

Director

Sd/-

Abdul Muhith

Director

Sd/-

Ofia Khanam Chowdhury

Director

Sd/-

Khandaker Reza-E-Raquib

Independent Director

Sd/-

Ramdas Howlader, LLB, FCA

Independent Director

Date: April 21, 2021

Place: Dhaka

DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER
(IMPERIAL CAPITAL LIMITED)

[Rule 4 (1) (d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Qualified Investor Offer of 12,000,000 Ordinary Shares of Tk. 120,000,000.00 by Subra Systems Ltd.

Dear Sir,

We, the issue manager to the above-mentioned forthcoming issue, state and confirm as follows:

- (1) We have examined all the documents submitted with the application for the above mentioned qualified investor offer, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the prospectus pertaining to the said issue;
- (2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

- (a) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (b) All the legal requirements relating to the issue as also in the Rules, notifications, guidelines, instructions, etc. framed or issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- (c) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018 and other applicable laws;
- (d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- (e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;
- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;

- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;
- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well informed decision;
- (i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the QIO for any further inspection by the Commission;
- (j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the Rules has been complied with and our comments, if any;
- (k) We also declare that we have not managed any qualified investor offer in the last 05 (five) years.

Place: Dhaka
Date: April 20, 2021

Sd/-
Md. Salauddin Sikder FCMA
CEO & Managing Director
Imperial Capital Limited

DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER
(CAPM ADVISORY LIMITED)

[Rule 4 (1) (d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Qualified Investor Offer of 12,000,000 Ordinary Shares of Tk. 120,000,000.00 by Subra Systems Ltd.

Dear Sir,

We, the issue manager to the above-mentioned forthcoming issue, state and confirm as follows:

- (1) We have examined all the documents submitted with the application for the above mentioned qualified investor offer, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the prospectus pertaining to the said issue;
- (2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

- (a) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (b) All the legal requirements relating to the issue as also in the Rules, notifications, guidelines, instructions, etc. framed or issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- (c) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018 and other applicable laws;
- (d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- (e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;
- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;

- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;
- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well informed decision;
- (i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the QIO for any further inspection by the Commission;
- (j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the Rules has been complied with and our comments, if any;
- (k) We also declare that we have not managed any qualified investor offer in the last 05 (five) years.

Place: Dhaka;
Date: April 20, 2021

Sd/-
Tania Sharmin
Managing Director & CEO
CAPM Advisory Limited

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER
(IIDFC CAPITAL LIMITED)

[Rule 4 (1)(d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Qualified investor offer of 12,000,000 Ordinary Shares of Tk. 120,000,000.00 of Subra Systems Ltd.

Dear Sir,

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

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and qualified to carry out the underwriting activities. Our present paid-up capital stands at Tk. 600,000,000 (Taka Sixty Crore Only) and we have the capacity to underwrite a total amount of Tk. 3,000,000,000 (Taka Three Hundred Crore Only) as per relevant legal requirements.

We have committed to underwrite for up to Tk. 30,000,000.00 (Three Crore only) for the upcoming issue.

- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

| Sl. No. | Name of The Company | Amount Underwritten (Taka) |
|----------------|---|-----------------------------------|
| 1 | Infinity Technology International Limited | 35,000,000.00 |
| 2 | Ratanpur Steel Re-Rolling Mills Limited. (Rights Share Offer) | 11,390,880.00 |
| 3 | Onetex Limited | 20,000,000.00 |
| 4 | MedRx Life Science Ltd. | 10,000,000.00 |
| 5 | Sena Kalyan Insurance Company Limited | 14,000,000.00 |
| 6 | Master Feed Agrotec Ltd. | 12,500,000.00 |
| Total | | 102,890,880.00 |

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Mohammad Saleh Ahmed
Chief Executive Officer
IIDFC Capital Limited

Place: Dhaka;
Date: April 20, 2021

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER
(ISLAMI BANK CAPITAL MANAGEMENT LIMITED)

[Rule 4 (1)(d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Qualified investor offer of 12,000,000 Ordinary Shares of Tk. 120,000,000.00 of Subra Systems Ltd.

Dear Sir,

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

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and qualified to carry out the underwriting activities. Our present paid-up capital stands at Tk. 300,000,000 (Taka Thirty Crore Only) and we have the capacity to underwrite a total amount of Tk. 1,500,000,000 (Taka One Hundred Fifty Crore Only) as per relevant legal requirements.

We have committed to underwrite for up to Tk. 20,000,000.00 (Two Crore only) for the upcoming issue.

- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

| Sl. No. | Name of Issuer Company | Amount Underwritten (in BDT) |
|----------------|-------------------------------|-------------------------------------|
| 1 | Master Feed Agrotec Ltd. | 12,500,000.00 |
| Total | | 12,500,000.00 |

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;

- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Mohammad Abdur Rahim, FCA
Managing Director & CEO
Islami Bank Capital Management Limited

Place: Dhaka;
Date: April 20, 2021

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER
(UTTARA FINANCE CAPITAL MANAGEMENT LIMITED)

[Rule 4 (1)(d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Qualified investor offer of 12,000,000 Ordinary Shares of Tk. 120,000,000.00 of Subra Systems Ltd.

Dear Sir,

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

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and qualified to carry out the underwriting activities. Our present paid-up capital stands at Tk. 250,000,000 (Taka Twenty Five Crore Only) and we have the capacity to underwrite a total amount of Tk. 1,250,000,000 (Taka One Hundred Twenty Five Crore Only) as per relevant legal requirements.

We have committed to underwrite for up to Tk. 10,000,000.00 (One Crore only) for the upcoming issue.

- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

| Sl. No. | Name of Issuer Company | Amount Underwritten (in BDT) |
|--------------|--|------------------------------|
| 1 | South Bangla Agriculture & Commerce Bank Limited (IPO) | 10,000,000.00 |
| 2 | Master Feed Agrotec Limited (QIO) | 12,500,000.00 |
| Total | | 22,500,000.00 |

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;

- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Mohammad Shahinur Rahman

Managing Director

Uttara Finance Capital Management Limited

Place: Dhaka;


Date: April 20, 2021

CHAPTER (IV)

ABOUT THE ISSUER

- (a) **Name of the issuer, dates of incorporation and commencement of its commercial operations, its logo, addresses of its registered office, other offices and plants, telephone number, FAX number, contact person, website address and e-mail address;**

Particulars of the Company:

| Particulars | Description |
|---|--|
| Name of the Issuer | : Subra Systems Ltd. (SSL) |
| Dates of Incorporation | : March 25, 2008 |
| Commencement of its Commercial Operations | : March 25, 2008 |
| Logo | :  |
| Registered & Corporate Office | : Hasney Tower, Level 10 3/A Kawran Bazar C/A, Dhaka-1215 Tel: +8802-48120097 Fax: +88-02-8189460 |
| Contact Person | : Md. Robiul Islam Chief Financial Officer |
| Website Address | : www.subrasystems.com |
| E-mail Address | : info@subrasystems.com |

- (b) **The names of the sponsors and directors of the issuer:**

Name of the Sponsors and Directors:

Sponsors:

| Sl. No | Sponsors |
|--------|-------------------|
| 1 | Md. Shafiul Azam |
| 2 | Shaikh Sohel Rana |
| 3 | Runa Laila |
| 4 | Bushra Chowdhury |

Directors:

| Sl. No. | Name | Position |
|---------|-----------------------------|----------------------|
| 1 | Md. Shafiul Azam | Chairman |
| 2 | Md. Shaifullah Khaled Shams | Managing Director |
| 3 | Bushra Chowdhury | Director |
| 4 | Abdul Muhith | Director |
| 5 | Ofia Khanam Chowdhury | Director |
| 6 | Khandaker Reza-E-Raquib | Independent Director |
| 7 | Ramdas Howlader, LLB, FCA | Independent Director |



- (c) The name, logo and address of the auditors, along with their telephone numbers, FAX numbers, contact persons, website and e-mail addresses:

Particulars of Auditor:

| Particulars | | Description |
|------------------|---|---|
| Name | : | ARTISAN Chartered Accountants |
| Logo | : |  |
| Address | : | Sonargaon Terrace, House # 52, Road # 13/C, Block # E, Banani, Dhaka-1213 |
| Telephone Number | : | Tel: 88-02-8189883-7 |
| Fax Number | : | Fax: +88-02-8180183-6 |
| Contact Person | : | AFM Alamgir, FCA Chief Executive Partner |
| Website Address | : | www.artisan-ca.com |
| E-mail Address | : | info@artisan-ca.com |


- (d) The name(s) of the stock exchange(s) where the specified securities are proposed to be listed.

Name of the Stock Exchanges where the Securities to be listed:

| | | | |
|-----------------|--|--|--|
| Stock Exchanges | Dhaka Stock Exchange Limited 9/F Motijheel C/A, Dhaka 1000. |  | Tel: +88-02-9564601, 9576210-18 Fax: +88-02-9564727, +88-02-9569755 |
| | Chittagong Stock Exchange Ltd. CSE Building, 1080, Sheikh Mujib Road Chittagong 4100. |  | Tel: +880-2-9513911-15 Fax: +880-2-9513906 |

CHAPTER (V)

CORPORATE DIRECTORY OF THE ISSUER

| | | |
|--|---|---|
| Name of the Company | : | Subra Systems Ltd. (SSL) |
| Logo | : |  |
| Nature of Business | : | The principal activities of the Company are to provide a comprehensive integrated business software solution. Providing ERP and other customize software according to different customer needs. The Company is also connected with web page & data transmit to different clients. |
| Date of Incorporation | : | March 25, 2008 |
| Commencement of its Commercial Operations | : | March 25, 2008 |
| Authorized Capital | : | Tk. 1,000,000,000 divided into 100,000,000 Ordinary Share of Tk. 10.00 each |
| Paid up Capital | : | Tk. 500,000,000 divided into 50,000,000 Ordinary Share of Tk. 10.00 each |
| Registered & Corporate Office | : | Hasney Tower, Level 10 3/A Kawran Bazar C/A, Dhaka-1215 Tel: +8802-48120097 Fax: +88-02-8189460 Email: info@subrasystems.com Web: www.subrasystems.com |
| Board of Directors | : | 7 Directors. |
| Auditors | : | ARTISAN Chartered Accountants Sonargaon Terrace, House # 52, Road # 13/C, Block # E, Banani, Dhaka-1213 Tel: 88-02-8189883-7 Fax: +88-02-8180183-6 E-mail: info@artisan-ca.com web: www.artisan-ca.com |
| Tax Consultants & Legal Advisors | : | Dewan Faisal Advocate, Supreme Court of Bangladesh Suite No.-D-5, 3rd Floor, Mukti Bhaban, 21/1 Purana Paltan, Dhaka-1000 Tel: +88-02-9561540 Fax: +88-02-9561476 E-mail: d.faisal@as-associates.net |
| Banker for QIO | : | Brac Bank Limited |
| Banker of the Company | : | IFIC Bank Ltd. |
| Head of Internal Audit & Compliance (HIAC) | : | Md. Foisal Hossain |

CHAPTER (VI)

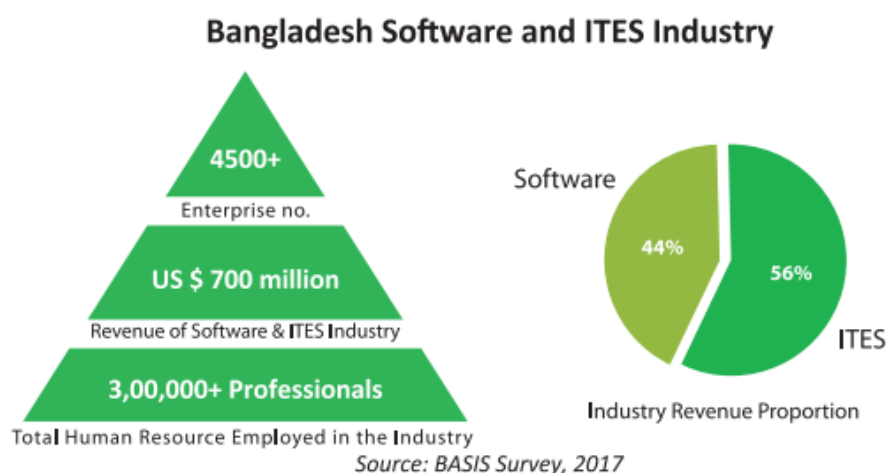
DESCRIPTION OF THE ISSUER

(a) Summary:

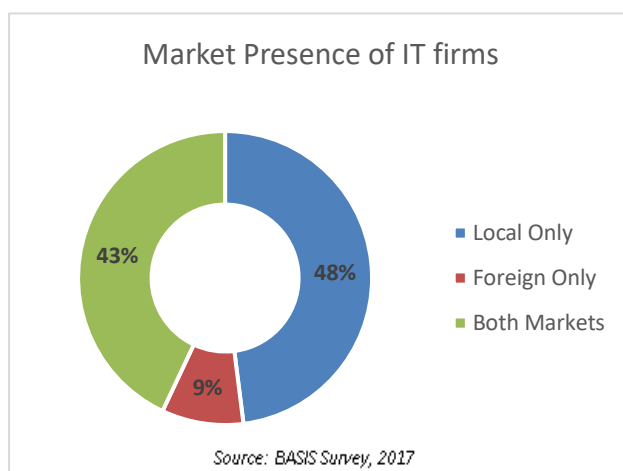
- (i) **The summary of the industry and business environment of the issuer. The summary shall not be one-sided or biased to highlight the issuer or the issue;**

Summary of the industry:

The software and information technology enabled services (ITES) industry is one of the most promising sectors of Bangladesh, with several growth drivers that consist of a large pool of efficient young professionals, collaborative environment with the government and dynamic leadership from Bangladesh Association of Software and Information Service (BASIS). Some twenty years ago, this industry predominantly existed as a hardware vendor market with little or no value addition on the local front. A series of programmes were initiated in 1997 with a specific focus on export of software and IT services with 18 charter members, with the Trade Organization License 428 registered under DTO of Ministry of Commerce. Today, as an association of 1498 members, BASIS is the leading trade body of the Software and IT Service Industry in Bangladesh. The Bangladeshi government, in its Export Policy, has formally identified the ICT sector including software industry as one of the "thrust sectors", thereby strengthening the political initiatives of software industry from the middle of 1990s. Examples of such initiatives are exemption of income tax, value-added tax, and customs duty for ICT industry, establishment of national ICT policy, organizing the ICT National Taskforce (the chair is the Prime Minister), establishment of ICT incubation center, enactment of Copyright Law, approval of ICT Act draft in the parliament, increase in IT budget allocation by the government (targeting 2% of annual development plan expenditure), and others. With the support of such political initiatives, the software industry in Bangladesh has grown rapidly since 1990s. Bangladesh has recently been focused by other countries as an outsourcing target. The European Union (EU) officially announced that Bangladesh is one of the best 20 outsourcing target countries. Further, Goldman Sachs & Co. positioned Bangladesh at one of "Next Eleven," which are potentially growing countries following Brazil, Russia, India, and China (BRICs).



Currently, the industry is estimated to be worth around \$700 million, where approximately 300,000 professionals, mostly IT graduates, are employed. As per BASIS, there are over 4,500 registered software and ITES companies, along with a few hundred unregistered small and home-based software and IT ventures engaging in business in local and international markets.

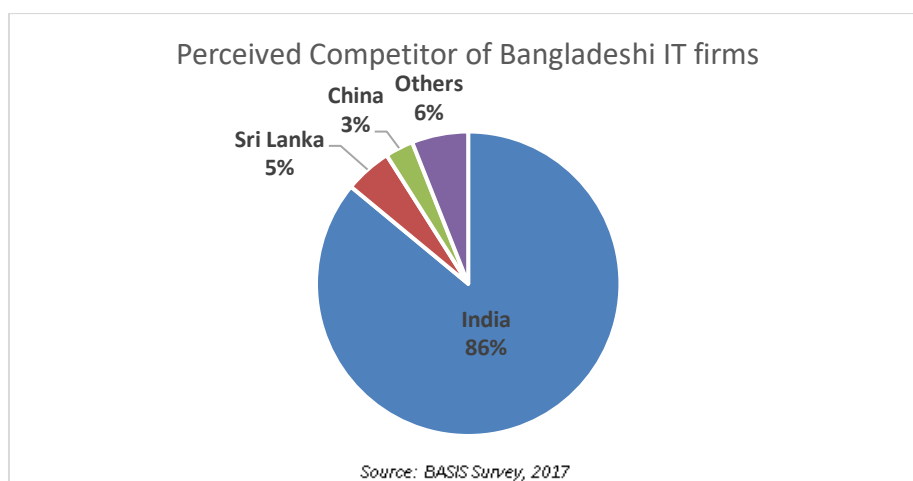


Key Growth Drivers

- Low operation cost and tax advantages
- Availability of technically skilled workforce
- Rapid introduction of IT technologies in major sectors such as telecom, BFSI.
- Growth in exports
- New technology usage like Cloud Computing
- Government established Special Economic Zones (SEZ)s
- Supportive policies from the government

Bangladesh is recognized as one of the emerging IT outsourcing and software exporting countries in South-East Asia and is strategically positioned to benefit from the global industrial growth. The global software & services industry released forecasts showing a value of \$3,223.4 billion by the end of 2017 with an anticipated Compound Annual Growth Rate (CAGR) of 4.4% for the last five-year period from 2012 to 2017.

The IT industry has been identified as a thrust-sector by the Government of Bangladesh and contributions made by the industry has led to steady growth in the nation's economy and is expected to increase significantly more in the near future. In comparison to our neighboring country, India, one of the biggest players in the IT/ITES arena, Bangladesh is still relatively small in comparison but possesses similar demographics, making the country a viable and cheaper alternative in a highly competitive and crowded market.



We have already seen remarkable changes over the last decade as the country is becoming a more lucrative option every day. Renowned international organizations such as Microsoft already opened local offices, and other institutions are retaining local companies for Business-Process-Outsourcing purposes.

The IT industry has slowly grown over time and is poised to turn into the biggest industry after RMG. Currently, the industry generates significant revenue for the national exchequer and creates new high-skilled jobs for the graduates of the country. Entrepreneurs are starting new IT ventures and proving to be highly competitive options to what's available in the global marketplace.

Business environment:

Subra Systems Ltd. is managed by a team of highly skilled individuals. A strong, well-organized team is their key. They are fluent in the most sophisticated project methodologies, but deeply believe that it all comes down to two teams – company and client's, respecting and bringing the best in each other. Subra Systems Ltd. does not believe in people-independent delivery processes. Instead, they create an environment where people are motivated to stay and perform.

(ii) Summary of consolidated financial, operating and other information:

Subra Systems Ltd. has one subsidiary in operation, namely Subra Technology Ltd. Following is the summary of the audited consolidated financial statements.

| Particulars | 31-Dec-20 | 30-Jun-20 | 30-Jun-19 |
|---------------------------------|-------------|-------------|-------------|
| Revenue | 115,465,343 | 174,798,417 | 149,054,844 |
| Gross Profit | 72,245,457 | 116,877,539 | 99,612,015 |
| Profit from Operation | 54,754,509 | 88,225,279 | 77,902,962 |
| Profit before Income Tax | 51,740,347 | 83,791,550 | 77,739,906 |
| Net Profit after Tax | 51,740,347 | 83,791,550 | 76,894,325 |
| Total Assets | 818,996,722 | 768,265,539 | 545,486,842 |
| Share Capital | 500,000,000 | 500,000,000 | 98,012,100 |
| Retained Earnings | 284,952,136 | 233,939,757 | 346,403,386 |
| Total Liabilities | 23,555,124 | 24,564,288 | 91,271,356 |
| Net Asset Value (NAV) per share | 15.70 | 14.68 | 45.34 |
| Earnings Per Share (Diluted) | 1.03 | 1.68 | 1.54 |

(b) General Information:**(i) The board of directors of the issuer;**

| Sl. No. | Board of Director | Designation |
|---------|-----------------------------|----------------------|
| 1 | Md. Shafiul Azam | Chairman |
| 2 | Md. Shaifullah Khaled Shams | Managing Director |
| 3 | Bushra Chowdhury | Director |
| 4 | Abdul Muhith | Director |
| 5 | Ofia Khanam Chowdhury | Director |
| 6 | Khandaker Reza-E-Raquib | Independent Director |
| 7 | Ramdas Howlader, LLB, FCA | Independent Director |

(ii) **Names, addresses, telephone numbers, Fax numbers and e-mail addresses of the chairman, managing director, whole time directors, etc. of the issuer;**

| Sl. | Name & Address | Telephone and FAX No. & E-mail Address |
|-----|---|---|
| 1 | Name: Md. Shafiul Azam Position: Chairman Address: Ventura Rosabella, House-3/B, Flat-A9, Road-02, Gulshan-01, Dhaka | Tel: +8802-48120097 Fax: +88-02-8189460 E-mail: chairman@subrasystems.com |
| 2 | Name: Md. Shaifullah Khaled Shams Position: Managing Director Address: Road-35, Plot-25, Gulshan-2, Dhaka-1212 | Tel: +8802-48120097 Fax: +88-02-8189460 E-mail: khaled.shams@subrasystems.com |
| 3 | Name: Bushra Chowdhury Position: Director Address: Ventura Rosabella, House-3/B, Flat-A9, Road-02, Gulshan-01, Dhaka | Tel: +8802-48120097 Fax: +88-02-8189460 E-mail: bushra@subrasystems.com.bd |
| 4 | Name: Abdul Muhith Position: Director Address: Summit Heaven, House-32, Road-9/A, Dhanmondi R/A, Dhaka | Tel: +8802-48120097 Fax: +88-02-8189460 E-mail: a.muhith@subrasystems.com.bd |
| 5 | Name: Ofia Khanam Chowdhury Position: Director Address: Ventura Rosabella, House-3/B, Flat-A9, Road-02, Gulshan-01, Dhaka | Tel: +8802-48120097 Fax: +88-02-8189460 E-mail: ofia.khanam@subrasystems.com.bd |
| 6 | Name: Khandaker Reza-E-Raquib Position: Independent Director Address: 1/901, Eastern Tower-20, New Eskaton, Ramna, Dhaka | Tel: +8802-48120097 Fax: +88-02-8189460 E-mail: raquibkhandaker@gmail.com |
| 7 | Name: Ramdas Howlader, LLB, FCA Position: Independent Director Address: 1 Chevron Bangladesh Khandker Tower (9th Floor) 94 Gulshan Avenue, Gulshan-1, Dhaka-1212 | Tel: +8802-48120097 Fax: +88-02-8189460 E-mail: rmhowlader@gmail.com |

* Md. Shaifullah Khaled Shams, Managing Director is the only whole time Director who receives remuneration from the Company.

(iii) **Names, addresses, telephone numbers, FAX numbers and e-mail addresses of the CFO, company secretary, legal advisor, auditors and compliance officer;**

| Sl. | Name & Address | Telephone and FAX No. & E-mail Address |
|-----|--|---|
| 1 | Md. Robiul Islam Chief Financial Officer Hasney Tower, Level 10 3/A Kawran Bazar C/A, Dhaka-1215 | Tel: +8802-48120097 Fax: +88-02-8189460 E-mail: robiul.cfo@subrasystems.com |
| 2 | Nafis Ahmed Company Secretary Hasney Tower, Level 10 3/A Kawran Bazar C/A, Dhaka-1215 | Tel: +8802-48120097 Fax: +88-02-8189460 E-mail: nafis.cs@subrasystems.com |
| 3 | Dewan Faisal Advocate, Supreme Court of Bangladesh Tax Consultants & Legal Advisors Suite No-.D-5, 3rd Floor, Mukti Bhaban, 21/1 Purana Paltan, Dhaka-1000 | Tel: +88-02-9561540 Fax: +88-02-9561476 E-mail: d.faisal@as-associates.net |
| 4 | ARTISAN Chartered Accountants Sonargaon Terrace, House # 52, Road # 13/C, Block # E, Banani, Dhaka-1213 | Tel: 88-02-8189883-7 Fax: +88-02-8180183-6 E-mail: info@artisan-ca.com |
| 5 | Md. Faisal Hossain Head of Internal Audit & Compliance (HIAC) Hasney Tower, Level 10 3/A Kawran Bazar C/A, Dhaka-1215 | Tel: +8802-48120097 Fax: +88-02-8189460 E-mail: h.foisal@subrasystems.com |

- (iv) **Names, addresses, telephone numbers, FAX numbers, contact person, website addresses and e-mail addresses of the issue manager(s), etc.;**

| Name & Address | Telephone & FAX Number, E-mail, Web Address | Contact Person |
|---|---|---|
| Imperial Capital Limited Saiham Sky View Tower (3rd Floor), 45 Bijoy Nagar, Dhaka-1000. | Tel: +88-02-48316870 Fax: +88-02-8392635 E-mail: imperialcapltd@gmail.com Web: www.imperialcapital.org | Md. Salauddin Sikder FCMA CEO & Managing Director |
| CAPM Advisory Limited Tower Hamlet (9th Floor) 16, Kemal Ataturk Avenue Banani C/A, Dhaka-1213. | Tel: +88-02-9822391-2 Fax: +88-02-9822393 E-mail: contact@capmadvisorybd.com Web: www.capmadvisorybd.com | Tania Sharmin Managing Director & CEO |

- (v) **Following details of underwriting:**

- (a) **The names, addresses, telephone numbers, FAX numbers, contact persons and e-mail addresses of the underwriters and the amount underwritten by them;**

| Name & Address | Telephone & Fax Number, E-mail, Web Address | Contact Person | Amount Underwritten |
|--|--|---|----------------------------|
| IIDFC Capital Limited PFI Tower, 3rd Floor, 56-57 Dilkusha C/A, Dhaka-1000 | Tel: +88-02-9514637-8 Fax: +88-02-9514641 E-mail: icl@iidfc.com Web: www.iidfc.com | Mohammad Saleh Ahmed Chief Executive Officer | 30,000,000 |
| Islami Bank Capital Management Limited Miah Amanullah Bhaban (5th Floor), 63 Dilkusha C/A, Dhaka 1000 | Tel: +88-02-47120793-4 Fax: +88-02-47120625 E-mail: info@ibcmlbd.com Web: www.ibcmlbd.com | Mohammad Abdur Rahim, FCA Managing Director & CEO | 20,000,000 |
| Uttara Finance Capital Management Limited Jibon Bima Tower (6th floor) 10 Dilkusha C/A, Dhaka-1000 | Tel: +88-02-9568207 Fax: +88-02-9552461 E-mail: uttarafinancecapital@gmail.com Web: www.uttarafinance-capitalmanagement.com | Mohammad Shahinur Rahman Managing Director | 10,000,000 |
| Total | | | 60,000,000 |

(b) Declaration by the underwriters that they have sufficient resources as per the regulatory requirements to discharge their respective obligations;

Declaration by the Underwriter(s)

We are one of the underwriters of the Qualified Investor Offer (QIO) of Subra Systems Ltd. We will underwrite BDT 30,000,000 for the upcoming issue on a firm commitment basis.

In this connection, we hereby declare that: We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For the Underwriter(s):

Sd/-

Mohammad Saleh Ahmed
Chief Executive Officer
IIDFC Capital Limited

Place: Dhaka;

Date: April 20, 2021

Declaration by the Underwriter(s)

We are one of the underwriters of the Qualified Investor Offer (QIO) of Subra Systems Ltd. We will underwrite BDT 20,000,000 for the upcoming issue on a firm commitment basis.

In this connection, we hereby declare that: We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For the Underwriter(s):

Sd/-

Mohammad Abdur Rahim, FCA
Managing Director & CEO
Islami Bank Capital Management Limited

Place: Dhaka;

Date: April 20, 2021

Declaration by the Underwriter(s)

We are one of the underwriters of the Qualified Investor Offer (QIO) of Subra Systems Ltd. We will underwrite BDT 10,000,000 for the upcoming issue on a firm commitment basis.

In this connection, we hereby declare that: We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For the Underwriter(s):

Sd/-

Mohammad Shahinur Rahman
Managing Director
Uttara Finance Capital Management Limited

Place: Dhaka;

Date: April 20, 2021

(c) Capital Structure:

- (i) **Authorized, issued, subscribed and paid up capital (number and class of securities, allotment dates, nominal price, issue price and form of consideration);**

| Particulars | No. of Securities | Class of Securities | Allotment | | Nominal & | Form of Consideration | Amount in Taka |
|--|-------------------|---------------------|-----------|-------------|-------------------|-----------------------|----------------|
| | | | Dates | Amount | Issue Price (Tk.) | | |
| Authorized Capital | 100,000,000 | Ordinary Share | - | - | 10.00 | - | 1,000,000,000 |
| Before QIO: | | | | | | | |
| Issued, Subscribed and paid up capital | 50,000,000 | Ordinary Share | 25-Mar-08 | 4,000,000 | 100.00 | Cash | 500,000,000 |
| | | | 26-Jan-19 | 40,006,000 | 10.00 | Cash | |
| | | | 30-Mar-19 | 44,006,000 | 10.00 | Bonus | |
| | | | 15-May-19 | 10,000,100 | 10.00 | Cash | |
| | | | 20-Mar-20 | 196,024,200 | 10.00 | Bonus | |
| | | | 30-Jun-20 | 205,963,700 | 10.00 | Cash | |
| After QIO: | | | | | | | |
| To be issued through QIO | 12,000,000 | Ordinary Share | - | - | 10.00 | Cash | 120,000,000 |
| Paid up capital (Post QIO) | 62,000,000 | Ordinary Share | - | - | 10.00 | Cash | 620,000,000 |

Notes: The Company has changed the face value of its ordinary share from Tk. 100.00 to Tk. 10.00 by passing a special resolution in its extraordinary general meeting held on April 29, 2018 and necessary amendments in capital clause of the Memorandum and Articles of Association were made accordingly.

- (ii) **Size of the present issue, with break-up (number of securities, description, nominal value and issue amount);**

| Particulars | Securities to be offered | % | No. of Ordinary Shares | Nominal Value | Issue price | Issue Amount (Taka) |
|---|--------------------------|------|------------------------|---------------|-------------|---------------------|
| Qualified Investor Offer through Fixed Price Method | Eligible investors (EI) | 100% | 12,000,000 | 10.00 | 10.00 | 120,000,000 |

- (iii) **Paid up capital before and after the present issue, after conversion of convertible instruments (if any) and share premium account (before and after the issue);**

The Company has no convertible instruments and share premium account.

| Particulars | Amount in BDT |
|--|---------------|
| Paid up capital before the present issue | 500,000,000 |
| Paid up capital after the present issue | 620,000,000 |
| Paid up capital after conversion of convertible instruments (if any) | N/A |
| Share premium account before the present issue | N/A |
| Share premium account after the present issue | N/A |

- (iv) **Category wise shareholding structure with percentage before and after the present issue and after conversion of convertible instruments (if any);**

The paid-up capital of the Company is Tk. 500,000,000.00. The Company intends to issue 12,000,000 ordinary shares of Tk. 10.00 each at an issue price of Tk. 10.00 through Qualified Investor Offer (QIO) totaling to Tk. 120,000,000.00 under Fixed Price Method subject to regulatory approvals. The Company has no convertible instrument.

Category wise shareholding structure with percentage before and after the present issue is as follows:

| Sl. No. | Category of Shareholders | No. of Ordinary Shares Hold | | Percentage of Holding | |
|--------------|-------------------------------|-----------------------------|-------------------|-----------------------|----------------|
| | | Pre-QIO | Post-QIO | Pre-QIO | Post-QIO |
| 1 | Director & Sponsor | 27,869,817 | 27,869,817 | 55.74% | 44.95% |
| 2 | Other than Director & Sponsor | 22,130,183 | 22,130,183 | 44.26% | 35.69% |
| 3 | Qualified Investor (QI) | - | 12,000,000 | 0.00% | 19.35% |
| Total | | 50,000,000 | 62,000,000 | 100.00% | 100.00% |

- (v) **Where shares have been issued for consideration in other than cash at any point of time, details in a separate table, indicating the date of issue, persons to whom those are issued, relationship with the issuer, issue price, consideration and valuation thereof, reasons for the issue and whether any benefits have been accrued to the issuer out of the issue;**

The Company issued the following ordinary shares for consideration in other than cash (bonus):

| Date of issue | Persons to whom those are issued | No. of shares allotted | Relationship with the issuer | Issue price | Consideration & Valuation | Reasons for the issue | Benefit from the issue |
|---------------|----------------------------------|------------------------|------------------------------|-------------|---------------------------|------------------------------------|---------------------------------|
| 30-Mar-19 | All existing shareholders | 4,400,600 | Shareholder | Tk. 10.00 | Other than Cash (Bonus) | Distribution of accumulated profit | Enhancements of working capital |
| 20-Mar-20 | | 19,602,420 | | | | | |

- (vi) **Where shares have been allotted in terms of any merger, amalgamation or acquisition scheme, details of such scheme and shares allotted;**

The Company has not allotted any shares in terms of any merger, amalgamation or acquisition scheme.

- (vii) **Where the issuer has issued equity shares under one or more employee stock option schemes, date-wise details of equity shares issued under the schemes, including the price at which such equity shares were issued;**

The issuer has not issued equity shares under one or more employee stock option schemes.

- (viii) **If the issuer has made any issue of specified securities at a price lower than the issue price during the preceding two years, specific details of the names of the persons to whom such specified securities have been issued, relation with the issuer, reasons for such issue and the price thereof;**

The issuer has not made any issue of specified securities at a price lower than the issue price during the preceding two years.

- (ix) **The decision or intention, negotiation and consideration of the issuer to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue;**

The Company has no decision or intention, negotiation and consideration to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue.

(x) The total shareholding of the sponsors and directors in a tabular form, clearly stating the names, nature of issue, date of allotment, number of shares, face value, issue price, consideration, date when the shares were made fully paid up, percentage of the total pre and post issue capital, the lock in period and the number and percentage of pledged shares, if any, held by each of them;

| Name & Position | Nature of Issue | Date of Allotment and Acquisition & date of shares fully paid-up | No. of shares | Face Value & Issue Price | Consideration | Pre QIO % | Post QIO % | Lock in Period* | Number & % of pledge of shares |
|--|-----------------|--|------------------|--------------------------|---------------|-----------|------------|-----------------|--------------------------------|
| Name: Md. Shafiul Azam Position: Chairman | Ordinary | 25-Mar-08 | 112,000 | 10.00 | Cash | 17.88% | 14.42% | 1 Yr. | No Pledge |
| | | 30-Nov-08 | 96,000 | | Transfer | | | | |
| | | 3-Aug-14 | 96,000 | | Transfer | | | | |
| | | 22-Mar-18 | (144,000) | | Transfer | | | | |
| | | 26-Jan-19 | 2,000,000 | | Cash | | | | |
| | | 30-Mar-19 | 2,160,000 | | Bonus | | | | |
| | | 15-May-19 | 1,000,000 | | Cash | | | | |
| | | 5-Dec-19 | (2,340,242) | | Transfer | | | | |
| | | 20-Mar-20 | 5,959,516 | | Bonus | | | | |
| | | Total | 8,939,274 | | | | | | |
| Name: Md. Shaifullah Khaled Shams Position: Managing Director | Ordinary | 22-Mar-18 | 40,000 | 10.00 | Transfer | 6.12% | 4.94% | 1 Yr. | No Pledge |
| | | 30-Mar-19 | 40,000 | | Bonus | | | | |
| | | 5-Dec-19 | 940,121 | | Transfer | | | | |
| | | 20-Mar-20 | 2,040,242 | | Bonus | | | | |
| | | Total | 3,060,363 | | | | | | |
| Name: Bushra Chowdhury Position: Director | Ordinary | 25-Mar-08 | 96,000 | 10.00 | Cash | 13.02% | 10.50% | 1 Yr. | No Pledge |
| | | 22-Mar-18 | (56,000) | | Transfer | | | | |
| | | 26-Jan-19 | 2,000,000 | | Cash | | | | |
| | | 30-Mar-19 | 2,040,000 | | Bonus | | | | |
| | | 5-Dec-19 | (1,910,182) | | Transfer | | | | |
| | | 20-Mar-20 | 4,339,636 | | Bonus | | | | |
| | | Total | 6,509,454 | | | | | | |

| | | | | | | | | | |
|---|----------|--------------|------------------|-------|----------|--------|-------|-------|-----------|
| Name: Abdul Muhith Position: Director | Ordinary | 22-Mar-18 | 80,000 | 10.00 | Transfer | 12.24% | 9.87% | 1 Yr. | No Pledge |
| | | 30-Mar-19 | 80,000 | | Bonus | | | | |
| | | 5-Dec-19 | 1,880,242 | | Transfer | | | | |
| | | 20-Mar-20 | 4,080,484 | | Bonus | | | | |
| | | Total | 6,120,726 | | | | | | |
| Name: Ofia Khanam Chowdhury Position: Director | Ordinary | 22-Mar-18 | 40,000 | 10.00 | Transfer | 6.48% | 5.23% | 1 Yr. | No Pledge |
| | | 30-Mar-19 | 40,000 | | Bonus | | | | |
| | | 5-Dec-19 | 1,000,000 | | Transfer | | | | |
| | | 20-Mar-20 | 2,160,000 | | Bonus | | | | |
| | | Total | 3,240,000 | | | | | | |
| Name: Khandaker Reza-E-Raquib Position: Independent Director | Ordinary | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | | Total | | | | | | | |
| Name: Ramdas Howlader, LLB, FCA Position: Independent Director | Ordinary | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | | Total | | | | | | | |
| Name: Shaikh Sohel Rana Position: Sponsor shareholder | Ordinary | 25-Mar-08 | 96,000 | 10.00 | Cash | 0.00% | 0.00% | 1 Yr. | No Pledge |
| | | 30-Nov-08 | (96,000) | | Transfer | | | | |
| | | Total | - | | | | | | |
| Name: Runa Laila Position: Sponsor shareholder | Ordinary | 25-Mar-08 | 96,000 | 10.00 | Cash | 0.00% | 0.00% | 1 Yr. | No Pledge |
| | | 30-Nov-08 | (96,000) | | Transfer | | | | |
| | | Total | - | | | | | | |

The Company split its share from Tk. 100.00 to Tk. 10.00 on April 29, 2018. [*From the first trading day of the securities]

*Independent Director Khandaker Reza-E-Raquib and Ramdas Howlader, LLB, FCA do not hold any share of the Company.

- (xi) **The details of the aggregate shareholding of the sponsors and directors, the aggregate number of specified securities purchased or sold or otherwise transferred by the sponsor and/or by the directors of the issuer and their related parties within six months immediate preceding the date of filing the prospectus;**

Aggregate shareholding of the Sponsors and Directors:

| Sl. | Name of Sponsor & Director | Number of Ordinary Shares Held | Face Value & Issue Price | Date of acquisition | Percentage | |
|--------------|-----------------------------|--------------------------------|--------------------------|---------------------|---------------|---------------|
| | | | | | Pre-QIO | Post-QIO |
| 1 | Md. Shafiul Azam | 8,939,274 | 10.00 | 23-Mar-08 | 17.88% | 14.42% |
| 2 | Md. Shaifullah Khaled Shams | 3,060,363 | 10.00 | 22-Mar-18 | 6.12% | 4.94% |
| 3 | Bushra Chowdhury | 6,509,454 | 10.00 | 23-Mar-08 | 13.02% | 10.50% |
| 4 | Abdul Muhith | 6,120,726 | 10.00 | 22-Mar-18 | 12.24% | 9.87% |
| 5 | Ofia Khanam Chowdhury | 3,240,000 | 10.00 | 22-Mar-18 | 6.48% | 5.23% |
| 6 | Khandaker Reza-E-Raquib | - | 10.00 | N/A | 0.00% | 0.00% |
| 7 | Ramdas Howlader, LLB, FCA | - | 10.00 | N/A | 0.00% | 0.00% |
| 8 | Shaikh Sohel Rana | - | 10.00 | 23-Mar-08 | 0.00% | 0.00% |
| 9 | Runa Laila | - | 10.00 | 23-Mar-08 | 0.00% | 0.00% |
| Total | | 27,869,817 | | | 55.74% | 44.95% |

Transfer of specified securities by the sponsor or by the directors of the issuer:

No specific securities purchased or sold or otherwise transferred within six months immediate preceding the date of filing the prospectus by the sponsors and/or by the directors of the issuer and their related parties.

- (xii) **The name and address of any person who owns, beneficially or of record, 5% or more of the securities of the issuer, indicating the amount of securities owned, whether they are owned beneficially or of record, and the percentage of the securities represented by such ownership including number of equity shares which they would be entitled to upon exercise of warrant, option or right to convert any convertible instrument;**

| Sl. | Name of the Shareholders | Relationship | Number of Shares Held | Pre QIO % |
|-----|-----------------------------|-------------------|-----------------------|-----------|
| 1 | Md. Shafiul Azam | Chairman | 8,939,274 | 17.88% |
| 2 | Bushra Chowdhury | Director | 6,509,454 | 13.02% |
| 3 | Abdul Muhith | Director | 6,120,726 | 12.24% |
| 4 | Mrs. Ofia Khanam Chowdhury | Director | 3,240,000 | 6.48% |
| 5 | Md. Shaifullah Khaled Shams | Managing Director | 3,060,363 | 6.12% |
| 6 | BLI Capital Limited | Shareholder | 3,000,060 | 6.00% |
| 7 | Md. Momin Uddin Mozumder | Shareholder | 2,900,000 | 5.80% |

There is no event or intent of exercising warrant, option or right to convert any convertible instrument.

- (xiii) **The number of securities of the issuer owned by each of the top ten salaried officers, and all other officers or employees as group, indicating the percentage of outstanding shares represented by the securities owned.**

There is no employee in Subra Systems Ltd. who holds any shares of the Company except the following:

| Name of the Shareholders | Designation | Number of Shares Held | Pre QIO % |
|---------------------------------|--|------------------------------|------------------|
| Md. Shaifullah Khaled Shams | Managing Director | 3,060,363 | 6.12% |
| Md. Faisal Hossain | Head of Internal Audit & Compliance (HIAC) | 80,000 | 0.16% |
| Md. Robiul Islam | Chief Financial Officer | 40,000 | 0.08% |
| Sumon Chowdhury | Senior Finance Manager | 20,060 | 0.04% |
| Md. Quazi Hanif Ahsan | Chief Web Developer | 5,000 | 0.01% |
| Md. Abdul Alim | Team Lead | 3,000 | 0.01% |
| Md. Asif Ahmed Dinar | Team Lead | 2,000 | 0.00% |
| Md. Izabuddin Ahmed | Software Engineer | 2,000 | 0.00% |
| Md. Shohel khan | Sr. Software Engineer | 2,000 | 0.00% |
| Rahat Hossain | Software Engineer | 2,000 | 0.00% |
| Md. Mazharul Islam | Executive Accounts Officer | 1,000 | 0.00% |

(d) Description of Business:

- (i) The date on which the issuer company was incorporated and the date on which it commenced operations and the nature of the business which the company and its subsidiaries are engaged in or propose to engage in;**

The Company namely "Subra Systems Ltd." was incorporated in Bangladesh as a Private Limited Company on 25th March, 2008 under the Companies Act, 1994 vide Registration No. C 70514 (2023)/08 and subsequently converted into a Public Limited Company on June 25, 2020 with Registrar of Joint Stock Companies and Firms in Bangladesh Under the Companies Act 1994.

The principal activities of the Company are to provide a comprehensive integrated business software solution. Providing ERP and other customize software according to different customer needs. The Company is also connected with web page & data transmit to different clients.

Subra Systems Ltd. has one subsidiary in operation, namely Subra Technology Ltd.

- (ii) Location of the project;**

Registered & Head Office:

The principal place of business and registered office of the Company is located at Hasney Tower, Level 10, 3/A Karwan Bazar C/A, Tejgoan, Dhaka-1215, Bangladesh.

- (iii) Plant, machinery, technology, process, etc.**

Subra Systems Ltd. is a comprehensive integrated business software solution provider hence it does not have any plant and machinery for serving its client.

- (iv) Details of the major events in the history of the issuer, including details of capacity or facility creation, launching of plant, products, marketing, change in ownership and/or key management personnel etc.;**

| | |
|--|---|
| History of the issuer | Subra Systems Ltd. (SSL) was incorporated as a Private Limited Company on March 25, 2008 vide registration no. C 70514 (2023)/08 |
| | Converted into a Public Limited Company on June 25, 2020. |
| Commencement of Commercial Operation | March 25, 2008 |
| Capital raise (Last) | Tk. 205,963,700 (Cash consideration) on 30 June, 2020. |
| Services | To provide a comprehensive integrated business software solution. Providing ERP and other customize software according to different customer needs. The Company is also connected with web page & data transmit to different clients. |
| Market for the product | Throughout the country in the local market. |
| Change in ownership/key management personnel | The following ownership/key management personnel has been appointed; 1. On 22-Mar-18, Md. Shaifullah Khaled Shams; Abdul Muhith and Ofia Khanam Chowdhury appointed as |

| | |
|--|---|
| | Director; 2. On 01-Sep-19, Nafis Ahmed appointed as Company Secretary; 3. On 28-Sep-19, Md. Foisal Hossain appointed as Head of Internal Audit & Compliance (HIAC); 4. On 02-May-20, Md. Robiul Islam appointed as Chief Financial Officer; 5. On 27-Dec-20, Khandaker Reza-E-Raquib and Ramdas Howlader, LLB, FCA appointed as Independent Director. |
|--|---|

- (v) **Principal products or services of the issuer and markets for such products or services. Past trends and future prospects regarding exports (if applicable) and local market, demand and supply forecasts for the sector in which the product is included with source of data;**

Principal services:

The principal services of the Company are as follows:

- i. Sales of Software
- ii. Software Implementation & Customization
- iii. Web Page & Data Transmit

Market for such Products:

The Company provides services throughout the country in the local market.

Past trends and future prospects regarding exports:

Last 5 years' sales of Subra Systems Ltd.:

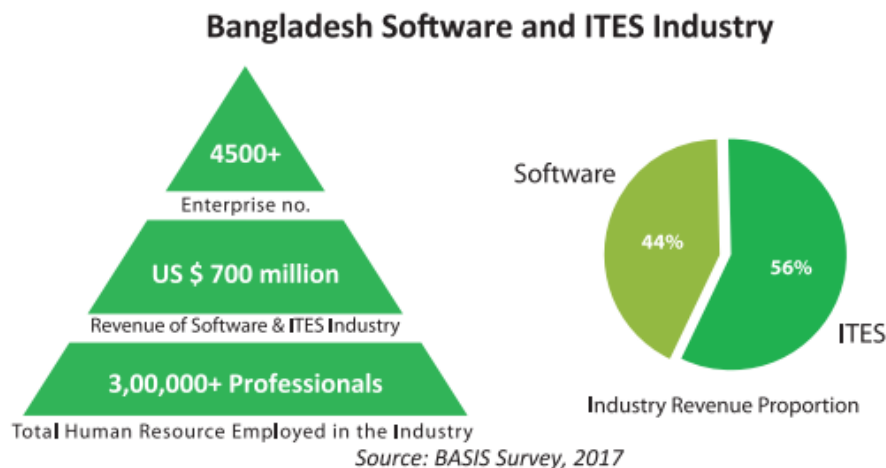
(Amount in BDT)

| Particulars | 01 Jul 20 to 31 Dec 20 | 01 Jul 19 to 30 Jun 20 | 01 Jul 18 to 30 Jun 19 | 01 Jul 17 to 30 Jun 18 | 01 Jul 16 to 30 Jun 17 | 01 Jul 15 to 30 Jun 16 |
|-------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Revenue | 103,436,543 | 170,957,567 | 149,054,844 | 125,507,250 | 94,071,192 | 81,537,587 |

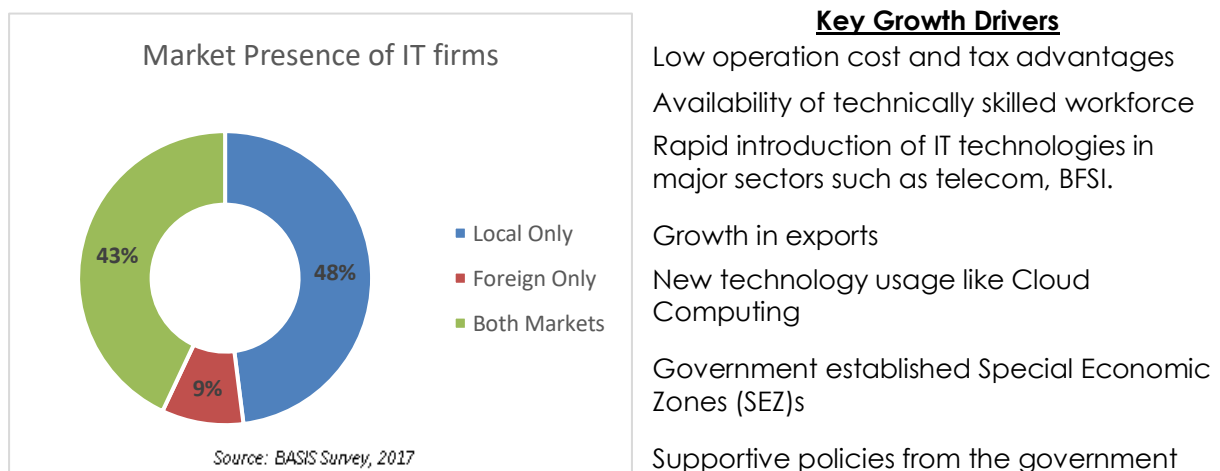
Local market, demand and supply forecasts for the sector:

The software and information technology enabled services (ITES) industry is one of the most promising sectors of Bangladesh, with several growth drivers that consist of a large pool of efficient young professionals, collaborative environment with the government and dynamic leadership from Bangladesh Association of Software and Information Service (BASIS). Some twenty years ago, this industry predominantly existed as a hardware vendor market with little or no value addition on the local front. A series of programmes were initiated in 1997 with a specific focus on export of software and IT services with 18 charter members, with the Trade Organization License 428 registered under DTO of Ministry of Commerce. Today, as an association of 1498 members, BASIS is the leading trade body of the Software and IT Service Industry in Bangladesh. The Bangladeshi government, in its Export Policy, has formally identified the ICT sector including software industry as one of the "thrust sectors", thereby strengthening the political initiatives of software industry from the middle of 1990s. Examples of such initiatives are exemption of income tax, value-added tax, and customs duty for ICT industry, establishment of national ICT policy, organizing the ICT National Taskforce (the chair is the Prime Minister), establishment

of ICT incubation center, enactment of Copyright Law, approval of ICT Act draft in the parliament, increase in IT budget allocation by the government (targeting 2% of annual development plan expenditure), and others. With the support of such political initiatives, the software industry in Bangladesh has grown rapidly since 1990s. Bangladesh has recently been focused by other countries as an outsourcing target. The European Union (EU) officially announced that Bangladesh is one of the best 20 outsourcing target countries. Further, Goldman Sachs & Co. positioned Bangladesh at one of "Next Eleven," which are potentially growing countries following Brazil, Russia, India, and China (BRICs).



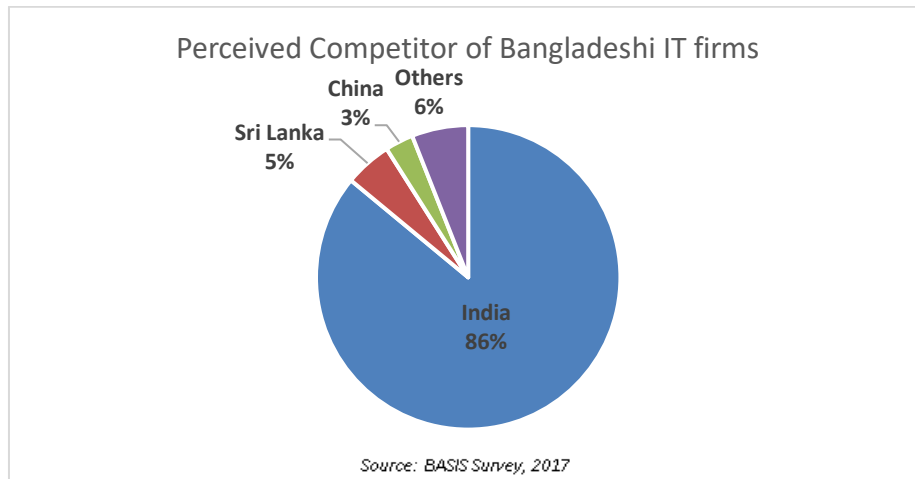
Currently, the industry is estimated to be worth around \$700 million, where approximately 300,000 professionals, mostly IT graduates, are employed. As per BASIS, there are over 4,500 registered software and ITES companies, along with a few hundred unregistered small and home-based software and IT ventures engaging in business in local and international markets.



Bangladesh is recognized as one of the emerging IT outsourcing and software exporting countries in South-East Asia and is strategically positioned to benefit from the global industrial growth. The global software & services industry released forecasts showing a value of \$3,223.4 billion by the end of 2017 with an anticipated

Compound Annual Growth Rate (CAGR) of 4.4% for the last five-year period from 2012 to 2017.

The IT industry has been identified as a thrust-sector by the Government of Bangladesh and contributions made by the industry has led to steady growth in the nation's economy and is expected to increase significantly more in the near future. In comparison to our neighboring country, India, one of the biggest players in the IT/ITES arena, Bangladesh is still relatively small in comparison but possesses similar demographics, making the country a viable and cheaper alternative in a highly competitive and crowded market.



We have already seen remarkable changes over the last decade as the country is becoming a more lucrative option every day. Renowned international organizations such as Microsoft already opened local offices, and other institutions are retaining local companies for Business-Process-Outsourcing purposes.

The IT industry has slowly grown over time and is poised to turn into the biggest industry after RMG. Currently, the industry generates significant revenue for the national exchequer and creates new high-skilled jobs for the graduates of the country. Entrepreneurs are starting new IT ventures and proving to be highly competitive options to what's available in the global marketplace.

(e) Description of Property:

The written down value of property, plant & equipment's owned by the company as per audited accounts as on 31 December, 2020 are stated below:

| Particulars | W.D.V. as on 31.12.20 |
|---------------------------|-----------------------|
| Tangible Assets: | |
| Land and Land Development | 162,371,510 |
| Furniture & Fixture | 5,826,581 |
| Air Conditioner | 2,787,797 |
| Computer & Peripherals | 12,505,221 |
| Electric Items | 2,933,107 |
| Server Equipment | 9,091,882 |
| Vehicle | 12,003,441 |
| Office Decoration | 2,364,203 |
| Total | 209,883,742 |

| Particulars | Amortized Value as on 31.12.20 |
|--------------------|--------------------------------|
| Operating Software | 343,250 |
| Total | 343,250 |

(i) Location and area of the land, building, principal plants and other property of the company and the condition thereof;

The entire above mentioned assets are located at rented registered & head office: Hasney Tower, Level 10, 3/A Karwan Bazar C/A, Tejgoan, Dhaka-1215. All of the above-mentioned Property, Plant & Equipment's is in working condition.

(ii) Whether the property is owned by the company or taken on lease;

All the above-mentioned assets of the Company are in its own name except rented registered & head office at Hasney Tower, Level 10, 3/A Karwan Bazar C/A, Tejgoan, Dhaka-1215.

- (iii) Dates of purchase, last payment date of current rent (খাজনা) and mutation date of lands, deed value and other costs including details of land development cost, if any and current use thereof;

Land:

| Deed No. | Date of purchase | Mutation date | Last payment date of current rent (খাজনা)/Premium | R.S./B.S. Dag No. | Deed Value In Tk. | Registration Cost & other Cost in Tk. | Area of Land (Decimal) | Current use |
|----------|------------------|---------------|---|--|-------------------|---------------------------------------|------------------------|----------------------|
| 2029 | 28-Mar-19 | 21-Jul-20 | 21-Jul-20 | 721/4355, 721/4357, 721/4354, 723/4340, 723/4338, 720/4347, 720/4351, 723/4339, 4611, 723/4330 | 22,628,000 | 2,837,854 | 253 | Developed open field |
| 3041 | 28-Mar-19 | 4-Nov-19 | 16-Jul-20 | 286/129 | 215,000 | 32,520 | 11 | |
| 2720 | 22-Jun-20 | 17-Aug-20 | 25-Aug-20 | 2421/2437, 2396/2435, 2419/2444, 2420/2443, 2393/2434 | 44,094,700 | 5,586,172 | 129 | |
| | | | | | 66,937,700 | 8,456,546 | 393 | |

Land and land development:

| Particulars | Amount in Tk. |
|--------------------------------|--------------------|
| Deed Value | 66,937,700 |
| Registration Cost & other Cost | 8,456,546 |
| Land development cost | 86,977,264 |
| Total | 162,371,510 |

- (iv) **If the property is owned by the issuer, whether there is a mortgage or other type of charge on the property, with name of the mortgagee;**

129 demals of land are mortgaged to IFIC Bank Limited against short term loan.

- (v) **If the property is taken on lease, the expiration dates of the lease with name of the lessor, principal terms and conditions of the lease agreements and details of payment;**

No Property is taken by the Company under lease agreement except Right-of-Use-Assets of Subra systems Ltd. from Mohammed Abdur Rouf Hayder and Subra Technology Ltd. from Abdul Baten Bhuiyan.

- (vi) **A physical verification report by the issue manager(s) regarding the properties as submitted to the Commission;**

PHYSICAL VERIFICATION REPORT

of

SUBRA SYSTEMS LTD.

This is to certify that we have visited the registered & head office of Subra Systems Ltd. and its subsidiary on April 08, 2021 and we have found the registered & head office as details bellow:

Visited and Accompanied by:

| Particulars | | Name & Designation | Company |
|--------------------|---|---|--------------------------|
| Visited by | : | Md. Salauddin Sikder FCMA CEO & Managing Director | Imperial Capital Limited |
| | : | Tania Sharmin Managing Director & CEO | CAPM Advisory Limited |
| Accompanied by | : | Nafis Ahmed Company Secretary | Subra Systems Ltd. |
| | : | Md. Robiul Islam Chief Financial Officer | |

Company Overview:

The Company namely "Subra Systems Ltd." was incorporated in Bangladesh as a Private Limited Company on 25th March, 2008 under the Companies Act, 1994 vide Registration No. C 70514 (2023)/08 and subsequently converted into a Public Limited Company on June 25, 2020 with Registrar of Joint Stock Companies and Firms in Bangladesh Under the Companies Act 1994.

Subra Systems Ltd. has one subsidiary in operation, namely Subra Technology Ltd.

Subra Technology Ltd. was incorporated on 23 June 2019 under the Companies Act, 1994 vide Registration No. C-152703/2019 as a private limited Company. The paid up capital of Subra Technology Ltd. is Tk. 75,000,000 divided into 7,500,000 ordinary shares of Tk. 10 each. Subra Systems Ltd. owned 86.93% shares totaling 6,520,000 ordinary shares. The main activities of the Company are Cloud Services, IT services, software development, IT consultancy, data processing, data center, etc.

The Authorized and Paid-Up Capital of The Company is as Follows:

Authorized Capital : Tk. 1,000,000,000.00
Paid Up Capital : Tk. 500,000,000.00
Proposed QIO Size : Tk. 120,000,000.00 (One Crore Twenty Lac Shares @ Tk. 10.00 Each)
QIO Size (In Share) : 12,000,000 Shares

Registered & Head Office:

The principal place of business and registered office of the Company is located at Hasney Tower, Level 10, 3/A Karwan Bazar C/A, Tejgoan, Dhaka-1215, Bangladesh.

Subsidiary company, Subra Technology Ltd. office is at House No-21, Road 9/A, Dhanmondi-12, Bangladesh.

Nature of Business

The principal activities of the Company are to provide a comprehensive integrated business software solution. Providing ERP and other customize software according to different customer needs. The Company is also connected with web page & data transmit to different clients.

Principal products of the Company:

- 1) Point of Sales
- 2) Accounting Management Systems
- 3) Housing Management System
- 4) Inventory Management System
- 5) Human Resource Management System
- 6) Garments Management System
- 7) Payroll Management System
- 8) Provident Fund Management System
- 9) Hospital Management System
- 10) Diagnostic Management System
- 11) Amusement Park Management System
- 12) E-Education Management System
- 13) Gratuity & WPPF Management System
- 14) Document Management Software
- 15) Fixed Asset Management System
- 16) Job portal
- 17) Shipping Management ERP
- 18) Anti-money Laundering Software
- 19) Construction Management System
- 20) Procurement Management System
- 21) E-Commerce Management Software
- 22) Buying House Management System
- 23) Escrow (Central Back office)
- 24) Club Management System
- 25) E-ticketing system
- 26) Meeting Management System
- 27) Food Court Management System
- 28) Fund Management system
- 29) Cheque Printing System
- 30) Mail register
- 31) Leather Goods Manufacturing System
- 32) Visitor Attendance System

33) Food Production Management System

Description of Property:

During our visit at registered and head office of Subra Systems Ltd. and its subsidiary are as follows:

- 1) **Land:** We have found 264 decimals of land at Kapasia, Gazipur, which is surrounded by boundary wall and 129 decimals of land at Shaestagonj, Hobigonj, Shylet, which is surrounded by fence.

| Deed No. | R.S./B.S. Dag No. | Area of Land (Decimal) | Locatio | Current use |
|----------|--|------------------------|-------------------------------|----------------------|
| 2029 | 721/4355, 721/4357, 721/4354, 723/4340, 723/4338, 720/4347, 720/4351, 723/4339, 4611, 723/4330 | 253 | Kapasia, Gazipur | Developed open field |
| 3041 | 286/129 | 11 | | |
| 2720 | 2421, 2396, 2419, 2420, 2393 | 129 | Shaestagonj, Hobigonj, Shylet | |
| | | 393 | | |

- 2) **Registered & Head office:** Hasney Tower, Level 10, 3/A Karwan Bazar C/A, Tejgoan, Dhaka-1215

| Item Name | Corporate office | Out of office | Total |
|------------------|------------------|---------------|-------|
| Desktop | 51 | 15 | 66 |
| Monitor | 49 | 17 | 66 |
| Printer | 9 | 3 | 12 |
| Laptop | 54 | 26 | 80 |
| Server | 4 | - | 4 |
| Scanner | 6 | 1 | 7 |
| Router | 21 | - | 21 |
| UPS | 57 | 16 | 73 |
| Color Printer | 6 | - | 6 |
| Air Conditioner | 15 | - | 15 |
| Executive Chair | 52 | - | 52 |
| Executive Table | 68 | - | 68 |
| Conference Table | 1 | - | 1 |
| Desk Chair | 23 | - | 23 |
| Director Table | 5 | - | 5 |
| Director Chair | 5 | - | 5 |
| Office Table | 10 | - | 10 |
| Plastic Chair | 12 | - | 12 |
| File Rake | 5 | - | 5 |
| Side Drawer | 48 | - | 48 |
| Sofa Set | 9 | - | 9 |
| Notice Board | 8 | - | 8 |
| Front Desk | 1 | - | 1 |

Beside that we also found motor vehicles & office decoration of the Company.

It is also mentionable here that during our visit, we also checked roster (workers' duty register and found total 254 numbers of employees. We also verified the work order and sales invoices from the customers and found the Company active in its

operations. We also noticed that assets of SSL are in good condition and running well.

3) Subsidiary company: (Subra Technology Ltd.)

| Item Name | Corporate office | Out of office | Total |
|------------------|------------------|---------------|-------|
| Desktop | 20 | 8 | 28 |
| Monitor | 21 | 8 | 29 |
| Printer | 2 | 1 | 3 |
| Laptop | 18 | 9 | 27 |
| Scanner | 3 | 1 | 4 |
| Router | 7 | 0 | 7 |
| UPS | 25 | 5 | 30 |
| Color Printer | 2 | - | 2 |
| Server | 4 | - | 4 |
| Executive Chair | 12 | - | 12 |
| Executive Table | 13 | - | 13 |
| Conference Table | 1 | - | 1 |
| Desk Chair | 7 | - | 7 |
| Director Table | 3 | - | 3 |
| Director Chair | 3 | - | 3 |
| Office Table | 8 | - | 8 |
| Plastic Chair | 8 | - | 8 |
| File Rack | 2 | - | 2 |
| Side Drawer | 22 | - | 22 |
| Sofa Set | 3 | - | 3 |
| Notice Board | 4 | - | 4 |
| Front Desk | 1 | - | 1 |

Mentionable here that during our visit, we also checked roster (worker duty register) and found total 26 numbers of employees. We also verified the work order and sales invoices from the customers and found the Company active in its operations.

Signboard:

The signboard of the Company and its subsidiary are displayed at the registered & head office and there is no other office/factory within the said factory premises.

Sd/-

Md. Salauddin Sikder FCMA CEO &
Managing Director
Imperial Capital Limited

Sd/-

Tania Sharmin
Managing Director & CEO
CAPM Advisory Limited

(f) Plan of Operation and Discussion of Financial Condition:

The issuer's revenue and results from operation, financial position and changes in financial position and cash flows for the last five years:

| Particulars | 31-Dec-20 | 30-Jun-20 | 30-Jun-19 | 30-Jun-18 | 30-Jun-17 | 30-Jun-16 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| RESULTS FROM OPERATION | | | | | | |
| Revenue | 103,436,543 | 170,957,567 | 149,054,844 | 125,507,250 | 94,071,192 | 81,537,587 |
| Direct Costs | 38,731,163 | 55,524,606 | 49,442,829 | 40,123,455 | 25,885,672 | 22,184,151 |
| Gross Profit | 64,705,380 | 115,432,961 | 99,612,015 | 85,383,794 | 68,185,520 | 59,353,436 |
| Administrative Expenses | 15,582,324 | 26,912,998 | 21,709,053 | 18,994,208 | 9,658,546 | 9,332,411 |
| Profit from Operation | 49,123,056 | 88,519,963 | 77,902,962 | 66,389,586 | 58,526,975 | 50,021,025 |
| Loss on Disposal of Asset | - | - | - | 2,264,087 | - | - |
| Financial Expenses | 645,429 | 229,417 | 163,056 | 236,599 | 299,645 | 260,644 |
| Profit Before Income Tax & WPPF | 48,477,627 | 88,290,546 | 77,739,906 | 63,888,900 | 58,227,330 | 49,760,381 |
| Contribution to WPPF | 2,308,458 | 4,204,312 | - | - | - | - |
| Profit Before Income Tax | 46,169,168 | 84,086,234 | 77,739,906 | 63,888,900 | 58,227,330 | 49,760,381 |
| Income Tax Expenses | - | - | 845,581 | - | - | - |
| Net Profit after Tax | 46,169,168 | 84,086,234 | 76,894,325 | 63,888,900 | 58,227,330 | 49,760,381 |
| Particulars | 31-Dec-20 | 30-Jun-20 | 30-Jun-19 | 30-Jun-18 | 30-Jun-17 | 30-Jun-16 |
| CHANGES IN FINANCIAL POSITION | | | | | | |
| Non-Current Assets | 541,347,309 | 476,381,022 | 314,927,211 | 129,954,412 | 57,593,786 | 49,776,535 |
| Current Assets | 260,407,817 | 279,200,497 | 220,759,631 | 191,032,559 | 200,836,959 | 150,918,235 |
| Total Assets | 801,755,127 | 755,581,519 | 535,686,842 | 320,986,971 | 258,430,745 | 200,694,770 |
| Shareholders' Equity | 780,365,104 | 734,195,936 | 444,415,486 | 317,515,061 | 253,626,161 | 195,398,831 |
| Non-Current Liabilities | 420,987 | 1,226,183 | 86,800,003 | - | - | - |
| Current Liabilities | 20,969,035 | 20,159,400 | 4,471,353 | 3,471,910 | 4,804,584 | 5,295,939 |
| Total Shareholders' Equity and Liabilities | 801,755,127 | 755,581,519 | 535,686,842 | 320,986,971 | 258,430,745 | 200,694,770 |
| Particulars | 31-Dec-20 | 30-Jun-20 | 30-Jun-19 | 30-Jun-18 | 30-Jun-17 | 30-Jun-16 |
| CHANGES IN CASH FLOWS | | | | | | |
| Net Cash from Operating Activities | 51,911,240 | 103,985,770 | 112,064,794 | 106,728,211 | 53,372,420 | 31,500,090 |
| Net Cash Used in Investing Activities | (88,508,735) | (190,068,275) | (246,376,598) | (105,778,880) | (52,999,833) | (33,884,771) |
| Net Cash Flows from Financing Activities | (3,743,870) | 125,971,157 | 135,059,927 | (376,742) | (378,655) | 2,101,919 |

(a) Internal and external sources of cash;

| Particulars | 31-Dec-20 | 30-Jun-20 | 30-Jun-19 | 30-Jun-18 | 30-Jun-17 | 30-Jun-16 |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Internal Sources of Cash | | | | | | |
| Share Capital | 500,000,000 | 500,000,000 | 98,012,100 | 4,000,000 | 4,000,000 | 4,000,000 |
| Retained Earnings | 280,365,104 | 234,195,936 | 346,403,386 | 313,515,061 | 249,626,161 | 191,398,831 |
| Sub-Total | 780,365,104 | 734,195,936 | 444,415,486 | 317,515,061 | 253,626,161 | 195,398,831 |
| External Sources of Cash | | | | | | |
| Short Term Loan | 6,227,602 | 8,408,018 | - | 1,583,120 | 1,723,264 | 2,101,919 |
| Sub-Total | 6,227,602 | 8,408,018 | - | 1,583,120 | 1,723,264 | 2,101,919 |
| Grand Total | 786,592,706 | 742,603,955 | 444,415,486 | 319,098,181 | 255,349,425 | 197,500,750 |

(b) **Any material commitments for capital expenditure and expected sources of funds for such expenditure;**

The Company has not yet made any material commitment for capital expenditure except for those that are mentioned in Chapter (XXII) under the head 'Use of Proceeds' from QIO fund.

(c) **Causes for any material changes from period to period in revenues, cost of goods sold, other operating expenses and net income;**

The company's revenue as well as direct costs and net income have continued to change due to increasement of providing services.

| Particular | 31-Dec-20 | 30-Jun-20 | 30-Jun-19 | 30-Jun-18 | 30-Jun-17 | 30-Jun-16 |
|-------------------------|-------------|-------------|-------------|-------------|------------|------------|
| Revenue | 103,436,543 | 170,957,567 | 149,054,844 | 125,507,250 | 94,071,192 | 81,537,587 |
| Direct Costs | 38,731,163 | 55,524,606 | 49,442,829 | 40,123,455 | 25,885,672 | 22,184,151 |
| Administrative Expenses | 15,582,324 | 26,912,998 | 21,709,053 | 18,994,208 | 9,658,546 | 9,332,411 |
| Net Profit after Tax | 46,169,168 | 84,086,234 | 76,894,325 | 63,888,900 | 58,227,330 | 49,760,381 |

Causes for changes:

Revenues:

30-Jun-2016: Revenue was increased by 7.12 % from 2015 to 2016. This is normal business growth.

30-Jun-2017: Revenue was increased by 15% in 2017 from 2016. This is normal business growth.

30-Jun-2018: Revenue was increased by 13% in 2018 from 2017, This is normal business growth.

30-Jun-2019: Revenue was increased by 19% in 2019 from 2018. This is normal business growth.

30-Jun-2020: Revenue was increased by 15% in 2020 from 2019. This is normal business growth.

Direct Costs:

30-Jun-2016: Direct cost of the company has been increased 2016 from 2015 due to increase of sales.

30-Jun-2017: Direct cost of the company has been increased 2017 from 2016 due to increase of sales.

30-Jun-2018: Direct cost of the company has been increased 2018 from 2017 due to increase of sales.

30-Jun-2019: Direct cost of the company has been increased 2019 from 2018 due to increase of sales.

30-Jun-2020: Direct cost of the company has been increased 2020 from 2019 due to increase of sales.

Other operating expenses:

The company have incurred business administrative expense during the last five years which in regulars and relevant with sales.

Net income:

The growth of net profit after Tax is consistent with the growth of revenue. No unusual change has been occurred during the last five years on the above matters.

Earnings per share are properly calculated through using weighted average number of ordinary share for each year.

(d) Any seasonal aspects of the issuer's business;

SSL provides services to its regular clients throughout the year. As a result, no seasonal aspects adversely affect the business of SSL.

(e) Any known trends, events or uncertainties that may have material effect on the issuer's future business;

At present, there are no known trends, events and/or uncertainties that shall have a material impact on the company's future business except for those which are naturally beyond control of human being.

The business operation of the Company may be affected by the following uncertainties:

- I. Political unrest
- II. Natural disaster.

(f) Any assets of the company used to pay off any liabilities;

None of the assets of the company has been used to pay off any liabilities of the company.

(g) Any loan taken from or given to any related party or connected person of the issuer with details of the same;

The Company did not take or give any loan from or to any related party or connected person of the issuer from its inception.

(h) Any future contractual liabilities the issuer may enter into within next one year, and the impact, if any, on the financial fundamentals of the issuer;

The Company has no plan to enter into any contractual liability within next one year which may affect financial fundamentals of the issuer.

(i) The estimated amount, where applicable, of future capital expenditure;

The Company has no plan for capital expenditure except for those mentioned in the 'Use of Proceeds' in Chapter (XXI) of this prospectus.

(j) **Break down of all expenses related to the qualified investor offer;**

The following amount to be paid to the Issue Manager, Underwriters and other costs are as follows:

| Sl. No. | Particulars | Basis | Amount in BDT (approx.) | |
|--------------------|---|--|-------------------------|------------------|
| A. | MANAGERS TO THE ISSUE FEES | | | 345,000 |
| 1 | Managers to the Issue fee | Maximum Tk. 300,000 | 300,000 | |
| 2 | VAT against Issue Management Fees | 15% of issue management fees | 45,000 | |
| B. | FEES RELATED TO LISTING WITH THE STOCK EXCHANGES | | | 1,234,000 |
| 3 | Draft prospectus scrutiny fee for DSE & CSE | Fixed | 50,000 | |
| 4 | DSE and CSE Annual Fee | @ 0.025% on Tk. 10 Crore of paid-up capital and 0.01% on the rest amount of paid-up capital; | 154,000 | |
| 5 | Fees related to Listing with the stock exchanges | @ 0.125% on Tk. 10 Crore and 0.075% on the rest amount of paid up capital range; | 1,030,000 | |
| C. | BSEC FEES | | | 15,000 |
| 6 | Application fee | Fixed | 5,000 | |
| 7 | Consent fee | Fixed | 10,000 | |
| D. | QIO RELATED FEES | | | 247,500 |
| 8 | Underwriting Commission | Commission @ 0.25% on Underwritten Amount | 150,000 | |
| 9 | VAT against Underwriting Commission | 15% of Underwriting Commission | 22,500 | |
| 10 | Auditors Certification fees | At Actual | 75,000 | |
| E. | CDBL FEES AND EXPENSES | | | 701,500 |
| 11 | Security Deposit | At Actual | 500,000 | |
| 12 | Documentation fee | At Actual | 2,500 | |
| 13 | Annual fee | At Actual | 100,000 | |
| 14 | Connection Fee (TK. 500 per month* 12) | At Actual | 6,000 | |
| 15 | Qualified Investor Offer fee | @.015% of issue size+.015% of Pre-IPO paid up capital | 93,000 | |
| Grand Total | | | | 2,543,000 |

N.B.: Actual costs will vary if above mentioned estimates differ and will be adjusted accordingly.

- (k) If the issuer has revalued any of its assets, the name, qualification and experiences of the valuer and the reason for the revaluation, showing the value of the assets prior to the revaluation separately for each asset revalued in a manner which shall facilitate comparison between the historical value and the amount after revaluation and giving a summary of the valuation report along with basis of pricing and certificates required under the revaluation guideline of the Commission;

Subra Systems Ltd. has not made any revaluation of its asset.

- (l) Where the issuer is a holding or subsidiary company, full disclosure about the transactions, including its nature and amount, between the issuer and its subsidiary or holding company, including transactions which had taken place within the last five years of the issuance of the prospectus or since the date of incorporation of the issuer, whichever is later, clearly indicating whether the issuer is a debtor or a creditor;

The Company has one subsidiary in operation, namely Subra Technology Ltd. The following transaction has taken place:

| Related parties | Nature of Transaction | Amount in (BDT) | | | | | | | | |
|-----------------------|-----------------------|-----------------|--------|--------------|--------|--------------|------------|-----------|-----------|-----------|
| | | 31-Dec-20 | | 30-Jun-20 | | 30-Jun-19 | | 30-Jun-18 | 30-Jun-17 | 30-Jun-16 |
| | | Consolidated | Parent | Consolidated | Parent | Consolidated | Parent | Parent | Parent | Parent |
| Subra Technology Ltd. | Investment in Shares | - | - | - | - | 65,200,000 | 65,200,000 | - | - | - |

(m) **Financial Information of Group Companies:** following information for the last three years based on the audited financial statements, in respect of all the group companies of the issuer, wherever applicable, along with significant notes of auditors:

| Particulars | Name of the Companies | |
|--|--|------------------|
| | Subra Technology Ltd. | |
| (1) Date of Incorporation | 23 June, 2019 | |
| (2) Nature of Business | Cloud Services, IT services, software development, IT consultancy, data processing, data center, etc. | |
| | 30-Jun-20 | 30-Jun-19 |
| (3) Equity Capital | 75,000,000 | 20,000,000 |
| (4) Reserves | (294,684) | - |
| (5) Sales | 3,840,850 | - |
| (6) Profit after Tax | (294,684) | - |
| (7) Earnings Per Share & Diluted Earnings Per Share | (0.04) | - |
| (8) Net Asset Value | 9.96 | 10.00 |
| (9) The related business transactions within the group and their significance on the financial performance of the issuer | Subra Systems Ltd. Investment in Shares amounting Tk. 65,200,000 in the year 2019 | |
| (10) Sales or purchase between group companies or subsidiaries or associate companies when such sales or purchases exceed in value in the aggregate ten percent of the total sales or purchases of the issuer and also material items of income or expenditure arising out of such transactions | No transactions | |
| (11) Where the issuer is a banking company, insurance company, non-banking financial institution or any other company which is regulated and licensed by another primary regulator, a declaration by the board of directors shall be included in the prospectus stating that all requirements of the relevant laws and regulatory requirements of its primary regulator have been adhered to by the issuer; | Not applicable | |
| (12) A report from the auditors regarding any allotment of shares to any person for any consideration otherwise than cash along with relationship of that person with the issuer and rationale of issue price of the shares; | There is no any allotment of shares to any person for any consideration otherwise than cash | |
| (13) Any material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the qualified investor offer; | There is no material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the qualified investor offer | |

- (n) **Defaults or rescheduling of borrowings with financial institutions or banks, conversion of loans into equity along with reasons thereof, lock out, strikes and reasons for the same etc.;**

Rescheduling of borrowings with banks:

The Company has not rescheduled its borrowing with IFIC Bank Limited.

Conversion of loans into equity along with reasons thereof, lock out, strikes and reasons for the same etc.

There is no history of conversion of loan into equity, lock out and strikes.

CHAPTER (VII)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(a) **Overview of business and strategies:**

Overview of business:

The Company namely "Subra Systems Ltd." was incorporated in Bangladesh as a Private Limited Company on 25th March, 2008 under the Companies Act, 1994 vide Registration No. C 70514 (2023)/08 and subsequently converted into a Public Limited Company on June 25, 2020 with Registrar of Joint Stock Companies and Firms in Bangladesh Under the Companies Act 1994.

The principal activities of the Company are to provide a comprehensive integrated business software solution. Providing ERP and other customize software according to different customer needs. The Company is also connected with web page & data transmit to different clients.

Subra Systems Ltd. has one subsidiary in operation, namely Subra Technology Ltd.

Strategies:

Subra Systems Ltd. is managed by a team of highly skilled individuals. A strong, well-organized team is their key. They are fluent in the most sophisticated project methodologies, but deeply believe that it all comes down to two teams – company and client's, respecting and bringing the best in each other. Subra Systems Ltd. does not believe in people-independent delivery processes. Instead, they create an environment where people are motivated to stay and perform. The main strength of "Subra Systems Ltd." is the Professionals, Working methodology and Quality assurance. The variety of projects has brought about a wide range of engagement models. working schemes and types of work flow. At subra they provide each project with individual workflow-everything works in the way most convenient to the client.

Examples of workflow schemes



Subra endeavor to apply fundamental yet personalized approach to every customer and their project. Subra use a long-reputable 'Waterfall' method of software development as well as cutting-edge Agile methodologies. Waterfall development method is ideal for projects with clear task formalization and fixed scope of work, i.e. for small and medium-size projects. Waterfall methodology comprises the following steps:

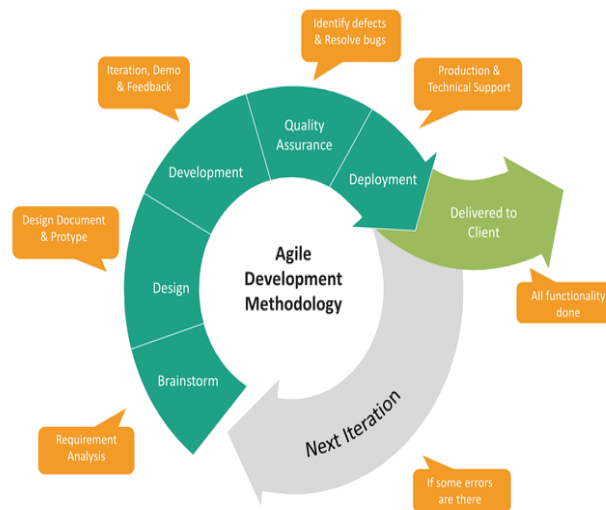
- working out system requirements, drawing up and approving the specification
- Design and prototyping
- Development



- Delivery and Support

Agile methodologies have their own distinctive features:

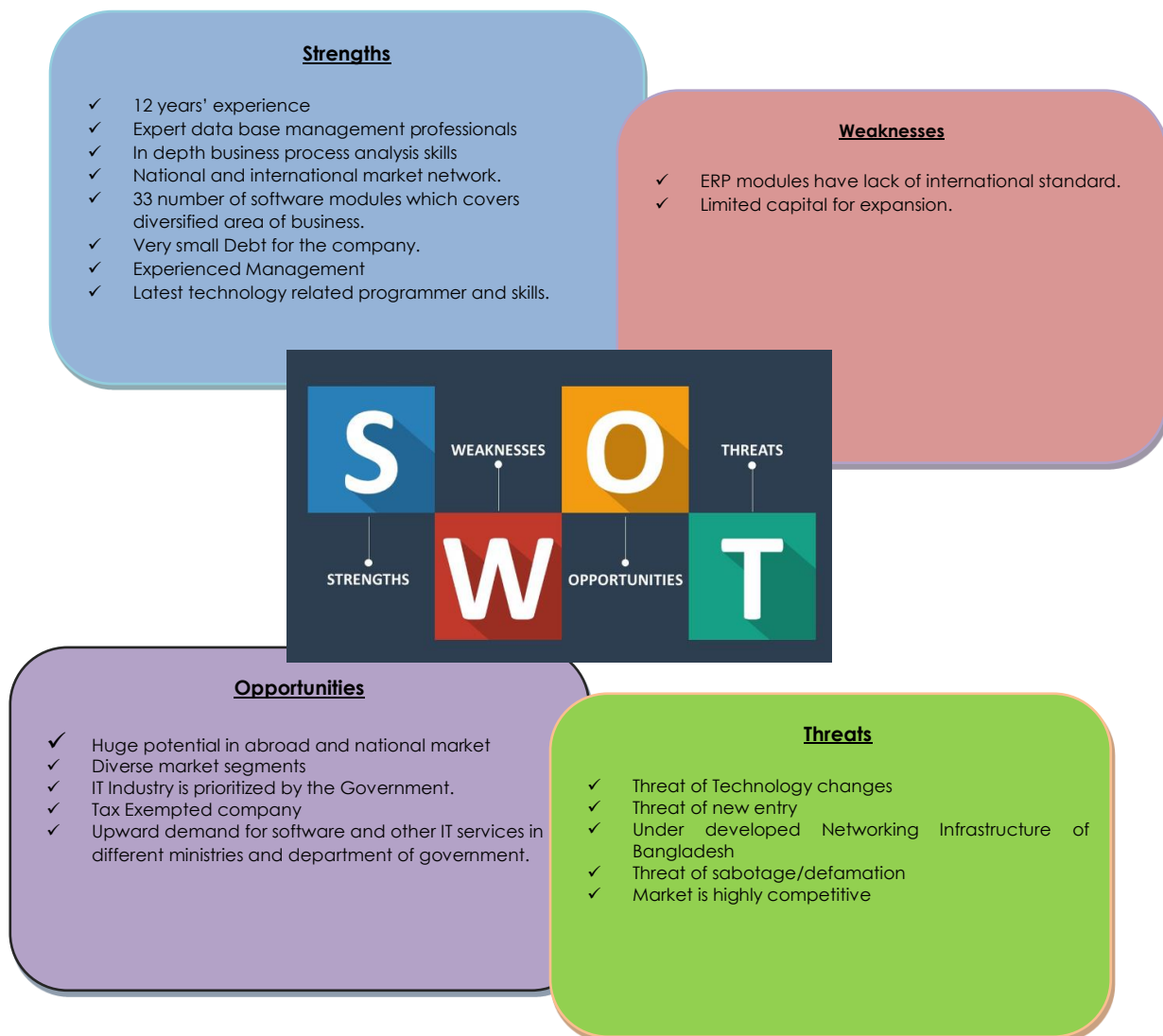
- Speeding up software system commissioning
- Minimizing development iteration cycles
- Reduced periods of feedback between market/user requirements and functions implementation
- Iteration-based approach and adaptive production methods
- Retrospective procedures allow fixing defects promptly and enhancing productivity and quality



(b) **Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis:**

SWOT Analysis

SWOT analysis is a structured planning method that helps to evaluate the strengths, weaknesses, opportunities and threats involved in a business venture. It identifies the internal and external factors that affect a business venture. Strength and Weakness are evaluated with internal factors whereas Opportunity and Threat are evaluated by external factors. A brief SWOT analysis of Subra Systems Ltd. is tabulated below:



Strengths:

1. **12 years' experience:** Subra Systems Ltd. is working in the IT industry from 2008. It has 12 years' long experience and it is one of the largest software providers of the country.
2. **Expert data base management professionals:** Our professional team manages total database system in a way that allows us to reduce data redundancy, increase data integrity, and provide data security along with smooth data backup and recovery for our clients.
3. **In depth business process analysis skills:** We have the ability to analyze business processes of different industry and provide software suitable for their style of Business.
4. **National and international market network:** We have nationwide client base and also spreading our client base in foreign market.

5. **33 number of software modules which cover diversified area of business:** Our long range of diversified products can provide support to all type of industry namely Financial Institutions & Capital Market, Garments & Textiles, NGOs, Restaurant, Healthcare & Pharmaceutical, and Electronic Media.
6. **Very small Debt for the company:** We have very small amount of debt obligation.
7. **Experienced Management:** We have skilled and well experienced Board of Directors.
8. **Latest technology related programmer and skills:** Subra Systems Ltd. is managed by a team of highly skilled individuals. A strong, well-organized team is our key and we are fluent in the most sophisticated project methodologies.

Weaknesses:

1. **ERP modules have lack of international standard:** To achieve competitive advantage in foreign market we need to improve our ERP modules standard.
2. **Limited capital for expansion:** We need more capital for expanding our business in new area of technology such as IOT, Artificial Intelligence (AI) & Robotic Process Automation (RPA).

Opportunities:

1. **Huge potential markets for Information Technology enable services:** Demand for IT enable services are growing at a fast pace worldwide. Economies, jobs, and personal lives are becoming more digitalized, more software based, and more automated.
2. **Diverse market segments:** As we have diverse software solutions we can target various types of industry as our future prospect.
3. **IT Industry is prioritized by the Government of Bangladesh:** Government authorities have demonstrated strong support to promote the IT-IT enable service industry in the country by providing attractive incentives and focused investments to increase the availability and quality of both physical and ICT infrastructure
4. **Tax Exempted Company:** The government extended the tax exemption benefits on income of software development and information technology-enabled services (ITES) up to 30 June, 2024.

Threats:

1. **Threat of Technology changes:** The rapid changing rate of technological and digital advance is the biggest challenge for software industry.
2. **Threat of new entry:** Due to low entry barrier there is always a threat of new entry as competitor that exerts a significant influence on the ability to generate a profit.
3. **Under developed Networking Infrastructure of Bangladesh:** The lack of experts and inadequate information and communication technology (ICT) infrastructure creates higher uncertainty.
4. **Threat of sabotage/defamation:** Subra Systems Ltd. may face threat of sabotage/defamation as being one of the largest software providers of the country.
5. **Market is highly competitive:** There is rivalry among the competitors to get the market share as much as possible.

- (c) **Analysis of the financial statements of last five years or shorter period with reason(s) of fluctuating revenue or sales, other income, total income, cost of material, finance cost, depreciation and amortization expense, other expense; changes of inventories, net profit before and after taxes, EPS etc.;**

| Particulars | 31-Dec-20 | 30-Jun-20 | 30-Jun-19 | 30-Jun-18 | 30-Jun-17 | 30-Jun-16 |
|------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|-------------------|
| Revenue | 103,436,543 | 170,957,567 | 149,054,844 | 125,507,250 | 94,071,192 | 81,537,587 |
| Other Income | - | - | - | - | - | - |
| Total Income | 103,436,543 | 170,957,567 | 149,054,844 | 125,507,250 | 94,071,192 | 81,537,587 |
| Direct Costs | 38,731,163 | 55,524,606 | 49,442,829 | 40,123,455 | 25,885,672 | 22,184,151 |
| Financial Expenses | 645,429 | 229,417 | 163,056 | 236,599 | 299,645 | 260,644 |
| Depreciation Expense | 3,709,725 | 6,288,361 | 3,213,314 | 2,723,196 | 2,640,476 | 1,216,213 |
| Amortization Expense | 9,153,250 | 11,498,959 | 11,033,485 | 7,815,269 | 7,370,104 | 2,997,280 |
| Others Expense | 15,582,324 | 26,912,998 | 21,709,053 | 18,994,208 | 9,658,546 | 9,332,411 |
| Changes of Inventories | - | - | - | - | - | - |
| Profit Before Income Tax | 84,086,234 | 77,739,906 | 63,888,900 | 58,227,330 | 49,760,381 | 21,969,159 |
| Net Profit after Tax | 84,086,234 | 76,894,325 | 63,888,900 | 58,227,330 | 49,760,381 | 21,969,159 |
| Earnings Per Share (Diluted) | 0.92 | 1.68 | 1.54 | 1.28 | 1.16 | 1.00 |

Reason of Fluctuation

Revenue:

30-Jun-2016: Revenue was increased by 7.12 % from 2015 to 2016. This is normal business growth

30-Jun-2017: Revenue was increased by 15% in 2017 from 2016. This is normal business growth

30-Jun-2018: Revenue was increased by 13% in 2018 from 2017, This is normal business growth.

30-Jun-2019: Revenue was increased by 19% in 2019 from 2018. This is normal business growth

30-Jun-2020: Revenue was increased by 15% in 2020 from 2019. This is normal business growth

Total Income:

Since revenue was increased so naturally total income was increased.

Direct Costs:

30-Jun-2016: Direct cost of the company has been increased 2016 from 2015 due to increase of sales.

30-Jun-2017: Direct cost of the company has been increased 2017 from 2016 due to increase of sales.

30-Jun-2018: Direct cost of the company has been increased 2018 from 2017 due to increase of sales.

30-Jun-2019: Direct cost of the company has been increased 2019 from 2018 due to increase of sales.

30-Jun-2020: Direct cost of the company has been increased 2020 from 2019 due to increase of sales.

Finance Cost and Bank charge:

The Company has taken short term loan from bank to support business working capital.

Depreciation and Amortization:

The depreciation and amortization on property plant on equipment has increased steady on the basis of addition.

Other Expenses:

The company have incurred business administrative expense during the last five years which in regulars and relevant with sales.

Net profit before and after Tax and earning per share:

The growth of net profit after Tax is consistent with the growth of revenue. No unusual change has been occurred during the last five years on the above matters.

Earnings per share are properly calculated through using weighted average number of ordinary share for each year.

(d) Known trends demands, commitments, events or uncertainties that are likely to have an effect on the company's business:

At present, there are no known trends, events and/or uncertainties that shall have a material impact on the company's future business except for those which are naturally beyond control of human being.

The business operation of the Company may be affected by the following uncertainties:

- i. Political unrest
- ii. Natural disaster

(e) Trends or expected fluctuations in liquidity:

There are no trends or expected fluctuations in liquidity.

(f) Off-balance sheet arrangements those have or likely to have a current or future effect on financial condition:

There are no off-balance sheet arrangements those have or likely to have a current or future effect on financial condition.

CHAPTER (VIII)

DIRECTORS AND OFFICERS

(a) Name, Father's name, age, residential address, educational qualification, experience and position of each of the directors of the company and any person nominated or represented to be a director, showing the period for which the nomination has been made and the name of the organization which has nominated him:

| SL | Name of Director, Father's Name, Age & Experience | | Residential Address | Educational Qualification | Name of the Institutions and Duration for Nominated Director |
|----|--|--|---|---|--|
| 1 | Name: Position: Father's Name: Age: Experience: | Md. Shafiul Azam Chairman Md. Khalilur Rahman Chowdhury 44 Years 17 Years | Ventura Rosabella, House-3/B, Flat-A9, Road-02, Gulshan-01, Dhaka | MBA | - |
| 2 | Name: Position: Father's Name: Age: Experience: | Md. Shaifullah Khaled Shams Managing Director Md. Abdul Hamid 53 Years 26 Years | Road-35, Plot-25, Gulshan-2, Dhaka-1212 | MBA (IBA), B. Sc in Electrical and Electronics Engineering (BUET), Advanced Management (Duke University Durham) | - |
| 3 | Name: Position: Father's Name: Age: Experience: | Bushra Chowdhury Director Fakhrul Islam Chowdhury 33 Years 12 Years | Ventura Rosabella, House-3/B, Flat-A9, Road-02, Gulshan-01, Dhaka | Master of Arts | - |

| | | | | | |
|---|-----------------------|----------------------------------|--|---|--|
| 4 | Name: | Abdul Muhith | | | |
| | Position: | Director | | | |
| | Father's Name: | Md. Muktada Uddin Chowdhury | Summit Heaven, House-32, Road-9/A, Dhanmondi R/A, Dhaka | M.Com, Chartered Accountancy (U.K) | - |
| | Age: | 65 Years | | | |
| | Experience: | 35 Years | | | |
| 5 | Name: | Ofia Khanam Chowdhury | | | |
| | Position: | Director | | | |
| | Father's Name: | Md. Muktada Uddin Chowdhury | Ventura Rosabella, House- 3/B, Flat-A9, Road-02, Gulshan-01, Dhaka | BA | - |
| | Age: | 69 Years | | | |
| | Experience: | 20 Years | | | |
| 6 | Name: | Khandaker Reza-E-Raquib | | | |
| | Position: | Independent Director | | | |
| | Father's Name: | Khandaker Rezaur Rahman | 1/901, Eastern Tower-20, New Eskaton, Ramna, Dhaka | Barrister-at-Law (Lincoln's Inn, UK) | 3 Yrs. (From 27-Dec-2020 to 26-Dec-2023) |
| | Age: | 50 Years | | | |
| | Experience: | 21 Years | | | |
| 7 | Name: | Ramdas Howlader, LLB, FCA | | | |
| | Position: | Independent Director | | | |
| | Father's Name: | Motilal Howlader | Chevron Bangladesh Khandker Tower (9th Floor) 94 Gulshan Avenue, Gulshan-1, Dhaka- 1212 | M.Com, LLB, FCA (ICAB) | 3 Yrs. (From 27-Dec-2020 to 26-Dec-2023) |
| | Age: | 40 Years | | | |
| | Experience: | 16 Years | | | |

(b) **The date on which he first became a director and the date on which his current term of office shall expire:**

| SL. | Name of the Director | Position | Date of first Directorship | Date of Expiration of Current term |
|-----|-----------------------------|----------------------|----------------------------|------------------------------------|
| 1 | Md. Shafiul Azam | Chairman | 25-Mar-08 | 13th AGM in 2021 |
| 2 | Md. Shaifullah Khaled Shams | Managing Director | 22-Mar-18 | 14th AGM in 2022 |
| 3 | Bushra Chowdhury | Director | 25-Mar-08 | 13th AGM in 2021 |
| 4 | Abdul Muhith | Director | 22-Mar-18 | 14th AGM in 2022 |
| 5 | Ofia Khanam Chowdhury | Director | 22-Mar-18 | 13th AGM in 2021 |
| 6 | Khandaker Reza-E-Raquib | Independent Director | 27-Dec-20 | 15th AGM in 2023 |
| 7 | Ramdas Howlader, LLB, FCA | Independent Director | 27-Dec-20 | 15th AGM in 2023 |

(c) **If any director has any type of interest in other businesses, names and types of business of such organizations. If any director is also a director of another company or owner or partner of any other concern, the names of such organizations:**

| Sl. | Name of Director | Designation in SSL | Directorship/Ownership with Other Companies | |
|-----|-----------------------------|----------------------|---|----------|
| | | | Companies | Position |
| 1 | Md. Shafiul Azam | Chairman | Amulat Pharmaceuticals Limited | Chairman |
| | | | Banco Securities Limited | Chairman |
| | | | Banco Energy Limited | Director |
| | | | Banco Smart Solutions Limited | Director |
| 2 | Md. Shaifullah Khaled Shams | Managing Director | Not involved in other organization | - |
| 3 | Bushra Chowdhury | Director | Amulat Pharmaceuticals Limited | Director |
| 4 | Abdul Muhith | Director | Amulat Pharmaceuticals Limited | Director |
| | | | Summit Properties Limited | Chairman |
| | | | International Medical College | Director |
| | | | Banco Smart Solutions Limited | Director |
| 5 | Ofia Khanam Chowdhury | Director | Not involved in other organization | - |
| 6 | Khandaker Reza-E-Raquib | Independent Director | Bangladesh Satellite Company Limited | Director |
| 7 | Ramdas Howlader, LLB, FCA | Independent Director | Not involved in other organization | - |

(d) **A statement, if any of the directors of the issuer are associated with the securities market in any manner. If any director of the Issuer company is also a director of any issuer of other listed securities during last three years then dividend payment history and market performance of that issuer:**

None of the Directors are involved in securities market and not involved with other listed securities during last three years except Md. Shafiul Azam, Chairman has involvement with Banco Securities Limited.

(e) **Any family relationship (father, mother, spouse, brother, sister, son, daughter, spouse's father, spouse's mother, spouse's brother, spouse's sister) among the directors and top five officers:**

i. Family relationship among directors

| Sl. | Name of Director | Designation | Relationship |
|-----|-----------------------------|----------------------|--|
| 1 | Md. Shafiul Azam | Chairman | Son of Ofia Khanam Chowdhury; husband of Bushra Chowdhury and nephew of Abdul Muhith |
| 2 | Md. Shaifullah Khaled Shams | Managing Director | No family relationship |
| 3 | Bushra Chowdhury | Director | Wife of Md. Shafiul Azam; daughter-in-law of Ofia Khanam Chowdhury and niece of Abdul Muhith |
| 4 | Abdul Muhith | Director | Brother of Ofia Khanam Chowdhury and uncle of Md. Shafiul Azam & Bushra Chowdhury |
| 5 | Ofia Khanam Chowdhury | Director | Mother of Md. Shafiul Azam; mother-in-law of Bushra Chowdhury and sister of Abdul Muhith |
| 6 | Khandaker Reza-E-Raquib | Independent Director | No family relationship |
| 7 | Ramdas Howlader, LLB, FCA | | |

ii. Family relationship among directors and top five officers of the company:

There is no family relationship exist between directors and top five management officers except mentioned above.

(f) **A very brief description of other businesses of the directors:**

Md. Shafiul Azam

Chairman

| Sl. | Name of Companies | Date of Incorporation | Nature of Business | Legal Status | Equity capital (Total) in Taka |
|-----|--------------------------------|-----------------------|--------------------------------------|-------------------------|--------------------------------|
| 1 | Amulat Pharmaceuticals Limited | 11-Aug-85 | Pharmaceutical | Public Limited Company | 353,500,000 |
| 2 | Banco Securities Limited | 17-Jul-01 | Brokerage Firm | Private Limited Company | 29,868,800 |
| 3 | Banco Energy Limited | 4-Aug-13 | Energy Generation | Private Limited Company | 1,000,000 |
| 4 | Banco Smart Solutions Limited | 19-Apr-12 | Smart Card printing and Distribution | Private Limited Company | 10,000,000 |

Md. Shaifullah Khaled Shams

Managing Director

Not involved in other business.

Bushra Chowdhury

Director

| Sl. No. | Name of Companies | Date of Incorporation | Nature of Business | Legal Status | Equity capital (Total) in Taka |
|---------|--------------------------------|-----------------------|--------------------|------------------------|--------------------------------|
| 1 | Amulat Pharmaceuticals Limited | 11-Aug-85 | Pharmaceutical | Public Limited Company | 353,500,000 |

Abdul Muhith

Director

| Sl. No. | Name of Companies | Date of Incorporation | Nature of Business | Legal Status | Equity capital (Total) in Taka |
|---------|--------------------------------|-----------------------|--------------------------------------|-------------------------|--------------------------------|
| 1 | Amulat Pharmaceuticals Limited | 11-Aug-85 | Pharmaceutical | Public Limited Company | 353,500,000 |
| 2 | Summit Properties Limited | 2-Nov-94 | Real Estate Developer | Private Limited Company | 20,000,000 |
| 3 | International Medical College | 29-Mar-00 | Medical, Health, Nursing Institute | Private Limited Company | 34,200,000 |
| 4 | Banco Smart Solutions Limited | 19-Apr-12 | Smart Card printing and Distribution | Private Limited Company | 10,000,000 |

Ofia Khanam Chowdhury*Director*

Not involved in other business.

Khandaker Reza-E-Raquib*Independent Director*

| Sl. No. | Name of Companies | Date of Incorporation | Nature of Business | Legal Status | Equity capital (Total) in Taka |
|---------|--------------------------------------|-----------------------|-------------------------------------|------------------------|--------------------------------|
| 1 | Bangladesh Satellite Company Limited | 15-Aug-17 | Broadcasting and Telecommunications | Public Limited Company | 5,000,000,000 |

Ramdas Howlader, LLB, FCA*Independent Director*

Not involved in other business.

(g) Loan status of the issuer, its directors and shareholders who hold 5% or more shares in the paid-up capital of the issuer in terms of the CIB Report of Bangladesh Bank:

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

(h) If the Chairman or any director or any shareholder receives any monthly salary than this information should also be included:

The following Director is receiving monthly salary for their services rendering in the company:

| Name | Designation | Age (Years) | Monthly salary |
|-----------------------------|-------------------|-------------|----------------|
| Md. Shaifullah Khaled Shams | Managing Director | 53 | 100,000 |

- (i) A profile of the sponsors including their names, father's names, age, personal addresses, educational qualifications, and experiences in the business, positions or posts held in the past, directorship held, other ventures of each sponsor and present position:

| Name, Father's Name, Age & Personal Address | | Educational Qualification | Experience (Years) | Position/Post | | Holding in other Venture |
|---|---|---------------------------|--------------------|-----------------------|--------------------|---|
| | | | | Past | Present | |
| Name: | Md. Shafiul Azam | MBA | 17 Years | Sponsor & Chairman | Sponsor & Chairman | Amulat Pharmaceuticals Limited Banco Securities Limited Banco Energy Limited Banco Smart Solutions Limited |
| Father's Name: | Md. Khalilur Rahman Chowdhury | | | | | |
| Age: | 44 Years | | | | | |
| Personal Address: | Ventura Rosabella, House-3/B, Flat-A9, Road-02, Gulshan-01, Dhaka | | | | | |
| Name: | Shaikh Sohel Rana | Master of Arts | 12 Years | Sponsor & Shareholder | Sponsor | Not involved in other organization |
| Father's Name: | Shaikh Rofiuddin | | | | | |
| Age: | 42 Years | | | | | |
| Personal Address: | 12, Boyra Cross Road, Sonadanga Khulna-9000 | | | | | |
| Name: | Runa Laila | Graduate | 8 Years | Sponsor & Shareholder | Sponsor | Not involved in other organization |
| Father's Name: | Shaikh Rofiuddin | | | | | |
| Age: | 39 Years | | | | | |
| Personal Address: | 12, Boyra Cross Road, Sonadanga Khulna-9000 | | | | | |

| | | | | | | |
|--------------------------|---|----------------|----------|-----------------------|-----------------------|--------------------------------|
| Name: | Bushra Chowdhury | | | | | |
| Father's Name: | Fakhrul Islam Chowdhury | | | | | |
| Age: | 33 Years | Master of Arts | 12 Years | Sponsor & Director | Sponsor & Director | Amulat Pharmaceuticals Limited |
| Personal Address: | Ventura Rosabella, House-3/B, Flat-A9, Road-02, Gulshan-01, Dhaka | | | | | |

- (j) **If the present directors are not the sponsors and control of the issuer was acquired within five years immediately preceding the date of filing prospectus details regarding the acquisition of control, date of acquisition, terms of acquisition, consideration paid for such acquisition etc.**

The following directors are not the sponsors of the Company and control of the issuer was acquired in following manner:

| Name | Acquisition of Control | Date of Acquisition | Terms of Acquisition | Consideration paid for such Acquisition |
|-----------------------------|------------------------|---------------------|----------------------|---|
| Md. Shaifullah Khaled Shams | 22-Mar-18 | 22-Mar-18 | N/A | Cash |
| Abdul Muhith | 22-Mar-18 | 22-Mar-18 | N/A | Cash |
| Ofia Khanam Chowdhury | 22-Mar-18 | 22-Mar-18 | N/A | Cash |
| Khandaker Reza-E-Raquib | 27-Dec-20 | - | - | Appoint as an Independent Director |
| Ramdas Howlader, LLB, FCA | 27-Dec-20 | - | | |

- (k) **If the sponsors or directors do not have experience in the proposed line of business, the fact explaining how the proposed activities would be carried out or managed:**

All the directors have adequate knowledge to carry out this line of business.

- (l) **Interest of the key management persons:**

There is no other interest with the key management persons except remuneration/salary received by them.

- (m) **All interests and facilities enjoyed by a director, whether pecuniary or non-pecuniary:**

Facilities whether pecuniary or non-pecuniary enjoyed by the Directors will remain unchanged during the publication period of the Prospectus.

- (n) **Number of shares held and percentage of share holding (pre issue):**

| Sl. | Name of Director | Position | Number of Shares Held | % Pre-QIO |
|--------------|-----------------------------|----------------------|-----------------------|---------------|
| 1 | Md. Shafiul Azam | Chairman | 8,939,274 | 17.88% |
| 2 | Md. Shaifullah Khaled Shams | Managing Director | 3,060,363 | 6.12% |
| 3 | Bushra Chowdhury | Director | 6,509,454 | 13.02% |
| 4 | Abdul Muhith | Director | 6,120,726 | 12.24% |
| 5 | Ofia Khanam Chowdhury | Director | 3,240,000 | 6.48% |
| 6 | Khandaker Reza-E-Raquib | Independent Director | - | 0.00% |
| 7 | Ramdas Howlader, LLB, FCA | Independent Director | - | 0.00% |
| Total | | | 27,869,817 | 55.74% |

- (o) **Change in board of directors during last three years:**

| Sl. | Name of Director | Date of Joining | Date of retirement | Present Status |
|-----|-----------------------------|-----------------|--------------------|----------------------|
| 1 | Md. Shaifullah Khaled Shams | 22-Mar-18 | 14th AGM in 2022 | Director |
| 2 | Abdul Muhith | 22-Mar-18 | 14th AGM in 2022 | Director |
| 3 | Ofia Khanam Chowdhury | 22-Mar-18 | 13th AGM in 2021 | Director |
| 4 | Khandaker Reza-E-Raquib | 27-Dec-20 | 15th AGM in 2023 | Independent Director |
| 5 | Ramdas Howlader, LLB, FCA | 27-Dec-20 | 15th AGM in 2023 | |

- (p) **Director's engagement with similar business:**

None of the Directors are involve with similar business.

CHAPTER (IX)

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

(a) **TO WHOM IT MAY CONCERN**

This is to certify that the Financial Statements of Subra Systems Ltd. furnished for our audit does not have any transaction during the last five years, or any proposed transaction, between the issuer and any of the following persons:

- (i) Any director or sponsor or executive officer of the issuer;
- (ii) Any person holding 5% or more of the outstanding shares of the issuer;
- (iii) Any related party or connected person of any of the above persons;

Except the transactions described in the following table:

| Related parties | Position | Nature of Transaction | Amount in (BDT) | | | | | | | | |
|----------------------------------|--------------------------------|-----------------------|-----------------|----------------|----------------|----------------|-------------------|-------------------|-------------------|------------------|------------------|
| | | | 31-Dec-20 | | 30-Jun-20 | | 30-Jun-19 | | 30-Jun-18 | 30-Jun-17 | 30-Jun-16 |
| | | | Consolidated | Parent | Consolidated | Parent | Consolidated | Parent | Parent | Parent | Parent |
| Md. Shafiul Azam | Chairman | Remuneration | - | - | - | - | - | - | - | - | - |
| | | Board Meeting Fee | 4,000 | 2,000 | 7,000 | 4,000 | 2,500 | 2,500 | - | - | - |
| Md. Shaifullah Khaled Shams | Managing Director | Remuneration | 600,000 | 600,000 | 300,000 | 300,000 | - | - | - | - | - |
| | | Board Meeting Fee | 2,000 | 2,000 | 4,000 | 4,000 | 2,000 | 2,000 | - | - | - |
| Bushra Chowdhury | Director | Remuneration | - | - | - | - | - | - | - | - | - |
| | | Board Meeting Fee | 3,500 | 1,500 | 6,000 | 3,000 | 2,500 | 2,500 | - | - | - |
| Abdul Muhith | Director | Remuneration | - | - | - | - | - | - | - | - | - |
| | | Board Meeting Fee | 1,500 | 1,500 | 3,000 | 3,000 | 1,500 | 1,500 | - | - | - |
| Ofia Khanam Chowdhury | Director | Remuneration | - | - | - | - | - | - | - | - | - |
| | | Board Meeting Fee | 1,000 | 1,000 | 3,000 | 3,000 | 2,000 | 2,000 | - | - | - |
| Kazi Jaglul Akber | Director | Remuneration | - | - | - | - | - | - | - | - | - |
| | | Board Meeting Fee | - | - | 1,000 | 1,000 | 2,000 | 2,000 | - | - | - |
| Sazia Mahmood | Director | Remuneration | - | - | - | - | - | - | - | - | - |
| | | Board Meeting Fee | - | - | 1,000 | 1,000 | 1,500 | 1,500 | - | - | - |
| Brig Gen Md. Nazrul Islam Sarker | Independent Director | Remuneration | - | - | - | - | - | - | - | - | - |
| | | Board Meeting Fee | 2,000 | 2,000 | - | - | - | - | - | - | - |
| Khondkar Atique-E-Rabbani | Independent Director | Remuneration | - | - | - | - | - | - | - | - | - |
| | | Board Meeting Fee | 4,000 | 2,000 | - | - | - | - | - | - | - |
| Md. Nazmul Hussain Siddiquy | Director of Subsidiary company | Board Meeting Fee | 1,500 | - | 3,000 | - | - | - | - | - | - |
| Subra Technology Ltd. | | Investment in Shares | - | - | - | - | 65,200,000 | 65,200,000 | - | - | - |
| Banco Smart Solutions Ltd.* | | Advance against Land | - | - | - | - | - | - | 38,587,700 | 4,300,000 | 1,207,000 |
| Total | | | 619,500 | 612,000 | 328,000 | 319,000 | 65,214,000 | 65,214,000 | 38,587,700 | 4,300,000 | 1,207,000 |

* Advance against Land Tk. 44,094,700 paid to Banco Smart Solutions Ltd. the concern under common management. Subsequently this land registration was completed during the year 2019-2020.

Place: Dhaka;
Date: April 15, 2021

Sd/-
AFM Alamgir, FCA
Chief Executive Partner
ARTISAN
Chartered Accountants

- (b) **Any transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries or holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus;**

There is no transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries or holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus except the transaction mentioned in CHAPTER (IX) (a).

- (c) **Any loans either taken or given from or to any director or any person connected with the director, clearly specifying details of such loan in the prospectus, and if any loan has been taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan, rate of interest applicable, date of loan taken, date of maturity of loan. and present outstanding of such loan.**

No such loan was taken or given from or to Directors or any person connected with the Directors of Subra Systems Ltd.

CHAPTER (X)

EXECUTIVE COMPENSATION

- (a) The total amount of remuneration or salary or perquisites paid to the top five salaried officers of the issuer in the last accounting year and the name and designation of each such officer:**

| SL | Name | Designation | Remuneration/salaries (Tk.) |
|----|-----------------------------|-------------------------|-------------------------------|
| | | | For the year ended 30.06.2020 |
| 1 | Md. Jahangir Kabir | Deputy Director | 1,772,800 |
| 2 | Md. Saifullah Al Azad | Assistant Director | 1,707,240 |
| 3 | Md. Shaifullah Khaled Shams | Managing Director | 300,000 |
| 4 | Md. Masum Rana | Chief Technical Officer | 886,146 |
| 5 | Sumon Chowdhury | Sr. Finance Manager | 821,228 |

** Managing Director received 3 months salary.*

- (b) Aggregate amount of remuneration paid to all directors and officers as a group during the last accounting year:**

| SL. | Particulars | Nature of Transaction | Amount (in Taka) |
|-----|---------------------|-----------------------|-------------------------------|
| | | | For the year ended 30.06.2020 |
| 1 | Directors | Remuneration | - |
| 2 | Managing Director | Remuneration | 300,000 |
| 3 | Directors | Board Meeting Fee | 19,000 |
| 4 | Officers and staffs | Salary and Allowances | 45,979,450 |

- (c) If any shareholder director received any monthly salary or perquisite or benefit it must be mentioned along with date of approval in AGM or EGM, terms thereof and payments made during the last accounting year:**

Md. Shaifullah Khaled Shams, Managing Director is received Tk. 100,000.00 per month. This remuneration was approved in the Extraordinary General Meeting dated March 10, 2020.

- (d) The board meeting attendance fees received by the director including the managing director along with date of approval in AGM or EGM:**

The board meeting attendance fees received by the director including the managing director which was approved as per Articles of Association.

- (e) Any contract with any director or officer providing for the payment of future compensation:**

There is no such contract between the Company and any of directors or officers regarding any future compensation to be made to them.

- (f) If the issuer intends to substantially increase the remuneration paid to its directors and officers in the current year, appropriate information regarding thereto:**

The Company has no plan for substantially increasing remuneration to its directors and/or officers except for those that are paid as annual increment to their salaries.

- (g) Any other benefit or facility provided to the above persons during the last accounting year:**

No other benefit or facility provided to the above persons during the last accounting year.

CHAPTER (XI)

OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES

Subra Systems Ltd. did not grant any options to its directors, officers and/or any other employees for the purpose of issuing shares.

CHAPTER (XII)

TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM

- (a) The names of the directors and subscribers to the memorandum, the nature and amount of anything of value received or to be received by the issuer from the above persons, or by the said persons, directly or indirectly, from the issuer during the last five years along with the description of assets, services or other consideration received or to be received;**

Benefits from the Company during last five years:

The Directors and subscribers to the memorandum of association have not received any benefits except remuneration by Managing Director, Md. Shaifullah Khaled Shams and board meeting fees by all directors.

- (b) If any assets were acquired or to be acquired from the aforesaid persons, the amount paid for such assets and the method used to determine the price shall be mentioned in the prospectus, and if the assets were acquired by the said persons within five years prior to transfer those to the issuer, the acquisition cost thereof paid by them.**

Directors and Subscribers' Assets to the Company:

Directors and subscribers to the memorandum have not transferred any asset to the Company in the last five years. Besides, in the last five years the issuer Company has not received any assets or other considerations from its Directors and subscribers to the memorandum except fund against allotment of shares.

CHAPTER (XIII)

OWNERSHIP OF THE COMPANY'S SECURITIES

a) The names, addresses, BO ID Number of all shareholders of the company before QIO, indicating the amount of securities owned and the percentage of the securities represented by such ownership, in tabular form:

| Sl. | Name of the Shareholders | Position | Address | BO IDs | Number of Shares Held | Pre QIO % |
|-----|------------------------------|-------------------|---|------------------|-----------------------|-----------|
| 1 | Md. Shafiu Azam | Chairman | Ventura Rosabella, House-3/B, Flat-A9, Road-02, Gulshan-01, Dhaka | 1202150000151396 | 8,939,274 | 17.88% |
| 2 | Bushra Chowdhury | Director | Ventura Rosabella, House-3/B, Flat-A9, Road-02, Gulshan-01, Dhaka | 1202150016113489 | 6,509,454 | 13.02% |
| 3 | Abdul Muhith | Director | Summit Heaven, House-32, Road-9/A, Dhanmondi R/A, Dhaka | 1202150006306422 | 6,120,726 | 12.24% |
| 4 | Mrs. Ofia Khanam Chowdhury | Director | Ventura Rosabella, House-3/B, Flat-A9, Road-02, Gulshan-01, Dhaka | 1202150073586199 | 3,240,000 | 6.48% |
| 5 | Md. Shaifullah Khaled Shams | Managing Director | Road-35, Plot-25, Gulshan-2, Dhaka-1212 | 1202150020367413 | 3,060,363 | 6.12% |
| 6 | BLI Capital Limited | Shareholder | Rupayan Trade Centre (10th Floor), 114 Kazi Nazrul Islam Avenue, Banglamotor, Dhaka-1000 | 1605650050408172 | 3,000,060 | 6.00% |
| 7 | Md. Momin Uddin Mozumder | Shareholder | Islambag, Gutakandile, Rupgonj, Narayanganj. | 1605640068339949 | 2,900,000 | 5.80% |
| 8 | Beacon Medicare Ltd | Shareholder | 9/B/2, Motijheel C/A Dhaka-1223 | 1203710064190682 | 2,000,000 | 4.00% |
| 9 | Mrs. Sazia Mahmood | Shareholder | 142/B, Green Road, Tejgaon, Dhaka-1215 | 1204280069176154 | 1,530,183 | 3.06% |
| 10 | Muhammad Maksudul Haque | Shareholder | Shanta Industries Limited, Plot# 198-201, DEPZ, Ganakbari, Savar, Dhaka-1349. | 1204030071798239 | 1,400,000 | 2.80% |
| 11 | Mofizur Rahman | Shareholder | 2/1, A/1, Shahjahan Road, Block-C, Mohammadpur, Dhaka-1207 | 1201500003743478 | 1,300,000 | 2.60% |
| 12 | Crescent Paper Mills Limited | Shareholder | 74, Green Road Dhaka. | 1605650067265235 | 1,000,030 | 2.00% |
| 13 | ABACI Investments Ltd. | Shareholder | Rupayan Prime (7th Floor), Plot-02, Road-07, Dhanmondi, Dhaka-1205. | 1602770045524684 | 700,060 | 1.40% |
| 14 | Motiur Rahman | Shareholder | House No. 125, Road: Deshbondhuchitto Ronjon, TB Clinic, Jessore-7400, Kotowali, Jessore. | 1201910004133529 | 500,060 | 1.00% |
| 15 | Md. Zia Uddin Thakur | Shareholder | 761/1, Monipur, Mirpur, Dhaka. | 1201950062960212 | 500,060 | 1.00% |

| | | | | | | |
|----|---------------------------------|-------------|--|------------------|---------|-------|
| 16 | F A Trading Corporation | Shareholder | Flat No. B-7, Firoza Rose, 12 Eskaton Road, BoroMaghbazar, Dhaka. | 1203110063110187 | 500,060 | 1.00% |
| 17 | Bishwajit Das | Shareholder | House No. 28, Flat No. 3 E, Road No. 9/A, Dhanmondi R/A, P.O. Jhigatola-1209, Dhanmondi, Dhaka. | 1202150006306440 | 500,060 | 1.00% |
| 18 | Nasima Akhter | Shareholder | H-5, Flat-B, Shegun Bagicha, Concord Tower, Shahabag Dhaka | 1202150068189683 | 500,000 | 1.00% |
| 19 | Brig Gen Md Nazrul Islam Sarker | Shareholder | Flat No. 4B, House No. 1124 & 1125, Road No. 11, Mirpur DOHS, Mirpur-1216, Dhaka. | 1202150056913789 | 350,060 | 0.70% |
| 20 | Raidah Fairuz | Shareholder | House No. 24/A, Flat-B/2, Road No. Dhanmondi R/A-3, P.O. New Market, Dhanmondi, Dhaka-1205. | 1201910066517890 | 300,060 | 0.60% |
| 21 | Md. Tarif Hasan Tomal | Shareholder | House No. 06, Road No. 18, Sector-13, Uttara, Dhaka. | 1202150062921764 | 250,060 | 0.50% |
| 22 | Md. Shariful Islam | Shareholder | 333/B, South Jatrabari, Dhaka. | 1202150062658625 | 250,060 | 0.50% |
| 23 | Md. Kaysar Hossain | Shareholder | House/Holding No. 37, Paribagh (2nd Floor), Paribagh Shah Shaheb Road, P.O.: Shahbagh-1000, Dhaka. | 1203510052582170 | 210,060 | 0.42% |
| 24 | Md. Anwarul Islam | Shareholder | House No. 6/9 (4th Floor), Salimullah Road, Block-3, Mohammadpur, Dhaka-1207. | 1202150000092923 | 200,060 | 0.40% |
| 25 | Abid Hossain | Shareholder | Holding No. D/16-C, Shahjahanpur Railway Officers Colony, P.O: Shantinagar-1217, Motijheel, Dhaka. | 1205670044309378 | 200,060 | 0.40% |
| 26 | Md. Forhad Hossain | Shareholder | House: 448, Noya Para, Dania, Dhaka, Bornomala School Road -1236, Jatrabari, Dhaka. | 1201950073580927 | 200,000 | 0.40% |
| 27 | Md. Asifur Rouf | Shareholder | House: 38 No. Chamilibag, P.O: Shantinagar,-1217, Paltan, Dhaka. | 1204780062947394 | 200,000 | 0.40% |
| 28 | Iftekhhar Alam Farazi | Shareholder | Sabujbagh, Dhaka. | 1202150006306442 | 200,000 | 0.40% |
| 29 | Tanvir Ahmed | Shareholder | House/Holding-17/B, Road-Rankin Street, P.O.-Wari-1203, Sutrapur, Dhaka. | 1202610017907621 | 190,060 | 0.38% |
| 30 | Md. Mohsin Sikder | Shareholder | C-3, R-2, Banasree Rampura, Dhaka-1219. | 1202150013678346 | 188,160 | 0.38% |
| 31 | Sahidur Rahman Chowdhury | Shareholder | House No. 33/A, Road No. 12, Block-H, Banani, Dhaka-1213. | 1202150000453198 | 150,060 | 0.30% |
| 32 | Mohammad Matiul Islam | Shareholder | Housing/Holding: 32/6/A, Road: SonatonGor, P.O.: Jhigatola-1209, Dhanmondi, Dhaka. | 1201580020847765 | 110,060 | 0.22% |

| | | | | | | |
|----|--------------------------|-------------|--|------------------|---------|-------|
| 33 | Mrs. Israt Jahan | Shareholder | House/ Holding No. 318/2/1, East Nakhhalpara, P.O.-Tejgaon-1215, Tejgaon I/A, Dhaka. | 1202590066551619 | 100,060 | 0.20% |
| 34 | Mosir Rahman Milton | Shareholder | 1/15, East Bashaboo, Dhaka-1214. | 1202150001831265 | 100,060 | 0.20% |
| 35 | Mohammad Sajedul Islam | Shareholder | Neptun Height, Flat No. 301 (3rd Floor), House No. 47, Road: Shideswari Road, Ramna, Dhaka-1217. | 1202400000002837 | 100,060 | 0.20% |
| 36 | Md. Shaiful Islam | Shareholder | House No. 24, Road No. 03, Banasree, Block-D, P.O.: Khilgaon-1219, Dhaka. | 1205150058524747 | 100,060 | 0.20% |
| 37 | Md. Masud Rana | Shareholder | House No. 88 (5th Floor), Arambag, P.O.: GPO-1000, Motijheel, Dhaka. | 1202550037825261 | 100,060 | 0.20% |
| 38 | Imtiaz Ahmed | Shareholder | Flat D-16, Sky View Park City, 165, Shantinagar, Paltan, Dhaka-1000. | 1202930043610223 | 100,060 | 0.20% |
| 39 | Haimonti Roy | Shareholder | House/Holding No. 26, Flat No. 37, Tipu Sultan Road, Wari, Nai, Sutrapur, Dhaka-1100. | 1201950045325491 | 100,060 | 0.20% |
| 40 | Fabian S Gomes | Shareholder | Circuit House Road, (House-111/3), Ramna, Dhaka-1000. | 1202150007465550 | 100,060 | 0.20% |
| 41 | Enamul Haque Talukder | Shareholder | House No. 43, Road No. 01, Block No. I, Banani, Dhaka-1213. | 1202150013459207 | 100,060 | 0.20% |
| 42 | Dr. Tanjil Sajjad | Shareholder | Sajjad Aman, Shapnil-2, Mirjajungle. Dis- Sylhet | 1202150063949569 | 100,060 | 0.20% |
| 43 | Ahmed Kabir Majumder | Shareholder | 188 North ShajahanPur, Motijheel, Dhaka-1000. | 1203060000061919 | 100,060 | 0.20% |
| 44 | Nurun Nahar Choudhury | Shareholder | House-475, Road-8, DOHS, Baridhara, Dhaka. | 1202430003863706 | 100,000 | 0.20% |
| 45 | Mrs. Salma Akter | Shareholder | 504/A, Malibabagh, Baganbari, Dhaka-1217 | 1202150062610520 | 100,000 | 0.20% |
| 46 | Mohon Kumar Saha | Shareholder | 86, Kadamtola, Lane-10, Basabo, PO-1214 Sabujbag, Dhaka | 1605760067169695 | 100,000 | 0.20% |
| 47 | Md. Ali Ashraf Choudhury | Shareholder | H-29, Road-1, Block-A, Basundhara R/A, Dhaka-1229 | 1202150008042980 | 100,000 | 0.20% |
| 48 | Md Anowar Hossain | Shareholder | Siddirganj Housing ATI, Siddirgonj, Narayangonj. | 1201630045078324 | 100,000 | 0.20% |
| 49 | Maqsubul Huq Khan | Shareholder | House-6, Road-143, Gulshan | 1202150066560017 | 100,000 | 0.20% |
| 50 | Alimul Hasan Chowdhury | Shareholder | C/O- Waliul Hasan Chowdhury, House-32, Road-9/A, Flat-5D, Dhanmondi R/A. | 1202150012361625 | 100,000 | 0.20% |
| 51 | Abdul Halim | Shareholder | 5 Shegun Bagicha, Concord, Dhaka | 1202150061785609 | 100,000 | 0.20% |

| | | | | | | |
|----|------------------------|-------------|--|------------------|--------|-------|
| 52 | Md. Foisal Hossain | Shareholder | Vill: Akrapur, P.O: Hossainpur, Sonarganj, Narayangonj. | 1201950073580895 | 80,000 | 0.16% |
| 53 | Palash Khan | Shareholder | 38/C Mayakanon Shobujbag, Motijheel Dhaka | 1202150008256389 | 70,000 | 0.14% |
| 54 | Md. Ahsan Habib Raj | Shareholder | House: 650, New Hat Road: West Jamia Bagan, Jaipurhat-5900. | 1201950066362251 | 70,000 | 0.14% |
| 55 | Hemanta Kumar Paul | Shareholder | House No. 31, Road No. 05, Block No. H, Meradia, Banashree, Dhaka-1219. | 1201590045129981 | 50,060 | 0.10% |
| 56 | Mohd. Shamim Iqbal | Shareholder | C-23, Mahanagar Project West Rampura, Dhaka-1219 | 1202150039656527 | 50,000 | 0.10% |
| 57 | Md. Shadiqul Mostuk | Shareholder | House: Ovijan-138, Road: (Auchpara) College Road, P.O: Nisatnagar-1711, Gazipur Sadar, Tangi, Gazipur. | 1202150070917737 | 50,000 | 0.10% |
| 58 | Md. Rezaul Karim | Shareholder | House-8/1, Sec-15/16, Block-A, Mirpur, Dhaka. | 1202150068951617 | 50,000 | 0.10% |
| 59 | Gazi Mozammel Hossain | Shareholder | House: 1/20/2/A, East Bashaboo, Sabujbagh, Dhaka. | 1202150068951609 | 50,000 | 0.10% |
| 60 | Mohammad Hanif | Shareholder | NCC Bank Ltd, Karwan Bazar, Motijheel, Dhaka. | 1202150000112407 | 40,060 | 0.08% |
| 61 | Md. Robiul Islam | Shareholder | South Masdair, Anayet Nagar-1421, Narayangonj Sadar, Narayangonj. | 1606060073578827 | 40,000 | 0.08% |
| 62 | Md. Nazmul Hossan | Shareholder | House-116, Nosrotpur, P.O- Laksam, Comilla. | 1201950068927307 | 40,000 | 0.08% |
| 63 | Hasina Parvin | Shareholder | House: E175, South Bonosree, Khilgonj TSO -1219, Dhaka. | 1203490068173365 | 38,270 | 0.08% |
| 64 | Fakrul Islam Chowdhury | Shareholder | House No. 152/1, Road No. 2/2, Block-A, Sector-12, Mirpur, Dhaka. | 1202150006306439 | 36,140 | 0.07% |
| 65 | Sohana Sultana | Shareholder | House No. 12, Road No. 04, Rupnagar Residential Area, Mirpur-2, Dhaka-1216. | 1202150067096946 | 30,060 | 0.06% |
| 66 | Rubel Hawlader | Shareholder | Dokan No. 72 Ka, 73 Ka, Krisemarket, Mohammadpur, Dhaka-1207. | 1202150066580921 | 30,060 | 0.06% |
| 67 | Md. Imtiaz Uddoulla | Shareholder | 71/A, Golartek, Mirpur-01, Dhaka. | 1202150067206857 | 30,060 | 0.06% |
| 68 | Sumon Chowdhury | Shareholder | 16/6, Juhuneebad, Darrussalam, Mirpur-01, Dhaka. | 1202150067153998 | 20,060 | 0.04% |
| 69 | Md. Kamruzzaman | Shareholder | Summit Properties Ltd., 14-15 Motijhel C/A, Dhaka. | 1202150014915997 | 20,060 | 0.04% |
| 70 | Mahbub Ul Gani | Shareholder | 21/1, PuranaPalton Lane, Dhaka-1000. | 1202150064603745 | 20,060 | 0.04% |
| 71 | Kohinur Begum | Shareholder | House: 113/2, Road: West Sewrapara, Mirpur-1216, Mirpur, Dhaka. | 1606060070453970 | 20,000 | 0.04% |

| | | | | | | |
|--------------|-----------------------|-------------|---|------------------|-------------------|----------------|
| 72 | Mostafizur Rahman | Shareholder | House No. 3/11, Road: Garden Road West Tejturi Bazar, P.O.: Tejgaon-1215, Tejgaon, Dhaka | 1202150008906297 | 15,060 | 0.03% |
| 73 | Syed Abul Hossen | Shareholder | House No. 42/A, Indira Road, P.O.: Tejgaon-1215, Tejgaon, Dhaka. | 1202150070229042 | 10,060 | 0.02% |
| 74 | Kazi Walid Hasan | Shareholder | 550, Middle Monipur, Mirpur-02, Dhaka-1216 | 1202150040498431 | 10,060 | 0.02% |
| 75 | Ahmedul Haque | Shareholder | 744, West Kazi Para, Mirpur -1216 | 1202150058268596 | 8,000 | 0.02% |
| 76 | Nazmul Hug | Shareholder | 147, South Mothertak Dhaka-1214. | 1202150000092966 | 5,060 | 0.01% |
| 77 | Md. Quazi Hanif Ahsan | Shareholder | H-427, Ramchandrapur, Gharmara, Rajshahi | 1202150070228163 | 5,000 | 0.01% |
| 78 | Md. Abdul Alim | Shareholder | Vill: Ichapura, Post: Sadar Ichapura, Thana: Burichang, Cummillla. | 1202150070296941 | 3,000 | 0.01% |
| 79 | Rahat Hossain | Shareholder | 04/14, Kallyanpur Housing Estate, Dhaka-1207 | 1202150027269446 | 2,000 | 0.00% |
| 80 | Md. Shohel khan | Shareholder | South Jayotshar, PO- Sultanpur, Dist- Brahmanbaria | 1202150070296497 | 2,000 | 0.00% |
| 81 | Md. Izabuddin Ahmed | Shareholder | Joynabari, Hemayetpur, Savar, Dhaka | 1202150070230172 | 2,000 | 0.00% |
| 82 | Md. Asif Ahmed Dinar | Shareholder | Vill. & PO- Kurni, PS- Mirzapur, District- Tangail | 1202150070232238 | 2,000 | 0.00% |
| 83 | Md. Mazharul Islam | Shareholder | 166/20, Madertak, Dhaka-1214 | 1202150070296149 | 1,000 | 0.00% |
| 84 | Asiq Wahid Romyo | Shareholder | Abacus Bangladesh NMC Ltd, Hasney Tower (11th Floor), 3/A Kawran Bazar C/A, Tejgaon, Dhaka. | 1202150006306435 | 60 | 0.00% |
| Total | | | | | 50,000,000 | 100.00% |

b) There shall also be a table showing the name and address, age, experience, BO ID Number, TIN number, numbers of shares held including percentage, position held in other companies of all the directors before the qualified investor offer:

| Sl. | Name of Director, Address, Age & Experience | No. of Share | % | Position held in Other Organization | |
|-----|--|--------------|---------|---|--|
| | | | Pre-QIO | Other Organization | Position |
| 1 | Name: Md. Shafiul Azam <i>Chairman</i> Address: Ventura Rosabella, House-3/B, Flat-A9, Road-02, Gulshan-01, Dhaka Age: 44 Years Experience: 17 Years BO ID No.: 1202150000151396 TIN No.: 625568442194 | 8,939,274 | 17.88% | Amulat Pharmaceuticals Limited Banco Securities Limited Banco Energy Limited Banco Smart Solutions Limited | Chairman Chairman Director Director |
| 2 | Name: Md. Shaifullah Khaled Shams <i>Managing Director</i> Address: Road-35, Plot-25, Gulshan-2, Dhaka-1212 Age: 53 Years Experience: 26 Years BO ID No.: 1202150020367413 TIN No.: 425713716035 | 3,060,363 | 6.12% | Not involved in other organization | |

| | | | | | |
|---|--|-----------|--------|---|--|
| 3 | Name: Bushra Chowdhury <i>Director</i> Address: Ventura Rosabella, House-3/B, Flat-A9, Road-02, Gulshan-01, Dhaka Age: 33 Years Experience: 12 Years BO ID No.: 1202150016113489 TIN No.: 179720777474 | 6,509,454 | 13.02% | Amulat Pharmaceuticals Limited | Director |
| 4 | Name: Abdul Muhith <i>Director</i> Address: Summit Heaven, House-32, Road-9/A, Dhanmondi R/A, Dhaka Age: 65 Years Experience: 35 Years BO ID No.: 1202150006306422 TIN No.: 456840535216 | 6,120,726 | 12.24% | Amulat Pharmaceuticals Limited Summit Properties Limited International Medical College Banco Smart Solutions Limited | Director Chairman Director Director |
| 5 | Name: Ofia Khanam Chowdhury <i>Director</i> Address: Ventura Rosabella, House-3/B, Flat-A9, Road-02, Gulshan-01, Dhaka Age: 69 Years Experience: 20 Years BO ID No.: 1202150073586199 TIN No.: 763467552598 | 3,240,000 | 6.48% | Not involved in other organization | - |

| | | | | | |
|---|---|---|---|--------------------------------------|----------|
| 6 | Name: Khandaker Reza-E-Raquib <i>Independent Director</i> Address: 1/901, Eastern Tower-20, New Eskaton, Ramna, Dhaka Age: 50 Years Experience: 21 Years BO ID No.: - TIN No.: 61572041614 | - | - | Bangladesh Satellite Company Limited | Director |
| 7 | Name: Ramdas Howlader, LLB, FCA <i>Independent Director</i> Chevron Bangladesh Address: Khandker Tower (9th Floor) 94 Gulshan Avenue, Gulshan-1, Dhaka- 1212 Age: 40 Years Experience: 16 Years BO ID No.: - TIN No.: 893659992645 | - | - | Not involved in other organization | - |

c) The average cost of acquisition of equity shares by the directors certified by the auditors:

Subra Systems Ltd. has been allotted in face value & in cash & other than cash (Bonus) and the average cost of acquisition of equity by the directors is Tk. 10.00 each. Necessary particulars of shareholdings, allotment date and consideration are given below:

| Date | Allotment/ Transfer | Md. Shafiu Azam | Md. Shaifullah Khaled Shams | Bushra Chowdhury | Abdul Muhith | Ofia Khanam Chowdhury | Khandaker Reza-E-Raquib | Ramdas Howlader, LLB, FCA | Consideration | Face value of Share (Tk.) |
|--------------|------------------------|--------------------|--------------------------------|---------------------|------------------|-----------------------------|----------------------------|------------------------------|---------------|------------------------------|
| | | Chairman | Managing Director | Director | Director | Director | Independent Director | Independent Director | | |
| 25-Mar-08 | Allotment | 112,000 | - | 96,000 | - | - | - | - | Cash | 10.00 |
| 30-Nov-08 | Transfer | 96,000 | - | - | - | - | - | - | Cash | 10.00 |
| 3-Aug-14 | Transfer | 96,000 | - | - | - | - | - | - | Cash | 10.00 |
| 22-Mar-18 | Transfer | (144,000) | 40,000 | (56,000) | 80,000 | 40,000 | - | - | Cash | 10.00 |
| 26-Jan-19 | Allotment | 2,000,000 | 40,000 | 2,000,000 | - | - | - | - | Cash | 10.00 |
| 30-Mar-19 | Allotment | 2,160,000 | - | 2,040,000 | 80,000 | 40,000 | - | - | Bonus | 10.00 |
| 15-May-19 | Allotment | 1,000,000 | - | - | - | - | - | - | Cash | 10.00 |
| 5-Dec-19 | Transfer | (2,340,242) | 940,121 | (1,910,182) | 1,880,242 | 1,000,000 | - | - | Cash | 10.00 |
| 20-Mar-20 | Allotment | 5,959,516 | 2,040,242 | 4,339,636 | 4,080,484 | 2,160,000 | - | - | Bonus | 10.00 |
| 30-Jun-20 | Allotment | - | - | - | - | - | - | - | Cash | 10.00 |
| Total | | 8,939,274 | 3,060,363 | 6,509,454 | 6,120,726 | 3,240,000 | - | - | | |

The Company has changed the face value of its ordinary share from Tk. 100.00 to Tk. 10.00 by passing a special resolution in its extraordinary general meeting held on April 29, 2018 and necessary amendments in capital clause of the Memorandum and Articles of Association were made accordingly.

Place: Dhaka;
Date: April 15, 2021

Sd/-
AFM Alamgir, FCA
Chief Executive Partner
ARTISAN
Chartered Accountants

CHAPTER (XIV)

VALUATION REPORT OF SECURITIES PREPARED BY THE ISSUE MANAGER

The valuation report of securities offered is prepared and justified by the issue managers, Imperial Capital Limited and CAPM Advisory Limited on the basis of the financial and all other information pertinent to the Issue.

Qualitative and Quantitative factors for Valuation:

Qualitative Justification:

1. **12 years' experience:** Subra Systems Ltd. is working in the IT industry from 2008. It has 12 years' long experience and it is one of the largest software providers of the country.
2. **Expert data base management professionals:** Their professional team manages total database system in a way that allows them to reduce data redundancy, increase data integrity, and provide data security along with smooth data backup and recovery for their clients.
3. **In depth business process analysis skills:** they have the ability to analyze business processes of different industry and provide software suitable for their style of Business.
4. **National and international market network:** They have nationwide client base and also spreading their client base in foreign market.
5. **33 number of software modules which cover diversified area of business:** Their long range of diversified products can provide support to all type of industry namely Financial Institutions & Capital Market, Garments & Textiles, NGOs, Restaurant, Healthcare & Pharmaceutical, and Electronic Media.
6. **Very small Debt for the company:** They have very small amount of debt obligation.
7. **Experienced Management:** They have skilled and well experienced Board of Directors.
8. **Latest technology related programmer and skills:** Subra Systems Ltd. is managed by a team of highly skilled individuals. A strong, well-organized team is their key and they are fluent in the most sophisticated project methodologies.

Quantitative Justification:

The issue price at Tk. 10.00 each is justified as details below:

| Particulars | Amount (in Tk.) |
|--|-----------------|
| Method 1: Net Asset Value (NAV) per share/Equity based valuation | 15.61 |
| Method 2: Historical Earnings based valuation | 28.53 |
| Method 3: Average market price of similar stock based valuation | 36.83 |

Method 1: Share price on Net Asset Value (NAV)/Equity based valuation

| Sl. No. | Particulars | Amount (in Tk.) |
|--|-------------------|--------------------|
| a) | Share Capital | 500,000,000 |
| b) | Retained Earnings | 280,365,104 |
| Total Shareholders' Equity (A) | | 780,365,104 |
| Number of Share Outstanding as on December 31, 2020 (B) | | 50,000,000 |
| Net Asset Value per share (without revaluation reserve) as per Audit Report as on December 31, 2020 (A/B) | | 15.61 |

Method 2: Historical Earnings based value per share

Earnings based Value per share based on Overall Market P/E

| Year | No. of Share | Profit after Tax | Weight (%) | Weighted Average Net Profit after Tax |
|--|-------------------|--------------------|---------------|---------------------------------------|
| 30-Jun-16 | 400,000 | 49,760,381 | 0.0066 | 326,291 |
| 30-Jun-17 | 400,000 | 58,227,330 | 0.0066 | 381,811 |
| 30-Jun-18 | 400,000 | 63,888,900 | 0.0066 | 418,935 |
| 30-Jun-19 | 9,801,210 | 76,894,325 | 0.1607 | 12,354,795 |
| 30-Jun-20 | 50,000,000 | 84,086,234 | 0.8197 | 68,921,776 |
| Total | 61,001,210 | 332,857,171 | 1.0000 | 82,403,608 |
| Weighted Average Profit after Tax | | | | 82,403,608 |
| No. of shares outstanding before IPO | | | | 50,000,000 |
| Diluted EPS based on weighted Average of Net Profit after Tax | | | | 1.65 |
| Overall Market P/E (Considering Lesser P/E of 17.31 & 23.2 is 17.31) | | | | 17.31 |
| Earnings based Value per share | | | | 28.53 |

Calculation of Average Price Earnings of Market & Engineering Sector:

| Particulars | Dec-20 | Jan-21 | Feb-21 | Average |
|--------------------|--------|--------|--------|--------------|
| Overall Market P/E | 16.53 | 18.00 | 17.41 | 17.31 |
| IT Sector P/E | 25.06 | 22.44 | 22.09 | 23.20 |

Considering Lesser P/E of 17.31 & 23.2 is 17.31

Source: DSE Monthly Review.

Method 3: Average market price of similar stock based valuation

| Month end close price | | | | |
|--|-----------|----------------------------|----------------|-----------------------|
| Sl. | Date | aamra technologies limited | Intech Limited | Genex Infosys Limited |
| 1 | 25-Mar-20 | 23.00 | 19.60 | 54.70 |
| 2 | 31-May-20 | 23.00 | 19.60 | 54.70 |
| 3 | 30-Jun-20 | 23.00 | 19.60 | 54.70 |
| 4 | 30-Jul-20 | 25.40 | 19.60 | 58.20 |
| 5 | 31-Aug-20 | 25.20 | 22.40 | 58.90 |
| 6 | 30-Sep-20 | 26.30 | 31.30 | 62.30 |
| 7 | 29-Oct-20 | 25.90 | 38.70 | 62.80 |
| 8 | 30-Nov-20 | 25.70 | 34.00 | 60.10 |
| 9 | 30-Dec-20 | 26.40 | 36.60 | 55.00 |
| 10 | 31-Jan-21 | 25.20 | 32.80 | 54.70 |
| 11 | 28-Feb-21 | 25.10 | 33.00 | 54.70 |
| 12 | 31-Mar-21 | 24.70 | 34.10 | 54.70 |
| Average Price | | 24.91 | 28.44 | 57.13 |
| Average Price of these 3 (Three) Stocks | | | | 36.83 |

Source: DSE Monthly Review.

Average market price of similar stock based valuation (Assumption)

1. The average month end close price of the peer Company from March 2020 to March 2021 is considered.

Rationale for choosing these 3 Companies:

There are eleven companies listed in the IT Sector of capital market. Among the eleven companies SSL has taken three companies because SSL's services match to these three companies.

The management of the Company in consultation with the Issue Managers has set the issue price at Tk. 10.00 each at par value.

Sd/-

Md. Salauddin Sikder FCMA CEO &
Managing Director
Imperial Capital Limited

Sd/-

Tania Sharmin
Managing Director & CEO
CAPM Advisory Limited

CHAPTER (XV)

DEBT SECURITIES

- (a) The terms and conditions of any debt securities that the issuer company may have issued or is planning to issue within next six months, including their date of redemption or conversion, conversion or redemption features and sinking fund requirements, rate of interest payable, Yield to Maturity, encumbrance of any assets of the issuer against such securities and any other rights the holders of such securities may have:**

The Company has not issued or is planning to issue any debt security within six months.

- (b) All other material provisions giving or limiting the rights of holders of each class of debt securities outstanding or being offered, for example subordination provisions, limitations on the declaration of dividends, restrictions on the issuance of additional debt or maintenance of asset ratios:**

The Company has not issued any debt security.

- (c) Name of the trustee(s) designated by the indenture for each class of debt securities outstanding or being offered and describe the circumstances under which the trustee must act on behalf of the debt holders:**

The Company has not issued any debt security. So, there is no trustee for this issue.

- (d) Repayment or redemption or conversion status of such securities.**

The Company has not issued any debt security. So, there is no repayment or redemption or conversion status of such securities.

CHAPTER (XVI)

PARTIES INVOLVED AND THEIR RESPONSIBILITIES

| Major Parties Involved | | Responsibilities of the Parties |
|-------------------------------------|--|---|
| (a) Issue Manager(s) | (1) Imperial Capital Limited & (2) CAPM Advisory Limited. | The Issue Manager(s) is responsible to comply with all the requirements as per Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018 including preparation and disclosures made in the prospectus and other responsibilities as mentioned in the due diligence certificate. |
| (b) Underwriters | (1) IIDFC Capital Limited; (2) Islami Bank Capital Management Limited & (3) Uttara Finance Capital Management Limited. | The Underwriter(s) is responsible to underwrite the qualified investor offer on a firm- commitment basis as per requirement of (Qualified Investor Offer by Small Capital Companies) Rules, 2018. In case of under-subscription collectively by up to 50% in a qualified investor offer, the unsubscribed portion of securities shall be taken up by the underwriter(s). |
| (c) Auditors | ARTISAN Chartered Accountants | Auditors' responsibility is to express an opinion on the financial statements based on the audit. Auditors conducted the audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards required to comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. |
| (d) Cost and Management Accountants | N/A | |
| (e) Valuer | N/A | |

CHAPTER (XVII)

MATERIAL CONTRACTS

(a) Major agreements entered into by the Issuer:

The following are material agreements have been entered into by the Company:

1. Underwriting Agreements between the Company and the Underwriters;
 - i. IIDFC Capital Limited;
 - ii. Islami Bank Capital Management Limited &
 - iii. Uttara Finance Capital Management Limited.
2. Issue Management Agreement between the Company and;
 - i. Imperial Capital Limited &
 - ii. CAPM Advisory Limited.

(b) Material parts of the agreements:

| Contract | Material parts of the agreements | |
|---|----------------------------------|--|
| Underwriting agreements with (1) IIDFC Capital Limited; (2) Islami Bank Capital Management Limited & (3) Uttara Finance Capital Management Limited. | Signing Date: | With Alpha Capital Management Limited & IIDFC Capital Limited: 20 April, 2021 |
| | Tenure: | This Agreement shall be valid until completion of subscription of shares and unless this Agreement is extended or earlier terminated in accordance with the terms of this Agreement. |
| | Principal Terms and Condition: | <ol style="list-style-type: none">(i) The QIO shall stand cancelled if at least 50% of the QIO is not subscribed.(ii) In case of under subscription, underwriters shall take the under-subscribed securities up to 50% of the QIO.(iii) Notwithstanding anything contained in the agreement in case of inconsistency between the provision of the agreement and the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018, the Qualified Investor Offer Rules shall prevail.(iv) Prior to the sending of the Prospectus, the Company shall obtain a consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in Article 2.01 and provide for payment of initial underwriting commission not exceeding 0.25% on the amount underwritten.(v) The Issuer shall within 10 (Ten) days of the closure of subscription call upon the underwriter in writing with a copy of said writing to the Bangladesh Securities and Exchange Commission, to subscribe for the shares not subscribed by the closing date and to pay for in cash in full for such unsubscribed shares within 15 (Fifteen) days of the date of said notice and the said amount shall have to be credited into shares subscription account within the said period. |

| | | |
|--|--|---|
| | | <p>(vi) In any case within 7 (seven) days after the expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and payment by the Underwriters to the Commission.</p> <p>In the case of failure by the underwriter to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under this Agreement.</p> |
|--|--|---|

| Contract | Material parts of the agreements | |
|---|----------------------------------|---|
| <p>Issue Management Agreements with</p> <p>i. Imperial Capital Limited & ii. CAPM Advisory Limited</p> | Signing Date: | With Imperial Capital Limited and CAPM Advisory Limited: 01 April, 2021 |
| | Tenure: | This Agreement shall be valid until completion of subscription of shares and unless this Agreement is extended or earlier terminated in accordance with the terms of this Agreement |
| | Principal Terms and Condition: | <p>(i) According to Article 2.2; the scope of the services to be rendered by the ISSUE MANAGER to the ISSUER under this agreement shall cover Regulatory Compliance, Underwriting Co-operation and after consent tasks.</p> <p>(ii) According to Article 2.3; The ISSUE MANAGER takes the responsibility to take such steps as are necessary to ensure completion of allotment and dispatch of letters of allotment and refund warrants to the applicants according to the basis of allotment approved by the Bangladesh Securities and Exchange Commission. The ISSUER undertakes to bear all expenses relevant to share application processing, allotment, and dispatch of letters of allotment and refund warrant. The ISSUER shall also bear all expenses related to printing and issuance of share certificate and connected govt. stamps and hologram expenses.</p> <p>(iii) According to Article 3.1; without prejudice ISSUER hereby declares that it agrees to comply with all statutory formalities under Companies Act, Guidelines issued by Bangladesh Securities and Exchange Commission and other relevant status to enable it to make the issue.</p> <p>(iv) According to Article 6.1; The ISSUE MANAGER hereby undertake to keep in strict compliance all information (whether written or oral) proprietary documents and data secured in connection with or as a result of this Agreement (Confidential Information) and shall limit the availability of such information to employees, who have a need to see and use it for the express and limited purpose stated in this Agreement.</p> <p>(v) According to Article 8.1; The Issuer and ISSUE MANAGER shall ensure compliance of the</p> |

| | | |
|--|--|---|
| | | Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018, The Listing Regulations of Stock Exchanges, The Companies Act, 1994, the Securities and Exchange (Amendment) Act, 2012 and other relevant rules, regulations, practices, directives, guidelines etc. |
|--|--|---|

(c) Fees payable to different parties

Commission for underwriters:

| Sl. | Name of the Parties | Role | Underwritten Amount | Underwriting Commission | Fees Payable |
|-------|---|-------------|---------------------|-------------------------|---|
| 1 | IIDFC Capital Limited | Underwriter | 30,000,000 | 75,000 | 0.25% on 50% of the Total QIO amount (i.e., Tk. 150,000.00) |
| 2 | Islami Bank Capital Management Limited | | 20,000,000 | 50,000 | |
| | Uttara Finance Capital Management Limited | | 10,000,000 | 25,000 | |
| Total | | | 60,000,000 | 150,000 | |

Fees for Issue Manager:

| Sl. | Name of the Parties | Role | Issue Management Fee | Fees Payable |
|-------|--------------------------|---------------|----------------------|------------------------|
| 1 | Imperial Capital Limited | Issue Manager | 150,000 | Maximum Tk. 300,000.00 |
| 2 | CAPM Advisory Limited | | 150,000 | |
| Total | | | 300,000 | |

CHAPTER (XVIII)

OUTSTANDING LITIGATIONS, FINE OR PENALTY

(a) **The following outstanding litigations against the issuer or any of its directors and fine or penalty imposed by any authority:**

The issuer or any of its directors was not involved in any of the following type of legal proceedings mentioned below;

- (i) **Litigation involving Civil Laws:** No cases filed against the company or any of its directors.
- (ii) **Litigation involving Criminal Laws:** No cases filed against the company or any of its directors.
- (iii) **Litigation involving Securities, Finance and Economic Laws:** No cases filed against the company or any of its directors.
- (iv) **Litigation involving Labor Laws:** No cases filed against the company or any of its directors.
- (v) **Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes or duties):** No cases filed against the company or any of its directors except penalty for late submission of income tax return:

| Accounting year | Assessment Year | Assessment Status |
|-----------------|-----------------|--|
| 30-Jun-16 | 2016-2017 | The Company's (Taxes Circle-45 (Companies), Taxes Zone-3, Dhaka) income tax assessment has been completed for the assessment year 2016-2017 and tax paid on full on 05.12.2018 with penalty of tk. 5,000 for delay. |
| 30-Jun-17 | 2017-2018 | As per certificate given by DCT dated 06.01.19 of Taxes Circle-24 (Companies), Taxes Zone-2, Dhaka, the Company's income tax assessment has been completed for the assessment year 2017-2018 and tax paid in full with penalty of tk. 5,000 for delay. |

(b) **Outstanding cases filed by the Company or any of its directors:**

There are no cases including outstanding case filed by the issuer or any of its directors to any of the following types of legal proceedings mentioned below;

- (i) **Litigation involving Civil Laws:** No cases filed by the company or any of its directors.
- (ii) **Litigation involving Criminal Laws:** No cases filed by the company or any of its directors.
- (iii) **Litigation involving Securities, Finance and Economic Laws:** No cases filed by the company or any of its directors.
- (iv) **Litigation involving Labor Laws:** No cases filed by the company or any of its directors.
- (v) **Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes or duties):** No cases filed by the company or any of its directors.
- (vi) **Litigation involving any other Laws:** No cases filed by the company or any of its directors.

CHAPTER (XIX)

RISK FACTORS AND MANAGEMENT'S PERCEPTIONS ABOUT THE RISKS

(i) Internal risk factors may include, among others:

- a) **Credit Risk:** This is the risk of default on a debt that may arise because of default by the borrower to pay the loan. In operating any business there is always credit risk lies in the business. As there is always lending and borrowing between parties in the form of money and goods.

Management Perception: Credit Risk mainly lies with Financial Institutions. Subra Systems Ltd. is involved in providing a comprehensive integrated business software solution, ERP and other customize software according to different customer need and connected with web page & data transmit to different clients. Hence, there is no such credit risk. As for credit sales, company tries to ensure credit policy so that operating cycle can be efficient.

- b) **Liquidity Risk:** The risk that a company may be unable to meet short term financial demands. This usually occurs due to the inability to convert its current assets to cash without a loss of capital or income. Liquidity is a common phenomenon of the business.

Management Perception: Finance is an arts and science of managing fund so that it can manage working capital in efficient way. Subra Systems Ltd. is also doing its level best to manage working capital management in efficient way to maintain liquidity risk. Management is dealing with accounts payable, inventory and accounts receivable efficiently.

- c) **Risk associated with the issuer's interest in subsidiaries, joint ventures and associates:** If the subsidiaries make loss, it affects parent company's balance sheet. In case of associate, there is chance of decline value of investment in associate company. As for joint venture, a joint venture (JV) is a business arrangement in which two or more parties agree to pool their resources for the purpose of accomplishing a specific task. This task can be a new project or any other business activity. In a joint venture (JV), each of the participants is responsible for profits, losses and costs associated with it.

Management Perception: Subra Systems Ltd has subsidiary named Subra Technology Ltd. (SSL) that was incorporated on 23rd June 2019. Management is very much aware about this and trying to make Subra Technology as profitable entity. SSL has no Joint venture or associate.

- d) **Significant revenue generated from limited number of customers, losing any one or more of which would have a material adverse effect on the issuer:** There is risk involved in having limited number of customer and losing of that particular customer has negative impact on company's sales and cash flow as well.

Management Perception: The Company is always keen to find out new buyers which boost up the sales. We are not dependent on any particular or limited number of customers to operate our business. In addition, the management of SSL has long-standing business relationship with the customers, which will also safeguard any risk of nonoperation

- e) **Dependency on a single or few suppliers of raw materials, failure of which may affect production adversely:** There is also risk involved in having limited number of suppliers as well. Single or few suppliers may exploit the company by price hike, untimely delivery and low quality of product.

Management Perception: The Company mostly produce software that is developed in-house. So there is no possibility of disruption regarding dependency on a single or few suppliers of raw materials, failure of which may affect production adversely.

- f) **More than 20% revenue of the issuer comes from sister concern or associate or subsidiary:** Having 20% revenue generation from sister concern or associate or subsidiary makes issuer dependent on others companies. Hence, there is dependency risk.

Management Perception: Our Company doesn't generate 20% or more revenue from any of its sister concerns or associate or subsidiary.

- g) **Negative earnings, negative cash flows from operating activities, declining turnover or profitability, during last five years, if any:** Negative earning and negative operating cash flow is risk the going concern risk for the entity.

Management Perception: We have been operating our business efficiently. The company doesn't have any negative earnings, negative cash flows from operating activities, declining profitability, over the last five years.

- h) **Loss making associate/subsidiary/group companies of the issuer:** When associate/subsidiary/group companies of the issuer are loss making, it affects the issuer and there is negative impact on cash flow of issuer and Balance Sheet as well.

Management Perception: We have subsidiary named Subra Technology Ltd. that was incorporated on 23rd June 2019. Currently Subra Technology is not making profit as it is a new business entity. Management is very much aware about this and trying to make Subra Technology a profitable entity. We do not have any joint ventures and associates.

- i) **Financial weakness and poor performance of the issuer or any of its subsidiary or associates:** Financial weakness and poor performance of the issuer have negative impact on the company. As a result it will be tough to pay loan interest, debt service and dividend. Future growth will be hampered.

Management Perception: Sales is one of the key indicators of success of a business if there is good margin of profit. Subra Systems Ltd. has been generating stable sales growth. The subsidiary has been incorporated in 2019 and it is not profit making entity as of now. Management believe that the subsidiary will be in good shape in near future.

- j) **Decline in value of any investment:** If investment value decline, it will reduce the profit and assets as well.

Management Perception: Subra Systems Ltd. does not have any investment.

- k) **Risk associated with useful economic life of plant and machinery, if purchased in second hand or reconditioned:** There is obsolescence risk relating to plant and machinery. If the machinery is purchased in second hand or reconditioned, there high risk of repair and maintenance which has impact on profitability of the company.

Management Perception: The machineries that are used for Subra Systems Ltd. are branded machineries for overall operation.

- l) **Adverse effect on future cash flow if interest free loan given to related party or such loans taken from directors may recall:** It is loan given and taken from related party and directors as well. If company gives such loan without interest to related party, there is interest burden for the company if the money was taken as loan. On the other hand, if such loans are taken from directors, it will have an impact on the cash flow to pay off the loan to the Directors.

Management Perception: No unsettled receipt and payment in case of related party transaction. No director was given to or taken from a loan from the Company. So no risk shall arise or possibilities to arise in the future.

- m) **Potential conflict of interest, if the sponsors or directors of the issuer are involved with one or more ventures which are in the same line of activity or business as that of the issuer and if any supplier of raw materials or major customer is related to the same sponsors or directors:** In these cases there is high chance of compromise among the related companies because of conflict of Interest.

Management Perception: There is no potential conflict of interest as no sponsors or directors are involved in same line activity.

- n) **Related party transactions entered into by the company those may adversely affect competitive edge:** Related party transaction of the issuer creates conflict of interest which reduces the competitive advantage of the issuer.

Management Perception: There is no related party transaction, which may adversely affect competitive edge.

- o) **Any restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement for debt or preference shares or any restrictive covenants of banks in respect of the loan/ credit limit and other banking facilities:** All information must be known to the potential investor so that investor's interest may not be hampered in future. So, any restrictive covenants, if it goes against potential investors, will make investors in jeopardy.

Management Perception: There are no restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement relating to debt or preference shares or any restrictive covenants of Banks in respect of loan or credit limit and other banking facilities.

- p) **Business operations may be adversely affected by strikes, work stoppages or increase in wage demands by employees:** In such case, company's business operation will be hampered.

Management Perception: Different kind of strikes are not new in Bangladesh for long time and our business industries are used to dealing with this phenomenon. In relation to wages, we have different incentive packages for our employees so that they can be beneficial to such package. Because we believe that employees are very important part of the business.

- q) **Seasonality of the business of the issuer:** It is the risk involving that company is not doing business round the year.

Management Perception: SSL is engaged in the business of software and IT enabled services which has no seasonal effect.

- r) **Expiry of any revenue generating contract that may adversely affect the business:** This

is the risk of losing customers affecting future sales.

Management Perception: *Contracts are entered into for generation of revenue and contracts do expire at some point of time. It is the job of the management to see that the expiries of contracts are evenly spread over the year(s). It's a continuous process. Our keen management always look for spaces and replaces contracts not only to manage risk but also to enhance revenue.*

- s) **Excessive dependence on debt financing which may adversely affect the cash flow:** Excessive dependence on debt causes huge interest burden of the company and high risk of insolvency that may result in bankruptcy.

Management Perception: *Company is not dependent on any excessive debt financing and it is almost debt free company. .*

- t) **Excessive dependence on any key management personnel absence of whom may have adverse effect on the issuer's business performance:** Excessive dependence on key management affects the business if the management is changed in future, which will create vacuum. Besides, if the key management personnel are of bad intention, excessive dependence will also affect the business.

Management Perception: *The organizational structure is well organized in such a way that if any key management person leaves the company, there will not have impact on Company's overall performance as other team members of his nearest position capable of taking the responsibility.*

- u) **Enforcement of contingent liabilities which may adversely affect financial condition:** It is the future burden of liabilities that the investors will take on their shoulders. Contingent liabilities reduced the assets or create obligation to pay the liabilities.

Management Perception: *We do not have any contingent liabilities which may adversely affect financial condition.*

- v) **Insurance coverage not adequately protect against certain risks of damages:** Insurance ensures and protects to deal with uncertainty of future material loss/damage. So, insurance coverage is important for the business.

Management Perception: *The Company has fire insurance coverage for its valuable assets to provide adequate protection.*

- w) **Absence of assurance that directors will continue its engagement with Company after expiry of lock in period:** Directors run the company with the accumulated finance from public and other financing source. If directors discontinue running the business, there will be negative impact on business and share price as well.

Management Perception: *Our directors are involved in the business for long time and they will continue the business after expiry of lock in period.*

- x) **Ability to pay any dividends in future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure:** Dividend payment is highly dependent on company's ability to generate profit. If company cannot earn good amount of profit from operation, it is unlikely to pay dividend.

Management Perception: *The Company has been earning profit and a profitable entity. We are in belief that we will be able to pay dividend from our profit.*

- y) **History of non-operation, if any and short operational history of the issuer and lack of adequate background and experience of the sponsors:** If there is any non-operation of the company, it creates negative impression. Apart from this, short operation history indicates company is gathering knowledge and expertise to be competitive in the market.

Management Perception: *There was no non-operation history of the company. The company has employed experienced people to run the business under good leadership in the board.*

- z) **Risks related to engagement in new type of business, if any:** If it is new business, there is risk of viability of the new business.

Management Perception: *There is no as such risk as we are not engaged in any new type of business.*

- aa) **Risk in investing the securities being offered with comparison to other available investment options:** If the issue price goes down after floating, there is investment risk for the potential investors.

Management Perception: *Subra Systems Ltd. is a profitable entity and business growth will continue in the long run. There is presence of certain degree of risk associated with investing in the securities in the capital market. The potential investors are requested to carefully read the prospectus and understand the business potential of the company before make investment decision.*

- bb) **Any penalty or action taken by any regulatory authorities for non-compliance with provisions of any law:** *It creates a negative impression on the issuer.*

Management Perception: *There were no such penalties or action taken by any regulatory authorities for non-compliance with provisions of any law except the penalty given under cc).*

- cc) **Litigations against the issuer for Tax and VAT related matters and other government claims, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case:** *It creates a negative impression on the issuer.*

Management Perception: *No, we did not have any litigation relating to VAT or other government claims against of our Company.*

Litigation against the Company for Income Tax:

| Accounting year | Assessment Year | Assessment Status |
|-----------------|-----------------|--|
| 30-Jun-16 | 2016-2017 | The Company's (Taxes Circle-45 (Companies), Taxes Zone-3, Dhaka) income tax assessment has been completed for the assessment year 2016-2017 and tax paid on full on 05.12.2018 with penalty of tk. 5,000 for delay. |
| 30-Jun-17 | 2017-2018 | As per certificate given by DCT dated 06.01.19 of Taxes Circle-24 (Companies), Taxes Zone-2, Dhaka, the Company's income tax assessment has been completed for the assessment year 2017-2018 and tax paid in full with penalty of tk. 5,000 for delay. |

- dd) **Registered office or factory building or place of operation is not owned by the issuer:** Factory building should be owned by the company. Otherwise, there is risk of hike in factory rent in the years to come and threat of shifting the factory as well.

Management Perception: The Company does not require any factory because of its nature of the business. The registered office and corporate office is at Kawran Bazar and it is rented.

- ee) **Lack of renewal of existing regulatory permissions/ licenses:** In this case company is not following the law to renew its all licenses.

Management Perception: There is no such issue relating to lack of existing regulatory permissions/ licenses.

- ff) **Failure in holding AGM or declaring dividend or payment of interest by any listed securities of the issuer or any of its subsidiaries or associates:** Failure in holding AGM or declaring dividend indicates the lack of compliance to the regulatory rules. Failure of payment of interest indicate the poor cash generation to the company to pay interest and debt service. The overall impression will be negative for the company.

Management Perception: There is no incident of failure in holding AGM or declaring dividend or payment of interest by the issuers.

- gg) **Issuances of securities at lower than the QIO offer price within one year:** The management ultimate goal is to maximize the wealth of the company. If share price goes up, it maximizes wealth of the company. On the other hand, if share price goes down, it minimizes the wealth of the company.

Management Perception: Subra Systems Ltd. has not issued securities at lower than QIO offer price within one year.

- hh) **Refusal of application for qualified investor offer of any securities of the issuer or any of its subsidiaries or associates at any time by the Commission:** If any refusal happened in the above cases, it will create negative impression to the issuer.

Management Perception: Such cases did not happen for our company or for our subsidiaries.

(ii) External risk factors may include among others:

- a) **Interest Rate Risks:** When interest rate fluctuates, it causes interest risk. Companies who have debt financing are exposed to this risk highly.

Management Perception: The Management of the Company is always aware of the interest rate. If the interest rate increases the cost of the credit fund will increase. Subra Systems Ltd. has always been a cash-rich company and operates with low dependence on debt. Moreover, the company is confident of meeting its need for future expenses from its internal sources. In addition, the company emphasizes on equity-based financing to reduce the dependence on bank borrowings. Therefore, the management perceives that the fluctuation of interest rate would have little impact on the performance of the company.

- b) **Exchange Rate Risks:** Foreign exchange risk or currency risk is a financial risk that exists when a financial transaction is denominated in a currency other than that of the base currency of the company. This risk arises when investment's value changed due to the changes in currency exchange rates.

Management Perception: Our foreign currency reserve has been increasing over the years and at present Taka has been strengthened against Dollar. In order to make stable foreign currency rate, Bangladesh Bank always in effort to cool the foreign exchange rate so that garments and textile industries are not affected by foreign exchanges risk. As a result, all industries, who are exposed to foreign currency risk, are in stable position. Apart from that, Management is will be in effort to neutral the foreign currency risk through forward contracts if it is justifiable after analyzing cost-benefit analysis.

- c) **Industry Risks:** Industry risk is related with the factors affecting the company such as Raw Material, labor, demand of the product, government policy to the sector, competitor's rivalry.

Management Perception: Subra Systems Ltd. is aware of the above fact. Industry risk is inherent in any kind of business. At the moment industry is favoring for operating business. Globally the demand for IT products/solutions is increasing significantly and the trend is experiencing double digit growth over the last decade. With businesses looking for IT solutions to increase efficiency and decrease operational expenditure, the industry is still at its nascent stage in meeting expectations and current demands. It is a similar case in Bangladesh, and learning from global best practices as well as avoiding industry mistakes made especially by our neighboring countries, the IT industry in Bangladesh is actually leapfrogging with meeting local demands and creating new opportunities for export of its services. Additionally, with Bangladesh becoming a middle-income nation, it is expected that more global brands and multinational companies will soon start their operations in Bangladesh thus increasing the demand and customer portfolio for Subra Systems Ltd.

- d) **Economic and Political risks:** This risk can be described as the likelihood that an investment will be affected by macroeconomic conditions such as government regulation, exchange rates, or political stability. In other words, while financing a project, the risk that the output of the project will not produce adequate revenues for covering operating costs and repaying the debt obligations. In a nutshell, economic risk refers to the risk that a venture will be economically unsustainable due to various reasons.

Management Perception: Bangladesh economy is enjoying 7% plus economic growth though it was hampered in fiscal year 2019-20 due to covid-19. Earlier, our expected economic growth by the government is over 8%. As a result, huge development work is underway by the government. Hence, huge expensive infrastructure has been under construction that will create employment and per capita income is going up as well. As economy is expanding, so is our business viability and profitability.

Political risks: Bangladesh experienced with political unrest for over the years. Political instability hampers the smooth operation of business.

Management Perception: Nowadays calm and serene atmosphere is prevailing in our country. There is no political chaos as was at the beginning of 2014. Government is industry friendly and trying to its level best to boost up economic activities in the country.

- e) **Market and Technology-related Risks;**

Market risks: Subra Systems Ltd. is operating in a free market economy regime. The company might have to face stiff competition from its competitors.

Management perception: Market risk is dealt with efficiently by the experienced management.

Technology-related risks: Technology always plays a vital role for each and every type of business. Innovation of new and cost effective technology can increase productivity and reduce costs of production. On the other hand, obsolete technology may have a negative impact on the business.

Management perception: As a IT Company, we have to keep pace with the latest technological advancement. Management is aware of recent technological developments in the IT sector and keeps their employees up to date by providing necessary training.

- f) **Potential or existing government regulations:** Potential or existing Govt. regulations may hamper the smooth operation of the industry.

Management perception: We are enjoying good atmosphere in operating our business. Government regulations are favorable for the company. Unless any policy change that may negatively and materially affect the industry as a whole, the business of the Company is expected not to be affected significantly. The Software industry in Bangladesh is a sector with considerable local and International demand. Therefore, it is highly unlikely that the Government will initiate any fiscal measure having an adverse effect on the growth of the industry.

- g) **Potential or existing changes in global or national policies:** Policies from government has a positive or negative impact on any company along with existing changes in globally.

Management perception: Nowadays global and national policies do not change without prior notice. For potential changes in policies, local and global leaders consider different issues including industries opinion. We are optimistic that if any policies change unpredictably, we can improvise with new policies without hampering our smooth operation. Moreover, the management of is always concerned about the prevailing and unforeseen future changes in the global or national policy and equipped them to respond appropriately and timely to safeguard its interest. Due to the strong equity of the company in the local market and with long and profound track experience, the Company will always endeavor to withstand the unexpected changes or any such potential threats.

- h) **Statutory clearances and approvals those are yet to be received by the issuer:** Statutory clearance and approval is imperative for any business to start off. There are many statutory clearances and approvals need from the regulatory authority in order to be monitored, controlled and guided.

Management Perception: Subra Systems Ltd. has been running its business for long time. The company has collected all the statutory clearance to operate the business. Hence, there are no as such risks for the Company.

- i) **Competitive condition of the business:** Subra Systems Ltd. is operating in a free market economy. The company has to face stiff competition from its competitors.

Management Perception: Bangladesh is the key source of economic labor in the world, gaining proportional advantages for its industries over their global competitors. Other overhead costs are also low in Bangladesh. As a result, the company has been able to maintain its cost of products most competitive. Moreover, over the last few

years the company has built a trustworthy relationship with its customers, which helps the company avoid competition with others.

- j) **Complementary and supplementary products/services which may have an impact on business of the issuer:** Complementary goods or services that are used in conjunction with another goods or services. Usually, the complementary goods have no value when consumed alone, but when combined with another good or service, it adds to the overall value of the offering. Supplementary goods are two goods that are used together. For example, if we have a car, we also need petrol to run the car. Supplementary goods have a negative cross elasticity of demand. For instance, when price of petrol goes up, demand for petrol and cars goes down.

Management Perception: The Company has not faced any challenges relating to supplementary and complementary products and Management are concerned with the issue. In future, if necessary, management may diversify the product to be competitive over the competitors.

CHAPTER (XX)

DESCRIPTION OF THE ISSUE

(a) Issue Size: Taka 120,000,000.00

(b) Number of securities to be issued;

The Company will offer 12,000,000 Ordinary Shares to Qualified Investor (EI).

(c) Authorized capital and paid-up capital;

| Particular | Amount in Tk. |
|---|-----------------------|
| Authorized Capital 100,000,000 Ordinary Share of Tk.10.00 each | 1,000,000,000.00 |
| Issued, Subscribed and Paid up Capital Before QIO 5,000,000 Ordinary Shares of Taka 10.00 each | 500,000,000.00 |
| Qualified Investor Offer through Fixed Price Method 12,000,000 Ordinary Shares of Taka 10.00 each | 120,000,000.00 |
| Post QIO Paid up Capital | 620,000,000.00 |

(d) Face value, premium and offer price per unit of securities;

| | |
|-----------------------|----------------|
| Face value per Share | Tk. 10.00 each |
| Premium | - |
| Offer Price per Share | Tk. 10.00 each |

(e) Holding structure of different classes of securities before and after the issue;

| Sl. No. | Category of Shareholders | No. of Ordinary Shares Hold | | Percentage of Holding | |
|--------------|-------------------------------|-----------------------------|-------------------|-----------------------|----------------|
| | | Pre-QIO | Post-QIO | Pre-QIO | Post-QIO |
| 1 | Director & Sponsor | 27,869,817 | 27,869,817 | 55.74% | 44.95% |
| 2 | Other than Director & Sponsor | 22,130,183 | 22,130,183 | 44.26% | 35.69% |
| 3 | Qualified Investor (QI) | - | 12,000,000 | 0.00% | 19.35% |
| Total | | 50,000,000 | 62,000,000 | 100.00% | 100.00% |

(f) Objective of the issue including financing requirements and feasibility in respect of enhanced paid-up capital.

Proceeds from Qualified Investor Offer (QIO) will be used for working capital.

| Sl. | Particulars | Amount in Tk. |
|--------------|-----------------|--------------------|
| 1 | Working Capital | 117,457,000 |
| 2 | QIO Expenses | 2,543,000 |
| Total | | 120,000,000 |

Feasibility report is not required by us since we are not going to introduce new project.

CHAPTER (XXI)

USE OF PROCEEDS

(a) Use of net proceeds of the offer indicating the amount to be used for each purpose with head-wise break-up;

Sources of Fund:

| Particulars | Amount in BDT |
|---|--------------------|
| Number of Shares issue under Qualified Investor Offer (QIO) | 12,000,000 |
| Issue price-at par | 10 |
| Total Amount | 120,000,000 |

Proceeds from Qualified Investor Offer (QIO) will be used for working capital and for QIO Expenses.

| Sl. | Particulars | Amount in Tk. |
|-----|---|--------------------|
| 1 | Working capital | 117,457,000 |
| 2 | QIO Expenses (Detailed breakdown of QIO expenses in page number 57) | 2,543,000 |
| | Total | 120,000,000 |

(b) Where the sponsors' contribution or privately placed fund has been brought prior to the qualified investor offer and has already been deployed by the issuer, indication of use of such funds in the cash flow statement;

Tk. 4,000,000 (Forty Lac), Tk. 40,006,000 (Four Crore Six Thousand), Tk. 44,006,000.00 (Four Crore Forty Lac Six Thousand), Tk. 10,000,100.00 (One Crore One Hundred), Tk. 196,024,200.00 (Nineteen Crore Sixty Lac Twenty Four Thousand Two Hundred) and Tk. 205,963,700.00 (Twenty Crore Fifty Nine Lac Sixty Three Thousand Seven Hundred) totaling Tk. 500,000,000.00 (Fifty Crore) has been raised prior to the qualified investor offer on dated 25-Mar-2008, 26-Jan-2019, 30-Mar-2019, 15-May-2019, 20-Mar-2020 and 20-Jun-2020 respectively. This fund has already deployed by the issuer in the following manner:

| Financial Year | Items | Amount | Reflected in Cash Flows |
|--------------------------|-------------------------|------------------|--|
| 25-03-2008 to 31-12-2008 | Fixed Assets | 2,728,690 | In the Statement of Cash flows, the figure is included as cash paid to purchase property, plant and equipment under the head of Investing Activities |
| | Intellectual Properties | 289,614 | In the Statement of Cash flows, the figure is included under the head of Investing Activities |
| | Revenue Expenditure | 917,780 | In the statement of Cash Flows, this figure is included as cash paid to employees and operating expenses in the head of Operating Activities. |
| 01-01-2009 to 31-12-2009 | Revenue Expenditure | 63,916 | In the statement of Cash Flows, this figure is included as cash paid to employees and operating expenses in the head of Operating Activities. |
| | Sub-Total | 4,000,000 | |
| 2015-2016 | Computer & Peripherals | 65,450 | In the Statement of Cash flows, the figure is included as cash paid to purchase property, plant and equipment under the head of Investing Activities |
| | Intellectual Properties | 12,309,321 | In the Statement of Cash flows, the figure is included under the head of Investing Activities |
| | Advance Against Land | 10,500,000 | In the Statement of Cash flows, the figure is included under the head of Investing Activities |
| | Working Capital | 19,007,880 | In the statement of Cash Flows, this figure is included as cash paid to employees and others |

| | | | |
|-----------|-------------------------|-------------------|--|
| | | | under the head of Operating Activities |
| | Sub-Total | 41,882,651 | |
| 2016-2017 | Furniture & Fixture | 596,700 | In the Statement of Cash flows, the figure is included as cash paid to purchase property, plant and equipment under the head of Investing Activities |
| | Air conditioner | 255,000 | In the Statement of Cash flows, the figure is included as cash paid to purchase property, plant and equipment under the head of Investing Activities |
| | Computer & Peripherals | 900,000 | In the Statement of Cash flows, the figure is included as cash paid to purchase property, plant and equipment under the head of Investing Activities |
| | Electric Items | 46,890 | In the Statement of Cash flows, the figure is included as cash paid to purchase property, plant and equipment under the head of Investing Activities |
| | Server Equipment | 550,000 | In the Statement of Cash flows, the figure is included as cash paid to purchase property, plant and equipment under the head of Investing Activities |
| | Advance Against Land | 4,300,000 | In the Statement of Cash flows, the figure is included under the head of Investing Activities |
| | Intellectual Properties | 15,479,243 | In the Statement of Cash flows, the figure is included under the head of Investing Activities |
| | Working Capital | 22,268,835 | In the statement of Cash Flows, this figure is included as cash paid to employees and others under the head of Operating Activities |
| | Sub-Total | 44,396,668 | |
| 2017-2018 | Furniture & Fixture | 380,820 | In the Statement of Cash flows, the figure is included as cash paid to purchase property, plant and equipment under the head of Investing Activities |
| | Air conditioner | 242,000 | In the Statement of Cash flows, the figure is included as cash paid to purchase property, plant and equipment under the head of Investing Activities |
| | Computer & Peripherals | 1,369,500 | In the Statement of Cash flows, the figure is included as cash paid to purchase property, plant and equipment under the head of Investing Activities |
| | Electric Items | 750,255 | In the Statement of Cash flows, the figure is included as cash paid to purchase property, plant and equipment under the head of Investing Activities |
| | Server Equipment | 3,200,000 | In the Statement of Cash flows, the figure is included as cash paid to purchase property, plant and equipment under the head of Investing Activities |
| | Office Decoration | 69,560 | In the Statement of Cash flows, the figure is included as cash paid to purchase property, plant and equipment under the head of Investing Activities |
| | Advance Against Land | 38,587,700 | In the Statement of Cash flows, the figure is included under the head of Investing Activities |
| | Intellectual Properties | 44,296,666 | In the Statement of Cash flows, the figure is included under the head of Investing Activities |

| | | | |
|--------------------------|--------------------------------|--------------------|--|
| | Land Development | 34,854,380 | In the Statement of Cash flows, the figure is included under the head of Investing Activities |
| | Office Space | 30,000,000 | In the Statement of Cash flows, the figure is included under the head of Investing Activities |
| | Sub-Total | 153,750,881 | |
| 2018-2019 | Land & Land Development | 22,470,000 | In the Statement of Cash flows, the figure is included as cash paid to purchase property, plant and equipment under the head of Investing Activities |
| | Intellectual Properties | 23,897,110 | In the Statement of Cash flows, the figure is included as cash paid to Intellectual Properties under the head of Investing Activities |
| | Intellectual Properties - CWIP | 36,638,993 | In the Statement of Cash flows, the figure is included under the head of Investing Activities |
| | Office Space | 53,800,000 | In the Statement of Cash flows, the figure is included under the head of Investing Activities |
| | Sub-Total | 136,806,103 | |
| 2019-2020 | Land and Land Development | 18,150,078 | In the Statement of Cash flows, the figure is included as cash paid to purchase property, plant and equipment under the head of Investing Activities |
| | Server Equipment | 2,000,000 | In the Statement of Cash flows, the figure is included as cash paid to purchase property, plant and equipment under the head of Investing Activities |
| | Office Space | 52,000,000 | In the Statement of Cash flows, the figure is included under the head of Investing Activities |
| | Air Conditioner | 1,025,000 | In the Statement of Cash flows, the figure is included as cash paid to purchase property, plant and equipment under the head of Investing Activities |
| | R & D Project | 4,028,000 | In the Statement of Cash flows, the figure is included as cash paid to purchase property, plant and equipment under the head of Investing Activities |
| | Computer & Peripherals | 2,000,000 | In the Statement of Cash flows, the figure is included as cash paid to purchase property, plant and equipment under the head of Investing Activities |
| | Sub-Total | 79,203,078 | |
| 01-07-2020 to 31-12-2020 | Computer & Peripherals | 5,025,000 | In the Statement of Cash flows, the figure is included as cash paid to purchase property, plant and equipment under the head of Investing Activities |
| | Office Space | 10,000,000 | In the Statement of Cash flows, the figure is included under the head of Investing Activities |
| | Intellectual Properties | 19,375,000 | In the Statement of Cash flows, the figure is included as cash paid to Intellectual Properties under the head of Investing Activities |
| | Server Equipment | 5,533,697 | In the Statement of Cash flows, the figure is included as cash paid to purchase property, plant and equipment under the head of Investing Activities |
| | Cash and Cash Equivalent | 26,922 | In the Statement of Cash flows, the figure is included under the head of Cash and Cash Equivalents at the end of the year. |
| | Sub-Total | 39,960,619 | |
| | Grand- Total | 500,000,000 | |

- (c) If one of the objects is an investment in a joint venture, a subsidiary, an associate or any acquisition, details of the form of investment, nature of benefit expected to accrue to the issuer as a result of the investment, brief description of business and financials of such venture;

The Company has no objects to investment in such type of ventures by using Use of QIO proceeds.

- (d) If QIO proceeds are not sufficient to complete the project, then source of additional fund must be mentioned. In this connection, copies of contract to meet the additional funds are required to be submitted to the Commission. The means and source of financing, including details of bridge loan or other financial arrangement, which may be repaid from the proceeds of the issue along with utilization of such funds;

QIO proceeds are sufficient to complete the project.

- (e) A schedule mentioning the stages of implementation and utilization of funds received through qualified investors' offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer;

| Sl. No. | Projects | Progress made so Far | Approximate date of Completion of the projects | Projected date of full commercial operation |
|---------|-----------------|-----------------------------|--|---|
| 1 | Working Capital | After receiving of QIO fund | - | - |

Sd/-
Md. Shaifullah Khaled Shams
Managing Director

Sd/-
Md. Robiul Islam
Chief Financial Officer

Sd/-
Md. Shafiul Azam
Chairman,

On behalf of Board

Date: April 21, 2021

- (f) If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of the contracts shall be enclosed as annexure to the prospectus;

There is no such contract yet to be engaged by the Company.

- (g) If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long term investments and an item-wise break-up of last three years working capital and next two years projection;

The basis of estimation for working capital is Percentage/days/month of Sales Method. The assumptions regarding working capital is that sales will be increasing over time. In line with increased sales, account receivables, Intellectual Properties and overhead will increase. Subra Systems Ltd. is a growing company. The company has a plan to expand its business through capital expenditure from its own source and it will require more working capital to support the smooth business operation.

Subra Systems Ltd. does regular business and it is not a seasonal business. The company requires to maintain a significant amount of Intellectual Properties (CWIP), Salary allowances and receivable as well. As a result, the company needs to maintain a significant amount of working capital to run the business. In this regard, Management has decided to use QIO proceeds amounting to **Tk. 11.75 crore** for working capital.

The assumptions for these projections are as follows:

- Service Capacity will be increased as intellectual property will be introduced.
- Revenue will be increased for increasing demand and increased service capacity
- Accounts Receivable will increase in line with sales.
- Liabilities for expenses will increase in line with sales.

Basis of estimations of working capital for the next three years:

| Particulars | Years | | |
|--|---|---|---|
| | 30-Jun-23 | 30-Jun-22 | 30-Jun-21 |
| Revenue will be increase | 31.50% | 30.87% | 26.55% |
| Revenue (amount in Tk.) | 372,320,208 | 283,133,074 | 216,346,813 |
| Direct Costs (amount in Tk.) | 143,123,263 | 102,962,569 | 73,602,592 |
| Accounts Receivable | Equivalent to 5.88 months sales revenue | Equivalent to 5.85 months sales revenue | Equivalent to 5.64 months sales revenue |
| Advances, Deposits and Prepayments (Tk.) | 1,434,650 | 1,327,480 | 168,996,960 |
| Cash and Cash Equivalent (Tk.) | 2,397,563 | 69,146,176 | 1,917,359 |
| Liabilities for expenses | Equivalent to 3.92% of sales revenue | Equivalent to 4.44% of sales revenue | Equivalent to 4.92% of sales revenue |

* % of increase (decrease) has been calculated dividing the current year's data by the previous year's data.

Item-wise break-up of last three years working capital and next three years' projection:

Amount in Taka

| Particulars | 30-Jun-23 | 30-Jun-22 | 30-Jun-21 | 31-Dec-20 | 30-Jun-20 | 30-Jun-19 | 30-Jun-18 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | Projected | | | Audited | | | |
| Current Assets | 186,207,061 | 208,548,218 | 272,566,275 | 260,407,817 | 279,200,497 | 220,759,631 | 191,032,559 |
| Accounts Receivable | 182,374,848 | 138,074,562 | 101,651,956 | 89,902,799 | 78,366,083 | 73,220,409 | 90,899,045 |
| Advances, Deposits and Prepayments | 1,434,650 | 1,327,480 | 168,996,960 | 168,806,755 | 158,794,785 | 14,538,8245 | 98,730,660 |
| Cash and Cash Equivalent | 2,397,563 | 69,146,176 | 1,917,359 | 1,698,263 | 42,039,629 | 2,150,977 | 1,402,854 |
| | | | | | | | |
| Current Liabilities | 15,094,044 | 12,857,344 | 12,291,425 | 20,969,035 | 20,159,400 | 4,471,353 | 3,471,910 |
| Short Term Borrowings | - | - | - | 6,227,602 | 8,408,018 | - | 1,583,120 |
| Advance Against Sales | 488,987 | 300,012 | 269,242 | 879,930 | 280,175 | 262,400 | 275,000 |
| Current Portion of Lease Liabilities | - | - | 1,369,328 | 1,706,871 | 1,616,245 | - | - |
| Liabilities for Expenses | 14,605,057 | 12,557,332 | 10,652,856 | 12,154,633 | 9,854,962 | 4,208,953 | 1,613,790 |
| | | | | | | | |
| Working Capital Projected and Audited | 171,113,017 | 195,690,874 | 260,274,850 | 239,438,782 | 259,041,097 | 216,288,278 | 187,560,649 |

- (h) Where the issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc., the total project cost activity wise or project wise, as the case may be;**

The Company has no plan to expand its existing projects.

- (i) Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented;**

The Company has no plan to implement to the existing projects.

- (j) The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies;**

There is no existing or anticipated material transaction in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies.

- (k) Summary of the project appraisal or feasibility report by the relevant professional people with cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal or feasibility report.**

Feasibility report is not required by us since we are not going to introduce new project.

CHAPTER (XXII)

LOCK-IN

(i) All ordinary shares of the issuer at the time of according consent shall be subject to lock-in for 1 (one) year:

Provided that ordinary shares converted from any other type of securities shall also be subject to lock-in for 1 (one) year.

(ii) The following table indicates the Lock-In status of the shareholders of Subra Systems Ltd.:

| Sl. | Name of the Shareholders | Position | BO IDs | Total Number of Shares | Pre QIO % | Lock-in period |
|-----|---------------------------------|-------------------|------------------|------------------------|-----------|----------------|
| 1 | Md. Shafiul Azam | Chairman | 1202150000151396 | 8,939,274 | 17.88% | 1 Yr. |
| 2 | Bushra Chowdhury | Director | 1202150016113489 | 6,509,454 | 13.02% | 1 Yr. |
| 3 | Abdul Muhith | Director | 1202150006306422 | 6,120,726 | 12.24% | 1 Yr. |
| 4 | Mrs. Ofia Khanam Chowdhury | Director | 1202150073586199 | 3,240,000 | 6.48% | 1 Yr. |
| 5 | Md. Shaifullah Khaled Shams | Managing Director | 1202150020367413 | 3,060,363 | 6.12% | 1 Yr. |
| 6 | BLI Capital Limited | Shareholder | 1605650050408172 | 3,000,060 | 6.00% | 1 Yr. |
| 7 | Md. Momin Uddin Mozumder | Shareholder | 1605640068339949 | 2,900,000 | 5.80% | 1 Yr. |
| 8 | Beacon Medicare Ltd | Shareholder | 1203710064190682 | 2,000,000 | 4.00% | 1 Yr. |
| 9 | Mrs. Sazia Mahmood | Shareholder | 1204280069176154 | 1,530,183 | 3.06% | 1 Yr. |
| 10 | Muhammad Maksudul Haque | Shareholder | 1204030071798239 | 1,400,000 | 2.80% | 1 Yr. |
| 11 | Mofizur Rahman | Shareholder | 1201500003743478 | 1,300,000 | 2.60% | 1 Yr. |
| 12 | Crescent Paper Mills Limited | Shareholder | 1605650067265235 | 1,000,030 | 2.00% | 1 Yr. |
| 13 | ABACI Investments Ltd. | Shareholder | 1602770045524684 | 700,060 | 1.40% | 1 Yr. |
| 14 | Motiur Rahman | Shareholder | 1201910004133529 | 500,060 | 1.00% | 1 Yr. |
| 15 | Md. Zia Uddin Thakur | Shareholder | 1201950062960212 | 500,060 | 1.00% | 1 Yr. |
| 16 | F A Trading Corporation | Shareholder | 1203110063110187 | 500,060 | 1.00% | 1 Yr. |
| 17 | Bishwajit Das | Shareholder | 1202150006306440 | 500,060 | 1.00% | 1 Yr. |
| 18 | Nasima Akhter | Shareholder | 1202150068189683 | 500,000 | 1.00% | 1 Yr. |
| 19 | Brig Gen Md Nazrul Islam Sarker | Shareholder | 1202150056913789 | 350,060 | 0.70% | 1 Yr. |
| 20 | Raidah Fairuz | Shareholder | 1201910066517890 | 300,060 | 0.60% | 1 Yr. |
| 21 | Md. Tarif Hasan Tomal | Shareholder | 1202150062921764 | 250,060 | 0.50% | 1 Yr. |
| 22 | Md. Shariful Islam | Shareholder | 1202150062658625 | 250,060 | 0.50% | 1 Yr. |
| 23 | Md. Kaysar Hossain | Shareholder | 1203510052582170 | 210,060 | 0.42% | 1 Yr. |
| 24 | Md. Anwarul Islam | Shareholder | 1202150000092923 | 200,060 | 0.40% | 1 Yr. |
| 25 | Abid Hossain | Shareholder | 1205670044309378 | 200,060 | 0.40% | 1 Yr. |
| 26 | Md. Forhad Hossain | Shareholder | 1201950073580927 | 200,000 | 0.40% | 1 Yr. |
| 27 | Md. Asifur Rouf | Shareholder | 1204780062947394 | 200,000 | 0.40% | 1 Yr. |
| 28 | Iftekhhar Alam Farazi | Shareholder | 1202150006306442 | 200,000 | 0.40% | 1 Yr. |

| | | | | | | |
|----|--------------------------|-------------|------------------|---------|-------|-------|
| 29 | Tanvir Ahmed | Shareholder | 1202610017907621 | 190,060 | 0.38% | 1 Yr. |
| 30 | Md. Mohsin Sikder | Shareholder | 1202150013678346 | 188,160 | 0.38% | 1 Yr. |
| 31 | Sahidur Rahman Chowdhury | Shareholder | 1202150000453198 | 150,060 | 0.30% | 1 Yr. |
| 32 | Mohammad Matiul Islam | Shareholder | 1201580020847765 | 110,060 | 0.22% | 1 Yr. |
| 33 | Mrs. Israt Jahan | Shareholder | 1202590066551619 | 100,060 | 0.20% | 1 Yr. |
| 34 | Mosir Rahman Milton | Shareholder | 1202150001831265 | 100,060 | 0.20% | 1 Yr. |
| 35 | Mohammad Sajedul Islam | Shareholder | 1202400000002837 | 100,060 | 0.20% | 1 Yr. |
| 36 | Md. Shaiful Islam | Shareholder | 1205150058524747 | 100,060 | 0.20% | 1 Yr. |
| 37 | Md. Masud Rana | Shareholder | 1202550037825261 | 100,060 | 0.20% | 1 Yr. |
| 38 | Imtiaz Ahmed | Shareholder | 1202930043610223 | 100,060 | 0.20% | 1 Yr. |
| 39 | Haimonti Roy | Shareholder | 1201950045325491 | 100,060 | 0.20% | 1 Yr. |
| 40 | Fabian S Gomes | Shareholder | 1202150007465550 | 100,060 | 0.20% | 1 Yr. |
| 41 | Enamul Haque Talukder | Shareholder | 1202150013459207 | 100,060 | 0.20% | 1 Yr. |
| 42 | Dr. Tanjil Sajjad | Shareholder | 1202150063949569 | 100,060 | 0.20% | 1 Yr. |
| 43 | Ahmed Kabir Majumder | Shareholder | 1203060000061919 | 100,060 | 0.20% | 1 Yr. |
| 44 | Nurun Nahar Choudhury | Shareholder | 1202430003863706 | 100,000 | 0.20% | 1 Yr. |
| 45 | Mrs. Salma Akter | Shareholder | 1202150062610520 | 100,000 | 0.20% | 1 Yr. |
| 46 | Mohon Kumar Saha | Shareholder | 1605760067169695 | 100,000 | 0.20% | 1 Yr. |
| 47 | Md. Ali Ashraf Choudhury | Shareholder | 1202150008042980 | 100,000 | 0.20% | 1 Yr. |
| 48 | Md Anowar Hossain | Shareholder | 1201630045078324 | 100,000 | 0.20% | 1 Yr. |
| 49 | Maqsubul Huq Khan | Shareholder | 1202150066560017 | 100,000 | 0.20% | 1 Yr. |
| 50 | Alimul Hasan Chowdhury | Shareholder | 1202150012361625 | 100,000 | 0.20% | 1 Yr. |
| 51 | Abdul Halim | Shareholder | 1202150061785609 | 100,000 | 0.20% | 1 Yr. |
| 52 | Md. Foissal Hossain | Shareholder | 1201950073580895 | 80,000 | 0.16% | 1 Yr. |
| 53 | Palash Khan | Shareholder | 1202150008256389 | 70,000 | 0.14% | 1 Yr. |
| 54 | Md. Ahsan Habib Raj | Shareholder | 1201950066362251 | 70,000 | 0.14% | 1 Yr. |
| 55 | Hemanta Kumar Paul | Shareholder | 1201590045129981 | 50,060 | 0.10% | 1 Yr. |
| 56 | Mohd. Shamim Iqbal | Shareholder | 1202150039656527 | 50,000 | 0.10% | 1 Yr. |
| 57 | Md. Shadiqul Mostuk | Shareholder | 1202150070917737 | 50,000 | 0.10% | 1 Yr. |
| 58 | Md. Rezaul Karim | Shareholder | 1202150068951617 | 50,000 | 0.10% | 1 Yr. |
| 59 | Gazi Mozammel Hossain | Shareholder | 1202150068951609 | 50,000 | 0.10% | 1 Yr. |
| 60 | Mohammad Hanif | Shareholder | 1202150000112407 | 40,060 | 0.08% | 1 Yr. |
| 61 | Md. Robiul Islam | Shareholder | 1606060073578827 | 40,000 | 0.08% | 1 Yr. |
| 62 | Md. Nazmul Hossain | Shareholder | 1201950068927307 | 40,000 | 0.08% | 1 Yr. |
| 63 | Hasina Parvin | Shareholder | 1203490068173365 | 38,270 | 0.08% | 1 Yr. |

| | | | | | | |
|--------------|------------------------|-------------|------------------|-------------------|----------------|-------|
| 64 | Fakrul Islam Chowdhury | Shareholder | 1202150006306439 | 36,140 | 0.07% | 1 Yr. |
| 65 | Sohana Sultana | Shareholder | 1202150067096946 | 30,060 | 0.06% | 1 Yr. |
| 66 | Rubel Hawlader | Shareholder | 1202150066580921 | 30,060 | 0.06% | 1 Yr. |
| 67 | Md. Imtiaz Uddoulla | Shareholder | 1202150067206857 | 30,060 | 0.06% | 1 Yr. |
| 68 | Sumon Chowdhury | Shareholder | 1202150067153998 | 20,060 | 0.04% | 1 Yr. |
| 69 | Md. Kamruzzaman | Shareholder | 1202150014915997 | 20,060 | 0.04% | 1 Yr. |
| 70 | Mahbub Ul Gani | Shareholder | 1202150064603745 | 20,060 | 0.04% | 1 Yr. |
| 71 | Kohinur Begum | Shareholder | 1606060070453970 | 20,000 | 0.04% | 1 Yr. |
| 72 | Mostafizur Rahman | Shareholder | 1202150008906297 | 15,060 | 0.03% | 1 Yr. |
| 73 | Syed Abul Hossen | Shareholder | 1202150070229042 | 10,060 | 0.02% | 1 Yr. |
| 74 | Kazi Walid Hasan | Shareholder | 1202150040498431 | 10,060 | 0.02% | 1 Yr. |
| 75 | Ahmedul Haque | Shareholder | 1202150058268596 | 8,000 | 0.02% | 1 Yr. |
| 76 | Nazmul Huq | Shareholder | 1202150000092966 | 5,060 | 0.01% | 1 Yr. |
| 77 | Md. Quazi Hanif Ahsan | Shareholder | 1202150070228163 | 5,000 | 0.01% | 1 Yr. |
| 78 | Md. Abdul Alim | Shareholder | 1202150070296941 | 3,000 | 0.01% | 1 Yr. |
| 79 | Rahat Hossain | Shareholder | 1202150027269446 | 2,000 | 0.00% | 1 Yr. |
| 80 | Md. Shohel khan | Shareholder | 1202150070296497 | 2,000 | 0.00% | 1 Yr. |
| 81 | Md. Izabuddin Ahmed | Shareholder | 1202150070230172 | 2,000 | 0.00% | 1 Yr. |
| 82 | Md. Asif Ahmed Dinar | Shareholder | 1202150070232238 | 2,000 | 0.00% | 1 Yr. |
| 83 | Md. Mazharul Islam | Shareholder | 1202150070296149 | 1,000 | 0.00% | 1 Yr. |
| 84 | Asiq Wahid Romyo | Shareholder | 1202150006306435 | 60 | 0.00% | 1 Yr. |
| Total | | | | 50,000,000 | 100.00% | |

CHAPTER (XXIII)

MARKETS FOR THE SECURITIES BEING OFFERED

Stock Exchanges:

The issuer shall apply to all the relevant exchanges in Bangladesh within seven working days from the date of consent for qualified investor offer accorded by the Commission.

**Dhaka Stock Exchange Limited (DSE)**

9/F, Motijheel C/A, Dhaka-1000; and

**Chittagong Stock Exchange Limited (CSE)**

CSE Building, 1080 Sheikh Mujib Road, Chittagong.

Declaration about Listing of Shares with Stock Exchanges:

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

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

The issue managers, in addition to the issuer Company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days' time period allowed for refund of the subscription money.

Trading and Settlement;

Trading and Settlement Regulation of the stock exchanges will apply in respect of trading and settlement of the shares of the Company.

THE ISSUE SHALL BE PLACED IN "N" CATEGORY

CHAPTER (XXIV)

DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

All types of securities outstanding or being offered with date or proposed date of such issue and to whom those are offered, number of securities and issue or offer price along with the following information:

(a) Dividend, voting and pre-emption rights;

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

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

(b) Conversion and liquidation rights;

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

(c) Dividend policy;

- i. The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.
- ii. No large dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of Net profit of the Company shall be conclusive.
- iii. No dividend shall be payable except out of the profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
- iv. The Directors may from time to time pay the members such interim dividend as in their judgment the financial position of the Company may justify.
- v. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
- vi. No limitation in payment of dividend is stipulated in any debt instrument or otherwise.

(d) Other rights of the securities holders;

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

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

The shareholder holding minimum of 10% shares of paid-up capital of the company shall have the right to requisition extra ordinary General Meeting of the company as provided for the section 84 of the Companies Act 1994.

CHAPTER (XXV)

FINANCIAL STATEMENTS

- (a) The latest financial statements prepared and audited by the Commission's panel auditors in adherence to the provisions of the Companies Act, 1994, International Financial Reporting Standards (IFRS) for small and medium sized entities;

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
SUBRA SYSTEMS LTD.**

Report on the Audit of the Financial Statements

Opinion

We have audited the Consolidated financial statements of **Subra Systems Ltd.** (the "Company"), which comprise Consolidated Statement of Financial Position as at 31st December 2020 and Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the period then ended and Consolidated notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Consolidated financial statements of the Company give a true and fair view of the consolidated financial position of the Company as at 31st December 2020, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated 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), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated 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.

| Description of key audit matters | Our response to key audit matters |
|--|--|
| Valuation of Property, Plant and Equipment (PPE) | |
| <p>The carrying value of the Consolidated PPE amounted to BDT 239,865,136 as at 31st December 2020. The valuation of Consolidated PPE was identified as a key audit matter due to the significance of this balance to the financial statements.</p> <p>Expenditures are capitalized if they create new or enhance the existing assets, and expensed if they relate to repair or maintenance of the assets. Classification of expenditures involves judgment. The useful lives of PPE items are based on</p> | <p>Our audit included the following procedures:</p> <ul style="list-style-type: none"> • We reviewed the opening balances of PPE which was audited by us including assessed the addition during the period under our audit, checked the related accounting treatment. • We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent; • We obtained a listing of capital |

| | |
|--|--|
| <p>management's estimates regarding the period during which the asset or its significant components will be used. The estimates are based on historical experience and market practice and take into consideration the physical condition of the assets.</p> | <p>expenditures incurred during the period and, on a sample basis, checked whether the items were procured based on internal purchase order that had been properly approved by the responsible individuals;</p> <ul style="list-style-type: none"> • We inspected a sample of invoices documents to determine whether the classification between capital and operating expenditure was appropriate; • We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market price; • We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the classification from capital in progress to ready for use, with the date of the act of completion of the work. • We performed physical asset verification at the period end, observed procedures of asset acquisition, depreciation and disposal and finally assessed the appropriateness and presentation of disclosures as per relevant accounting standards. <p>[See note number 3. A for details]</p> |
| <p>Impairment of Property, Plant and Equipment</p> | |
| <p>The economic climate and levels of competition remain challenging for the Company. The Company has completed a Strategic Review and as a result has decided to close or curtail some of its operations. There is therefore a risk that the impairment charge may be misstated. Determining the level of impairment involves forecasting and discounting future cash flows and estimation of recoverable amounts which are inherently uncertain. This is one of the key judgmental areas that our audit has concentrated on.</p> | <p>Our audit procedures including, among others, considering the impairment risk associated with the following different types of asset:</p> <ul style="list-style-type: none"> • Assets within shops which continue to trade - we critically assessed and challenged the Company's impairment model. The included consideration of the discounted cash flow forecasts on a shop by shop basis and assessing the cash flow forecasts against the historical performance of those shops and against similar national retailers. We also recalculated the impairment model of assess the sensitivity of the key assumptions including growth rate and discount rate; |

| | |
|--|--|
| | <ul style="list-style-type: none"> • Fixtures and fitting within shops which had either been closed or were identified by the Company for closure – we critically assessed the Company's identification of assets that were obsolete, using our experience of the Company and review of historical experience, whether such assets have any recoverable value; • Land and buildings which had been identified as surplus to requirements, or where development plans had been aborted – We considered whether such assets had been written off or impaired where necessary down to their recoverable amounts. We critically challenged the Company's assumptions in relation to recoverable amounts with reference to external third party valuations obtained by the Company. <p>We considered the qualifications independence of the value's and the movements in the market values of the property in relevant locations; and</p> <ul style="list-style-type: none"> • We have also considered the adequacy of the Company's disclosures about the degree of estimation involved in the determining the amount of impairment and the sensitivity to key assumptions involved. <p>[See note number 2.13 for details]</p> |
| <p>Revenue Recognition</p> <p>The Company reported total Consolidated revenue of BDT 115,465,343 for the period 31st December 2020.</p> <p>Revenue is measured net of discounts, incentives and rebates earned by customers on the Company's sales.</p> <p>Within a number of the Company's markets, the estimation of discounts, incentives and rebates recognised based on sales made during the period is material and considered to be complex and judgmental. Therefore, there is a risk of revenue being misstated as a result of faulty estimations</p> | <p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Calculation of discounts, incentives and rebates; • Segregation of duties in invoice creation and modification; and • Timing of revenue recognition. <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> • Obtaining supporting documentation for sales transactions recorded either side of period end as well as credit notes issued after the period end date to determine whether revenue was |

| | |
|--|--|
| <p>over discounts, incentives and rebates.</p> <p>There is also a risk that revenue may be overstated due to fraud through manipulation of the discounts, incentives and rebates recognised resulting from the pressure of local management may feel to achieve performance targets.</p> | <p>recognised in the correct period;</p> <ul style="list-style-type: none"> • Within a number of the Company's markets, comparing current period rebate accruals to the prior period and, where relevant, completing further inquiries and testing. • Agreeing a sample of claims and rebate accruals to supporting documentation; • Critically assessing manual journals posted to revenue to identify unusual or irregular items; and • Finally assessed the appropriateness and presentation of disclosure against relevant accounting standards. <p>[See note number 19.A for details]</p> |
| IT Systems and Controls | |
| <p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment. The large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to enduring IT dependent and application based controls are operating effectively.</p> | <p>We tested the design and operating effectiveness of the Group's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Group's periodic review of access review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identifies as key to our audit.</p> <p>Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.</p> |
| Employee Benefits | |
| <p>(a) Short-term employee benefits, such as the following, if expected to be settled wholly before six months after the end of the Interim reporting period in which the employees render the related services:</p> | <p>The objectives of this standard are to prescribe the accounting and disclosure for employee benefits. The standard requires an entity to recognize;</p> <p>(a) a liability when an employee has provided service in exchange for employee benefits to be paid in the</p> |

| | |
|---|--|
| <ul style="list-style-type: none"> (i) wages, salaries and social security contributions; (ii) paid annual leave and paid sick leave; (iii) profit sharing and bonuses; and (iv) non-monetary benefits (such as medical care, housing, cars and free of subsidised goods or services) for current employees; <p>(b) Other long-term employee benefits, such as following:</p> <ul style="list-style-type: none"> (i) long-term paid absences such as long-service leave or sabbatical leave; (ii) jubilee or other long-service benefits; and (iii) long-term disability benefits; and <p>(c) Termination benefits</p> | <p>future; and</p> <ul style="list-style-type: none"> (b) an expense when the entity consumes the economic benefit arising from service provided by (c) an employee in exchange for employee benefits. |
|---|--|

Other information

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

Our opinion on consolidated 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 consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) and for such internal control as management determines is necessary to enable the preparation of consolidated 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 consolidated 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 these consolidated financial statements

As part of an audit in accordance with International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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 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 communicate 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 identify during our audit.

We also provide 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 company's financial

statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation 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 consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules, 2020, we also report the following:

- 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 account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) The statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- d) The expenditure incurred was for the purposes of the Company's business.

Dated, 13 April 2021
Place: Dhaka

Sd/-
AFM Alamgir, FCA
Chief Executive Partner
ARTISAN
Chartered Accountants

SUBRA SYSTEMS LTD. AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

| Particulars | Notes | Amount in Taka | |
|---|-------|--------------------|--------------------|
| | | Dec 31, 2020 | June 30, 2020 |
| Assets | | | |
| Non-Current Assets | | 554,065,410 | 481,959,692 |
| Property, Plant and Equipment | 3.A | 239,865,136 | 231,510,541 |
| Intangible Assets | 4.A | 1,114,498 | 1,173,156 |
| Intellectual Properties | 5.A | 125,848,190 | 45,896,564 |
| Capital Work In Progress | 6.A | 184,830,791 | 199,868,295 |
| Right-of-Use Assets | 8.A | 2,406,795 | 3,511,135 |
| Current Assets | | 264,931,312 | 286,305,847 |
| Accounts Receivable | 9.A | 92,453,979 | 80,385,633 |
| Advances, Deposits and Prepayments | 10.A | 170,269,375 | 160,221,785 |
| Cash and Cash Equivalents | 11.A | 2,207,958 | 45,698,429 |
| Total Assets | | 818,996,722 | 768,265,539 |
| Shareholders' Equity and Liabilities | | | |
| Shareholders' Equity | | 795,441,598 | 743,701,252 |
| Share Capital | 12.00 | 500,000,000 | 500,000,000 |
| Retained Earnings | 13.A | 284,952,136 | 233,939,757 |
| Equity attributable to the owners of the Company | | 784,952,136 | 733,939,757 |
| Non Controlling Interest | | 10,489,462 | 9,761,495 |
| Non-Current Liabilities | | 420,987 | 1,538,340 |
| Lease Liabilities | 14.A | 420,987 | 1,538,340 |
| Current Liabilities | | 23,134,137 | 23,025,948 |
| Liabilities for Expenses | 15.A | 12,907,530 | 10,431,637 |
| Accounts and Others Payable | | 574,500 | 1,344,600 |
| Advance Against Sales | 16.A | 879,930 | 280,175 |
| Current Portion of Lease Liabilities | 17.A | 2,544,575 | 2,561,518 |
| Short Term Loan | 18.A | 6,227,602 | 8,408,018 |
| Total Shareholders' Equity and Liabilities | | 818,996,722 | 768,265,539 |
| Net Asset Value (NAV) per share | 25.A | 15.70 | 14.68 |

The annexed notes form an integral part of these financial statements

Sd/-
Director

Sd/-
Managing Director

Sd/-
Chairman

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Signed as per our annexed report of even date.

Dated: 13 April 2021
Place: Dhaka

Sd/-
AFM Alamgir, FCA
Chief Executive Partner
(ARTISAN)
CHARTERED ACCOUNTANTS

SUBRA SYSTEMS LTD. AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2020

| Particulars | Notes | Amount in Taka | | | |
|--|-------|-----------------------------------|-----------------------------------|----------------------------------|----------------------------------|
| | | 01 July 2020 to 31 Dec 2020 | 01 July 2019 to 31 Dec 2019 | 01 Oct 2020 to 31 Dec 2020 | 01 Oct 2019 to 31 Dec 2019 |
| Revenue | 19.A | 115,465,343 | 87,436,285 | 61,037,730 | 47,284,325 |
| Less: Direct Costs | 20.A | 43,219,886 | 28,121,276 | 22,201,347 | 15,275,966 |
| Gross Profit | | 72,245,457 | 59,315,009 | 38,836,383 | 32,008,359 |
| Less: Administrative Expenses | 21.A | 17,490,948 | 13,660,018 | 9,140,261 | 6,988,631 |
| Profit from Operation | | 54,754,509 | 45,654,991 | 29,696,122 | 25,019,727 |
| Less: Financial Expenses | 22.A | 705,704 | 258,085 | 297,291 | 140,990 |
| Profit Before Income Tax | | 54,048,805 | 45,396,906 | 29,398,832 | 24,878,737 |
| Less: Contribution to WPPF | | 2,308,458 | 2,206,776 | 1,264,588 | 1,221,301 |
| Profit Before Income Tax & WPPF | | 51,740,347 | 43,190,130 | 28,134,244 | 23,657,436 |
| Less: Income Tax Expenses | 23.A | - | - | - | - |
| Net Profit After Tax | | 51,740,347 | 43,190,130 | 28,134,244 | 23,657,436 |
| Profit attributable to: | | | | | |
| Owners of the Company | | 51,012,379 | 43,313,661 | 27,762,825 | 23,757,865 |
| Non-controlling interest | | 727,967 | (123,531) | 371,419 | (100,429) |
| | | 51,740,347 | 43,190,130 | 28,134,244 | 23,657,436 |
| Earnings per Share (EPS) | 24.A | 1.03 | 1.13 | 0.56 | 0.62 |

The annexed notes form an integral part of these financial statements

Sd/-
Director

Sd/-
Managing Director

Sd/-
Chairman

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Signed as per our annexed report of even date.

Dated: 13 April 2021
Place: Dhaka

Sd/-
AFM Alamgir, FCA
Chief Executive Partner
(ARTISAN)
CHARTERED ACCOUNTANTS

**SUBRA SYSTEMS LTD. AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2020**

Amount in Taka

| Particulars | Share Capital | Retained Earnings | Non controlling interest | Total |
|---------------------------------|--------------------|--------------------|--------------------------|--------------------|
| Balance as on 01.07.2020 | 500,000,000 | 233,939,757 | 9,761,495 | 743,701,252 |
| Non controlling interest | - | - | 727,967 | 727,967 |
| Net profit during the period | - | 51,012,379 | - | 51,012,379 |
| Balance as on 31.12.2020 | 500,000,000 | 284,952,136 | 10,489,462 | 795,441,598 |

FOR THE PERIOD ENDED 31 DECEMBER 2019

Amount in Taka

| Particulars | Share Capital | Retained Earnings | Non controlling interest | Total |
|---------------------------------|-------------------|--------------------|--------------------------|--------------------|
| Balance as on 01.07.2019 | 98,012,100 | 346,403,386 | 9,800,000 | 454,215,486 |
| Non controlling interest | - | - | (123,531) | (123,531) |
| Net profit during the period | - | 43,313,661 | - | 43,313,661 |
| Adjustment for Lease Liability | - | (269,484) | - | (269,484) |
| Balance as on 31.12.2019 | 98,012,100 | 389,447,563 | 9,676,469 | 497,136,132 |

The annexed notes form an integral part of these financial statements

Sd/-
Director

Sd/-
Managing Director

Sd/-
Chairman

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Signed as per our annexed report of even date.

Dated: 13 April 2021
Place: Dhaka

Sd/-
AFM Alamgir, FCA
Chief Executive Partner
(ARTISAN)
CHARTERED ACCOUNTANTS

SUBRA SYSTEMS LTD. AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2020

| Particulars | Note | Amount in Taka | |
|--|-------------|-----------------------------------|-----------------------------------|
| | | 01 July 2020 to 31 Dec 2020 | 01 July 2019 to 31 Dec 2019 |
| A. Cash Flows from Operating Activities | | | |
| Cash received from Customers | | 103,996,752 | 85,246,355 |
| Cash paid to Employees | | (33,916,357) | (24,385,308) |
| Cash paid to Others | | (9,780,944) | (9,127,453) |
| Cash Generated from Operation | | 60,299,451 | 51,733,593 |
| Income Tax paid | | (200,000) | - |
| Net Cash Generated from Operating Activities | | 60,099,451 | 51,733,593 |
| B. Cash Flows from Investing Activities | | | |
| Acquisition of Property, Plant and Equipment | | (14,546,645) | (6,653,110) |
| Acquisition of Intellectual Properties | | (49,756,280) | (24,915,435) |
| Capital Work in Progress | | (25,063,126) | (24,425,495) |
| Advance for Office Space | | (10,000,000) | - |
| Net Cash Used in Investing Activities | | (99,366,051) | (55,994,040) |
| C. Cash Flows from Financing Activities | | | |
| Net Payment for Financial Expenses | | (704,583) | - |
| Payment for Interest Expense on the Lease Liability | | (204,575) | (258,085) |
| Net Received/(Payment) in short term loan | | (2,180,417) | - |
| Lease Payment | | (1,134,295) | (537,640) |
| Net Cash Provided from Financing Activities | | (4,223,870) | (795,724) |
| D. Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C) | | (43,490,471) | (5,056,171) |
| E. Opening Cash and Cash Equivalents | | 45,698,429 | 77,044,528 |
| F. Closing Cash and Cash Equivalents (D+E) | | 2,207,958 | 71,988,356 |
| Net Operating Cash Flows per share (NOCFPS) | 26.A | 1.20 | 1.36 |

The annexed notes form an integral part of these financial statements

Sd/-
Director

Sd/-
Managing Director

Sd/-
Chairman

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Signed as per our annexed report of even date.

Dated: 13 April 2021
Place: Dhaka

Sd/-
AFM Alamgir, FCA
Chief Executive Partner
(ARTISAN)
CHARTERED ACCOUNTANTS

SUBRA SYSTEMS LTD.
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

| Particulars | Notes | Amount in Taka | |
|---|--------------|--------------------|--------------------|
| | | Dec 31, 2020 | June 30, 2020 |
| Assets | | | |
| Non-Current Assets | | 541,347,309 | 476,381,022 |
| Property, Plant and Equipment | 3.00 | 209,883,742 | 199,805,291 |
| Intangible Assets | 4.00 | 343,250 | 361,316 |
| Intellectual Properties | 5.00 | 125,848,190 | 45,896,564 |
| Capital Work In Progress | 6.00 | 138,373,445 | 162,739,695 |
| Investment in Shares | 7.00 | 65,200,000 | 65,200,000 |
| Right-of-Use Assets | 8.00 | 1,698,682 | 2,378,155 |
| Current Assets | | 260,407,817 | 279,200,497 |
| Accounts Receivable | 9.00 | 89,902,799 | 78,366,083 |
| Advances, Deposits and Prepayments | 10.00 | 168,806,755 | 158,794,785 |
| Cash and Cash Equivalents | 11.00 | 1,698,263 | 42,039,629 |
| Total Assets | | 801,755,127 | 755,581,519 |
| Shareholders' Equity and Liabilities | | | |
| Shareholders' Equity | | 780,365,104 | 734,195,936 |
| Share Capital | 12.00 | 500,000,000 | 500,000,000 |
| Retained Earnings | 13.00 | 280,365,104 | 234,195,936 |
| Non-Current Liabilities | | 420,987 | 1,226,183 |
| Lease Liabilities | 14.00 | 420,987 | 1,226,183 |
| Current Liabilities | | 20,969,035 | 20,159,400 |
| Liabilities for Expenses | 15.00 | 12,154,633 | 9,854,962 |
| Advance Against Sales | 16.00 | 879,930 | 280,175 |
| Current Portion of Lease Liabilities | 17.00 | 1,706,871 | 1,616,245 |
| Short Term Loan | 18.00 | 6,227,602 | 8,408,018 |
| Total Shareholders' Equity and Liabilities | | 801,755,127 | 755,581,519 |
| Net Asset Value (NAV) per share | 25.00 | 15.61 | 14.68 |

The annexed notes form an integral part of these financial statements

Sd/-
Director

Sd/-
Managing Director

Sd/-
Chairman

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Signed as per our annexed report of even date.

Dated: 13 April 2021
Place: Dhaka

Sd/-
AFM Alamgir, FCA
Chief Executive Partner
(ARTISAN)
CHARTERED ACCOUNTANTS

SUBRA SYSTEMS LTD.

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2020**

| Particulars | Notes | Amount in Taka | | | |
|--|-------|-----------------------------------|-----------------------------------|----------------------------------|----------------------------------|
| | | 01 July 2020 to 31 Dec 2020 | 01 July 2019 to 31 Dec 2019 | 01 Oct 2020 to 31 Dec 2020 | 01 Oct 2019 to 31 Dec 2019 |
| Revenue | 19.00 | 103,436,543 | 87,436,285 | 54,938,170 | 47,284,325 |
| Less: Direct Costs | 20.00 | 38,731,163 | 27,608,309 | 19,931,672 | 14,888,139 |
| Gross Profit | | 64,705,380 | 59,827,976 | 35,006,498 | 32,396,186 |
| Less: Administrative Expenses | 21.00 | 15,582,324 | 13,260,955 | 8,179,870 | 6,641,229 |
| Profit from Operation | | 49,123,056 | 46,567,021 | 26,826,628 | 25,754,957 |
| Less: Financial Expenses | 22.00 | 645,429 | 224,725 | 270,285 | 107,631 |
| Profit Before Income Tax & WPPF | | 48,477,627 | 46,342,295 | 26,556,343 | 25,647,326 |
| Less: Contribution to WPPF | | 2,308,458 | 2,206,776 | 1,264,588 | 1,221,301 |
| Profit Before Income Tax | | 46,169,168 | 44,135,519 | 25,291,755 | 24,426,025 |
| Less: Income Tax Expenses | 23.00 | - | - | - | - |
| Net Profit After Tax | | 46,169,168 | 44,135,519 | 25,291,755 | 24,426,025 |
| Earnings per Share (EPS) | 24.00 | 0.92 | 1.16 | 0.51 | 0.64 |

The annexed notes form an integral part of these financial statements

Sd/-
Director

Sd/-
Managing Director

Sd/-
Chairman

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Signed as per our annexed report of even date.

Dated: 13 April 2021
Place: Dhaka

Sd/-
AFM Alamgir, FCA
Chief Executive Partner
(ARTISAN)
CHARTERED ACCOUNTANTS

SUBRA SYSTEMS LTD.

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2020**

Amount in Taka

| Particulars | Share Capital | Retained Earnings | Total |
|---------------------------------|----------------------|--------------------------|--------------------|
| Balance as on 01.07.2020 | 500,000,000 | 234,195,936 | 734,195,936 |
| Net profit during the period | - | 46,169,168 | 46,169,168 |
| Balance as on 31.12.2020 | 500,000,000 | 280,365,104 | 780,365,104 |

FOR THE PERIOD ENDED 31 DECEMBER 2019

Amount in Taka

| Particulars | Share Capital | Retained Earnings | Total |
|---------------------------------|----------------------|--------------------------|--------------------|
| Balance as on 01.07.2019 | 98,012,100 | 346,403,386 | 444,415,486 |
| Net profit during the period | | 44,135,519 | 44,135,519 |
| Adjustment for Lease Liability | | (269,484) | (269,484) |
| Balance as on 31.12.2019 | 98,012,100 | 390,269,421 | 488,281,521 |

The annexed notes form an integral part of these financial statements

Sd/-
Director

Sd/-
Managing Director

Sd/-
Chairman

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Signed as per our annexed report of even date.

Dated: 13 April 2021
Place: Dhaka

Sd/-
AFM Alamgir, FCA
Chief Executive Partner
(ARTISAN)
CHARTERED ACCOUNTANTS

SUBRA SYSTEMS LTD.
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2020

| Particulars | Note | Amount in Taka | |
|--|--------------|--------------------------------|--------------------------------|
| | | 01 July 2020 to 31 Dec 2020 | 01 July 2019 to 31 Dec 2019 |
| A. Cash Flows from Operating Activities | | | |
| Cash received from Customers | | 92,499,582 | 85,246,355 |
| Cash paid to Employees | | (31,407,437) | (23,897,869) |
| Cash Paid to Others | | (8,980,905) | (7,997,806) |
| Cash Generated from Operation | | 52,111,240 | 53,350,680 |
| Income Tax paid | | (200,000) | - |
| Net Cash Generated from Operating Activities | | 51,911,240 | 53,350,680 |
| B. Cash Flows from Investing Activities | | | |
| Acquisition of Property, Plant and Equipment | | (13,788,175) | (4,281,260) |
| Acquisition of Intellectual Properties | | (49,756,280) | (24,915,435) |
| Capita Work in Progress | | (14,964,280) | (24,425,495) |
| Advance for Office Space | | (10,000,000) | - |
| Net Cash Used in Investing Activities | | (88,508,735) | (53,622,190) |
| C. Cash Flows from Financing Activities | | | |
| Payment for Financial Expenses | | (704,583) | - |
| Payment for Interest Expense on the Lease Liability | | (144,300) | (224,725) |
| Received/(Payment) in short term loan | | (2,180,417) | - |
| Lease Payment | | (714,570) | (490,999) |
| Net Cash Provided from Financing Activities | | (3,743,870) | (715,724) |
| D. Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C) | | (40,341,366) | (987,235) |
| E. Opening Cash and Cash Equivalents | | 42,039,629 | 2,150,977 |
| F. Closing Cash and Cash Equivalents (D+E) | | 1,698,263 | 1,163,742 |
| Net Operating Cash Flows per share (NOCFPS) | 26.00 | 1.04 | 1.40 |

The annexed notes form an integral part of these financial statements

Sd/-
Director

Sd/-
Managing Director

Sd/-
Chairman

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Signed as per our annexed report of even date.

Dated: 13 April 2021
Place: Dhaka

Sd/-
AFM Alamgir, FCA
Chief Executive Partner
(ARTISAN)
CHARTERED ACCOUNTANTS

SUBRA SYSTEMS LTD.
Notes, Comprising of Significant Accounting Policy and Other Explanatory Information
For the period ended 31 December, 2020

1. REPORTING ENTITY

1.1. Background of the Company

The Company namely “**SUBRA SYSTEMS LTD.**” was incorporated in Bangladesh as a Private Limited Company on 25th March, 2008 under the Companies Act, 1994 vide Registration No. C 70514 (2023)/08. Subsequently the Company converted into public limited Company dated on 25th June 2020.

1.2. Registered office of the Company

The principal place of business and registered office of the Company is located at Hasney Tower, Level 10, 3/A Karwan Bazar C/A, Tejgoan, Dhaka-1215, Bangladesh.

1.3. Nature of business

The principal activities of the Company are to provide a comprehensive integrated business software solution. Providing ERP and other customize software according to different customer needs. The Company is also connected with web page & data transmit to different clients.

1.4. Description of subsidiary

Subra Technology Ltd. was incorporated on 23 June 2019 under the Companies Act, 1994 vide Registration No. C-152703/2019 as a private limited Company. The paid up capital of Subra Technology Ltd. is Tk. 75,000,000 divided into 7,500,000 ordinary shares of Tk. 10 each. Subra Systems Ltd. owned 86.93% shares totaling 6,520,000 ordinary shares. The main activities of the Company are Cloud Services, IT services, software development, IT consultancy, data processing, data center, etc.

Basis of consolidation

The financial statements of the subsidiary-Subra Technology Ltd, have been consolidated with those of Subra System Ltd. in accordance with IFRS 10: Consolidated Financial Statements. The Company acquired 86.93% shares of the issued paid up capital of Subra Technology Ltd. This ownership interest is adequate enough to establish control over Subra Technology Ltd. meets the conditions as stated in IFRS 10: Consolidated Financial Statements to consider Subra Technology Ltd. as a subsidiary.

Non-Controlling Interest (NCI)

Non-Controlling Interest (NCI) at the date of acquisition has been measured at fair value of the net assets of the acquired company in proportion to the shares of the entitled holders. Profit or Loss and Other Comprehensive Income subsequent to the acquisition, has been allocated to the Owners of the Company and to the NCIs and also disclosed in the financial statements.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance

The Financial Statements of the Company are prepared on a going concern basis under historical cost convention and in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), the Securities and Exchange Rules, 2020, the Companies Act, 1994, Financial Reporting Act (2015), Income Tax Ordinance, 1984, Income Tax Rules, 1984, Value Added Tax and Supplementary Duty Act, 2012, Bangladesh Labour Act, 2006 (Amendment 2018) and other laws and regulations are applicable for the Company.

2.2 Going Concern

Management has assessed the going concern assumptions during the preparation of the financial statements of the Company. Management assess that no events or conditions give rise to doubt about the ability of the Company to continue in operation in the foreseeable future. This conclusion is drawn based on knowledge of the management, the estimated economic outlook and related identified risks and uncertainties including scenarios arising from the COVID-19 pandemic. It has been concluded that it is reasonable to apply the going concern concept as the underlying assumption for the financial statements.

The Company has adequate resources to continue its operation for the foreseeable future. The current credit facilities and resources of the Company provides sufficient fund to meet the present requirements of its existing business.

2.3 Accrual Basis

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

2.4 Components of the Financial Statements

According to IAS 1 Presentation of Financial Statements the complete set of financial statement includes the following components:

- a) Statement of Financial Position as at 31 December 2020.
- b) Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 December 2020.
- c) Statement of Changes in Equity for the period ended 31 December 2020.
- d) Statement of Cash Flows for the period ended 31 December 2020 and
- e) Notes, comprising of significant accounting Policy and other explanatory information.

2.5 Authorization date for issuing Financial Statements

The financial statements were authorized by the Board of Directors on 13 April 2021.

2.6 Reporting period

These financial statements of the Company cover a period from 1 July, 2020 to 31 December, 2020.

2.7 Use of Estimates and Judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of income and expense. The estimates and underlying assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis.

2.8 Responsibility for Preparation and Presentation of Financial Statements

The Board of Directors is responsible for the preparation of financial statements under section 183 of the Companies Act, 1994 and applicable financial reporting framework.

2.9 Statement of Cash Flows

Statement of Cash Flows has been prepared in accordance with IAS 7 Statement of Cash Flows and the cash flows from the operating activities have been presented under direct method considering the provisions of Paragraph 19 of IAS 7 which provides that "Entities are encouraged to report cash flows from operating activities

using the direct method" and as per requirement of the Securities and Exchange Rules, 2020.

As per Bangladesh Securities and Exchange Commission notification No. BSEC/CMRRCD/2006158 /208/Admin/81 dated 20 June 2018, Cash Flows from operating activities has been reconciled with net income using the indirect method.

2.10 Applicable accounting standards

The following IASs and IFRSs are applicable for the financial statements for the period under review:

IASs:

| | |
|--------|--|
| IAS 1 | Presentation of Financial Statements; |
| IAS 7 | Statement of Cash Flows; |
| IAS 8 | Accounting Policies, Changes in Accounting Estimates and Errors; |
| IAS 10 | Events after the Reporting Period; |
| IAS 12 | Income Taxes; |
| IAS 16 | Property, Plant and Equipment; |
| IAS 19 | Employee Benefits; |
| IAS 23 | Borrowing Costs; |
| IAS 24 | Related Party Disclosures; |
| IAS 27 | Separate Financial Statements; |
| IAS 32 | Financial Instruments: Presentation; |
| IAS 33 | Earnings per Share; |
| IAS 34 | Interim Financial Reporting; |
| IAS 36 | Impairment of Assets; |
| IAS 37 | Provisions, Contingent Liabilities and Contingent Assets; |
| IAS 38 | Intangible Assets; |

IFRSs:

| | |
|---------|--|
| IFRS 7 | Financial Instruments: Disclosures; |
| IFRS 8 | Operating Segments; |
| IFRS 9 | Financial Instruments; |
| IFRS 10 | Consolidated Financial Statements; |
| IFRS 13 | Fair Value Measurement; |
| IFRS 15 | Revenue from Contracts with Customers; |
| IFRS 16 | Leases |

2.11 Property, Plant and Equipment (PPE)

All Property, Plant and Equipment are stated at cost less accumulated depreciation as per IAS 16 Property, Plant and Equipment. The cost of acquisition of an asset comprises of its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

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 flows to the Company and its costs can be measured reliably. The cost of the day to day maintaining cost on PPE is recognized in the Statements of Profit or Loss and Other Comprehensive Income as incurred.

a) Depreciation

Depreciation on Property, Plant and Equipment other than Land and Land development has been computed during the period using the reducing balance method. Depreciation has been charged on addition when the related Property,

Plant and Equipment are available for use as per management intention. Depreciation has charged as following rate.

| Name of Assets | Rate | Rate |
|-------------------------|------------|------------|
| | 31-12-2020 | 30-06-2020 |
| Land & Land Development | - | - |
| Furniture and Fixture | 10% | 10% |
| Air Conditioner | 15% | 15% |
| Computer & Peripherals | 15% | 15% |
| Electric Items | 15% | 15% |
| Server Equipment | 15% | 15% |
| Vehicle | 20% | 20% |
| Office Decoration | 20% | 20% |

b) Retirement and Disposals

On retirement or otherwise disposal of fixed assets, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the statement of profit or loss and other comprehensive income, which is determined with reference to the net book value of the assets and the net sales proceeds. Depreciation has been charged on disposal assets up to the date of disposal. However there is no retirement and disposal of assets during the period.

2.12 Intangible Assets

Intangible assets consists of (1) Operating software and (2) Intellectual properties. All intangible assets are created by the company and have control that are separable either individually or together with related contract from which future economic benefits are expected as per IAS 38. Intellectual properties comprises of varieties of integrated business software. Intangible assets are recognized when future economic benefits from the assets are probable and cost can be measured reliably.

Amortization: Operating software are amortizing @ 10% whereas, intellectual properties are amortizing @ 20%, using reducing balance method.

| Name of Intangible Asset | Amortization Rate |
|-------------------------------------|-----------------------|
| Operating Software | 10% |
| Name of Intellectual properties | Amortization Rate (%) |
| Point of Sales | 20% |
| Accounting Management Systems | 20% |
| Housing Management Systems | 20% |
| Inventory Management | 20% |
| Human Resource Management | 20% |
| Garments Management Systems | 20% |
| Payroll Management | 20% |
| Provident Fund Management System | 20% |
| Hospital Management Systems | 20% |
| Diagnostic Management Systems | 20% |
| Amusement Park Management Software | 20% |
| E-education Management Software | 20% |
| Gratuity & WPPF Management Software | 20% |
| Document Management Software | 20% |
| Fixed Asset Management ERP | 20% |
| Job Portal | 20% |
| Shipping Management ERP | 20% |
| Anti Money Laundering Software | 20% |

| | |
|------------------------------------|-----|
| Construction Management (ERP) | 20% |
| Procurement Management System | 20% |
| E-Commerce Management System | 20% |
| Buying House Management System | 20% |
| Escrow (Central Back Office) | 20% |
| Club Management System | 20% |
| E-ticketing System | 20% |
| Meeting Management System | 20% |
| Food Court Management System | 20% |
| Fund Management System | 20% |
| Cheque Printing System | 20% |
| Mail Register | 20% |
| Leather Goods Manufacturing System | 20% |
| Visitor Attendance System | 20% |
| Food Production Management System | 20% |
| CRM system | 20% |
| Vat Management System | 20% |
| Task Management System | 20% |
| Mobile Point of Sale | 20% |
| Restaurant Management System | 20% |
| Filling Station Management System | 20% |

2.13 Impairment of Assets

The carrying amounts of all assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated in order to determine the extent of the impairment loss.

For impairment test, management have considered all indicators (external and internal) and assessed that any asset mentioning in the (1) property, plant and equipment and (2) intangible assets:

1. Have not declined in market value;
2. The market interest rate have not increased;
3. No technological change has occurred;
4. No physical damage has occurred;
5. No asset become obsolescence; and
6. No asset become idle.

After considering the above indications, management have concluded that carrying amount of any asset did not exceed the market value of assets or value in use and that is why no impairment loss was recognized in the accounts.

2.14 Capital Work-in- Progress

Capital work-in-progress consists of unfinished works including 1) Intellectual Properties, 2) R&D Project. R&D Project will be transferred to Property, Plant and Equipment schedule and Intellectual Properties will be transferred to Intellectual Properties schedule when it is available for use. No depreciation is charged on the capital work-in-progress as per IAS 16 Property, Plant and Equipment.

R & D Project: R & D project expensed for period ended 31 December, 2020 amount Tk. 1.5 crore. The significant part of R & D project cost are linked to the activities of products development research purposes which are subject to capitalization. R & D

project is core to the company's strategy and key to a sustainable competitive advantage.

2.15 Revenue Recognition

In compliance with the requirements of IFRS 15 Revenue from Contracts with Customers, are recognized under the following steps:

- a) Identify the Contracts with customer;
- b) Identify the performance obligations in the Contracts;
- c) Determine the transaction price;
- d) Allocate the transaction price to the performance obligation in the Contracts;
- e) Recognize revenue when (or as) a performance obligation is satisfied.

We followed all the above five steps and recognize revenue when a performance obligation is satisfied.

2.16 Functional and Presentation Currency

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

2.17 Comparative Information

Comparative information has been disclosed in respect of previous period for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's financial statement.

2.18 Operating Segments

Subra System Ltd derives revenue from two service line such as (1) Sales of software and (2) Web page & Data Transmit. The Board of Directors of the company is considered as Chief Operating Decision Maker (CODM). No person is employed as head of two service line who is required to report directly to the CODM and the two service line does not generate any operating results that CODM can reviewing for allocate resources and assessing performance and no discrete financial information is available from each service line. By only revenue information, it is not sufficient for CODM to assess performance and allocate resources. It is mentionable here that the board of the directors determined that gathering revenue information is not using for making operating decision and assessing performance.

After evaluating all facts and circumstances management concluded that the two service line mentioned above does not meet the criteria of operating segment as per IFRS 8. Hence, no segmental report is required to disclose for the company as per IFRS 8.

2.19 Leases

The entity has adopted IFRS 16 from 01 July, 2019 and have been reviewed office rent agreement in light of the new rules in IFRS 16. On adoption of IFRS 16 the entity recognizes a right-of-use asset and a lease liability. The lease liability is measured at the present value of the lease payments that are not paid at date of 01 July, 2019 discounted using the incremental borrowing rate. Subsequently, right-of-use asset is adjusted for depreciation and lease liability is adjusted for interest and lease payments. The lease payment are split into a principal and interest portion which are both presented in the statement of cash flows.

Depreciation has been charged on right-of use assets on a straight line basis during the lease period. Incremental borrowing rate is @12%.

2.20 Events after Reporting Period

Events after the reporting period that provide additional information about the Company's position at the date of Statements of Financial Position are reflected in the financial statements. Events after reporting period that are not adjusting events are disclosed in the notes when material.

Management confirmed that no event after the reporting period exists and management has prepared the financial statements accordingly.

2.21 Advances, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deduction/ adjustment/ transfer to respective account heads such as property, plant and equipment or expenses.

Deposits and prepayments are measured at payment value.

2.22 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, cash in transit and with banks on current and deposit accounts which are held and available for use by the Company without any restriction. There is insignificant risk of change in value of the same.

2.23 Accounts Receivables

Accounts receivable are created at original invoice amount, there is no evidence of a risk of non-payment, the full amount of accounts receivable is considered collectable.

2.24 Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for services.

2.25 Interim Financial Reporting

IAS 34 requires that condensed Interim Financial Statements contain at a minimum:

- a condensed statement of financial position;
- a condensed statement or condensed statements of profit or loss and other comprehensive income;
- a condensed statement of changes in equity;
- a condensed statement of cash flows; and
- selected explanatory notes.

These Interim Financial Statements present selected explanatory notes that are intended to assist users in understanding the results of the operations of the company for the current interim period.

2.26 Earnings Per Share

The Company calculates Earnings per Share (EPS) in accordance with IAS 33 Earnings per Share which has been shown on the face of the Profit or Loss and other Comprehensive Income.

Basic Earnings Per Share

This has been calculated in compliance with the requirements of IAS 33 Earnings per Share dividing the basic earnings attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted Earnings Per Share

No diluted earnings per share are required for the period since there is no scope of dilution of share during the period under review.

2.27 Employees' Benefit

The company has accounted for and disclosed employee benefits in compliance with the provisions of IAS 19 Employee Benefits.

The cost of employee benefit is charged of as revenue expenditure in the period to which the contributions relate.

The company's employee benefits include the following:

a) Short Term Employee Benefits

Short-term employee benefits include salaries, festival bonuses etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

b) Workers Profit Participation Fund (WPPF)

The company has created a fund for workers "Workers profit participation fund (WPPF)" as per Bangladesh Labour Act, 2006 (Amendment 2018) by 5% of net profit before tax after charging such expenses.

2.28 Borrowing Cost

Finance expenses comprise interest expense on bank loan. All borrowing costs are recognized in the statement of profit or loss and other Comprehensive Income.

2.29 Related Party Transactions

The Company carried out transactions with related parties. The information as required by IAS 24 Related Party Disclosures are disclosed in notes to the Financial Statements.

2.30 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset to one entity and a financial liability or equity instrument to another entity as per IFRS 9 Financial Instruments.

Financial Assets

Financial assets of the Company include cash and cash equivalents, equity instrument to another entity, Trade receivables and other receivables. The Company initially recognizes a financial asset in its statement of financial position when, and only when, the Company becomes a party to the contractual provision of the instrument. The Company derecognize a financial asset when, and only when; the contractual rights to the cash flows from the financial asset expire or transfer the contractual rights to receive the cash flows of the financial asset.

Financial Liabilities

The Company initially recognizes a financial liability in its statement of financial position when, and only when, the Company becomes a party to the contractual provision of the instrument. The Company derecognizes a financial liability from its statement of financial position when, and only when, it is extinguished, that is when the obligation specified in the contract is discharged or cancelled or expires.

2.31 Provision, Accruals, Contingent Liabilities and Contingent Assets Provisions

Provision are recognized when the company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Accruals

Accruals are liabilities to pay for services that have been received or supplied but the financial impact of the event will only be confirmed by the outcome of some future event not wholly within the entity's control. A contingent liability is disclosed in the financial statements unless the possible outflow of resources is thought to be remote.

Contingent liabilities

A contingent liability arises where a past event may lead to an entity having a liability in the future but the financial impact of the event will only be confirmed by the outcome of some future event not wholly within the entity's control. A contingent liability should be disclosed in the financial statements unless the possible outflow of resources is thought to be remote. The Company has no any contingent liability at the reporting date.

Contingent Asset

A contingent asset is a potential asset that arise from past events but whose existence can only be confirmed by the outcome of future events not wholly within an entity's control. A contingent asset should be disclosed in the financial statements only when the expected inflow of economic benefits is probable.

2.32 Taxation

Current tax is the expected tax payable on the taxable income for the period, using tax rates at the reporting date and any adjustment to the tax payable in respect of the previous period. However, the Company is enjoying tax exemption up to 2024 as per Sixth Schedule, Part-A, Paragraph 33 of Income Tax Ordinance 1984.

2.33 Measurement of Fair Values

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) Level 2: inputs other than quoted prices included in level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.34 Risk management

According to IFRS 7 Financial Instruments: Disclosures, an entity shall disclose information that enables users of its financial statements to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed at the end of the reporting period. The Management of the Company are reviewed risk management policies, procedures and systems regularly to reflect changes in market conditions and the Company's activities. The Company has exposure to the following risk for its use of financial instruments.

- (a) Credit risk
- (b) Liquidity risk
- (c) Market risk

(a) Credit risk

Credit risk is the risk of a financial loss to the Company if a customer to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables.

Management perception

To mitigate the credit risk, the management of the Company follows robust credit control and collection policies. The Company has dedicated credit collection team who are responsible for any dues and they have been demonstrating remarkable performance in collecting receivables as per Company's credit and collection policy.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations on time.

Management perception

The Company's approach to managing liquidity is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Company's reputation. The Company has sufficient current assets and cash & cash equivalent to meet expected operational expenses including financial obligations.

(c) Market risk

Market Risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. It reflects interest rate risk, currency risk and other price risks.

Management perception

Management is fully aware of the market risk, and act accordingly. Market of software in Bangladesh is growing rapidly. Moreover, the objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

3.00 Property, Plant and Equipment : Tk. 209,883,742

Opening Balance (at cost)

Add: Addition during the period

Closing Balance (at cost)

Less: Accumulated depreciation

Written Down Value (WDV)**Details shown in Annexure-A****3.A Consolidated Property, Plant and Equipment : Tk. 239,865,136**

Subra Systems Ltd.

Subra Technology Ltd.

4.00 Intangible Assets : Tk. 343,250

Opening Balance (at cost)

Add: Addition during the period

Closing Balance (at cost)

Less: Accumulated depreciation

Written Down Value (WDV)**Details shown in Annexure-B****4.A Consolidated Intangible Assets : Tk. 1,114,498**

Subra Systems Ltd.

Subra Technology Ltd.

5.00 Intellectual Properties: Tk. 125,848,190

Opening balance (at Cost)

Add: Addition during the period

Less: Accumulated Amortization

Closing balance**Details shown in Annexure-C**

| Amount in Taka | |
|--------------------|--------------------|
| Dec 31, 2020 | June 30, 2020 |
| 225,931,227 | 97,866,212 |
| 13,788,175 | 128,065,015 |
| 239,719,402 | 225,931,227 |
| 29,835,660 | 26,125,936 |
| 209,883,742 | 199,805,291 |
| | |
| 209,883,742 | 199,805,291 |
| 29,981,394 | 31,705,250 |
| 239,865,136 | 231,510,541 |
| | |
| 692,718 | 456,218 |
| - | 236,500 |
| 692,718 | 692,718 |
| 349,468 | 331,402 |
| 343,250 | 361,316 |
| | |
| 343,250 | 361,316 |
| 771,248 | 811,840 |
| 1,114,498 | 1,173,156 |
| | |
| 109,332,479 | 96,029,209 |
| 89,086,810 | 13,303,270 |
| 198,419,289 | 109,332,479 |
| 72,571,099 | 63,435,915 |
| 125,848,190 | 45,896,564 |

| | | |
|---|--------------------|--------------------|
| 5.A Consolidated Intellectual Properties: Tk. 125,848,190 | | |
| Subra Systems Ltd. | 125,848,190 | 45,896,564 |
| Subra Technology Ltd. | - | - |
| | 125,848,190 | 45,896,564 |
| 6.00 Capital Work in Progress: Tk. 138,373,445 | | |
| i) Intellectual Properties | | |
| CRM System | - | 11,521,745 |
| Air Tickets Agent Management System | 12,441,185 | 10,063,230 |
| VAT Management System | - | 11,551,000 |
| Task Management System | - | 10,550,605 |
| Sales Force | 11,906,100 | 9,644,325 |
| Supply Chain Management System | 11,386,830 | 9,475,555 |
| E-book Portal Version | 10,449,370 | 8,408,800 |
| Mobile Point of Sale | - | 7,827,640 |
| Cost Center wise Accounting System | 11,196,715 | 9,098,650 |
| Garments Management System (Knitting) | 11,204,100 | 9,257,330 |
| Restaurant Management System | - | 7,898,400 |
| Hotel Management System | 9,425,260 | 7,241,455 |
| Mobile EMIS | 8,799,870 | 7,088,785 |
| Filling Station Management System | - | 6,512,440 |
| | 86,809,430 | 126,139,960 |
| ii) R & D Project | 51,564,015 | 36,599,735 |
| Total (i+ii) | 138,373,445 | 162,739,695 |
| 6.A Consolidated Capital Work in Progress: Tk. 184,830,791 | | |
| Subra Systems Ltd. | 138,373,445 | 162,739,695 |
| Subra Technology Ltd. | 46,457,346 | 37,128,600 |
| | 184,830,791 | 199,868,295 |
| 7.00 Investment in Share: Tk. 65,200,000 | | |
| Investment in Subra Technology Ltd. | 65,200,000 | 65,200,000 |
| | 65,200,000 | 65,200,000 |
| 8.00 Right-of-Use Assets: Tk. 1,698,682 | | |
| Beginning Balance | 2,378,155 | 3,737,100 |
| Less: Depreciation Expenses | 679,473 | 1,358,946 |
| Closing Balance | 1,698,682 | 2,378,155 |

8.A Consolidated Right-of-Use Assets: Tk. 2,406,795

Subra Systems Ltd.
Subra Technology Ltd.

| | |
|------------------|------------------|
| 1,698,682 | 2,378,155 |
| 708,113 | 1,132,981 |
| 2,406,795 | 3,511,135 |

9.00 Accounts Receivable: Tk. 89,902,799

Opening Balance
Add: Sales during the period

| | |
|--------------------|--------------------|
| 78,366,083 | 73,220,409 |
| 103,436,543 | 170,957,567 |
| 181,802,626 | 244,177,976 |

Less: Received during the period
Less: Adjusted with Advance

| | |
|-------------------|-------------------|
| 86,941,862 | 163,373,643 |
| 4,957,965 | 2,438,250 |
| 89,902,799 | 78,366,083 |

Closing Balance

The classification of Trade Receivables as required by the Schedule-XI , Part-I, Para -4 of the Companies Act, 1994 are given below:

Ageing of accounts receivables

More than six months

Less than six months

| | |
|-------------------|-------------------|
| 9,854,351 | - |
| 80,048,448 | 78,366,083 |
| 89,902,799 | 78,366,083 |

Total

| Particulars | 31/Dec/20 | 30/Jun/20 |
|--|-------------------|-------------------|
| i) Receivables considered good and in respect of which the company is fully secured. | - | - |
| ii) Receivables considered good for which the company holds no security other than the debtor's personal security. | 89,902,799 | 78,366,083 |
| iii) Receivables considered doubtful or bad. | - | - |
| iv) Receivables due by directors or other officers of the company or any of them either severally or jointly with any other person or receivables due by firms or private companies respectively in which any director is a partner or a director or a member. | - | - |
| v) Receivables due by companies under the same management. | - | - |
| vi) The maximum amount due by directors or other officers of the company at any time during the period. | - | - |
| Total | 89,902,799 | 78,366,083 |

9.A Consolidated Accounts Receivable: Tk. 92,453,979

Subra Systems Ltd.
Subra Technology Ltd.

| | |
|-------------------|-------------------|
| 89,902,799 | 78,366,083 |
| 2,551,180 | 2,019,550 |
| 92,453,979 | 80,385,633 |

10.00 Advances, Deposits & Prepayments: Tk. 168,806,755**A) Advances**

Advance against office rent

Advance against salary

Advance for office space

B) Deposits

Deposit-BTCL

Total: (A+B)**168,804,755****158,792,785**

429,435

429,435

1,075,320

1,063,350

167,300,000

157,300,000

2,000**2,000**

2,000

2,000

168,806,755**158,794,785****Information about Loan and Advances as per requirement under Schedule XI, Part I, Para 6 of the Companies Act, 1994.**

| Particular | Dec 31, 2020 | June 30, 2020 |
|--|--------------------|--------------------|
| i) Advances, deposits and prepayments considered good and in respect of which the company is fully secured. | 167,731,435 | 157,731,435 |
| ii) Advances, deposits and prepayments considered good for which the company holds no security other than the debtor's personal security. | - | - |
| iii) Advances, deposits and prepayments considered doubtful or bad. | - | - |
| iv) Advances, deposits and prepayments due by directors or other officers of the company or any of them either severally or jointly with any other person or advances, deposits and prepayments due by firms or private companies respectively in which any director is a partner or a director or a member. | - | - |
| v) Advances, deposits and prepayments due by companies under the same management. | - | - |
| vi) The maximum amount due by directors or other officers of the Company. | 1,075,320 | 1,063,350 |
| Total | 168,806,755 | 158,794,785 |

10.A Consolidated Advances, Deposits & Prepayments: Tk. 170,269,375

Subra Systems Ltd.

Subra Technology Ltd.

168,806,755

158,794,785

1,462,620

1,427,000

170,269,375**160,221,785****11.00 Cash and Cash Equivalents: Tk. 1,698,263**

Cash in Hand

IFIC Bank Ltd. (Stock Exchange Branch)

IFIC Bank Ltd. (Stock Exchange Branch)

IFIC Bank Ltd. (Kawran Bazar Branch)

1,417,428

1,416,233

99,608

137,453

28,681

39,960,619

152,547

525,324

1,698,263**42,039,629**

| | | |
|---|----------------------|----------------------|
| 11.A Consolidated Cash and Cash Equivalents: Tk. 2,207,958 | | |
| Subra Systems Ltd. | 1,698,263 | 42,039,629 |
| Subra Technology Ltd. | 509,695 | 3,658,800 |
| | 2,207,958 | 45,698,429 |
| 12.00 Ordinary Share Capital: Tk. 500,000,000 | | |
| (a) Authorized Share Capital: | | |
| 100,000,000 Ordinary Shares @ Tk.10/- each | 1,000,000,000 | 1,000,000,000 |
| (b) Issued, Subscribed & Paid up Capital: | | |
| 50,000,000 Ordinary Shares @ Tk.10/- each | 500,000,000 | 500,000,000 |
| | 500,000,000 | 500,000,000 |
| Details has been shown in Annexure-D | | |
| 13.00 Retained Earnings: Tk. 280,365,104 | | |
| Opening balance | 234,195,936 | 346,403,386 |
| Less: Bonus share issue | - | 196,024,200 |
| Add: Net Profit during the period | 46,169,168 | 84,086,234 |
| Less: Adjustment for Lease Liability | - | 269,484 |
| Closing Balance | 280,365,104 | 234,195,936 |
| 13.A Consolidated Retained Earnings: Tk. 284,952,136 | | |
| Retained Earnings | 284,952,136 | 233,939,757 |
| Subra Systems Ltd. | 280,365,104 | 234,195,936 |
| Subra Technology Ltd. | 4,587,032 | (256,179) |
| | 284,952,136 | 233,939,757 |
| 14.00 Lease Liabilities: Tk. 420,987 | | |
| Beginning Balance | 2,842,428 | 4,006,585 |
| Add: Interest Expenses | 144,300 | 410,438 |
| | 2,986,728 | 4,417,023 |
| Less : Lease Payment | 858,870 | 1,574,595 |
| | 2,127,858 | 2,842,428 |
| Less: Current Portion of Lease Liabilities | 1,706,871 | 1,616,245 |
| Lease Liabilities Net of Current Portion | 420,987 | 1,226,183 |
| 14.A Consolidated Lease Liabilities: Tk. 420,987 | | |
| Subra Systems Ltd. | 420,987 | 1,226,183 |
| Subra Technology Ltd. | - | 312,157 |
| | 420,987 | 1,538,340 |

15.00 Liabilities for Expenses: Tk. 12,154,633

| | | |
|-----------------------------|-------------------------|------------------|
| Salary | 4,837,680 | 4,462,050 |
| Director Remuneration | 100,000 | 100,000 |
| Telephone Bill | 13,750 | 10,168 |
| Utilities Bill | 101,466 | 87,227 |
| Water Bill | 10,740 | 9,524 |
| Audit Fees | 115,000 | 115,000 |
| Interest on Short Term Loan | - | 203,454 |
| Income Tax | (Note: 15.01) 463,227 | 663,227 |
| Liability for WPPF | (Note: 15.02) 6,512,770 | 4,204,312 |
| | 12,154,633 | 9,854,962 |

15.01 Income Tax Payable: Tk. 463,227

| | | |
|------------------------------------|-----------------|----------------|
| Opening Balance | 663,227 | 663,227 |
| Add: Charge during the period | (Note: 23.00) - | - |
| | 663,227 | 663,227 |
| Less: Adjustment during the period | 200,000 | - |
| Closing Balance | 463,227 | 663,227 |

15.02 Liability for WPPF: Tk. 6,512,770

| | | |
|---------------------------------|------------------|------------------|
| Opening Balance | 4,204,312 | - |
| Add: Addition during the period | 2,308,458 | 4,204,312 |
| | 6,512,770 | 4,204,312 |
| Less: Payment during the period | - | - |
| Closing Balance | 6,512,770 | 4,204,312 |

15.A Consolidated Liabilities for Expenses: Tk. 12,907,530

| | | |
|-----------------------|-------------------|-------------------|
| Subra Systems Ltd. | 12,154,633 | 9,854,962 |
| Subra Technology Ltd. | 752,897 | 576,675 |
| | 12,907,530 | 10,431,637 |

16.00 Advance Against Sales: Tk. 879,930

| | | |
|-------------------------------------|------------------|------------------|
| Opening balance | 280,175 | 262,400 |
| Add: Received during the period | 5,557,720 | 2,456,025 |
| | 5,837,895 | 2,718,425 |
| Less : Adjustment during the period | 4,957,965 | 2,438,250 |
| Closing balance | 879,930 | 280,175 |

| | | | |
|--|--------------------------------------|------------------|------------------|
| 16.A Consolidated Advance Against Sales: Tk. 879,930 | Subra Systems Ltd. | 879,930 | 280,175 |
| | Subra Technology Ltd. | - | - |
| | | 879,930 | 280,175 |
| 17.00 Current Portion of Lease Liabilities: Tk. 1,706,871 | Current Portion of Lease Liabilities | 1,706,871 | 1,616,245 |
| | | 1,706,871 | 1,616,245 |
| 17.A Consolidated Current Portion of Lease Liabilities: Tk. 2,544,575 | Subra Systems Ltd. | 1,706,871 | 1,616,245 |
| | Subra Technology Ltd. | 837,704 | 945,273 |
| | | 2,544,575 | 2,561,518 |
| 18.00 Short Term Loan: Tk. 6,227,602 | IFIC Bank Ltd. | 6,227,602 | 8,408,018 |
| | | 6,227,602 | 8,408,018 |
| 18.A Consolidated Short Term Loan: Tk. 6,227,602 | Subra Systems Ltd. | 6,227,602 | 8,408,018 |
| | Subra Technology Ltd. | - | - |
| | | 6,227,602 | 8,408,018 |

| Amount in Taka | | | |
|---|---|-------------------------------------|--|
| 01 July 2020 to 31 Dec 2020 | 01 July 2019 to 31 Dec 2019 | 01 Oct 2020 to 31 Dec 2020 | 01 Oct 2019 to 31 Dec 2019 |
| 90,090,253 | 78,137,233 | 47,834,035 | 42260663 |
| 7,289,665 | 5,088,832 | 3,807,560 | 2719240 |
| 6,056,625 | 4,210,220 | 3,296,575 | 2304422 |
| 103,436,543 | 87,436,285 | 54,938,170 | 47,284,325 |
| 103,436,543 | 87,436,285 | 54,938,170 | 47,284,325 |
| 12,028,800 | - | 6,099,560 | - |
| 115,465,343 | 87,436,285 | 61,037,730 | 47,284,325 |
| 29,595,979 | 22,462,839 | 14,111,565 | 12,118,170 |
| 9,135,184 | 5,145,470 | 5,820,107 | 2,769,969 |
| 38,731,163 | 27,608,309 | 19,931,672 | 14,888,139 |
| 38,731,163 | 27,608,309 | 19,931,672 | 14,888,139 |
| 4,488,722 | 512,967 | 2,269,675 | 387,827 |
| 43,219,886 | 28,121,276 | 22,201,347 | 15,275,966 |
| 4,654,700 | 4,169,835 | 2,403,500 | 2,089,800 |
| 600,000 | - | 300,000 | - |
| 12,000 | 9,500 | 6,000 | 4,000 |
| - | - | - | - |
| 1,289,167 | 1,391,634 | 668,842 | 699,447 |
| 325,836 | 258,805 | 180,582 | 130,889 |
| 1,890,895 | 1,911,527 | 962,575 | 957,381 |
| 40,460 | 31,375 | 22,940 | 15,878 |
| 32,600 | 22,500 | - | - |
| 171,760 | 140,274 | 96,506 | 72,124 |
| 74,992 | 61,672 | 38,268 | 30,996 |

19.00 Revenue: Tk. 103,436,543

Sales of Software
Software Implementation & Customization
Web Page & Data Transmit

19.A Consolidated Revenue: Tk. 115,465,343

Subra Systems Ltd.
Subra Technology Ltd.

20.00 Direct Costs: Tk. 38,731,163

Software Deployment Cost
Amortization Expenses (Annexure-C)

20.A Consolidated Direct Costs: Tk. 43,219,886

Subra Systems Ltd.
Subra Technology Ltd.

21.00 Administrative Expenses: Tk. 15,582,324

Salary allowances & festival Bonus
Director Remuneration
Board Meeting Fees
Office Rent
Outsourcing Allowances
Utilities Expenses
R & D Expenses
WASA Charges
License and Renewal Fees
Photocopy
Telephone Charges

| | | | | |
|--|-------------------|-------------------|------------------|------------------|
| Internet Charges | 55,250 | 55,250 | 27,625 | 27,625 |
| Electric Materials | 73,030 | 68,877 | 37,780 | 34,594 |
| Traveling and Conveyance | 335,670 | 309,918 | 170,400 | 157,621 |
| Drinking Water | 22,220 | 19,819 | 11,870 | 9,962 |
| Printing & Stationery expenses | 501,243 | 490,841 | 276,582 | 245,921 |
| Entertainment | 82,595 | 67,320 | 42,090 | 34,280 |
| Audit Fees | 115,000 | 57,500 | 57,500 | 28,750 |
| News Paper & Periodicals | 9,090 | 9,109 | 4,570 | 4,630 |
| Vehicle Insurance premium | 73,652 | 62,955 | - | - |
| BASIS Fees | - | - | - | - |
| Domain and Hosting | - | - | - | - |
| Tender Schedule Expenses | 68,850 | 80,670 | 43,550 | 40,920 |
| Office Repairs & Maintenance | 465,090 | 401,307 | 239,670 | 206,240 |
| Advertisement Expenses | 88,000 | 21,195 | 51,500 | - |
| Bank Charges | 42,961 | 39,667 | 22,746 | 20,343 |
| IPO Expenses | 150,000 | - | 150,000 | - |
| Interest Expense on the Lease Liability | - | - | - | - |
| Depreciation Charge for the Right-of-Use Asset | 679,473 | 679,473 | 339,736 | 339,736 |
| Depreciation (Annexure-A) | 3,709,725 | 2,892,453 | 2,016,005 | 1,486,353 |
| Amortization (Annexure-B) | 18,066 | 7,482 | 9,033 | 3,741 |
| | 15,582,324 | 13,260,955 | 8,179,870 | 6,641,229 |
| 21.A Consolidated Administrative Expenses: Tk. 17,490,948 | | | | |
| Subra Systems Ltd. | 15,582,324 | 13,260,955 | 8,179,870 | 6,641,229 |
| Subra Technology Ltd. | 1,908,624 | 399,063 | 960,391 | 347,403 |
| | 17,490,948 | 13,660,018 | 9,140,261 | 6,988,631 |
| 22.00 Financial Expenses: Tk. 645,429 | | | | |
| Interest on Short Term Loan | 501,129 | - | 203,468 | - |
| Interest Expense on the Lease Liability | 144,300 | 224,725 | 66,818 | 107,631 |
| | 645,429 | 224,725 | 270,285 | 107,631 |
| 22.A Consolidated Financial Expenses: Tk. 705,704 | | | | |
| Subra Systems Ltd. | 645,429 | 224,725 | 270,285 | 107,631 |
| Subra Technology Ltd. | 60,274 | 33,359 | 27,005 | 33,359 |
| | 705,704 | 258,085 | 297,291 | 140,990 |
| 23.00 Income Tax Expenses: Tk. 0 | | | | |
| | - | - | - | - |

23.A Consolidated Income Tax Expenses: Tk. 0

Subra Systems Ltd.
Subra Technology Ltd.

| | | | |
|-------------|-------------|-------------|-------------|
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| 46,169,168 | 44,135,519 | 25,291,755 | 24,426,025 |
| 50,000,000 | 38,083,630 | 50,000,000 | 38,083,630 |
| 0.92 | 1.16 | 0.51 | 0.64 |

24.00 Earnings per Share (EPS): Tk. 0.92

Profit After Tax
Weighted Average Number of Ordinary Shares

Calculation of Weighted Average Number of Shares as at 31 Dec 2020

| Particulars | No. of Shares | Weight | Weighted average number of shares | Weight | Weighted average number of shares |
|-----------------------|-------------------|---------|-----------------------------------|--------|-----------------------------------|
| Opening No. of Shares | 50,000,000 | 184/184 | 50,000,000 | 92/92 | 50,000,000 |
| Total | 50,000,000 | | 50,000,000 | | 50,000,000 |

Calculation of Weighted Average Number of Shares as at 31 Dec 2019

| Particulars | No. of Shares | Weight | Weighted average number of shares | Weight | Weighted average number of shares |
|---|-------------------|---------|-----------------------------------|--------|-----------------------------------|
| Opening No. of Shares | 9,801,210 | 184/184 | 9,801,210 | 92/92 | 9,801,210 |
| Share issued from opening share money deposit | 8,680,000 | 184/184 | 8,680,000 | 92/92 | 8,680,000 |
| Bonus Share issued | 19,602,420 | 184/184 | 19,602,420 | 92/92 | 19,602,420 |
| Total | 38,083,630 | | 38,083,630 | | 38,083,630 |

24.A Consolidated Earnings per Share (EPS): Tk. 1.03

Profit After Tax
Weighted Average Number of Ordinary Shares

| | | | |
|-------------|-------------|-------------|-------------|
| 51,740,347 | 43,190,130 | 28,134,244 | 23,657,436 |
| 50,000,000 | 38,083,630 | 50,000,000 | 38,083,630 |
| 1.03 | 1.13 | 0.56 | 0.62 |

| | | Dec 31, 2020 | June 30, 2020 |
|--------------|---|--------------------|--------------------|
| 25.00 | Net Asset Value (NAV) per share : Tk. 15.61 | | |
| | Total Assets | 801,755,127 | 755,581,519 |
| | Less: Non Current Liabilities | 420,987 | 1,226,183 |
| | Less: Current Liabilities | 20,969,035 | 20,159,400 |
| | Net Asset Value | 780,365,104 | 734,195,936 |
| | Number of Shares outstanding at the end of the period | 50,000,000 | 50,000,000 |
| | Net Asset Value (NAV) Per Share | 15.61 | 14.68 |
| 25.A | Consolidated Net Asset Value (NAV) per share : Tk 15.70 | | |
| | Total Assets | 818,996,722 | 768,265,539 |
| | Less: Non-Current Liabilities | 420,987 | 1,538,340 |
| | Less: Current Liabilities | 23,134,137 | 23,025,948 |
| | Net Asset Value | 795,441,598 | 743,701,251 |
| | Less: Non Controlling Interest | 10,489,462 | 9,761,495 |
| | Equity attributable to the owners of the Company | 784,952,136 | 733,939,757 |
| | Number of Shares outstanding at the end of the period | 50,000,000 | 50,000,000 |
| | Net Asset Value (NAV) Per Share | 15.70 | 14.68 |
| 26.00 | Net Operating Cash Flows per share : Tk. 1.04 | | |
| | Net Operating Cash Flows | 51,911,240 | 53,350,680 |
| | Weighted Average Number of Ordinary Shares | 50,000,000 | 38,083,630 |
| | Net Operating Cash Flow Per Share (NOCFPS) | 1.04 | 1.40 |
| 26.A | Consolidated Net Operating Cash Flows per share : Tk. 1.20 | | |
| | Net Operating Cash Flows | 60,099,451 | 51,733,593 |
| | Weighted Average Number of Ordinary Shares | 50,000,000 | 38,083,630 |
| | Net Operating Cash Flow per share (NOCFPS) | 1.20 | 1.36 |

27.00 Disclosure as per schedule XI part II of the Companies Act, 1994.**27.01 Para 3 (a) : Turnover**

| Particulars | 01 July 2020 to 31 Dec 2020 |
|---|-----------------------------------|
| Sales of Software | 90,090,253 |
| Software Implementation & Customization | 7,289,665 |
| Web Page & Data Transmit | 6,056,625 |
| Total Revenue | 103,436,543 |

27.02 Para 3 (b) :

No Commission paid to selling agents

27.03 Para 3 (c) :

No brokerage and discount on sales paid.

27.04 Para 3 (d) (i) & (ii) :

As Subra Systems Ltd. is a software solution provider company, therefore Para 3(d)(i) & (ii) are not applicable.

27.05 Para 3 - Note 5 :

Total number of employees are as follows:

| Particulars | 31 Dec 2020 |
|-------------------------------------|-------------|
| Salary below Tk. 3,000 per month | - |
| Salary Tk. 3,000 or above per month | 257 |
| Total | 257 |

27.06 Para 4 :**Payments to Managing Director and Directors by the Company during the period.**

| | | |
|----|---|---------|
| a. | Managerial remuneration paid or payable during the financial year to the directors, including managing director, a managing agent or manager. | 600,000 |
| b. | Expenses reimbursed to managing agent | Nil |
| c. | Commission or other remuneration payable separately to a managing agent or his associate. | Nil |
| d. | Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company. | Nil |
| e. | The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial period. | Nil |
| f. | Any other perquisite or benefits in cash or in kind stating, approximate money value where practicable. | Nil |
| g. | Other allowances and commission including guarantee commission | Nil |

| | | |
|----|---|---------------------------------|
| h. | Pensions etc. (i) Pensions (ii) Gratuities (iii) Payments from a provident funds, in excess of own subscription and interest thereon (iv) Compensation for loss of office (v) Consideration in connection with retirement from office. | Nil Nil Nil Nil Nil |
|----|---|---------------------------------|

27.07 Para 6 :

Amount paid to the auditor as fees for service rendered- for the year ended June 30, 2020

(a) as auditor; Tk. 115,000.00

(b) as advisor, or in any other capacity, in respect of-

(i) taxation matters; Nil

(ii) company law matters; Nil

(iii) management services; Nil and

(c) in any other manner; Nil.

* Audit fees charges for service rendered- for the period ended Dec 31, 2020 amount Tk. 115,000.00

27.08 Para 7 :

As Subra Systems Ltd. is a software solution provider company, therefore Para 7 is not applicable.

**Subra Systems Ltd.'s primary activities includes sales of software, software implementation & customization, web page & data transmit. The principal activity of the Company is to provide comprehensive integrated business software solutions directly to individual customers. Solutions include providing ERP and other customized software according to client specifications, therefore above mentioned information is not applicable for the Company. Software production capacity and capacity utilization cannot be determined in the ordinary sense of the term. Customization requirements are determined and then required developers are assigned to do the job. If required skilled software engineers are hired on temporary basis or the expertise are arranged through outsourced.

27.09 Para 8 :

(a) The company did not import raw materials, components of spare parts and capital goods during the financial period ended 31 Dec, 2020.

(b) The Company did not have any expenditure in foreign currency during the financial year on account of royalty, know-how, professional consultation fees, interest and other matters.

(c) The company did not consume any imported and indigenous raw materials, spare parts and components,

(d) No amount has been remitted during the year in foreign currencies on account of dividends for non-residents shareholders,

(e) Earnings in foreign exchange classified under the following heads, namely:

(i) No export made during the year;

(ii) No royalty, know -how, professional and consultation fees were received;

(iii) No interest and dividend received;

(iv) No other income received.

28.00 Disclosure as per paragraph 17 of IAS 24 : Key Management Personnel of the entity:**(a) Short-term employee benefits**

| Name | Designation | Particulars | Transaction during the period | Outstanding as on 31.12.2020 |
|----------------------------------|----------------------|-------------------|-------------------------------|------------------------------|
| Md. Shafiul Azam | Chairman | Remuneration | - | - |
| | | Board Meeting fee | 2,000 | - |
| Md. Shaifullah Khaled Shams | Managing Director | Remuneration | 600,000 | 100,000 |
| | | Board Meeting fee | 2,000 | - |
| Bushra Chowdhury | Director | Remuneration | - | - |
| | | Board Meeting fee | 1,500 | - |
| Abdul Muhith | Director | Remuneration | - | - |
| | | Board Meeting fee | 1,500 | - |
| Ofia Khanam Chowdhury | Director | Remuneration | - | - |
| | | Board Meeting fee | 1,000 | - |
| Brig Gen Md. Nazrul Islam Sarker | Independent Director | Remuneration | - | - |
| | | Board Meeting fee | 2,000 | - |
| Khondkar Atique-E-Rabbani | Independent Director | Remuneration | - | - |
| | | Board Meeting fee | 2,000 | - |
| Total | | | 612,000 | 100,000 |

(b) Post-employee benefits

Nil

(c) Other long term benefits

Nil

(d) termination benefits and

Nil

(e) share-based payment

Nil

29.00 Disclosure as per paragraph 18 of IAS 24

| | |
|--|-----|
| a) the amount of transaction | Nil |
| b) the amount of outstanding balance, including commitments | Nil |
| i) their terms & condition, including whether they are secured, and the nature of the consideration to be provided in settlement | Nil |
| ii) details of any guarantee given or received | Nil |
| c) Provisions for doubtful debts related to the amount of outstanding balance | Nil |
| d) the expenses recognized during the period in respect of bad or doubtful debts due from related parties | Nil |

30.00 During the period from 01-07-2020 to 31-12-2020, there were 04 (Four) Board Meetings held. The attendance status of all the meetings is as follows:

| Name of Directors | Designation | No. of Meetings Attended | Per Meetings Fees |
|----------------------------------|----------------------|--------------------------|-------------------|
| Md. Shafiul Azam | Chairman | 4 | 500 |
| Md. Shaifullah Khaled Shams | Managing Director | 4 | 500 |
| Bushra Chowdhury | Director | 3 | 500 |
| Abdul Muhith | Director | 3 | 500 |
| Ofia Khanam Chowdhury | Director | 2 | 500 |
| Brig Gen Md. Nazrul Islam Sarker | Independent Director | 4 | 500 |
| Khondkar Atique-E-Rabbani | Independent Director | 4 | 500 |

31.00 Reconciliation of Net Income or Net Profit with Cash Flows from Operating Activities (Indirect Method) the requirement of Bangladesh Securities and Exchange Commission notification no. BSEC/CMRRCD/2006-158/308/Admin/81, Dated 20 June 2018.

| Particulars | Amount in Taka | |
|--|-----------------------------|-----------------------------|
| | 01 July 2020 to 31 Dec 2020 | 01 July 2019 to 31 Dec 2019 |
| Net Profit before Income Tax | 46,169,168 | 44,135,519 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation Charge for the Right-of-Use Asset | 679,473 | 679,473 |
| Depreciation on Fixed Assets | 3,709,725 | 2,892,453 |
| Amortization on Intangible Assets | 18,066 | 7,482 |
| Amortization on Intellectual Properties | 9,135,184 | 5,145,470 |

| | | |
|---|-------------------|-------------------|
| Financial Expenses | 645,429 | 224,725 |
| | 60,357,045 | 53,085,122 |
| Increase in Accounts Receivables | (11,536,716) | (2,191,286) |
| Increase in Advances, Deposits and Prepayments | (11,970) | (74,490) |
| Increase in Liabilities for Expenses | 2,703,125 | 2,529,978 |
| Increase in Advance Against Sales | 599,755 | 1,356 |
| Cash Generated from Operating Activities | 52,111,240 | 53,350,680 |
| Income Tax Paid | (200,000) | - |
| Net Cash Generated from Operating Activities | 51,911,240 | 53,350,680 |

31.A

Reconciliation of Consolidated Net Income or Net Profit with Cash Flows from Operating Activities (Indirect Method) the requirement of Bangladesh Securities and Exchange Commission notification no. BSEC/CMRRCD/2006-158/308/Admin/81, Dated 20 June 2018.

| Particulars | Amount in Taka | |
|--|-----------------------------------|-----------------------------------|
| | 01 July 2020 to 31 Dec 2020 | 01 July 2019 to 31 Dec 2019 |
| Net Profit before Income Tax | 51,740,347 | 43,190,130 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation Charge for the Right-of-Use Asset | 1,104,341 | 821,095 |
| Depreciation on Fixed Assets | 6,192,051 | 2,892,453 |
| Amortization on Intangible Assets | 58,658 | 7,482 |
| Amortization on Intellectual Properties | 9,135,184 | 5,145,470 |
| Financial Expenses | 705,704 | 258,085 |
| | 68,936,284 | 52,314,715 |
| Increase in Accounts Receivables | (12,068,346) | (2,191,286) |
| Increase in Advances, Deposits and Prepayments | (47,590) | (1,165,090) |
| Increase in Liabilities for Expenses | 2,879,347 | 2,783,898 |
| Increase in Advance Against Sales | 599,755 | 1,356 |
| Cash Generated from Operating Activities | 60,299,451 | 51,743,593 |
| Income Tax Paid | (200,000) | - |
| Net Cash Generated from Operating Activities | 60,099,451 | 51,743,593 |

32.00 Received from Customers: Tk. 92,499,582

Reveune
Add: Opening Receivable
Less: Closing Receivable
Add: Closing Advance Against Sales
Less: Opening Advance Against Sales

| | |
|-------------------|-------------------|
| 103,436,543 | 87,436,285 |
| 78,366,083 | 73,220,409 |
| 89,902,799 | 75,411,695 |
| 879,930 | 263,756 |
| 280,175 | 262,400 |
| 92,499,582 | 85,246,355 |

32.A Consolidated Received from Customers : Tk. 103,996,752

Subra Systems Ltd.
Subra Technology Ltd.

| | |
|--------------------|-------------------|
| 92,499,582 | 85,246,355 |
| 11,497,170 | - |
| 103,996,752 | 85,246,355 |

33.00 Cash paid to Employees: Tk. 31,407,437

Salary allowances & Festival Bonus (Direct Cost)
Salary allowances & Festival Bonus (Administrative Dep.)
Director Remuneration
Board Meeting Fees
Outsourcing Allowances

| | |
|-------------------|-------------------|
| 25,215,230 | 18,768,300 |
| 4,654,700 | 4,169,835 |
| 600,000 | - |
| 12,000 | 9,500 |
| 1,289,167 | 1,391,634 |
| 31,771,097 | 24,339,269 |

Add: Opening Salary & Allowance Payable
Less: Closing Salary & Allowance Payable
Add: Closing Advance to Employee
Less: Opening Advance to Employee
Add: Paid for WPPF

| | |
|-------------------|-------------------|
| 4,562,050 | 3,209,510 |
| 4,937,680 | 3,725,400 |
| 1,075,320 | 1,125,600 |
| 1,063,350 | 1,051,110 |
| - | - |
| 31,407,437 | 23,897,869 |

33.A Consolidated Cash paid to Employees: Tk. 33,916,357

Subra Systems Ltd.
Subra Technology Ltd.

| | |
|-------------------|-------------------|
| 31,407,437 | 23,897,869 |
| 2,508,920 | 487,440 |
| 33,916,357 | 24,385,308 |

34.00 Cash Paid to Others: Tk. 8,980,905

Administrative Expenses
Software Deployment Cost
Less: Interest Expense on the Lease Liability
Less: Depreciation Charge for the Right-of-Use Asset
Less: Depreciation
Less: Amortization

| | |
|------------|------------|
| 15,582,324 | 13,260,955 |
| 29,595,979 | 22,462,839 |
| - | - |
| 679,473 | 679,473 |
| 3,709,725 | 2,892,453 |
| 18,066 | 7,482 |

| | | | |
|--------------|---|-------------------|------------------|
| | Less: Employee portion | 31,771,097 | 24,339,269 |
| | Add: Accrued Exps b/d | 221,919 | 336,216 |
| | Less: Accrued Exps c/d | 240,956 | 143,528 |
| | Add: Prepaid Exps c/d | 431,435 | 242,435 |
| | Less: Prepaid Exps b/d | 431,435 | 242,435 |
| | | 8,980,905 | 7,997,806 |
| 34.A | Consolidated Cash Paid to Others: Tk. 9,780,944 | | |
| | Subra Systems Ltd. | 8,980,905 | 7,997,806 |
| | Subra Technology Ltd. | 800,039 | 1,129,647 |
| | | 9,780,944 | 9,127,453 |
| 35.00 | Income Tax paid: Tk. 200,000 | | |
| | Opening Income Tax Payable | 663,227 | 663,227 |
| | Add: Income Tax expenses during the period | - | - |
| | Less: Closing Income Tax Payable | 463,227 | 663,227 |
| | | 200,000 | - |
| 35.A | Consolidated Income Tax paid: Tk. 200,000 | | |
| | Subra Systems Ltd. | 200,000 | - |
| | Subra Technology Ltd. | - | - |
| | | 200,000 | - |
| 36.00 | Acquisition of Property, Plant and Equipment: Tk. 13,788,175 | | |
| | Land and Land Development | - | - |
| | Furniture & Fixture | 1,011,125 | 658,000 |
| | Air Conditioner | - | - |
| | Computer & Peripherals | 5,371,000 | 1,253,020 |
| | Electric Items | 1,780,450 | 472,900 |
| | Server Equipment | 5,625,600 | - |
| | Vehicle | - | - |
| | Office Decoration | - | 1,897,340 |
| | | 13,788,175 | 4,281,260 |
| | Less: Opening Advance against Land | - | 44,094,700 |
| | Add: Closing Advance against Land | - | 44,094,700 |
| | | 13,788,175 | 4,281,260 |

36.A Consolidated Acquisition of Property, Plant and Equipment: Tk. 14,546,645

Subra Systems Ltd.

Subra Technology Ltd.

13,788,175

4,281,260

758,470

2,371,850

14,546,645

6,653,110

37.00 Bank Guarantee

The company have no Bank Guarantee on the reporting date.

38.00 Capital Commitment

The company have no Capital Commitment at the reporting date.

SUBRA SYSTEMS LTD.
CONSOLIDATED SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT
AS AT 31 DEC 2020

Annexure-A

| COST | | | | Rate % | DEPRECIATION | | | |
|----------------------------------|-------------------------------|-----------------------------------|-------------------------------|---------------|-------------------------------|----------------------------------|-------------------------------|------------------------------|
| Particulars | Balance as on 01.07.20 | Addition during the Period | Balance as on 31.12.20 | | Balance as on 01.07.20 | Charged during the Period | Balance as on 31.12.20 | W.D.V. as on 31.12.20 |
| Land and Land Development | 162,371,510 | - | 162,371,510 | - | - | - | - | 162,371,510 |
| Furniture & Fixture | 11,591,626 | 1,011,125 | 12,602,751 | 10% | 3,320,578 | 442,623 | 3,763,202 | 8,839,549 |
| Office Equipment | 2,536,840 | - | 2,536,840 | 15% | 63,421 | 185,506 | 248,927 | 2,287,913 |
| Air Conditioner | 4,483,650 | - | 4,483,650 | 15% | 1,469,816 | 226,038 | 1,695,853 | 2,787,797 |
| Computer & Peripherals | 17,530,842 | 5,696,620 | 23,227,462 | 15% | 5,029,106 | 1,198,568 | 6,227,674 | 16,999,788 |
| Electric Items | 1,797,690 | 1,780,450 | 3,578,140 | 15% | 465,477 | 179,556 | 645,033 | 2,933,107 |
| Server Equipment | 21,250,300 | 6,058,450 | 27,308,750 | 15% | 1,769,506 | 1,753,161 | 3,522,667 | 23,786,083 |
| Vehicle | 26,387,789 | - | 26,387,789 | 20% | 13,050,632 | 1,333,716 | 14,384,348 | 12,003,441 |
| Office Decoration | 10,525,570 | - | 10,525,570 | 20% | 1,796,739 | 872,883 | 2,669,622 | 7,855,948 |
| Balance as at 31 Dec 2020 | 258,475,817 | 14,546,645 | 273,022,462 | | 26,965,276 | 6,192,051 | 33,157,327 | 239,865,136 |

AS AT 30 JUNE 2020

| COST | | | | Rate % | DEPRECIATION | | | |
|-----------------------------------|-------------------------------|---------------------------------|-------------------------------|---------------|-------------------------------|--------------------------------|-------------------------------|------------------------------|
| Particulars | Balance as on 01.07.19 | Addition during the Year | Balance as on 30.06.20 | | Balance as on 01.07.19 | Charged during the year | Balance as on 30.06.20 | W.D.V. as on 30.06.20 |
| Land and Land Development | 45,584,160 | 116,787,350 | 162,371,510 | - | - | - | - | 162,371,510 |
| Furniture & Fixture | 7,293,226 | 4,298,400 | 11,591,626 | 10% | 2,745,796 | 574,782 | 3,320,578 | 8,271,048 |
| Office Equipment | - | 2,536,840 | 2,536,840 | 15% | - | 63,421 | 63,421 | 2,473,419 |
| Air Conditioner | 2,951,000 | 1,532,650 | 4,483,650 | 15% | 1,144,846 | 324,969 | 1,469,816 | 3,013,834 |
| Computer & Peripherals | 9,234,522 | 8,296,320 | 17,530,842 | 15% | 3,922,808 | 1,106,298 | 5,029,106 | 12,501,736 |
| Electric Items | 899,635 | 898,055 | 1,797,690 | 15% | 292,536 | 172,941 | 465,477 | 1,332,213 |
| Server Equipment | 3,200,000 | 18,050,300 | 21,250,300 | 15% | 888,000 | 881,506 | 1,769,506 | 19,480,794 |
| Vehicle | 26,387,789 | - | 26,387,789 | 20% | 9,716,343 | 3,334,289 | 13,050,632 | 13,337,157 |
| Office Decoration | 2,315,880 | 8,209,690 | 10,525,570 | 20% | 1,127,245 | 669,494 | 1,796,739 | 8,728,831 |
| Balance as at 30 June 2020 | 97,866,212 | 160,609,605 | 258,475,817 | | 19,837,575 | 7,127,701 | 26,965,276 | 231,510,541 |

SUBRA SYSTEMS LTD.
CONSOLIDATED SCHEDULE OF INTANGIBLE ASSETS
AS AT 31 DEC 2020

| Particulars | COST | | | | AMORTIZATION | | | Annexure-B |
|----------------------------------|------------------------|----------------------------|------------------------|--------|------------------------|---------------------------|------------------------|--------------------------------|
| | Balance as on 01.07.20 | Addition during the Period | Balance as on 31.12.20 | Rate % | Balance as on 01.07.20 | Charged during the Period | Balance as on 31.12.20 | Amortized Value as on 31.12.20 |
| Operating Software | 1,518,318 | - | 1,518,318 | 10% | 345,162 | 58,658 | 403,820 | 1,114,498 |
| Balance as at 31 Dec 2020 | 1,518,318 | - | 1,518,318 | | 345,162 | 58,658 | 403,820 | 1,114,498 |

AS AT 30 JUNE 2020

| Particulars | COST | | | | AMORTIZATION | | | Amortized Value as on 30.06.20 |
|-----------------------------------|------------------------|--------------------------|------------------------|--------|------------------------|-------------------------|------------------------|--------------------------------|
| | Balance as on 01.07.19 | Addition during the Year | Balance as on 30.06.20 | Rate % | Balance as on 01.07.19 | Charged during the year | Balance as on 30.06.20 | |
| Operating Software | 456,218 | 1,062,100 | 1,518,318 | 10% | 306,584 | 38,578 | 345,162 | 1,173,156 |
| Balance as at 30 June 2020 | 456,218 | 1,062,100 | 1,518,318 | | 306,584 | 38,578 | 345,162 | 1,173,156 |

SUBRA SYSTEMS LTD.
CONSOLIDATED SCHEDULE OF INTELLECTUAL PROPERTY
AS AT 31 DEC 2020

| Particulars | COST | | | AMORTIZATION | | | | Annexure-C |
|-----------------------------------|------------------------|----------------------------|------------------------|--------------|------------------------|---------------------------|------------------------|--------------------------------|
| | Balance as on 01.07.20 | Addition during the Period | Balance as on 31.12.20 | Rate % | Balance as on 01.07.20 | Charged during the Period | Balance as on 31.12.20 | Amortized Value as on 31.12.20 |
| Point of Sales | 826,520 | 507,900 | 1,334,420 | 20% | 630,180 | 42,219 | 672,399 | 662,021 |
| Accounting Management Systems | 2,670,483 | 1,367,370 | 4,037,853 | 20% | 2,051,927 | 125,911 | 2,177,839 | 1,860,014 |
| Housing Management System | 789,500 | - | 789,500 | 20% | 726,042 | 6,346 | 732,388 | 57,112 |
| Inventory Management | 2,811,300 | 961,100 | 3,772,400 | 20% | 2,079,602 | 116,618 | 2,196,220 | 1,576,180 |
| Human Resource Management | 1,565,000 | 315,500 | 1,880,500 | 20% | 1,162,005 | 45,558 | 1,207,563 | 672,937 |
| Garments Management systems | 4,275,921 | 703,600 | 4,979,521 | 20% | 3,143,205 | 142,273 | 3,285,479 | 1,694,042 |
| Payroll management | 1,495,200 | 235,200 | 1,730,400 | 20% | 1,130,386 | 40,401 | 1,170,787 | 559,613 |
| Providend fund Management System | 4,100,735 | 974,250 | 5,074,985 | 20% | 3,078,837 | 145,860 | 3,224,697 | 1,850,288 |
| Hospital Management System | 3,234,340 | 1,332,300 | 4,566,640 | 20% | 2,256,725 | 158,141 | 2,414,867 | 2,151,773 |
| Diagnostic Management System | 2,573,450 | 1,122,000 | 3,695,450 | 20% | 1,877,601 | 114,625 | 1,992,226 | 1,703,224 |
| Amusement Park Mgt. | 4,694,780 | - | 4,694,780 | 20% | 3,200,605 | 149,418 | 3,350,022 | 1,344,758 |
| E-Education Management Soft. | 2,798,000 | 1,044,500 | 3,842,500 | 20% | 1,965,489 | 126,279 | 2,091,769 | 1,750,731 |
| Gratuity & WPPF Management System | 3,063,600 | - | 3,063,600 | 20% | 2,140,922 | 92,268 | 2,233,190 | 830,410 |
| Document Management Software | 2,850,000 | 365,400 | 3,215,400 | 20% | 2,312,081 | 59,882 | 2,371,963 | 843,437 |
| Fixed Asset Management System | 3,259,000 | 1,352,700 | 4,611,700 | 20% | 2,109,922 | 174,278 | 2,284,200 | 2,327,500 |
| Job portal | 1,955,800 | - | 1,955,800 | 20% | 1,494,369 | 46,143 | 1,540,512 | 415,288 |
| Shipping management ERP | 6,569,300 | 1,131,060 | 7,700,360 | 20% | 4,518,912 | 252,018 | 4,770,930 | 2,929,430 |
| Anti Money Londering Software | 1,437,520 | - | 1,437,520 | 20% | 855,576 | 58,194 | 913,771 | 523,749 |
| Construction Mgt. (ERP) | 2,315,160 | 1,185,900 | 3,501,060 | 20% | 1,413,926 | 137,373 | 1,551,299 | 1,949,761 |
| Proucrement Management System | 2,838,240 | 432,500 | 3,270,740 | 20% | 1,538,208 | 137,212 | 1,675,420 | 1,595,320 |
| E-Commerce Management Software | 4,120,000 | 1,406,200 | 5,526,200 | 20% | 2,101,041 | 262,508 | 2,363,549 | 3,162,651 |
| Buying House Mangement System | 3,842,500 | - | 3,842,500 | 20% | 2,183,361 | 165,914 | 2,349,275 | 1,493,225 |
| Escrow (Central Back office) | 11,845,450 | 2,251,510 | 14,096,960 | 20% | 6,224,290 | 669,047 | 6,893,337 | 7,203,623 |
| Club management system | 2,360,000 | - | 2,360,000 | 20% | 1,151,680 | 120,832 | 1,272,512 | 1,087,488 |
| E-ticketing system | 2,992,560 | 436,300 | 3,428,860 | 20% | 1,460,369 | 160,491 | 1,620,860 | 1,808,000 |
| Meeting Management System | 1,958,630 | - | 1,958,630 | 20% | 955,811 | 100,282 | 1,056,093 | 902,537 |
| Food Court Management System | 2,192,380 | 525,900 | 2,718,280 | 20% | 1,069,881 | 147,310 | 1,217,191 | 1,501,089 |

| | | | | | | | | |
|------------------------------------|--------------------|-------------------|--------------------|-----|-------------------|------------------|-------------------|--------------------|
| Fund Management system | 1,934,060 | - | 1,934,060 | 20% | 696,262 | 123,780 | 820,041 | 1,114,019 |
| Cheque Printing System | 1,449,000 | 713,800 | 2,162,800 | 20% | 521,640 | 122,723 | 644,363 | 1,518,437 |
| Mail register | 2,232,750 | - | 2,232,750 | 20% | 803,790 | 142,896 | 946,686 | 1,286,064 |
| Leather Goods Manufacturing system | 8,603,300 | 1,520,000 | 10,123,300 | 20% | 3,097,188 | 618,460 | 3,715,648 | 6,407,652 |
| Visitor Attendance System | 1,921,700 | - | 1,921,700 | 20% | 691,812 | 122,989 | 814,801 | 1,106,899 |
| Food Production Management System | 7,756,300 | 1,009,100 | 8,765,400 | 20% | 2,792,268 | 541,397 | 3,333,665 | 5,431,735 |
| CRM system | - | 14,097,535 | 14,097,535 | 20% | - | 939,836 | 939,836 | 13,157,699 |
| Vat Management System | - | 14,632,625 | 14,632,625 | 20% | - | 975,508 | 975,508 | 13,657,117 |
| Task Management System | - | 12,465,380 | 12,465,380 | 20% | - | 831,025 | 831,025 | 11,634,355 |
| Mobile Point of Sale | - | 9,384,375 | 9,384,375 | 20% | - | 625,625 | 625,625 | 8,758,750 |
| Restaurant Management System | - | 9,561,675 | 9,561,675 | 20% | - | 159,361 | 159,361 | 9,402,314 |
| Filling Station Management System | - | 8,051,130 | 8,051,130 | 20% | - | 134,186 | 134,186 | 7,916,945 |
| Balance as at 31 Dec 2020 | 109,332,479 | 89,086,810 | 198,419,289 | | 63,435,915 | 9,135,184 | 72,571,099 | 125,848,190 |

AS AT 30 JUNE 2020

| Particulars | COST | | | | AMORTIZATION | | | Amortized Value as on 30.06.20 |
|-----------------------------------|------------------------|--------------------------|------------------------|--------|------------------------|-------------------------|------------------------|--------------------------------|
| | Balance as on 01.07.19 | Addition during the Year | Balance as on 30.06.20 | Rate % | Balance as on 01.07.19 | Charged during the year | Balance as on 30.06.20 | |
| Point of Sales | 646,000 | 180,520 | 826,520 | 20% | 581,095 | 49,085 | 630,180 | 196,340 |
| Accounting Management Systems | 2,109,883 | 560,600 | 2,670,483 | 20% | 1,897,289 | 154,639 | 2,051,927 | 618,556 |
| Housing Management System | 789,500 | - | 789,500 | 20% | 710,178 | 15,864 | 726,042 | 63,458 |
| Inventory Management | 2,234,000 | 577,300 | 2,811,300 | 20% | 1,896,678 | 182,924 | 2,079,602 | 731,698 |
| Human Resource Management | 1,250,000 | 315,000 | 1,565,000 | 20% | 1,061,256 | 100,749 | 1,162,005 | 402,995 |
| Garments Management systems | 3,368,681 | 907,240 | 4,275,921 | 20% | 2,860,027 | 283,179 | 3,143,205 | 1,132,716 |
| Payroll Management | 1,224,000 | 271,200 | 1,495,200 | 20% | 1,039,182 | 91,204 | 1,130,386 | 364,814 |
| Providend fund Management System | 3,480,235 | 620,500 | 4,100,735 | 20% | 2,823,362 | 255,475 | 3,078,837 | 1,021,898 |
| Hospital Management System | 2,480,500 | 753,840 | 3,234,340 | 20% | 2,012,322 | 244,404 | 2,256,725 | 977,615 |
| Diagnostic Management System | 2,100,000 | 473,450 | 2,573,450 | 20% | 1,703,638 | 173,962 | 1,877,601 | 695,849 |
| Amusement Park Mgt. | 3,700,000 | 994,780 | 4,694,780 | 20% | 2,827,061 | 373,544 | 3,200,605 | 1,494,175 |
| E-Education Management Soft. | 2,300,000 | 498,000 | 2,798,000 | 20% | 1,757,362 | 208,128 | 1,965,489 | 832,511 |
| Gratuity & WPPF Management System | 2,500,100 | 563,500 | 3,063,600 | 20% | 1,910,253 | 230,669 | 2,140,922 | 922,678 |
| Document Management Software | 2,850,000 | - | 2,850,000 | 20% | 2,177,601 | 134,480 | 2,312,081 | 537,919 |
| Fixed Asset Management System | 2,585,000 | 674,000 | 3,259,000 | 20% | 1,822,653 | 287,269 | 2,109,922 | 1,149,078 |

| | | | | | | | | |
|------------------------------------|-------------------|-------------------|--------------------|-----|-------------------|-------------------|-------------------|-------------------|
| Job portal | 1,955,800 | - | 1,955,800 | 20% | 1,379,011 | 115,358 | 1,494,369 | 461,431 |
| Shipping management ERP | 5,682,000 | 887,300 | 6,569,300 | 20% | 4,006,315 | 512,597 | 4,518,912 | 2,050,388 |
| Anti Money Londering Software | 1,124,700 | 312,820 | 1,437,520 | 20% | 710,090 | 145,486 | 855,576 | 581,944 |
| Construction Mgt. (ERP) | 1,882,630 | 432,530 | 2,315,160 | 20% | 1,188,617 | 225,309 | 1,413,926 | 901,234 |
| Proucurement Management System | 2,250,000 | 588,240 | 2,838,240 | 20% | 1,213,200 | 325,008 | 1,538,208 | 1,300,032 |
| E-Commerce Management Software | 2,960,500 | 1,159,500 | 4,120,000 | 20% | 1,596,302 | 504,740 | 2,101,041 | 2,018,959 |
| Buying House Mangement System | 3,280,000 | 562,500 | 3,842,500 | 20% | 1,768,576 | 414,785 | 2,183,361 | 1,659,139 |
| Escrow (Central Back office) | 9,875,000 | 1,970,450 | 11,845,450 | 20% | 4,819,000 | 1,405,290 | 6,224,290 | 5,621,160 |
| Club management system | 2,360,000 | - | 2,360,000 | 20% | 849,600 | 302,080 | 1,151,680 | 1,208,320 |
| E-ticketing system | 2,992,560 | - | 2,992,560 | 20% | 1,077,322 | 383,048 | 1,460,369 | 1,532,191 |
| Meeting Management System | 1,958,630 | - | 1,958,630 | 20% | 705,107 | 250,705 | 955,811 | 1,002,819 |
| Food Court Management System | 2,192,380 | - | 2,192,380 | 20% | 789,257 | 280,625 | 1,069,881 | 1,122,499 |
| Fund Management system | 1,934,060 | - | 1,934,060 | 20% | 386,812 | 309,450 | 696,262 | 1,237,798 |
| Cheque Printing System | 1,449,000 | - | 1,449,000 | 20% | 289,800 | 231,840 | 521,640 | 927,360 |
| Mail register | 2,232,750 | - | 2,232,750 | 20% | 446,550 | 357,240 | 803,790 | 1,428,960 |
| Leather Goods Manufacturing system | 8,603,300 | - | 8,603,300 | 20% | 1,720,660 | 1,376,528 | 3,097,188 | 5,506,112 |
| Visitor Attendance System | 1,921,700 | - | 1,921,700 | 20% | 384,340 | 307,472 | 691,812 | 1,229,888 |
| Food Production Management System | 7,756,300 | - | 7,756,300 | 20% | 1,551,260 | 1,241,008 | 2,792,268 | 4,964,032 |
| Balance as at 30 June 2020 | 96,029,209 | 13,303,270 | 109,332,479 | | 51,961,774 | 11,474,141 | 63,435,915 | 45,896,564 |

SUBRA SYSTEMS LTD.
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT
AS AT 31 DEC 2020

Annexure-A

| COST | | | | Rate % | DEPRECIATION | | | |
|----------------------------------|-------------------------------|-----------------------------------|-------------------------------|---------------|-------------------------------|----------------------------------|-------------------------------|------------------------------|
| Particulars | Balance as on 01.07.20 | Addition during the Period | Balance as on 31.12.20 | | Balance as on 01.07.20 | Charged during the Period | Balance as on 31.12.20 | W.D.V. as on 31.12.20 |
| Land and Land Development | 162,371,510 | - | 162,371,510 | - | - | - | - | 162,371,510 |
| Furniture & Fixture | 8,366,326 | 1,011,125 | 9,377,451 | 10% | 3,266,823 | 284,046 | 3,550,870 | 5,826,581 |
| Air Conditioner | 4,483,650 | - | 4,483,650 | 15% | 1,469,816 | 226,038 | 1,695,853 | 2,787,797 |
| Computer & Peripherals | 12,885,742 | 5,371,000 | 18,256,742 | 15% | 4,912,978 | 838,544 | 5,751,521 | 12,505,221 |
| Electric Items | 1,797,690 | 1,780,450 | 3,578,140 | 15% | 465,477 | 179,556 | 645,033 | 2,933,107 |
| Server Equipment | 5,425,300 | 5,625,600 | 11,050,900 | 15% | 1,373,881 | 585,136 | 1,959,018 | 9,091,882 |
| Vehicle | 26,387,789 | - | 26,387,789 | 20% | 13,050,632 | 1,333,716 | 14,384,348 | 12,003,441 |
| Office Decoration | 4,213,220 | - | 4,213,220 | 20% | 1,586,328 | 262,689 | 1,849,017 | 2,364,203 |
| Balance as at 31 Dec 2020 | 225,931,227 | 13,788,175 | 239,719,402 | | 26,125,936 | 3,709,725 | 29,835,660 | 209,883,742 |

AS AT 30 JUNE 2020

| COST | | | | Rate % | DEPRECIATION | | | |
|-----------------------------------|-------------------------------|---------------------------------|-------------------------------|---------------|-------------------------------|--------------------------------|-------------------------------|------------------------------|
| Particulars | Balance as on 01.07.19 | Addition during the Year | Balance as on 30.06.20 | | Balance as on 01.07.19 | Charged during the year | Balance as on 30.06.20 | W.D.V. as on 30.06.20 |
| Land and Land Development | 45,584,160 | 116,787,350 | 162,371,510 | - | - | - | - | 162,371,510 |
| Furniture & Fixture | 7,293,226 | 1,073,100 | 8,366,326 | 10% | 2,745,796 | 521,027 | 3,266,823 | 5,099,503 |
| Air Conditioner | 2,951,000 | 1,532,650 | 4,483,650 | 15% | 1,144,846 | 324,969 | 1,469,816 | 3,013,834 |
| Computer & Peripherals | 9,234,522 | 3,651,220 | 12,885,742 | 15% | 3,922,808 | 990,170 | 4,912,978 | 7,972,764 |
| Electric Items | 899,635 | 898,055 | 1,797,690 | 15% | 292,536 | 172,941 | 465,477 | 1,332,213 |
| Server Equipment | 3,200,000 | 2,225,300 | 5,425,300 | 15% | 888,000 | 485,881 | 1,373,881 | 4,051,419 |
| Vehicle | 26,387,789 | - | 26,387,789 | 20% | 9,716,343 | 3,334,289 | 13,050,632 | 13,337,157 |
| Office Decoration | 2,315,880 | 1,897,340 | 4,213,220 | 20% | 1,127,245 | 459,083 | 1,586,328 | 2,626,892 |
| Balance as at 30 June 2020 | 97,866,212 | 128,065,015 | 225,931,227 | | 19,837,575 | 6,288,361 | 26,125,936 | 199,805,291 |

**SUBRA SYSTEMS LTD.
SCHEDULE OF INTANGIBLE ASSETS
AS AT 31 DEC 2020**

| Particulars | COST | | | | AMORTIZATION | | | Annexure-B |
|----------------------------------|------------------------|----------------------------|------------------------|--------|------------------------|---------------------------|------------------------|--------------------------------|
| | Balance as on 01.07.20 | Addition during the Period | Balance as on 31.12.20 | Rate % | Balance as on 01.07.20 | Charged during the Period | Balance as on 31.12.20 | Amortized Value as on 31.12.20 |
| Operating Software | 692,718 | - | 692,718 | 10% | 331,402 | 18,066 | 349,468 | 343,250 |
| Balance as at 31 Dec 2020 | 692,718 | - | 692,718 | | 331,402 | 18,066 | 349,468 | 343,250 |

AS AT 30 JUNE 2020

| Particulars | COST | | | | AMORTIZATION | | | Amortized Value as on 30.06.20 |
|-----------------------------------|------------------------|--------------------------|------------------------|--------|------------------------|-------------------------|------------------------|--------------------------------|
| | Balance as on 01.07.19 | Addition during the Year | Balance as on 30.06.20 | Rate % | Balance as on 01.07.19 | Charged during the year | Balance as on 30.06.20 | |
| Operating Software | 456,218 | 236,500 | 692,718 | 10% | 306,584 | 24,818 | 331,402 | 361,316 |
| Balance as at 30 June 2020 | 456,218 | 236,500 | 692,718 | | 306,584 | 24,818 | 331,402 | 361,316 |

SUBRA SYSTEMS LTD.
SCHEDULE OF INTELLECTUAL PROPERTY
AS AT 31 DEC 2020

| Particulars | COST | | | | AMORTIZATION | | | Annexure-C |
|-----------------------------------|------------------------|----------------------------|------------------------|--------|------------------------|---------------------------|------------------------|--------------------------------|
| | Balance as on 01.07.20 | Addition during the Period | Balance as on 31.12.20 | Rate % | Balance as on 01.07.20 | Charged during the Period | Balance as on 31.12.20 | Amortized Value as on 31.12.20 |
| Point of Sales | 826,520 | 507,900 | 1,334,420 | 20% | 630,180 | 42,219 | 672,399 | 662,021 |
| Accounting Management Systems | 2,670,483 | 1,367,370 | 4,037,853 | 20% | 2,051,927 | 125,911 | 2,177,839 | 1,860,014 |
| Housing Management System | 789,500 | - | 789,500 | 20% | 726,042 | 6,346 | 732,388 | 57,112 |
| Inventory Management | 2,811,300 | 961,100 | 3,772,400 | 20% | 2,079,602 | 116,618 | 2,196,220 | 1,576,180 |
| Human Resource Management | 1,565,000 | 315,500 | 1,880,500 | 20% | 1,162,005 | 45,558 | 1,207,563 | 672,937 |
| Garments Management systems | 4,275,921 | 703,600 | 4,979,521 | 20% | 3,143,205 | 142,273 | 3,285,479 | 1,694,042 |
| Payroll Management | 1,495,200 | 235,200 | 1,730,400 | 20% | 1,130,386 | 40,401 | 1,170,787 | 559,613 |
| Providend fund Management System | 4,100,735 | 974,250 | 5,074,985 | 20% | 3,078,837 | 145,860 | 3,224,697 | 1,850,288 |
| Hospital Management System | 3,234,340 | 1,332,300 | 4,566,640 | 20% | 2,256,725 | 158,141 | 2,414,867 | 2,151,773 |
| Diagnostic Management System | 2,573,450 | 1,122,000 | 3,695,450 | 20% | 1,877,601 | 114,625 | 1,992,226 | 1,703,224 |
| Amusement Park Mgt. | 4,694,780 | - | 4,694,780 | 20% | 3,200,605 | 149,418 | 3,350,022 | 1,344,758 |
| E-Education Management Soft. | 2,798,000 | 1,044,500 | 3,842,500 | 20% | 1,965,489 | 126,279 | 2,091,769 | 1,750,731 |
| Gratuity & WPPF Management System | 3,063,600 | - | 3,063,600 | 20% | 2,140,922 | 92,268 | 2,233,190 | 830,410 |
| Document Management Software | 2,850,000 | 365,400 | 3,215,400 | 20% | 2,312,081 | 59,882 | 2,371,963 | 843,437 |
| Fixed Asset Management System | 3,259,000 | 1,352,700 | 4,611,700 | 20% | 2,109,922 | 174,278 | 2,284,200 | 2,327,500 |
| Job portal | 1,955,800 | - | 1,955,800 | 20% | 1,494,369 | 46,143 | 1,540,512 | 415,288 |
| Shipping management ERP | 6,569,300 | 1,131,060 | 7,700,360 | 20% | 4,518,912 | 252,018 | 4,770,930 | 2,929,430 |
| Anti Money Londering Software | 1,437,520 | - | 1,437,520 | 20% | 855,576 | 58,194 | 913,771 | 523,749 |
| Construction Mgt. (ERP) | 2,315,160 | 1,185,900 | 3,501,060 | 20% | 1,413,926 | 137,373 | 1,551,299 | 1,949,761 |
| Proucrement Management System | 2,838,240 | 432,500 | 3,270,740 | 20% | 1,538,208 | 137,212 | 1,675,420 | 1,595,320 |
| E-Commerce Management Software | 4,120,000 | 1,406,200 | 5,526,200 | 20% | 2,101,041 | 262,508 | 2,363,549 | 3,162,651 |
| Buying House Mangement System | 3,842,500 | - | 3,842,500 | 20% | 2,183,361 | 165,914 | 2,349,275 | 1,493,225 |
| Escrow (Central Back office) | 11,845,450 | 2,251,510 | 14,096,960 | 20% | 6,224,290 | 669,047 | 6,893,337 | 7,203,623 |
| Club management system | 2,360,000 | - | 2,360,000 | 20% | 1,151,680 | 120,832 | 1,272,512 | 1,087,488 |
| E-ticketing system | 2,992,560 | 436,300 | 3,428,860 | 20% | 1,460,369 | 160,491 | 1,620,860 | 1,808,000 |
| Meeting Management System | 1,958,630 | - | 1,958,630 | 20% | 955,811 | 100,282 | 1,056,093 | 902,537 |
| Food Court Management System | 2,192,380 | 525,900 | 2,718,280 | 20% | 1,069,881 | 147,310 | 1,217,191 | 1,501,089 |

| | | | | | | | | |
|------------------------------------|--------------------|-------------------|--------------------|-----|-------------------|------------------|-------------------|--------------------|
| Fund Management system | 1,934,060 | - | 1,934,060 | 20% | 696,262 | 123,780 | 820,041 | 1,114,019 |
| Cheque Printing System | 1,449,000 | 713,800 | 2,162,800 | 20% | 521,640 | 122,723 | 644,363 | 1,518,437 |
| Mail register | 2,232,750 | - | 2,232,750 | 20% | 803,790 | 142,896 | 946,686 | 1,286,064 |
| Leather Goods Manufacturing system | 8,603,300 | 1,520,000 | 10,123,300 | 20% | 3,097,188 | 618,460 | 3,715,648 | 6,407,652 |
| Visitor Attendance System | 1,921,700 | - | 1,921,700 | 20% | 691,812 | 122,989 | 814,801 | 1,106,899 |
| Food Production Management System | 7,756,300 | 1,009,100 | 8,765,400 | 20% | 2,792,268 | 541,397 | 3,333,665 | 5,431,735 |
| CRM system | - | 14,097,535 | 14,097,535 | 20% | - | 939,836 | 939,836 | 13,157,699 |
| Vat Management System | - | 14,632,625 | 14,632,625 | 20% | - | 975,508 | 975,508 | 13,657,117 |
| Task Management System | - | 12,465,380 | 12,465,380 | 20% | - | 831,025 | 831,025 | 11,634,355 |
| Mobile Point of Sale | - | 9,384,375 | 9,384,375 | 20% | - | 625,625 | 625,625 | 8,758,750 |
| Restaurant Management System | - | 9,561,675 | 9,561,675 | 20% | - | 159,361 | 159,361 | 9,402,314 |
| Filling Station Management System | - | 8,051,130 | 8,051,130 | 20% | - | 134,186 | 134,186 | 7,916,945 |
| Balance as at 31 Dec 2020 | 109,332,479 | 89,086,810 | 198,419,289 | | 63,435,915 | 9,135,184 | 72,571,099 | 125,848,190 |

AS AT 30 JUNE 2020

| Particulars | COST | | | | AMORTIZATION | | | Amortized Value as on 30.06.20 |
|-----------------------------------|------------------------|--------------------------|------------------------|--------|------------------------|-------------------------|------------------------|--------------------------------|
| | Balance as on 01.07.19 | Addition during the Year | Balance as on 30.06.20 | Rate % | Balance as on 01.07.19 | Charged during the year | Balance as on 30.06.20 | |
| Point of Sales | 646,000 | 180,520 | 826,520 | 20% | 581,095 | 49,085 | 630,180 | 196,340 |
| Accounting Management Systems | 2,109,883 | 560,600 | 2,670,483 | 20% | 1,897,289 | 154,639 | 2,051,927 | 618,556 |
| Housing Management System | 789,500 | - | 789,500 | 20% | 710,178 | 15,864 | 726,042 | 63,458 |
| Inventory Management | 2,234,000 | 577,300 | 2,811,300 | 20% | 1,896,678 | 182,924 | 2,079,602 | 731,698 |
| Human Resource Management | 1,250,000 | 315,000 | 1,565,000 | 20% | 1,061,256 | 100,749 | 1,162,005 | 402,995 |
| Garments Management systems | 3,368,681 | 907,240 | 4,275,921 | 20% | 2,860,027 | 283,179 | 3,143,205 | 1,132,716 |
| Payroll Management | 1,224,000 | 271,200 | 1,495,200 | 20% | 1,039,182 | 91,204 | 1,130,386 | 364,814 |
| Providend fund Management System | 3,480,235 | 620,500 | 4,100,735 | 20% | 2,823,362 | 255,475 | 3,078,837 | 1,021,898 |
| Hospital Management System | 2,480,500 | 753,840 | 3,234,340 | 20% | 2,012,322 | 244,404 | 2,256,725 | 977,615 |
| Diagnostic Management System | 2,100,000 | 473,450 | 2,573,450 | 20% | 1,703,638 | 173,962 | 1,877,601 | 695,849 |
| Amusement Park Mgt. | 3,700,000 | 994,780 | 4,694,780 | 20% | 2,827,061 | 373,544 | 3,200,605 | 1,494,175 |
| E-Education Management Soft. | 2,300,000 | 498,000 | 2,798,000 | 20% | 1,757,362 | 208,128 | 1,965,489 | 832,511 |
| Gratuity & WPPF Management System | 2,500,100 | 563,500 | 3,063,600 | 20% | 1,910,253 | 230,669 | 2,140,922 | 922,678 |
| Document Management Software | 2,850,000 | - | 2,850,000 | 20% | 2,177,601 | 134,480 | 2,312,081 | 537,919 |
| Fixed Asset Management System | 2,585,000 | 674,000 | 3,259,000 | 20% | 1,822,653 | 287,269 | 2,109,922 | 1,149,078 |

| | | | | | | | | |
|------------------------------------|-------------------|-------------------|--------------------|-----|-------------------|-------------------|-------------------|-------------------|
| Job portal | 1,955,800 | - | 1,955,800 | 20% | 1,379,011 | 115,358 | 1,494,369 | 461,431 |
| Shipping management ERP | 5,682,000 | 887,300 | 6,569,300 | 20% | 4,006,315 | 512,597 | 4,518,912 | 2,050,388 |
| Anti Money Londering Software | 1,124,700 | 312,820 | 1,437,520 | 20% | 710,090 | 145,486 | 855,576 | 581,944 |
| Construction Mgt. (ERP) | 1,882,630 | 432,530 | 2,315,160 | 20% | 1,188,617 | 225,309 | 1,413,926 | 901,234 |
| Proucurement Management System | 2,250,000 | 588,240 | 2,838,240 | 20% | 1,213,200 | 325,008 | 1,538,208 | 1,300,032 |
| E-Commerce Management Software | 2,960,500 | 1,159,500 | 4,120,000 | 20% | 1,596,302 | 504,740 | 2,101,041 | 2,018,959 |
| Buying House Mangement System | 3,280,000 | 562,500 | 3,842,500 | 20% | 1,768,576 | 414,785 | 2,183,361 | 1,659,139 |
| Escrow (Central Back office) | 9,875,000 | 1,970,450 | 11,845,450 | 20% | 4,819,000 | 1,405,290 | 6,224,290 | 5,621,160 |
| Club management system | 2,360,000 | - | 2,360,000 | 20% | 849,600 | 302,080 | 1,151,680 | 1,208,320 |
| E-ticketing system | 2,992,560 | - | 2,992,560 | 20% | 1,077,322 | 383,048 | 1,460,369 | 1,532,191 |
| Meeting Management System | 1,958,630 | - | 1,958,630 | 20% | 705,107 | 250,705 | 955,811 | 1,002,819 |
| Food Court Management System | 2,192,380 | - | 2,192,380 | 20% | 789,257 | 280,625 | 1,069,881 | 1,122,499 |
| Fund Management system | 1,934,060 | - | 1,934,060 | 20% | 386,812 | 309,450 | 696,262 | 1,237,798 |
| Cheque Printing System | 1,449,000 | - | 1,449,000 | 20% | 289,800 | 231,840 | 521,640 | 927,360 |
| Mail register | 2,232,750 | - | 2,232,750 | 20% | 446,550 | 357,240 | 803,790 | 1,428,960 |
| Leather Goods Manufacturing system | 8,603,300 | - | 8,603,300 | 20% | 1,720,660 | 1,376,528 | 3,097,188 | 5,506,112 |
| Visitor Attendance System | 1,921,700 | - | 1,921,700 | 20% | 384,340 | 307,472 | 691,812 | 1,229,888 |
| Food Production Management System | 7,756,300 | - | 7,756,300 | 20% | 1,551,260 | 1,241,008 | 2,792,268 | 4,964,032 |
| Balance as at 30 June 2020 | 96,029,209 | 13,303,270 | 109,332,479 | | 51,961,774 | 11,474,141 | 63,435,915 | 45,896,564 |

SUBRA SYSTEMS LTD.
ISSUED, SUBSCRIBED & PAID UP CAPITAL
FOR THE YEAR ENDED 31 DECEMBER 2020

| Sl. No | Name | Designation | No of shares | Price | Annexure-D |
|--------|-----------------------------|-------------------|--------------|-------|----------------|
| | | | | | Amount in Taka |
| 1 | MD. Shafiu Azam | Chairman | 8,939,274 | 10 | 89,392,740 |
| 2 | Md. Shaifullah Khaled Shams | Managing Director | 3,060,363 | 10 | 30,603,630 |
| 3 | Bushra Chowdhury | Director | 6,509,454 | 10 | 65,094,540 |
| 4 | Abdul Muhith | Director | 6,120,726 | 10 | 61,207,260 |
| 5 | Mrs. Ofia Khanam Chowdhury | Director | 3,240,000 | 10 | 32,400,000 |
| 6 | Mrs. Sazia Mahmood | Shareholder | 1,530,183 | 10 | 15,301,830 |
| 7 | Motiur Rahman | Shareholder | 500,060 | 10 | 5,000,600 |
| 8 | Hemanta Kumar Paul | Shareholder | 50,060 | 10 | 500,600 |
| 9 | Enamul Haque Talukder | Shareholder | 100,060 | 10 | 1,000,600 |
| 10 | Raidah Fairuz | Shareholder | 300,060 | 10 | 3,000,600 |
| 11 | Md. Masud Rana | Shareholder | 100,060 | 10 | 1,000,600 |
| 12 | Mosir Rahman Milton | Shareholder | 100,060 | 10 | 1,000,600 |
| 13 | Mrs. Israt Jahan | Shareholder | 100,060 | 10 | 1,000,600 |
| 14 | Haimonti Roy | Shareholder | 100,060 | 10 | 1,000,600 |
| 15 | Md. Kaysar Hossain | Shareholder | 210,060 | 10 | 2,100,600 |
| 16 | Mohammad Matiul Islam | Shareholder | 110,060 | 10 | 1,100,600 |
| 17 | Tanvir Ahmed | Shareholder | 190,060 | 10 | 1,900,600 |
| 18 | ABACI Investments Ltd. | Shareholder | 700,060 | 10 | 7,000,600 |
| 19 | Rubel Hawlader | Shareholder | 30,060 | 10 | 300,600 |
| 20 | Ahmed Kabir Majumder | Shareholder | 100,060 | 10 | 1,000,600 |
| 21 | Mohammad Sajedul Islam | Shareholder | 100,060 | 10 | 1,000,600 |
| 22 | Imtiaz Ahmed | Shareholder | 100,060 | 10 | 1,000,600 |
| 23 | Sohana Sultana | Shareholder | 30,060 | 10 | 300,600 |
| 24 | Md. Anwarul Islam | Shareholder | 200,060 | 10 | 2,000,600 |
| 25 | Mahbub Ul Gani | Shareholder | 20,060 | 10 | 200,600 |
| 26 | Md. Shaiful Islam | Shareholder | 100,060 | 10 | 1,000,600 |
| 27 | Abid Hossain | Shareholder | 200,060 | 10 | 2,000,600 |
| 28 | Bigre. Nazrul Islam Sarker | Shareholder | 350,060 | 10 | 3,500,600 |
| 29 | Fabian S Gomes | Shareholder | 100,060 | 10 | 1,000,600 |
| 30 | Sahidur Rahman Chowdhury | Shareholder | 150,060 | 10 | 1,500,600 |
| 31 | Md. Kamruzzaman | Shareholder | 20,060 | 10 | 200,600 |
| 32 | Dr. Tanjil Sajjad | Shareholder | 100,060 | 10 | 1,000,600 |
| 33 | Mohammad Hanif | Shareholder | 40,060 | 10 | 400,600 |
| 34 | Nazmul Huq | Shareholder | 5,060 | 10 | 50,600 |
| 35 | Md. Mohsin Sikder | Shareholder | 188,160 | 10 | 1,881,600 |
| 36 | Kazi Walid Hasan | Shareholder | 10,060 | 10 | 100,600 |
| 37 | Mostafizur Rahman | Shareholder | 15,060 | 10 | 150,600 |
| 38 | Sumon Chowdhury | Shareholder | 20,060 | 10 | 200,600 |
| 39 | Md. Imtiaz Uddoulla | Shareholder | 30,060 | 10 | 300,600 |
| 40 | Syed Abul Hossen | Shareholder | 10,060 | 10 | 100,600 |
| 41 | Asiq Wahid Romyo | Shareholder | 60 | 10 | 600 |
| 42 | BLI Capital Limited | Shareholder | 3,000,060 | 10 | 30,000,600 |
| 43 | Fakrul Islam Chowdhury | Shareholder | 36,140 | 10 | 361,400 |
| 44 | Md. Zia Uddin Thakur | Shareholder | 500,060 | 10 | 5,000,600 |
| 45 | Bishwajit Das | Shareholder | 500,060 | 10 | 5,000,600 |
| 46 | F A Trading Corporation | Shareholder | 500,060 | 10 | 5,000,600 |
| 47 | Md. Shariful Islam | Shareholder | 250,060 | 10 | 2,500,600 |
| 48 | Md. Tarif Hasan Tomal | Shareholder | 250,060 | 10 | 2,500,600 |

| | | | | | |
|--------------|------------------------------|-------------|-------------------|----|--------------------|
| 49 | Crescent Paper Mills Limited | Shareholder | 1,000,030 | 10 | 10,000,300 |
| 50 | Abdul Halim | Shareholder | 100,000 | 10 | 1,000,000 |
| 51 | Ahmedul Haque | Shareholder | 8,000 | 10 | 80,000 |
| 52 | Alimul Hasan Chowdhury | Shareholder | 100,000 | 10 | 1,000,000 |
| 53 | Beacon Medicare Ltd | Shareholder | 2,000,000 | 10 | 20,000,000 |
| 54 | Maqsudul Huq Khan | Shareholder | 100,000 | 10 | 1,000,000 |
| 55 | Md Anowar Hossain | Shareholder | 100,000 | 10 | 1,000,000 |
| 56 | Md. Abdul Alim | Shareholder | 3,000 | 10 | 30,000 |
| 57 | Md. Ali Ashraf Choudhury | Shareholder | 100,000 | 10 | 1,000,000 |
| 58 | Md. Asif Ahmed Dinar | Shareholder | 2,000 | 10 | 20,000 |
| 59 | Md. Izabuddin Ahmed | Shareholder | 2,000 | 10 | 20,000 |
| 60 | Md. Mazharul Islam | Shareholder | 1,000 | 10 | 10,000 |
| 61 | Md. Quazi Hanif Ahsan | Shareholder | 5,000 | 10 | 50,000 |
| 62 | Md. Shohel khan | Shareholder | 2,000 | 10 | 20,000 |
| 63 | Mofizur Rahman | Shareholder | 1,300,000 | 10 | 13,000,000 |
| 64 | Mohd. Shamim Iqbal | Shareholder | 50,000 | 10 | 500,000 |
| 65 | Mohon Kumar Saha | Shareholder | 100,000 | 10 | 1,000,000 |
| 66 | Mrs. Salma Akter | Shareholder | 100,000 | 10 | 1,000,000 |
| 67 | Nasima Akhter | Shareholder | 500,000 | 10 | 5,000,000 |
| 68 | Palash Khan | Shareholder | 70,000 | 10 | 700,000 |
| 69 | Rahat Hossain | Shareholder | 2,000 | 10 | 20,000 |
| 70 | Md. Forhad Hossain | Shareholder | 200,000 | 10 | 2,000,000 |
| 71 | Hasina Parvin | Shareholder | 38,270 | 10 | 382,700 |
| 72 | Md. Robiul Islam | Shareholder | 40,000 | 10 | 400,000 |
| 73 | Kohinur Begum | Shareholder | 20,000 | 10 | 200,000 |
| 74 | Nurun Nahar Choudhury | Shareholder | 100,000 | 10 | 1,000,000 |
| 75 | Md. Faisal Hossain | Shareholder | 80,000 | 10 | 800,000 |
| 76 | Md. Ahsan Habib Raj | Shareholder | 70,000 | 10 | 700,000 |
| 77 | Md. Nazmul Hossan | Shareholder | 40,000 | 10 | 400,000 |
| 78 | Md. Shadiqul Mostuk | Shareholder | 50,000 | 10 | 500,000 |
| 79 | Md. Asifur Rouf | Shareholder | 200,000 | 10 | 2,000,000 |
| 80 | Gazi Mozammel Hossain | Shareholder | 50,000 | 10 | 500,000 |
| 81 | Md. Rezaul Karim | Shareholder | 50,000 | 10 | 500,000 |
| 82 | Md. Momin Uddin Mozumder | Shareholder | 2,900,000 | 10 | 29,000,000 |
| 83 | Muhammad Maksudul Haque | Shareholder | 1,400,000 | 10 | 14,000,000 |
| 84 | Iftexhar Alam Farazi | Shareholder | 200,000 | 10 | 2,000,000 |
| Total | | | 50,000,000 | | 500,000,000 |

- (b) **Information as is required under section 186 of the কোম্পানি আইন, ১৯৯৪ relating to holding company;**

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS

Opinion

We have audited the accompanying financial statements of **SUBRA TECHNOLOGY LTD.** ('the company') which comprise the Statement of Financial Position as on 31st December, 2020 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and a summary of significant accounting policies and other Explanatory Notes to the Financial Statement.

In our opinion, the financial statements prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) give a true and fair view of the financial position of **SUBRA TECHNOLOGY LTD.** as of 31st December, 2020 and results of its financial performance and its cash flows for the period then ended & comply with the Companies Act 1994, & other applicable laws & regulations.

Basis for Opinion

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

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

Management is responsible for the preparation of (consolidated) financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of (consolidated) financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the (consolidated) 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 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 these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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 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 communicate 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 identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Sd/-

Md. Mohiuddin Ahmed, FCA, CFC

Enrollment No: 1046

Partner

Ashraf Uddin & Co.

Chartered Accountants

DVC: 2104251046AR306360

Place: Dhaka

Date: April 04, 2021

SUBRA TECHNOLOGY LTD.
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

| Particulars | Notes | Amount in Taka | |
|---|-------|-------------------|-------------------|
| | | Dec 31, 2020 | June 30, 2020 |
| Assets | | | |
| Non-Current Assets | | 77,918,101 | 70,778,670 |
| Property, Plant and Equipment | 3.00 | 29,981,394 | 31,705,250 |
| Intangible Assets | 4.00 | 771,248 | 811,840 |
| Capital Work in Progress | 5.00 | 46,457,346 | 37,128,600 |
| Right-of-Use Assets | 6.00 | 708,113 | 1,132,981 |
| Current Assets | | 4,523,495 | 7,105,350 |
| Accounts Receivable | 7.00 | 2,551,180 | 2,019,550 |
| Advances, Deposits and Prepayments | 8.00 | 1,462,620 | 1,427,000 |
| Cash and Cash Equivalents | 9.00 | 509,695 | 3,658,800 |
| Total Assets | | 82,441,596 | 77,884,020 |
| Shareholders' Equity and Liabilities | | | |
| Shareholders' Equity | | 80,276,494 | 74,705,316 |
| Share Capital | 10.00 | 75,000,000 | 75,000,000 |
| Retained Earnings | 11.00 | 5,276,494 | (294,684) |
| Non-Current Liabilities | | - | 312,157 |
| Lease Liabilities | 12.00 | - | 312,157 |
| Current Liabilities | | 2,165,101 | 2,866,548 |
| Accounts and Others Payable | 13.00 | 574,500 | 1,344,600 |
| Current Portion of Lease Liabilities | 14.00 | 837,704 | 945,273 |
| Liabilities for Expenses | 15.00 | 752,897 | 576,675 |
| Total Shareholders' Equity and Liabilities | | 82,441,596 | 77,884,020 |
| Net Asset Value (NAV) per share | 21.00 | 10.70 | 9.96 |

The annexed notes form an integral part of these financial statements

Sd/-
Director

Sd/-
Managing Director

Sd/-
Chairman

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Signed as per our annexed report of even date.

Dated: 04 April 2021
Place: Dhaka

Sd/-
Md. Mohiuddin Ahmed, FCA, CFC
Enrollment No. 1046
Partner
Ashraf Uddin & Co.
Chartered Accountants

SUBRA TECHNOLOGY LTD.
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED DECEMBER 31, 2020

| Particulars | Notes | Amount in Taka | | | |
|--------------------------------------|-------|--|--|---------------------------------------|---------------------------------------|
| | | July 01, 2020 to Dec 31, 2020 | July 01, 2019 to Dec 31, 2019 | Oct 01, 2020 to Dec 31, 2020 | Oct 01, 2019 to Dec 31, 2019 |
| Revenue | 16.00 | 12,028,800 | - | 6,099,560 | - |
| Less: Direct Costs | 17.00 | 4,488,722 | 512,967 | 2,269,675 | 387,827 |
| Gross Profit | | 7,540,078 | (512,967) | 3,829,885 | (387,827) |
| Less: Administrative Expenses | 18.00 | 1,908,624 | 399,063 | 960,391 | 347,403 |
| Profit/ (Loss) from Operation | | 5,631,453 | (912,030) | 2,869,494 | (735,230) |
| Less: Financial Expenses | 19.00 | 60,274 | 33,359 | 27,005 | 33,359 |
| Profit Before Income Tax | | 5,571,179 | (945,389) | 2,842,489 | (768,589) |
| Less: Income Tax Expenses | | - | - | - | - |
| Net Profit/ (Loss) After Tax | | 5,571,179 | (945,389) | 2,842,489 | (768,589) |
| Earnings per Share (EPS) | 20.00 | 0.74 | (0.13) | 0.38 | (0.10) |

The annexed notes form an integral part of these financial statements

Sd/-
Director

Sd/-
Managing Director

Sd/-
Chairman

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Signed as per our annexed report of even date.

Dated: 04 April 2021
Place: Dhaka

Sd/-
Md. Mohiuddin Ahmed, FCA, CFC
Enrollment No. 1046
Partner
Ashraf Uddin & Co.
Chartered Accountants

**SUBRA TECHNOLOGY LTD.
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2020**

Amount in Taka

| Particulars | Share Capital | Retained Earnings | Total |
|---------------------------------|-------------------|-------------------|-------------------|
| Balance as on 01.07.2020 | 75,000,000 | (294,684) | 74,705,316 |
| Net profit/ (loss) after tax | - | 5,571,179 | 5,571,179 |
| Balance as on 31.12.2020 | 75,000,000 | 5,276,494 | 80,276,494 |

FOR THE PERIOD ENDED DECEMBER 31, 2019

Amount in Taka

| Particulars | Share Capital | Retained Earnings | Total |
|---------------------------------|-------------------|-------------------|-------------------|
| Balance as on 01.07.2019 | 20,000,000 | - | 20,000,000 |
| Net profit/ (loss) after tax | - | (945,389) | (945,389) |
| Balance as on 31.12.2019 | 20,000,000 | (945,389) | 19,054,611 |

The annexed notes form an integral part of these financial statements

Sd/-
Director

Sd/-
Managing Director

Sd/-
Chairman

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Dated: 04 April 2021
Place: Dhaka

Sd/-
Md. Mohiuddin Ahmed, FCA, CFC
Enrollment No. 1046
Partner
Ashraf Uddin & Co.
Chartered Accountants

SUBRA TECHNOLOGY LTD.
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED DECEMBER 31, 2020

| Particulars | Note | Amount in Taka | |
|--|--------------|-------------------------------------|-------------------------------------|
| | | July 01, 2020 to Dec 31, 2020 | July 01, 2019 to Dec 31, 2019 |
| A. Cash Flows from Operating Activities | | | |
| Cash received from Customers | | 11,497,170 | - |
| Cash paid to Employees | | (2,508,920) | (487,440) |
| Cash Paid to Others | | (800,039) | (1,129,647) |
| Cash Generated from Operation | | 8,188,211 | (1,617,087) |
| Income Tax paid | | - | - |
| Net Cash Generated from Operating Activities | | 8,188,211 | (1,617,087) |
| B. Cash Flows from Investing Activities | | | |
| Capita Work in Progress | | (10,098,846) | - |
| Acquisition of Property, Plant and Equipment | | (758,470) | (2,371,850) |
| Net Cash Used in Investing Activities | | (10,857,316) | (2,371,850) |
| C. Cash Flows from Financing Activities | | | |
| Payment for Interest Expense on the Lease Liability | | (60,274) | (33,359) |
| Lease Payment | | (419,726) | (46,641) |
| Net Cash Provided from Financing Activities | | (480,000) | (80,000) |
| D. Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C) | | (3,149,105) | (4,068,937) |
| E. Opening Cash and Cash Equivalents | | 3,658,800 | 74,893,551 |
| F. Closing Cash and Cash Equivalents (D+E) | | 509,695 | 70,824,614 |
| Net Operating Cash Flows Per Share (NOCFPS) | 22.00 | 1.09 | (0.22) |

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

Sd/-
Director

Sd/-
Managing Director

Sd/-
Chairman

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Sd/-
Md. Mohiuddin Ahmed, FCA, CFC
 Enrollment No. 1046
 Partner
Ashraf Uddin & Co.
 Chartered Accountants

Dated: 04 April 2021
 Place: Dhaka

SUBRA TECHNOLOGY LTD.
Notes, Comprising of Significant Accounting Policy and Other Explanatory Information
For the period ended 31 December 2020

1. REPORTING ENTITY

1.1. Background of the Company

The Company namely “**SUBRA TECHNOLOGY LTD.**” was incorporated in Bangladesh as a Private Limited Company on 23 June, 2019 under the Companies Act, 1994 vide Registration No. No. C-152703/2019.

1.2. Registered office & Corporate Office of the Company

The principal place of business and registered office of the Company is located at 3/A Kawran Bazar, Hossain Tower (11th Floor), C/A Tejgaon, Dhaka-1000 and corporate office is located at House No-21, Road 9/A, Dhanmondi-12, Bangladesh.

1.3. Nature of business

The principal activities of the Company are Cloud Services, IT services, software development, IT consultancy, data processing, data center, etc.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance

The Financial Statements of the Company are prepared on a going concern basis under historical cost convention and in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), the Securities and Exchange Rules, 2020, the Companies Act, 1994, the Income Tax Ordinance, 1984, Financial Reporting Act (2015), Income Tax Rules, 1984, Value Added Tax and Supplementary Duty Act, 2012, the Bangladesh Labour Act, 2006 (Amendment 2018) and other laws and regulations are applicable for the Company.

2.2 Going Concern

Management has assessed the going concern assumptions during the preparation of the financial statements of the Company. Management assess that no events or conditions give rise to doubt about the ability of the Company to continue in operation in the foreseeable future. This conclusion is drawn based on knowledge of the management, the estimated economic outlook and related identified risks and uncertainties including scenarios arising from the COVID-19 pandemic. It has been concluded that it is reasonable to apply the going concern concept as the underlying assumption for the financial statements.

The Company has adequate resources to continue its operation for the foreseeable future. The current credit facilities and resources of the Company provides sufficient fund to meet the present requirements of its existing business.

2.3 Accrual Basis

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

2.4 Components of the Financial Statements

According to IAS 1 Presentation of Financial Statements the complete set of financial statement includes the following components:

- a) Statement of Financial Position as at 31 December 2020.
- b) Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 December 2020.
- c) Statement of Changes in Equity for the ended after period 31 December 2020.

- d) Statement of Cash Flows for the period ended 31 December 2020 and
- e) Notes, comprising of significant accounting Policy and other explanatory information.

2.5 Authorization date for issuing Financial Statements

The financial statements were authorized by the Board of Directors on 04 April 2021.

2.6 Reporting period

These financial statements of the Company cover a period from 1 July, 2020 to 31 December, 2020.

2.7 Use of Estimates and Judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of income and expense. The estimates and underlying assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis.

2.8 Responsibility for Preparation and Presentation of Financial Statements

The Board of Directors is responsible for the preparation of financial statements under section 183 of the Companies Act, 1994 and as per the Conceptual Framework for Financial Reporting.

2.9 Statement of Cash Flows

Statement of Cash Flows has been prepared in accordance with IAS 7 Statement of Cash Flows and the cash flows from the operating activities have been presented under direct method considering the provisions of Paragraph 19 of IAS 7 which provides that "Entities are encouraged to report cash flows from operating activities using the direct method" and as per requirement of the Securities and Exchange Rules, 2020.

As per Bangladesh Securities and Exchange Commission notification No. BSEC/CMRRCD/2006158 /208/Admin/81 dated 20 June 2018, Cash Flows from operating activities has been reconciled with net income using the indirect method.

2.10 Applicable accounting standards

The following IASs and IFRSs are applicable for the financial statements for the period under review:

IASs:

| | |
|--------|--|
| IAS 1 | Presentation of Financial Statements; |
| IAS 7 | Statement of Cash Flows; |
| IAS 8 | Accounting Policies, Changes in Accounting Estimates and Errors; |
| IAS 10 | Events after the Reporting Period; |
| IAS 12 | Income Taxes; |
| IAS 16 | Property, Plant and Equipment; |
| IAS 19 | Employee Benefits; |
| IAS 24 | Related Party Disclosures; |
| IAS 32 | Financial Instruments: Presentation; |
| IAS 33 | Earnings per Share; |
| IAS 34 | Interim Financial Reporting; |
| IAS 36 | Impairment of Assets; |
| IAS 37 | Provisions, Contingent Liabilities and Contingent Assets; |
| IAS 38 | Intangible Assets; |

IFRSs:

| | |
|---------|--|
| IFRS 7 | Financial Instruments: Disclosures; |
| IFRS 8 | Operating Segments; |
| IFRS 9 | Financial Instruments; |
| IFRS 13 | Fair Value Measurement; |
| IFRS 15 | Revenue from Contracts with Customers; |
| IFRS 16 | Leases |

2.11 Property, Plant and Equipment (PPE)

All Property, Plant and Equipment are stated at cost less accumulated depreciation as per IAS 16 Property, Plant and Equipment. The cost of acquisition of an asset comprises of its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

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 flows to the Company and its costs can be measured reliably. The cost of the day to day maintaining cost on PPE is recognized in the Statements of Profit or Loss and Other Comprehensive Income as incurred.

a) Depreciation

Depreciation on Property, Plant and Equipment has been computed during the period using the reducing balance method. Depreciation has been charged on addition when the related Property, Plant and Equipment are available for use as per management intention. Depreciation has charged as following rate.

| Name of Assets | Rate |
|------------------------|------------|
| | 31-12-2020 |
| Furniture & Fixture | 10% |
| Office Equipment | 15% |
| Computer & Peripherals | 15% |
| Server Equipment | 15% |
| Office Decoration | 20% |

b) Retirement and Disposals

On retirement or otherwise disposal of fixed assets, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the statement of profit or loss and other comprehensive income, which is determined with reference to the net book value of the assets and the net sales proceeds. Depreciation has been charged on disposal assets up to the date of disposal. However there is no retirement and disposal of assets during the period.

2.12 Intangible Assets

Intangible assets are created by the company and have control that are separable either individually or together with related contract from which future economic benefits are expected as per IAS 38. Intellectual properties comprises of varieties of integrated business software. Intangible assets are recognized when future economic benefits from the assets are probable and cost can be measured reliably.

Amortization of software is @ 10% using reducing balance method.

2.13 Impairment of Assets

The carrying amounts of all assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication

exists, recoverable amount is estimated in order to determine the extent of the impairment loss.

For impairment test, management have considered all indicators (external and internal) and assessed that any asset mentioning in the (1) property, plant and equipment and (2) intangible assets:

1. Have not declined in market value;
2. The market interest rate have not increased;
3. No technological change has occurred;
4. No physical damage has occurred;
5. No asset become obsolescence; and
6. No asset become idle.

After considering the above indications, management have concluded that carrying amount of any asset did not exceed the market value of assets or value in use and that is why no impairment loss was recognized in the accounts.

2.14 Capital Work-in- Progress

Capital work-in-progress consists of unfinished works including Data Centre. Data Centre will be transferred to Property, Plant and Equipment schedule when it is available for use. No deprecation is charged on the capital work-in-progress as per IAS 16 Property, Plant and Equipment.

2.15 Revenue Recognition

In compliance with the requirements of IFRS 15 Revenue from Contracts with Customers, are recognized under the following steps:

- a) Identify the Contracts with customer;
- b) Identify the performance obligations in the Contracts;
- c) Determine the transaction price;
- d) Allocate the transaction price to the performance obligation in the Contracts;
- e) Recognize revenue when (or as) a performance obligation is satisfied.

We followed all the above five steps and recognize revenue when a performance obligation is satisfied.

2.16 Functional and presentation currency

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

2.17 Comparative Information

Comparative information has been disclosed in respect of previous period for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's financial statement.

2.18 Operating Segments

No segmental reporting is applicable for the company as required by "IFRS-8: 'Operating Segments' as the company operates in a single industry segment and within as geographical segment.

2.19 Leases

The entity has adopted IFRS 16 from 01 July, 2019 and have been reviewed office rent agreement in light of the new rules in IFRS 16. On adoption of IFRS 16 the entity

recognizes a right-of-use asset and a lease liability. The lease liability is measured at the present value of the lease payments that are not paid at date of 01 July, 2019 discounted using the incremental borrowing rate. Subsequently, right-of-use asset is adjusted for depreciation and lease liability is adjusted for interest and lease payments. The lease payment are split into a principal and interest portion which are both presented in the statement of cash flows.

Depreciation has been charged on right-of use assets on a straight line basis during the lease period. Incremental borrowing rate is @12%.

2.20 Events after reporting Period

Events after the reporting period that provide additional information about the Company's position at the date of Statements of Financial Position are reflected in the financial statements. Events after reporting period that are not adjusting events are disclosed in the notes when material.

Management confirmed that no event after the reporting period exists and management has prepared the financial statements accordingly.

2.21 Advances, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deduction/ adjustment/ transfer to respective account heads such as property, plant and equipment or expenses.

Deposits and prepayments are measured at payment value.

2.22 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, cash in transit and with banks on current and deposit accounts which are held and available for use by the Company without any restriction. There is insignificant risk of change in value of the same.

2.23 Accounts Receivables

Accounts receivable are created at original invoice amount, there is no evidence of a risk of non-payment, the full amount of accounts receivable is considered collectable.

2.24 Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for services.

2.25 Interim Financial Reporting

IAS 34 requires that condensed Interim Financial Statements contain at a minimum:

- a condensed statement of financial position;
- a condensed statement or condensed statements of profit or loss and other comprehensive income;
- a condensed statement of changes in equity;
- a condensed statement of cash flows; and
- selected explanatory notes.

These Interim Financial Statements present selected explanatory notes that are intended to assist users in understanding the results of the operations of the company for the current interim period.

2.26 Earnings per share

The Company calculates Earnings per Share (EPS) in accordance with IAS 33 Earnings per Share which has been shown on the face of the Profit or Loss and other Comprehensive Income.

Basic Earnings per Share

This has been calculated in compliance with the requirements of IAS 33 Earnings per Share dividing the basic earnings attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted Earnings per Share

No diluted earnings per share are required for the period since there is no scope of dilution of share during the period under review.

2.27 Employees' Benefit

The company has accounted for and disclosed employee benefits in compliance with the provisions of IAS 19 Employee Benefits.

The cost of employee benefit is charged of as revenue expenditure in the period to which the contributions relate.

The company's employee benefits include the following:

Short Term Employee Benefits

Short-term employee benefits include salaries, festival bonuses etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

2.28 Borrowing cost

Finance expenses comprise interest expense on bank loan. All borrowing costs are recognized in the statement of profit or loss and other Comprehensive Income.

2.29 Related Party Transactions

The Company did not carried out any transactions with related parties accept board meeting fee. The information as required by IAS 24 Related Party Disclosures are disclosed in notes to the Financial Statements.

2.30 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset to one entity and a financial liability or equity instrument to another entity as per IFRS 9 Financial Instruments.

Financial Assets

Financial assets of the Company include cash and cash equivalents, equity instrument to another entity, Trade receivables and other receivables. The Company initially recognizes a financial asset in its statement of financial position when, and only when, the Company becomes a party to the contractual provision of the instrument. The Company derecognize a financial asset when, and only when; the contractual rights to the cash flows from the financial asset expire or transfer the contractual rights to receive the cash flows of the financial asset.

Financial Liabilities

The Company initially recognizes a financial liability in its statement of financial position when, and only when, the Company becomes a party to the contractual provision of the instrument. The Company derecognizes a financial liability from its

statement of financial position when, and only when, it is extinguished, that is when the obligation specified in the contract is discharged or cancelled or expires.

2.31 Provision, Accruals, Contingent Liabilities and Contingent Assets

Provisions

Provision are recognized when the company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Accruals

Accruals are liabilities to pay for services that have been received or supplied but the financial impact of the event will only be confirmed by the outcome of some future event not wholly within the entity's control. A contingent liability is disclosed in the financial statements unless the possible outflow of resources is thought to be remote.

Contingent liabilities

A contingent liability arises where a past event may lead to an entity having a liability in the future but the financial impact of the event will only be confirmed by the outcome of some future event not wholly within the entity's control. A contingent liability should be disclosed in the financial statements unless the possible outflow of resources is thought to be remote. The Company has no any contingent liability at the reporting date.

Contingent Asset

A contingent asset is a potential asset that arise from past events but whose existence can only be confirmed by the outcome of future events not wholly within an entity's control. A contingent asset should be disclosed in the financial statements only when the expected inflow of economic benefits is probable.

2.32 Taxation

Current tax is the expected tax payable on the taxable income for the period, using tax rates at the reporting date and any adjustment to the tax payable in respect of the previous period. However, the Company is enjoying tax exemption up to 2024 as per Sixth Schedule, Part-A, Paragraph 33 of Income Tax Ordinance 1984.

2.33 Measurement of Fair Values

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) Level 2: inputs other than quoted prices included in level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.34 Risk management

According to IFRS 7 Financial Instruments: Disclosures, an entity shall disclose information that enables users of its financial statements to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed at the end of the reporting period. The Management of the Company are reviewed risk management policies, procedures and systems regularly to reflect changes in market conditions and the Company's activities. The Company has exposure to the following risk for its use of financial instruments.

- (a) Credit risk
- (b) Liquidity risk
- (c) Market risk

(a) Credit risk

Credit risk is the risk of a financial loss to the Company if a customer to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables.

Management perception

To mitigate the credit risk, the management of the Company follows robust credit control and collection policies. The Company has dedicated credit collection team who are responsible for any dues and they have been demonstrating remarkable performance in collecting receivables as per Company's credit and collection policy.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations on time.

Management perception

The Company's approach to managing liquidity is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Company's reputation. The Company has sufficient current assets and cash & cash equivalent to meet expected operational expenses including financial obligations.

(c) Market risk

Market Risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. It reflects interest rate risk, currency risk and other price risks.

Management perception

Management is fully aware of the market risk, and act accordingly. Market of software in Bangladesh is growing rapidly. Moreover, the objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

| | | Amount in Taka | |
|---|---|-------------------|-------------------|
| | | Dec 31, 2020 | June 30, 2020 |
| 3.00 | Property, Plant and Equipment : Tk. 29,981,394 | | |
| | Opening Balance (at cost) | 32,544,590 | - |
| | Add: Addition during the period | 758,470 | 32,544,590 |
| | Closing Balance (at cost) | 33,303,060 | 32,544,590 |
| | Less: Accumulated depreciation | 3,321,666 | 839,340 |
| | Written Down Value (WDV) | 29,981,394 | 31,705,250 |
| | Details shown in Annexure-A | | |
| 4.00 | Intangible Assets : Tk. 771,248 | | |
| | Opening Balance (at cost) | 825,600 | - |
| | Add: Addition during the period | - | 825,600 |
| | Closing Balance (at cost) | 825,600 | 825,600 |
| | Less: Accumulated amortization | 54,352 | 13,760 |
| | Written Down Value (WDV) | 771,248 | 811,840 |
| | Details shown in Annexure-B | | |
| 5.00 | Capital Work in Progress : Tk. 46,457,346 | | |
| | Data Centre | 46,457,346 | 37,128,600 |
| | | 46,457,346 | 37,128,600 |
| 6.00 | Right-of-Use Assets: Tk. 708,113 | | |
| | Beginning Balance | 1,132,981 | 1,699,471 |
| | Less: Depreciation Expenses | 424,868 | 566,490 |
| | Closing Balance | 708,113 | 1,132,981 |
| 7.00 | Accounts Receivable: Tk. 2,551,180 | | |
| | Opening Balance | 2,019,550 | - |
| | Add: Sales during the period | 12,028,800 | 3,840,850 |
| | | 14,048,350 | 3,840,850 |
| | Less: Received during the period | 11,497,170 | 1,821,300 |
| | Closing Balance | 2,551,180 | 2,019,550 |
| The classification of Trade Receivables as required by the Schedule-XI , Part-I, Para -4 of the Companies Act, 1994 are given below: | | | |
| | Ageing of accounts receivables | | |
| | More than six months | - | - |
| | Less than six months | 2,551,180 | 2,019,550 |
| | Total | 2,551,180 | 2,019,550 |

| Particulars | 31/Dec/20 | 30/Jun/20 |
|--|------------------|------------------|
| i) Receivables considered good and in respect of which the company is fully secured. | - | - |
| ii) Receivables considered good for which the company holds no security other than the debtor's personal security. | 2,551,180 | 2,019,550 |
| iii) Receivables considered doubtful or bad. | - | - |
| iv) Receivables due by directors or other officers of the company or any of them either severally or jointly with any other person or receivables due by firms or private companies respectively in which any director is a partner or a director or a member. | - | - |
| v) Receivables due by companies under the same management. | - | - |
| vi) The maximum amount due by directors or other officers of the company at any time during the period. | - | - |
| Total | 2,551,180 | 2,019,550 |

8.00 Advances, Deposits & Prepayments: Tk. 1,462,620**A) Advances**

Advance against office rent
Advance against salary

1,460,620

1,000,000
460,620

1,425,000

1,000,000
425,000

B) Deposits

Deposit-BTCL

2,000

2,000

2,000

2,000

Total: (A+B)**1,462,620****1,427,000****Information about Loan and advances as per requirement under Schedule XI, Part I, Para 6 of the Companies Act, 1994.**

| Particular | 31/Dec/20 | 30/Jun/20 |
|--|------------------|------------------|
| i) Advances, deposits and prepayments considered good and in respect of which the company is fully secured. | 1,002,000 | 1,002,000 |
| ii) Advances, deposits and prepayments considered good for which the company holds no security other than the debtor's personal security. | - | - |
| iii) Advances, deposits and prepayments considered doubtful or bad. | - | - |
| iv) Advances, deposits and prepayments due by directors or other officers of the company or any of them either severally or jointly with any other person or advances, deposits and prepayments due by firms or private companies respectively in which any director is a partner or a director or a member. | - | - |
| v) Advances, deposits and prepayments due by companies under the same management. | - | - |
| vi) The maximum amount due by directors or other officers of the Company. | 460,620 | 425,000 |
| Total | 1,462,620 | 1,427,000 |

9.00 Cash and Cash Equivalents: Tk. 509,695

Cash in Hand

373,152

405,300

IFIC Bank Ltd.(Stock Exchange Branch)

136,543

3,253,500

509,695**3,658,800****10.00 Ordinary Share Capital: Tk. 75,000,000****(a)** Authorized Share

Capital:

10,500,000 Ordinary Shares @ Tk.10/- each

105,000,000**105,000,000****(b)** Issued, Subscribed & Paid up Capital:

7,500,000 Ordinary Shares @ Tk.10/- each

75,000,000

75,000,000

75,000,000**75,000,000****Details are given below:**

| Name | Designation | No of shares | Amount in Taka | % of Share |
|--|----------------------|------------------|-------------------|-------------|
| Subra Systems Ltd. Represented by Md. Shafiul Azam | Chairman | 6,520,000 | 65,200,000 | 86.93% |
| Subra Ltd. Represented by Bushra Chowdhury | Managing Director | 600,000 | 6,000,000 | 8.00% |
| Md. Nazmul Hussain Siddiquy | Director | 380,000 | 3,800,000 | 5.07% |
| Total | | 7,500,000 | 75,000,000 | 100% |

| | | | |
|--------------|--|------------------|------------------|
| 11.00 | Retained Earnings: Tk. 5,276,494 | | |
| | Opening balance | (294,684) | - |
| | Add: Net profit/ (loss) after tax | 5,571,179 | (294,684) |
| | Closing Balance | 5,276,494 | (294,684) |
| 12.00 | Lease Liabilities: Tk. 0 | | |
| | Beginning Balance | 1,257,430 | 1,699,471 |
| | Add: Interest Expenses | 60,274 | 117,959 |
| | | 1,317,704 | 1,817,430 |
| | Less : Lease Payment | 480,000 | 560,000 |
| | | 837,704 | 1,257,430 |
| | Less: Current Portion of Lease Liabilities | 837,704 | 945,273 |
| | Lease Liabilities Net of Current Portion | - | 312,157 |
| 13.00 | Accounts and Others Payable: Tk. 574,500 | | |
| | Others Payable | 574,500 | 1,344,600 |
| | | 574,500 | 1,344,600 |
| 14.00 | Current Portion of Lease Liabilities: Tk. 837,704 | | |
| | Current Portion of Lease Liabilities | 837,704 | 945,273 |
| | | 837,704 | 945,273 |
| 15.00 | Liabilities for Expenses: Tk. 752,897 | | |
| | Salary Payable | 695,225 | 525,000 |
| | Telephone Bill Payable | 3,027 | 2,355 |
| | Utilities Bill Payable | 20,645 | 15,320 |
| | Internet Bill Payable | 4,000 | 4,000 |
| | Audit Fees | 30,000 | 30,000 |
| | | 752,897 | 576,675 |

| Amount in Taka | | | | |
|---|-------------------------------------|-------------------------------------|------------------------------------|------------------------------------|
| | July 01, 2020 to Dec 31, 2020 | July 01, 2019 to Dec 31, 2019 | Oct 01, 2020 to Dec 31, 2020 | Oct 01, 2019 to Dec 31, 2019 |
| 16.00 Revenue: Tk. 12,028,800 | | | | |
| Cloud Service | 10,922,800 | - | 5,574,060 | - |
| IT Training | 1,106,000 | - | 525,500 | - |
| | 12,028,800 | - | 6,099,560 | - |
| 17.00 Direct Costs: Tk. 4,488,722 | | | | |
| Salary & allowances | 1,989,725 | 445,000 | 1,007,490 | 325,000 |
| Utilities Bill | 250,939 | 45,250 | 126,587 | 45,250 |
| Communication Expenses | 62,200 | 4,525 | 32,390 | 4,525 |
| Internet Bill | 24,000 | 4,000 | 12,000 | 4,000 |
| Conveyance | 31,110 | 7,398 | 16,950 | 4,128 |
| Stationery Expenses | 22,510 | 1,890 | 11,920 | 1,270 |
| Entertainment | 89,904 | 4,904 | 47,214 | 3,654 |
| Depreciation (Annexure-A) | 1,985,861 | - | 998,887 | - |
| Amotization (Annexure-B) | 32,474 | - | 16,237 | - |
| | 4,488,722 | 512,967 | 2,269,675 | 387,827 |
| 18.00 Administrative Expenses: Tk. 1,908,624 | | | | |
| Salary & allowances | 646,300 | 161,250 | 330,900 | 140,250 |
| Utilities Bill | 111,862 | 20,245 | 58,057 | 20,245 |
| Fees & Renewals | 14,000 | 19,500 | - | 7,500 |
| Telephone Bill | 23,444 | 5,500 | 12,236 | 5,500 |
| Internet Bill | 24,000 | 4,000 | 12,000 | 4,000 |
| Traveling and Conveyance | 33,174 | 8,040 | 17,190 | 5,580 |
| Printing & Stationery expenses | 31,540 | 2,400 | 16,530 | 1,720 |
| Entertainment | 52,235 | 5,070 | 26,380 | 3,550 |
| Audit Fee | 30,000 | 25,000 | 15,000 | 12,500 |
| Board Meeting Fees | 7,500 | 3,500 | 4,000 | 2,000 |
| News Paper & Periodicals | 800 | 290 | 410 | 290 |

| | | | | |
|--|------------------|----------------|----------------|----------------|
| Domain and Hosting | 2,500 | 2,300 | - | 2,300 |
| Bank Charges | 1,818 | 345 | 1,473 | 345 |
| Depreciation Charge for the Right-of-Use Asset | 424,868 | 141,623 | 212,434 | 141,623 |
| Depreciation (Annexure-A) | 496,465 | - | 249,722 | - |
| Amortization (Annexure-B) | 8,118 | - | 4,059 | - |
| Total | 1,908,624 | 399,063 | 960,391 | 347,403 |

19.00 Financial Expenses: Tk. 60,274

| | | | | |
|---|---------------|---------------|---------------|---------------|
| Interest Expense on the Lease Liability | 60,274 | 33,359 | 27,005 | 33,359 |
| | 60,274 | 33,359 | 27,005 | 33,359 |

20.00 Earnings per Share (EPS): Tk. 0.74

| | | | | |
|--|-------------|---------------|-------------|---------------|
| Net profit/(loss) after tax | 5,571,179 | (945,389) | 2,842,489 | (768,589) |
| Weighted Average Number of Ordinary Shares | 7,500,000 | 7,500,000 | 7,500,000 | 7,500,000 |
| | 0.74 | (0.13) | 0.38 | (0.10) |

Calculation of Weighted Average Number of Shares as at 31 Dec 2020

| Particulars | No. of Shares | Weight | Weighted average number of shares | Weight | Weighted average number of shares |
|-----------------------|------------------|---------|-----------------------------------|--------|-----------------------------------|
| Opening No. of Shares | 7,500,000 | 184/184 | 7,500,000 | 92/92 | 7,500,000 |
| Total | 7,500,000 | | 7,500,000 | | 7,500,000 |

Calculation of Weighted Average Number of Shares as at 31 Dec 2019

| Particulars | No. of Shares | Weight | Weighted average number of shares | Weight | Weighted average number of shares |
|--|------------------|---------|-----------------------------------|--------|-----------------------------------|
| Opening No. of Shares | 2,000,000 | 184/184 | 2,000,000 | 92/92 | 2,000,000 |
| Issue share from opening share money deposit | 5,500,000 | 184/184 | 5,500,000 | 92/92 | 5,500,000 |
| Total | 7,500,000 | | 7,500,000 | | 7,500,000 |

| | | |
|---|---------------------|----------------------|
| 21.00 Net Asset Value (NAV) per share : Tk 10.70 | Dec 31, 2020 | June 30, 2020 |
| Total Assets | 82,441,596 | 77,884,020 |
| Less: Non Current Liabilities | - | 312,157 |
| Less: Current Liabilities | 2,165,101 | 2,866,548 |
| Net Asset Value | 80,276,494 | 74,705,316 |
| Number of Shares outstanding at the end of the period | 7,500,000 | 7,500,000 |
| Net Asset Value (NAV) Per Share | 10.70 | 9.96 |
| 22.00 Net operating cash flows per share : Tk.1.09 | | |
| Net Operating Cash Flows | 8,188,211 | (1,617,087) |
| Weighted Average Number of Ordinary Shares | 7,500,000 | 7,500,000 |
| Net Operating Cash Flow Per Share (NOCFPS) | 1.09 | (0.22) |

23.00 Disclosures of the Companies Act, 1994 as per part II of schedule XI

23.01 Para 3 (a) : Turnover

| Particulars | 01 July 2020 to 31 Dec 2020 |
|----------------------|--------------------------------|
| Cloud Service | 10,922,800 |
| IT Training | 1,106,000 |
| Total Revenue | 12,028,800 |

23.02 Para 3 (b) :

No Commission paid to selling agents

23.03 Para 3 (c) :

No brokerage and discount on sales paid.

23.04 Para 3 (d) (i) & (ii) :

As Subra Technology Ltd. is a software solution provider company, therefore Para 3(d)(i) & (ii) are not applicable.

23.05 Para 3 - Note 5 :

Total number of employees are as follows:

| Particulars | Dec 31, 2020 |
|-------------------------------------|--------------|
| Salary below Tk. 3,000 per month | - |
| Salary Tk. 3,000 or above per month | 27 |
| Total | 27 |

23.06**Para 4 :****Payments to Managing Director and Directors by the Company during the period.**

| | | |
|----|---|---------------------------------|
| a. | Managerial remuneration paid or payable during the financial year to the directors, including managing director, a managing agent or manager. | Nil |
| b. | Expenses reimbursed to managing agent | Nil |
| c. | Commission or other remuneration payable separately to a managing agent or his associate. | Nil |
| d. | Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company. | Nil |
| e. | The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial period. | Nil |
| f. | Any other perquisite or benefits in cash or in kind stating, approximate money value where practicable. | Nil |
| g. | Other allowances and commission including guarantee commission | Nil |
| h. | Pensions etc. (i) Pensions (ii) Gratuities (iii) Payments from a provident funds, in excess of own subscription and interest thereon (iv) Compensation for loss of office (v) Consideration in connection with retirement from office. | Nil Nil Nil Nil Nil |

23.07**Para 6 :**

Amount paid to the auditor as fees for service rendered- for the year ended June 30, 2020

(a) as auditor; Tk. 30,000.00

(b) as advisor, or in any other capacity, in respect of-

(i) taxation matters; Nil

(ii) company law matters; Nil

(iii) management services; Nil and

(c) in any other manner; Nil.

* Audit fees charges for service rendered- for the period ended Dec 31, 2020 amount Tk. 30,000.00

23.08 Para 7 :

As Subra Technology Ltd. is a software solution provider company, therefore Para 7 is not applicable.

**Subra Technology Ltd.'s primary activities includes sales of software, software implementation & customization, web page & data transmit. The principal activity of the Company is to provide comprehensive integrated business software solutions directly to individual customers. Solutions include providing ERP and other customized software according to client specifications, therefore above mentioned information is not applicable for the Company. Software production capacity and capacity utilization cannot be determined in the ordinary sense of the term. Customization requirements are determined and then required developers are assigned to do the job. If required skilled software engineers are hired on temporary basis or the expertise are arranged through outsourced.

23.09 Para 8 :

(a) The company did not import raw materials, components of spare parts and capital goods during the financial period ended 31 Dec, 2020.

(b) The Company did not have any expenditure in foreign currency during the financial year on account of royalty, know-how, professional consultation fees, interest and other matters.

(c) The company did not consume any imported and indigenous raw materials, spare parts and components

(d) No amount has been remitted during the year in foreign currencies on account of dividends for non-residents shareholders,

(e) Earnings in foreign exchange classified under the following heads, namely:

(i) No export made during the year;

(ii) No royalty , know -how, professional and consultation fees were received;

(iii) No interest and dividend received;

(iv) No other income received.

24.00 Disclosure as per paragraph 17 of IAS 24 : Key Management Personnel of the entity:

(a) Short-term employee benefits

| Name | Designation | Particulars | Transaction during the period | | Outstanding as on 31.12.2020 |
|--|----------------------|-------------------|-------------------------------|--|------------------------------|
| Subra Systems Ltd. Represented by Md. Shafiul Azam | Chairman | Remuneration | - | | - |
| | | Board Meeting fee | 2,000 | | - |
| Subra Ltd. Represented by Bushra Chowdhury | Managing Director | Remuneration | - | | - |
| | | Board Meeting fee | 2,000 | | - |
| Md. Nazmul Hussain Siddiquy | Director | Remuneration | - | | - |
| | | Board Meeting fee | 1,500 | | - |
| Khondkar Atique-E-Rabbani | Independent Director | Remuneration | - | | - |
| | | Board Meeting fee | 2,000 | | - |
| Total | | | 7,500 | | - |

| | |
|------------------------------|-----|
| (b) Post-employee benefits | Nil |
| (c) Other long term benefits | Nil |
| (d) termination benefits and | Nil |
| (e) share-based payment | Nil |

25.00 Disclosure as per paragraph 18 of IAS 24

| | |
|--|-----|
| a) the amount of transaction | Nil |
| b) the amount of outstanding balance, including commitments | Nil |
| i) their terms & condition, including whether they are secured, and the nature of the consideration to be provided in settlement | Nil |
| ii) details of any guarantee given or received | Nil |
| c) Provisions for doubtful debts related to the amount of outstanding balance | Nil |
| d) the expenses recognized during the period in respect of bad or doubtful debts due from related parties | Nil |

26.00 During the period from 01-07-2020 to 31-12-2020, there were 04 (Four) Board Meetings held. The attendance status of all the meetings is as follows:

| Name of Directors | Designation | No. of Meetings Attended | Per Meetings Fees |
|--|----------------------|--------------------------|-------------------|
| Md. Shafiul Azam Represented by Subra Systems Ltd. | Chairman | 4 | 500 |
| Bushra Chowdhury Represented by Subra Ltd. | Managing Director | 4 | 500 |
| Md. Nazmul Hussain Siddiquy | Director | 3 | 500 |
| Khondkar Atique-E-Rabbani | Independent Director | 4 | 500 |

27.00 Reconciliation of Net Income or Net Profit with Cash Flows from Operating Activities (Indirect Method) the requirement of Bangladesh Securities and Exchange Commission notification no. BSEC/CMRRCD/2006-158/308/Admin/81, Dated 20 June 2018.

| Particulars | Amount in (Tk.) | |
|--|-----------------------------|-----------------------------|
| | 01 July 2020 to 31 Dec 2020 | 01 July 2019 to 31 Dec 2019 |
| Net Profit before Income Tax | 5,571,179 | (945,389) |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation Charge for the Right-of-Use Asset | 424,868 | 141,623 |
| Depreciation on Fixed Assets | 2,482,326 | - |
| Amortization on Intangible Assets | 40,592 | - |
| Financial Expenses | 60,274 | 33,359 |
| | 8,579,239 | |

| | | |
|---|------------------|--------------------|
| Increase in Accounts Receivables | (531,630) | (770,407) |
| Increase in Advances, Deposits and Prepayments | (35,620) | (1,090,600) |
| Increase in Liabilities for Expenses | 176,222 | 243,920 |
| Cash Generated from Operating Activities | 8,188,211 | (1,617,087) |
| Income Tax Paid | - | - |
| Net Cash Generated from Operating Activities | 8,188,211 | (1,617,087) |

28.00 Received from Customers: Tk. 11,497,170

| | | |
|--------------------------|-------------------|----------|
| Reveune | 12,028,800 | - |
| Add: Opening Receivable | 2,019,550 | - |
| Less: Closing Receivable | 2,551,180 | - |
| | 11,497,170 | - |

29.00 Cash paid to Employees: Tk. 2,508,920

| | | |
|--|------------------|----------------|
| Salary & allowances (Direct Costs) | 1,989,725 | 445,000 |
| Board Meeting Fees | 7,500 | 3,500 |
| Salary allowances & festival Bonus (Administrative Dep.) | 646,300 | 161,250 |
| | 2,643,525 | 609,750 |
| Add: Opening Salary & Allowance Payable | 525,000 | - |
| Less: Closing Salary & Allowance Payable | 695,225 | 210,910 |
| Add: Closing Advance to Employee | 460,620 | 88,600 |
| Less: Opening Advance to Employee | 425,000 | - |
| | 2,508,920 | 487,440 |

30.00 Cash Paid to Others: Tk. 800,039

| | | |
|--|-----------|---------|
| Administrative Expenses | 1,908,624 | 399,063 |
| Direct Costs | 4,488,722 | 512,967 |
| Less: Depreciation Charge for the Right-of-Use Asset | 424,868 | 141,623 |
| Less: Depreciation | 2,482,326 | - |
| Less: Amortization | 40,592 | - |
| Less: Employee portion | 2,643,525 | 609,750 |
| Add: Accrued Exp b/d | 51,675 | - |
| Less: Accrued Exp c/d | 57,672 | 33,010 |

Add: Prepaid Exp c/d
Less: Prepaid Exp b/d

| |
|----------------|
| 1,002,000 |
| 1,002,000 |
| 800,039 |

| |
|------------------|
| 1,002,000 |
| - |
| 1,129,647 |

31.00 Bank Guarantee

The company have no Bank Guarantee on the reporting date.

32.00 Capital Commitment

The company have no Capital Commitment at the reporting date.

SUBRA TECHNOLOGY LTD.
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT
AS AT 31 DEC 2020

| | | | | | | | | Annexure-A |
|----------------------------------|---------------------------|----------------------------------|---------------------------|-----------|---------------------------|---------------------------------|---------------------------|--------------------------|
| COST | | | | Rate % | DEPRECIATION | | | |
| Particulars | Balance as on 01.07.20 | Addition during the period | Balance as on 31.12.20 | | Balance as on 01.07.20 | Charged during the period | Balance as on 31.12.20 | W.D.V. as on 31.12.20 |
| Furniture & Fixture | 3,225,300 | - | 3,225,300 | 10% | 53,755 | 158,577 | 212,332 | 3,012,968 |
| Office Equipment | 2,536,840 | - | 2,536,840 | 15% | 63,421 | 185,506 | 248,927 | 2,287,913 |
| Computer & Peripherals | 4,645,100 | 325,620 | 4,970,720 | 15% | 116,128 | 360,024 | 476,152 | 4,494,568 |
| Server Equipment | 15,825,000 | 432,850 | 16,257,850 | 15% | 395,625 | 1,168,024 | 1,563,649 | 14,694,201 |
| Office Decoration | 6,312,350 | - | 6,312,350 | 20% | 210,412 | 610,194 | 820,606 | 5,491,745 |
| Balance as at 31 Dec 2020 | 32,544,590 | 758,470 | 33,303,060 | | 839,340 | 2,482,326 | 3,321,666 | 29,981,394 |

Allocation of depreciation

| Particulars | Perchantage (%) | Taka |
|-------------------------|--------------------|------------------|
| Direct Costs | 80% | 1,985,861 |
| Administrative Expenses | 20% | 496,465 |
| Total | 100% | 2,482,326 |

AS AT 30 JUNE 2020

| COST | | | | Rate % | DEPRECIATION | | | |
|-----------------------------------|-----------------------------------|---|-----------------------------------|-------------------|-----------------------------------|--|-----------------------------------|----------------------------------|
| Particulars | Balance as on 01.07.19 | Addition during the Year | Balance as on 30.06.20 | | Balance as on 01.07.19 | Charged during the year | Balance as on 30.06.20 | W.D.V. as on 30.06.20 |
| Furniture & Fixture | - | 3,225,300 | 3,225,300 | 10% | - | 53,755 | 53,755 | 3,171,545 |
| Office Equipment | - | 2,536,840 | 2,536,840 | 15% | - | 63,421 | 63,421 | 2,473,419 |
| Computer & Peripherals | - | 4,645,100 | 4,645,100 | 15% | - | 116,128 | 116,128 | 4,528,973 |
| Server Equipment | - | 15,825,000 | 15,825,000 | 15% | - | 395,625 | 395,625 | 15,429,375 |
| Office Decoration | - | 6,312,350 | 6,312,350 | 20% | - | 210,412 | 210,412 | 6,101,938 |
| Balance as at 30 June 2020 | - | 32,544,590 | 32,544,590 | | - | 839,340 | 839,340 | 31,705,250 |

Allocation of depreciation

| Particulars | Perchantage (%) | Taka |
|-------------------------|----------------------------|----------------|
| Direct Costs | 80% | 671,472 |
| Administrative Expenses | 20% | 167,868 |
| Total | 100% | 839,340 |

**SUBRA TECHNOLOGY LTD.
SCHEDULE OF INTANGIBLE ASSETS
AS AT 31 DEC 2020**

| Particulars | COST | | AMORTIZATION | | | | | Annexure-B |
|----------------------------------|------------------------|----------------------------|------------------------|--------|------------------------|---------------------------|------------------------|--------------------------------|
| | Balance as on 01.07.19 | Addition during the period | Balance as on 31.12.20 | Rate % | Balance as on 01.07.19 | Charged during the period | Balance as on 31.12.20 | Amortized Value as on 31.12.20 |
| Software | 825,600 | - | 825,600 | 10% | 13,760 | 40,592 | 54,352 | 771,248 |
| Balance as at 31 Dec 2020 | 825,600 | - | 825,600 | | 13,760 | 40,592 | 54,352 | 771,248 |

Allocation of depreciation

| Particulars | Perchantage (%) | Taka |
|-------------------------|-----------------|---------------|
| Direct Costs | 80% | 32,474 |
| Administrative Expenses | 20% | 8,118 |
| Total | 100% | 40,592 |

AS AT 30 JUNE 2020

| Particulars | COST | | AMORTIZATION | | | | | Amortized Value as on 30.06.20 |
|-----------------------------------|------------------------|--------------------------|------------------------|--------|------------------------|-------------------------|------------------------|--------------------------------|
| | Balance as on 01.07.19 | Addition during the Year | Balance as on 30.06.20 | Rate % | Balance as on 01.07.19 | Charged during the year | Balance as on 30.06.20 | |
| Software | - | 825,600 | 825,600 | 10% | - | 13,760 | 13,760 | 811,840 |
| Balance as at 30 June 2020 | - | 825,600 | 825,600 | | - | 13,760 | 13,760 | 811,840 |

Allocation of depreciation

| Particulars | Perchantage (%) | Taka |
|-------------------------|-----------------|---------------|
| Direct Costs | 80% | 11,008 |
| Administrative Expenses | 20% | 2,752 |
| Total | 100% | 13,760 |

(c) **Selected ratios as specified in Annexure-D;**

Auditor's certificate regarding calculation of EPS and Ratios

This is to certify that Subra Systems Ltd. has maintained the following ratios as computed on the basis of the audited financial statements for the period ended December 31, 2020 and for the year ended June 30, 2020, 2019, 2018, 2017 and 2016.

| Particulars | 31-Dec-20 | 31-Dec-20 | 30-Jun-20 | 30-Jun-20 | 30-Jun-19 | 30-Jun-19 | 30-Jun-18 | 30-Jun-17 | 30-Jun-16 |
|--|--------------|-----------|--------------|-----------|--------------|-----------|-----------|-----------|-----------|
| | Consolidated | Parent | Consolidated | Parent | Consolidated | Parent | Parent | Parent | Parent |
| I. Liquidity Ratios: | | | | | | | | | |
| (i) Current Ratio | 11.45 | 12.42 | 12.43 | 13.85 | 66.12 | 49.37 | 55.02 | 41.80 | 28.50 |
| (ii) Quick Ratio | 4.09 | 4.37 | 5.48 | 5.97 | 33.61 | 16.86 | 26.59 | 25.87 | 20.6874 |
| II. Operating Efficiency Ratios: | | | | | | | | | |
| (i) Accounts Receivable Turnover Ratio | 1.34 | 1.23 | 2.28 | 2.26 | 1.82 | 1.82 | 1.17 | 0.81 | 0.78 |
| (ii) Inventory Turnover Ratio | - | - | - | - | - | - | - | - | - |
| (iii) Asset Turnover Ratio | 0.15 | 0.13 | 0.27 | 0.26 | 0.34 | 0.35 | 0.43 | 0.41 | 0.43 |
| III. Profitability Ratios: | | | | | | | | | |
| (i) Gross Margin Ratio | 62.57% | 62.56% | 66.86% | 67.52% | 66.83% | 66.83% | 68.03% | 72.48% | 72.79% |
| (ii) Operating Profit Ratio | 47.42% | 47.49% | 50.47% | 51.78% | 52.26% | 52.26% | 52.90% | 62.22% | 61.35% |
| (iii) Net Profit Ratio | 44.81% | 44.64% | 47.94% | 49.19% | 51.59% | 51.59% | 50.90% | 61.90% | 61.03% |
| (iv) Return on Assets Ratio | 6.52% | 5.93% | 12.76% | 13.02% | 17.75% | 17.95% | 22.05% | 25.36% | 26.30% |
| (v) Return on Equity Ratio | 6.72% | 6.10% | 13.99% | 14.27% | 19.93% | 20.18% | 22.37% | 25.94% | 27.24% |
| (vi) Earnings Per Share (EPS) | 1.03 | 0.92 | 2.20 | 2.21 | 2.20 | 2.20 | 2.62 | 2.39 | 2.04 |
| (vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin | 60.75% | 59.93% | 61.14% | 62.18% | 61.82% | 61.82% | 61.29% | 72.86% | 66.51% |
| IV. Solvency Ratios: | | | | | | | | | |
| (i) Debt to Total Assets Ratio | 0.01 | 0.01 | 0.02 | 0.01 | - | - | 0.00 | 0.01 | 0.01 |
| (ii) Debt to Equity Ratio | 0.01 | 0.01 | 0.02 | 0.02 | - | - | 0.00 | 0.01 | 0.01 |
| (iii) Times Interest Earned Ratio | 77.59 | 76.11 | 384.56 | 385.85 | 477.77 | 477.77 | 280.60 | 195.32 | 191.91 |
| (iv) Debt Service Coverage Ratio | 18.98 | 17.03 | 748.02 | 750.52 | 44.61 | 44.61 | 176.22 | 86.28 | 98.33 |
| V. Cash Flow Ratios: | | | | | | | | | |
| (i) Net Operating Cash Flow per Share (NOCFPS) | 1.20 | 1.04 | 2.69 | 2.73 | 3.21 | 3.21 | 4.37 | 2.19 | 1.29 |
| (ii) NOCFPS to EPS Ratio | 1.16 | 1.12 | 1.22 | 1.24 | 1.46 | 1.46 | 1.67 | 0.92 | 0.63 |

Place: Dhaka;
Date: April 15, 2021

Sd/-
AFM Alamgir, FCA
Chief Executive Partner
ARTISAN
Chartered Accountants

| Ratio Calculation | | | | | | | | | | | | | | | | | | | |
|--|---|----------------------------|--------|----------------------------|--------|----------------------------|--------|----------------------------|--------|----------------------------|--------|----------------------------|--------|----------------------------|--------|---------------------------|--------|---------------------------|--------|
| Particulars | Formula | 31-Dec-20 | | 31-Dec-20 | | 30-Jun-20 | | 30-Jun-20 | | 30-Jun-19 | | 30-Jun-19 | | 30-Jun-18 | | 30-Jun-17 | | 30-Jun-16 | |
| | | Calculation | Ratio | Calculation | Ratio | Calculation | Ratio | Calculation | Ratio | Calculation | Ratio | Calculation | Ratio | Calculation | Ratio | Calculation | Ratio | Calculation | Ratio |
| | | Consolidated | | Parent | | Consolidated | | Parent | | Consolidated | | Parent | | Consolidated | | Parent | | Consolidated | |
| I. Liquidity Ratios: | | | | | | | | | | | | | | | | | | | |
| (i) Current Ratio | Current Assets/Current Liabilities | 264,931,312 23,134,137 | 11.45 | 260,407,817 20,969,035 | 12.42 | 286,305,847 23,025,948 | 12.43 | 279,200,497 20,159,400 | 13.85 | 295,653,182 4,471,353 | 66.12 | 220,759,631 4,471,353 | 49.37 | 191,032,559 3,471,910 | 55.02 | 200,836,959 4,804,584 | 41.80 | 150,918,235 5,295,939 | 28.50 |
| (ii) Quick Ratio | (Current Assets-Inventories-Advance, Deposit & Prepayments)/Current Liabilities | 94,661,937 23,134,137 | 4.09 | 91,601,062 20,969,035 | 4.37 | 126,084,062 23,025,948 | 5.48 | 120,405,712 20,159,400 | 5.97 | 150,264,937 4,471,353 | 33.61 | 75,371,386 4,471,353 | 16.86 | 92,301,899 3,471,910 | 26.59 | 124,305,791 4,804,584 | 25.87 | 109,559,067 5,295,939 | 20.69 |
| II. Operating Efficiency Ratios: | | | | | | | | | | | | | | | | | | | |
| (i) Accounts Receivable Turnover Ratio | Net Sales/Average Accounts Receivables | 115,465,343 86,419,806 | 1.34 | 103,436,543 84,134,441 | 1.23 | 174,798,417 76,803,021 | 2.28 | 170,957,567 75,793,246 | 2.26 | 149,054,844 82,059,727 | 1.82 | 149,054,844 82,059,727 | 1.82 | 125,507,250 107,187,286 | 1.17 | 94,071,192 116,099,130 | 0.81 | 81,537,587 104,302,350 | 0.78 |
| (ii) Inventory Turnover Ratio | Cost of Goods Sold /Average Inventory | 43,219,886 - | - | 38,731,163 - | - | 57,920,878 - | - | 55,524,606 - | - | 49,442,829 - | - | 49,442,829 - | - | 40,123,455 - | - | 25,885,672 - | - | 22,184,151 - | - |
| (iii) Asset Turnover Ratio | Net Sales/Average Total Assets | 115,465,343 793,631,131 | 0.15 | 103,436,543 778,668,323 | 0.13 | 174,798,417 656,876,191 | 0.27 | 170,957,567 445,634,180 | 0.26 | 149,054,844 433,236,907 | 0.34 | 149,054,844 428,336,907 | 0.35 | 125,507,250 289,708,858 | 0.43 | 94,071,192 229,562,758 | 0.41 | 81,537,587 189,222,339 | 0.43 |
| III. Profitability Ratios: | | | | | | | | | | | | | | | | | | | |
| (i) Gross Margin Ratio | Gross Profit/Net Sales | 72,245,457 115,465,343 | 62.57% | 64,705,380 103,436,543 | 62.56% | 116,877,539 174,798,417 | 66.86% | 115,432,961 170,957,567 | 67.52% | 99,612,015 149,054,844 | 66.83% | 99,612,015 149,054,844 | 66.83% | 85,383,795 125,507,250 | 68.03% | 68,185,520 94,071,192 | 72.48% | 59,353,436 81,537,587 | 72.79% |
| (ii) Operating Profit Ratio | Operating Profit/Net Sales | 54,754,509 115,465,343 | 47.42% | 49,123,056 103,436,543 | 47.49% | 88,225,279 174,798,417 | 50.47% | 88,519,963 170,957,567 | 51.78% | 77,902,962 149,054,844 | 52.26% | 77,902,962 149,054,844 | 52.26% | 66,389,587 125,507,250 | 52.90% | 58,526,975 94,071,192 | 62.22% | 50,021,025 81,537,587 | 61.35% |
| (iii) Net Profit Ratio | Net Profit after Tax/Net Sales | 51,740,347 115,465,343 | 44.81% | 46,169,168 103,436,543 | 44.64% | 83,791,550 174,798,417 | 47.94% | 84,086,234 170,957,567 | 49.19% | 76,894,325 149,054,844 | 51.59% | 76,894,325 149,054,844 | 51.59% | 63,888,901 125,507,250 | 50.90% | 58,227,330 94,071,192 | 61.90% | 49,760,381 81,537,587 | 61.03% |
| (iv) Return on Assets Ratio | Net Profit after Tax/Average Total Assets | 51,740,347 793,631,131 | 6.52% | 46,169,168 778,668,323 | 5.93% | 83,791,550 656,876,191 | 12.76% | 84,086,234 445,634,180 | 13.02% | 76,894,325 433,236,907 | 17.75% | 76,894,325 428,336,907 | 17.95% | 63,888,901 289,708,858 | 22.05% | 58,227,330 229,562,758 | 25.36% | 49,760,381 189,222,339 | 26.30% |
| (v) Return on Equity Ratio | Net Profit after Tax/Average Total Shareholders Equity | 51,740,347 769,571,425 | 6.72% | 46,169,168 757,280,520 | 6.10% | 83,791,550 598,958,369 | 13.99% | 84,086,234 589,305,711 | 14.27% | 76,894,325 385,865,273 | 19.93% | 76,894,325 380,965,273 | 20.18% | 63,888,901 285,570,611 | 22.37% | 58,227,330 224,512,496 | 25.94% | 49,760,381 182,660,126 | 27.24% |
| (vi) Earnings Per Share (EPS) | Net Profit after Tax/Weighted Average Number of Ordinary Shares Outstanding | 51,740,347 50,000,000 | 1.03 | 46,169,168 50,000,000 | 0.92 | 83,791,550 38,116,188 | 2.20 | 84,086,234 38,116,188 | 2.21 | 76,894,325 34,921,634 | 2.20 | 76,894,325 34,921,634 | 2.20 | 63,888,901 24,403,020 | 2.62 | 58,227,330 24,403,020 | 2.39 | 49,760,381 24,403,020 | 2.04 |
| (vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin | EBITDA/Net Sales | 70,140,402 115,465,343 | 60.75% | 61,986,031 103,436,543 | 59.93% | 106,865,699 174,798,417 | 61.14% | 106,307,283 170,957,567 | 62.18% | 92,149,761 149,054,844 | 61.82% | 92,149,761 149,054,844 | 61.82% | 76,928,052 125,507,250 | 61.29% | 68,537,554 94,071,192 | 72.86% | 54,234,519 81,537,587 | 66.51% |
| IV. Solvency Ratios: | | | | | | | | | | | | | | | | | | | |
| (i) Debt to Total Assets Ratio | Total Debt/Total Assets | 9,193,164 818,996,722 | 0.01 | 8,355,460 801,755,127 | 0.01 | 12,507,876 768,265,539 | 0.02 | 11,250,446 755,581,519 | 0.01 | - 545,486,842 | - | - 535,686,842 | - | 1,583,120 320,986,971 | 0.00 | 1,723,264 258,430,745 | 0.01 | 2,101,919 200,694,770 | 0.01 |
| (ii) Debt to Equity Ratio | Total Debt/Total Equity | 9,193,164 795,441,598 | 0.01 | 8,355,460 780,365,104 | 0.01 | 12,507,876 743,701,252 | 0.02 | 11,250,446 734,195,936 | 0.02 | - 454,215,486 | - | - 444,415,486 | - | 1,583,120 317,515,061 | 0.00 | 1,723,264 253,626,161 | 0.01 | 2,101,919 195,398,831 | 0.01 |
| (iii) Times Interest Earned Ratio | EBIT/Financial Expenses | 54,754,509 705,704 | 77.59 | 49,123,056 645,429 | 76.11 | 88,225,279 229,417 | 384.56 | 88,519,963 229,417 | 385.85 | 77,902,962 163,056 | 477.77 | 77,902,962 163,056 | 477.77 | 66,389,587 236,599 | 280.60 | 58,526,975 299,645 | 195.32 | 50,021,025 260,644 | 191.91 |
| (iv) Debt Service Coverage Ratio | Net Operating Profit / Total Debt Service | 54,754,509 2,885,000 | 18.98 | 49,123,056 2,885,000 | 17.03 | 88,225,279 117,945 | 748.02 | 88,519,963 117,945 | 750.52 | 77,902,962 1,746,176 | 44.61 | 77,902,962 1,746,176 | 44.61 | 66,389,587 376,743 | 176.22 | 58,526,975 678,300 | 86.28 | 50,021,025 508,725 | 98.33 |
| V. Cash Flow Ratios: | | | | | | | | | | | | | | | | | | | |
| (i) Net Operating Cash Flow per Share (NOCFPS) | Net Operating Cash Flow/ Number of Ordinary Shares Outstanding | 60,099,451 50,000,000 | 1.20 | 51,911,240 50,000,000 | 1.04 | 102,465,209 38,116,188 | 2.69 | 103,985,770 38,116,188 | 2.73 | 112,064,794 34,921,634 | 3.21 | 112,064,794 34,921,634 | 3.21 | 106,728,211 24,403,020 | 4.37 | 53,372,420 24,403,020 | 2.19 | 31,500,090 24,403,020 | 1.29 |
| (ii) NOCFPS to EPS Ratio | Net Operating Cash Flow per Share/EPS | 1.20 1.03 | 1.16 | 1.04 0.92 | 1.12 | 2.69 2.20 | 1.22 | 2.73 2.21 | 1.24 | 3.21 2.20 | 1.46 | 3.21 2.20 | 1.46 | 4.37 2.62 | 1.67 | 2.19 2.39 | 0.92 | 1.29 2.04 | 0.63 |

Comparison ratios with the industry average ratios of the same periods:

| Subra Systems Ltd. | | Industry Average* | Remark/Explanation |
|--|-----------|-------------------|--|
| Particulars | 30-Jun-20 | 30-Jun-20 | |
| | Ratio | Ratio | |
| I. Liquidity Ratios: | | | |
| (i) Current Ratio | 13.85 | 3.89 | SSL's Current Ratio is higher as current assets are higher than the current liabilities. |
| (ii) Quick Ratio | 5.97 | 2.05 | SSL's Ratio is higher as current assets are higher than the current liabilities. |
| II. Operating Efficiency Ratios: | | | |
| (i) Accounts Receivable Turnover Ratio | 2.26 | 2.01 | SSL's Ratio is satisfactory as collection period is shorter. |
| (ii) Inventory Turnover Ratio | - | 3.90 | SSL's Ratio is null as SSL is a service oriented company. |
| (iii) Asset Turnover Ratio | 0.26 | 0.44 | SSL's Ratio is satisfactory with the average industry. |
| III. Profitability Ratios: | | | |
| (i) Gross Margin Ratio | 67.52% | 39.22% | SSL's Ratio is higher than the average industry. |
| (ii) Operating Profit Ratio | 51.78% | 18.08% | SSL's Ratio is higher than the average industry. |
| (iii) Net Profit Ratio | 49.19% | 13.86% | SSL's Ratio is higher than the average industry. |
| (iv) Return on Assets Ratio | 13.02% | 6.09% | SSL's Ratio is higher than the average industry. |
| (v) Return on Equity Ratio | 14.27% | 9.58% | SSL's Ratio is higher than the average industry. |
| (vi) Earnings Per Share (EPS) | 2.21 | 1.64 | SSL's Ratio is higher than the average industry. |
| (vii) EBITDA Margin | 62.18% | 34.31% | SSL's Ratio is higher than the average industry. |
| IV. Solvency Ratios: | | | |
| (i) Debt to Total Assets Ratio | 0.01 | 0.19 | SSL's Ratio is satisfactory with the industry average ratio as debt burden is lower than assets. |
| (ii) Debt to Equity Ratio | 0.02 | 0.30 | SSL's Ratio is satisfactory as debt burden is lower than equity. |
| (iii) Times Interest Earned Ratio | 385.85 | 2.60 | SSL's Ratio is higherthan the average industry as operating profit is sufficient to pay financial expense. |
| (iv) Debt Service Coverage Ratio | 750.52 | N/A | SSL's Ratio is satisfactory as net operating profit is sufficient to pay financial expense and long term debt. |
| V. Cash Flow Ratios: | | | |
| (i) Net Operating Cash Flow per Share (NOCFPS) | 2.73 | 2.41 | SSL's Ratio is satisfactory as Net Operating Cash Flow is positive. |
| (ii) NOCFPS to EPS Ratio | 1.24 | 1.36 | SSL's Ratio is satisfactory as Net Operating Cash Flow is positive. |

* The Industry average ratio is calculated through using the ratio of 3 listed similar companies namely aamra technologies limited; Intech Limited and Genex Infosys Limited for the year ended June 30, 2020 (Source: Annual Report)

| Subra Systems Ltd. | | Industry Average* | Remark/Explanation |
|--|-----------|----------------------|---|
| Particulars | 30-Jun-19 | 30-Jun-19 | |
| | Ratio | Ratio | |
| I. Liquidity Ratios: | | | |
| (i) Current Ratio | 49.37 | 4.48 | SSL's Current Ratio is higher as current assets are higher than the current liabilities. |
| (ii) Quick Ratio | 16.86 | 1.68 | SSL's Ratio is higher as current assets are higher than the current liabilities. |
| II. Operating Efficiency Ratios: | | | |
| (i) Accounts Receivable Turnover Ratio | 1.82 | 2.23 | SSL's Ratio is satisfactory as collection period is shorter. |
| (ii) Inventory Turnover Ratio | - | 5.10 | SSL's Ratio is null as SSL is a service oriented company. |
| (iii) Asset Turnover Ratio | 0.35 | 0.46 | SSL's Ratio is satisfactory with the average industry. |
| III. Profitability Ratios: | | | |
| (i) Gross Margin Ratio | 66.83% | 38.55% | SSL's Ratio is higher than the average industry. |
| (ii) Operating Profit Ratio | 52.26% | 14.71% | SSL's Ratio is higher than the average industry. |
| (iii) Net Profit Ratio | 51.59% | 12.10% | SSL's Ratio is higher than the average industry. |
| (iv) Return on Assets Ratio | 17.95% | 5.18% | SSL's Ratio is higher than the average industry. |
| (v) Return on Equity Ratio | 20.18% | 8.48% | SSL's Ratio is higher than the average industry. |
| (vi) Earnings Per Share (EPS) | 2.20 | 1.34 | SSL's Ratio is higher than the average industry. |
| (vii) EBITDA Margin | 61.82% | 29.39% | SSL's Ratio is higher than the average industry. |
| IV. Solvency Ratios: | | | |
| (i) Debt to Total Assets Ratio | - | 0.22 | SSL's Ratio is null because there is no debt burden |
| (ii) Debt to Equity Ratio | - | 0.36 | SSL's Ratio is null because there is no debt burden |
| (iii) Times Interest Earned Ratio | 477.77 | 2.65 | SSL's Ratio is higherthan the average industry as operating profit is sufficient to pay financial expense. |
| (iv) Debt Service Coverage Ratio | 44.61 | N/A | SSL's Ratio is satisfactory as net operating profit is sufficient to pay financial expense and short term debt. |
| V. Cash Flow Ratios: | | | |
| (i) Net Operating Cash Flow per Share (NOCFPS) | 3.21 | 3.68 | SSL's Ratio is satisfactory as Net Operating Cash Flow is positive. |
| (ii) NOCFPS to EPS Ratio | 1.46 | 2.48 | SSL's Ratio is satisfactory as Net Operating Cash Flow is positive. |

* The Industry average ratio is calculated through using the ratio of 3 listed similar companies namely aamra technologies limited; Intech Limited and Genex Infosys Limited for the year ended June 30, 2019 (Source: Annual Report)

| Subra Systems Ltd. | | Industry Average* | Remark/Explanation |
|--|-----------|-------------------|---|
| Particulars | 30-Jun-18 | 30-Jun-18 | |
| | Ratio | Ratio | |
| I. Liquidity Ratios: | | | |
| (i) Current Ratio | 55.02 | 4.25 | SSL's Current Ratio is higher as current assets are higher than the current liabilities. |
| (ii) Quick Ratio | 26.59 | 1.44 | SSL's Ratio is higher as current assets are higher than the current liabilities. |
| II. Operating Efficiency Ratios: | | | |
| (i) Accounts Receivable Turnover Ratio | 1.17 | 2.30 | SSL's Ratio is satisfactory as collection period is shorter. |
| (ii) Inventory Turnover Ratio | - | 6.72 | SSL's Ratio is null as SSL is a service oriented company. |
| (iii) Asset Turnover Ratio | 0.43 | 0.46 | SSL's Ratio is satisfactory with the industry average ratio. |
| III. Profitability Ratios: | | | |
| (i) Gross Margin Ratio | 68.03% | 36.75% | SSL's Ratio is higher than the average industry. |
| (ii) Operating Profit Ratio | 52.90% | 17.44% | SSL's Ratio is higher than the average industry. |
| (iii) Net Profit Ratio | 50.90% | 15.61% | SSL's Ratio is higher than the average industry. |
| (iv) Return on Assets Ratio | 22.05% | 6.87% | SSL's Ratio is higher than the average industry. |
| (v) Return on Equity Ratio | 22.37% | 10.15% | SSL's Ratio is higher than the average industry. |
| (vi) Earnings Per Share (EPS) | 2.62 | 1.55 | SSL's Ratio is higher than the average industry. |
| (vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin | 61.29% | 34.00% | SSL's Ratio is higher than the average industry. |
| IV. Solvency Ratios: | | | |
| (i) Debt to Total Assets Ratio | 0.00 | 0.26 | SSL's Ratio is satisfactory with the industry average ratio as debt burden is lower than assets. |
| (ii) Debt to Equity Ratio | 0.00 | 0.47 | SSL's Ratio is satisfactory as debt burden is lower than equity. |
| (iii) Times Interest Earned Ratio | 280.60 | 7.97 | SSL's Ratio is satisfactory as operating profit is sufficient to pay financial expense. |
| (iv) Debt Service Coverage Ratio | 176.22 | N/A | SSL's Ratio is satisfactory as net operating profit is sufficient to pay financial expense and short term debt. |
| V. Cash Flow Ratios: | | | |
| (i) Net Operating Cash Flow per Share (NOCFPS) | 4.37 | 2.21 | SSL's Ratio is satisfactory as Net Operating Cash Flow is positive. |
| (ii) NOCFPS to EPS Ratio | 1.67 | 1.41 | SSL's Ratio is satisfactory as Net Operating Cash Flow is positive. |

* The Industry average ratio is calculated through using the ratio of 3 listed similar companies namely aamra technologies limited; Intech Limited and Genex Infosys Limited for the year ended June 30, 2018 (Source: Annual Report)

| Subra Systems Ltd. | | Industry Average* | Remark/ Explanation |
|--|-----------|----------------------|---|
| Particulars | 30-Jun-17 | 30-Jun-17 | |
| | Ratio | Ratio | |
| I. Liquidity Ratios: | | | |
| (i) Current Ratio | 41.80 | 7.07 | SSL's Current Ratio is satisfactory with the industry average. |
| (ii) Quick Ratio | 25.87 | 2.70 | SSL's Ratio is satisfactory with the industry ratio. |
| II. Operating Efficiency Ratios: | | | |
| (i) Accounts Receivable Turnover Ratio | 0.81 | 3.14 | SSL's Ratio is satisfactory as collection period is shorter. |
| (ii) Inventory Turnover Ratio | - | 10.24 | SSL's Ratio is null as SSL is a service oriented company. |
| (iii) Asset Turnover Ratio | 0.41 | 0.63 | SSL's Ratio is satisfactory with the industry average ratio. |
| III. Profitability Ratios: | | | |
| (i) Gross Margin Ratio | 72.48% | 33.80% | SSL's Ratio is higher than the average industry. |
| (ii) Operating Profit Ratio | 62.22% | 19.59% | SSL's Ratio is higher than the average industry. |
| (iii) Net Profit Ratio | 61.90% | 15.06% | SSL's Ratio is higher than the average industry. |
| (iv) Return on Assets Ratio | 25.36% | 9.98% | SSL's Ratio is higher than the average industry. |
| (v) Return on Equity Ratio | 25.94% | 14.56% | SSL's Ratio is higher than the average industry. |
| (vi) Earnings Per Share (EPS) | 2.39 | 1.44 | SSL's Ratio is higher than the average industry. |
| (vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin | 72.86% | 30.60% | SSL's Ratio is higher than the average industry. |
| IV. Solvency Ratios: | | | |
| (i) Debt to Total Assets Ratio | 0.01 | 0.23 | SSL's Ratio is satisfactory with the industry average ratio as debt burden is lower than assets. |
| (ii) Debt to Equity Ratio | 0.01 | 0.44 | SSL's Ratio is satisfactory as debt burden is lower than equity. |
| (iii) Times Interest Earned Ratio | 195.32 | 708.62 | SSL's Ratio is satisfactory as operating profit is sufficient to pay financial expense. |
| (iv) Debt Service Coverage Ratio | 86.28 | N/A | SSL's Ratio is satisfactory as net operating profit is sufficient to pay financial expense and short term debt. |
| V. Cash Flow Ratios: | | | |
| (i) Net Operating Cash Flow per Share (NOCFPS) | 2.19 | 2.31 | SSL's Ratio is satisfactory as Net Operating Cash Flow is positive. |
| (ii) NOCFPS to EPS Ratio | 0.92 | 1.52 | SSL's Ratio is satisfactory as Net Operating Cash Flow is positive. |

* The Industry average ratio is calculated through using the ratio of 3 listed similar companies namely camra technologies limited; Intech Limited and Genex Infosys Limited for the year ended June 30, 2017 (Source: Annual Report)

| Subra Systems Ltd. | | Industry Average* | Remark/ Explanation |
|--|-----------|----------------------|---|
| Particulars | 30-Jun-16 | 30-Jun-16 | |
| | Ratio | Ratio | |
| I. Liquidity Ratios: | | | |
| (i) Current Ratio | 28.50 | 1.96 | SSL's Current Ratio is satisfactory as current assets are higher than the current liabilities. |
| (ii) Quick Ratio | 20.69 | 0.87 | SSL's Ratio is satisfactory as current assets are higher than the current liabilities. |
| II. Operating Efficiency Ratios: | | | |
| (i) Accounts Receivable Turnover Ratio | 0.78 | 2.04 | SSL's Ratio is satisfactory as collection period is shorter. |
| (ii) Inventory Turnover Ratio | - | 13.75 | SSL's Ratio is null as SSL is a service oriented company. |
| (iii) Asset Turnover Ratio | 0.43 | 0.55 | SSL's Ratio is satisfactory with the industry average ratio. |
| III. Profitability Ratios: | | | |
| (i) Gross Margin Ratio | 72.79% | 28.54% | SSL's Ratio is higher than the average industry. |
| (ii) Operating Profit Ratio | 61.35% | 21.46% | SSL's Ratio is higher than the average industry. |
| (iii) Net Profit Ratio | 61.03% | 15.52% | SSL's Ratio is higher than the average industry. |
| (iv) Return on Assets Ratio | 26.30% | 8.42% | SSL's Ratio is higher than the average industry. |
| (v) Return on Equity Ratio | 27.24% | 25.98% | SSL's Ratio is satisfactory with the industry average ratio. |
| (vi) Earnings Per Share (EPS) | 2.04 | 63.22 | SSL's Ratio is satisfactory with the industry average ratio. |
| (vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin | 66.51% | 24.36% | SSL's Ratio is higher than the average industry. |
| IV. Solvency Ratios: | | | |
| (i) Debt to Total Assets Ratio | 0.01 | 0.33 | SSL's Ratio is satisfactory with the industry average ratio as debt burden is lower than assets. |
| (ii) Debt to Equity Ratio | 0.01 | 1.02 | SSL's Ratio is satisfactory as debt burden is lower than equity. |
| (iii) Times Interest Earned Ratio | 191.91 | 6.29 | SSL's Ratio is satisfactory as operating profit is sufficient to pay financial expense. |
| (iv) Debt Service Coverage Ratio | 98.33 | N/A | SSL's Ratio is satisfactory as net operating profit is sufficient to pay financial expense and short term debt. |
| V. Cash Flow Ratios: | | | |
| (i) Net Operating Cash Flow per Share (NOCFPS) | 1.29 | 58.88 | SSL's Ratio is satisfactory as Net Operating Cash Flow is positive. |
| (ii) NOCFPS to EPS Ratio | 0.63 | 2.22 | SSL's Ratio is satisfactory as Net Operating Cash Flow is positive. |

* The Industry average ratio is calculated through using the ratio of 2 listed similar companies namely aamra technologies limited and Genex Infosys Limited for the year ended June 30, 2016 (Source: Annual Report)

- (d) **Auditors report under Section 135(1), Paragraph 24(1) of Part II of Schedule III of the কোম্পানি আইন, ১৯৯৪. The report shall include comparative income statements and balance sheet and aforementioned ratios for immediate preceding five accounting years of the issuer. If the issuer has been in commercial operation for less than five years, the above mentioned inclusion and submission will have to be made for the period since commercial operation;**

Auditors' report Under Section-135 (1) and Para-24(1) of Part-II of Schedule-III of the Companies Act, 1994

We have examined the financial statements of Subra Systems Ltd. and its subsidiary for the period ended December 31, 2020 and for the year ended June 30, 2020 and 2019 were audited by us; for the year ended June 30, 2018 was audited by AHMAD & AKHTAR; for the year ended June 30, 2017 and 2016 were audited by Ashraf Uddin & Co. In pursuance of Section-135 (1) and Para-24 (1) of Part-II of Schedule-III of the Companies Act, 1994, our report is as under:

A) Statements of Assets and Liabilities of the Company are as under:

| Particulars | Amount in Taka | | | | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 31-Dec-20 | 31-Dec-20 | 30-Jun-20 | 30-Jun-20 | 30-Jun-19 | 30-Jun-19 | 30-Jun-18 | 30-Jun-17 | 30-Jun-16 |
| | Consolidated | Parent | Consolidated | Parent | Consolidated | Parent | Parent | Parent | Parent |
| ASSETS | | | | | | | | | |
| Non-Current Assets | 554,065,410 | 541,347,309 | 481,959,692 | 476,381,022 | 249,833,660 | 314,927,211 | 129,954,412 | 57,593,786 | 49,776,535 |
| Property, Plant and Equipment | 239,865,136 | 209,883,742 | 231,510,541 | 199,805,291 | 78,028,637 | 78,028,637 | 14,676,428 | 13,836,309 | 14,128,193 |
| Intangible Assets | 1,114,498 | 343,250 | 1,173,156 | 361,316 | 149,634 | 149,634 | 166,260 | - | 26,975,521 |
| Intellectual Properties | 125,848,190 | 125,848,190 | 45,896,564 | 45,896,564 | 44,067,435 | 44,067,435 | 31,187,184 | 29,480,412 | - |
| Capital Work In Progress | 184,830,791 | 138,373,445 | 199,868,295 | 162,739,695 | 127,481,505 | 127,481,505 | 83,924,540 | 14,277,064 | 8,672,821 |
| Investment in Shares | - | 65,200,000 | - | 65,200,000 | - | 10,200,000 | - | - | - |
| Preliminary Expenses | - | - | - | - | 106,449 | - | - | - | - |
| Deposit for Shares | - | - | - | - | - | 55,000,000 | - | - | - |
| Right-of-Use Assets | 2,406,795 | 1,698,682 | 3,511,135 | 2,378,155 | - | - | - | - | - |
| Current Assets | 264,931,312 | 260,407,817 | 286,305,847 | 279,200,497 | 295,653,182 | 220,759,631 | 191,032,559 | 200,836,959 | 150,918,235 |
| Accounts Receivable | 92,453,979 | 89,902,799 | 80,385,633 | 78,366,083 | 73,220,409 | 73,220,409 | 90,899,045 | 123,475,526 | 108,722,734 |
| Advances, Deposits and Prepayments | 170,269,375 | 168,806,755 | 160,221,785 | 158,794,785 | 145,388,245 | 145,388,245 | 98,730,660 | 76,531,168 | 41,359,168 |
| Cash and Cash Equivalents | 2,207,958 | 1,698,263 | 45,698,429 | 42,039,629 | 77,044,528 | 2,150,977 | 1,402,854 | 830,265 | 836,333 |
| Total Assets | 818,996,722 | 801,755,127 | 768,265,539 | 755,581,519 | 545,486,842 | 535,686,842 | 320,986,971 | 258,430,745 | 200,694,770 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | | | | | | | |
| Shareholders' Equity | 795,441,598 | 780,365,104 | 743,701,252 | 734,195,936 | 454,215,486 | 444,415,486 | 317,515,061 | 253,626,161 | 195,398,831 |
| Share Capital | 500,000,000 | 500,000,000 | 500,000,000 | 500,000,000 | 98,012,100 | 98,012,100 | 4,000,000 | 4,000,000 | 4,000,000 |
| Retained Earnings | 284,952,136 | 280,365,104 | 233,939,757 | 234,195,936 | 346,403,386 | 346,403,386 | 313,515,061 | 249,626,161 | 191,398,831 |
| Non controlling interest | 10,489,462 | - | 9,761,495 | - | 9,800,000 | - | - | - | - |
| Non-Current Liabilities | 420,987 | 420,987 | 1,538,340 | 1,226,183 | 86,800,003 | 86,800,003 | - | - | - |
| Share Money Deposits | - | - | - | - | 86,800,003 | 86,800,003 | - | - | - |
| Lease Liabilities | 420,987 | 420,987 | 1,538,340 | 1,226,183 | - | - | - | - | - |

| | | | | | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Current Liabilities | 23,134,137 | 20,969,035 | 23,025,948 | 20,159,400 | 4,471,353 | 4,471,353 | 3,471,910 | 4,804,584 | 5,295,939 |
| Liabilities for Expenses | 12,907,530 | 12,154,633 | 10,431,637 | 9,854,962 | 4,208,953 | 4,208,953 | 1,613,790 | 1,511,320 | 1,246,520 |
| Accounts and Others Payable | 574,500 | - | 1,344,600 | - | - | - | - | - | - |
| Advance Against Sales | 879,930 | 879,930 | 280,175 | 280,175 | 262,400 | 262,400 | 275,000 | 1,570,000 | 1,947,500 |
| Current Portion of Lease Liabilities | 2,544,575 | 1,706,871 | 2,561,518 | 1,616,245 | - | - | - | - | - |
| Short Term Loan | 6,227,602 | 6,227,602 | 8,408,018 | 8,408,018 | - | - | 1,583,120 | 1,723,264 | 2,101,919 |
| Total Shareholders' Equity and Liabilities | 818,996,722 | 801,755,127 | 768,265,539 | 755,581,519 | 545,486,842 | 535,686,842 | 320,986,971 | 258,430,745 | 200,694,770 |
| Net Asset Value (NAV) per share | 15.70 | 15.61 | 14.68 | 14.68 | 45.34 | 45.34 | 793.79 | 634.07 | 488.50 |

B) The statements of operating results of the Company is as follow:

| Particulars | Amount in Taka | | | | | | | | |
|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | 01 Jul 2020 to 30 Dec 2020 | 01 Jul 2020 to 30 Dec 2020 | 01 Jul 2019 to 30 Jun 2020 | 01 Jul 2019 to 30 Jun 2020 | 01 Jul 2018 to 30 Jun 2019 | 01 Jul 2018 to 30 Jun 2019 | 01 Jul 2017 to 30 Jun 2018 | 01 Jul 2016 to 30 Jun 2017 | 01 Jul 2015 to 30 Jun 2016 |
| | Consolidated | Parent | Consolidated | Parent | Consolidated | Parent | Parent | Parent | Parent |
| Revenue | 115,465,343 | 103,436,543 | 174,798,417 | 170,957,567 | 149,054,844 | 149,054,844 | 125,507,250 | 94,071,192 | 81,537,587 |
| Direct Costs | 43,219,886 | 38,731,163 | 57,920,878 | 55,524,606 | 49,442,829 | 49,442,829 | 40,123,455 | 25,885,672 | 22,184,151 |
| Gross Profit | 72,245,457 | 64,705,380 | 116,877,539 | 115,432,961 | 99,612,015 | 99,612,015 | 85,383,795 | 68,185,520 | 59,353,436 |
| Administrative Expenses | 17,490,948 | 15,582,324 | 28,652,260 | 26,912,998 | 21,709,053 | 21,709,053 | 18,994,208 | 9,658,546 | 9,332,411 |
| Profit from Operation | 54,754,509 | 49,123,056 | 88,225,279 | 88,519,963 | 77,902,962 | 77,902,962 | 66,389,587 | 58,526,975 | 50,021,025 |
| Loss on Disposal of Asset | - | - | - | - | - | - | 2,264,087 | - | - |
| Financial Expenses | 705,704 | 645,429 | 229,417 | 229,417 | 163,056 | 163,056 | 236,599 | 299,645 | 260,644 |
| Profit Before Income Tax & WPPF | 54,048,805 | 48,477,627 | 87,995,862 | 88,290,546 | 77,739,906 | 77,739,906 | 63,888,901 | 58,227,330 | 49,760,381 |
| Contribution to WPPF | 2,308,458 | 2,308,458 | 4,204,312 | 4,204,312 | - | - | - | - | - |
| Profit Before Income Tax | 51,740,347 | 46,169,168 | 83,791,550 | 84,086,234 | 77,739,906 | 77,739,906 | 63,888,901 | 58,227,330 | 49,760,381 |
| Income Tax Expenses | - | - | - | - | 845,581 | 845,581 | - | - | - |
| Net Profit after Tax | 51,740,347 | 46,169,168 | 83,791,550 | 84,086,234 | 76,894,325 | 76,894,325 | 63,888,901 | 58,227,330 | 49,760,381 |
| Profit attributable to: | | | | | | | | | |
| Owners of the Company | 52,468,314 | | 83,753,045 | | 76,894,325 | | | | |
| Non-controlling interest | 727,967 | | (38,505) | | - | | | | |
| | 53,196,282 | | 83,714,539 | | 76,894,325 | | | | |
| Earnings Per Share (Basic) | 1.03 | 0.92 | 2.20 | 2.21 | 2.20 | 2.20 | 2.62 | 2.39 | 2.04 |
| Earnings Per Share (Diluted) | 1.03 | 0.92 | 1.68 | 1.68 | 1.54 | 1.54 | 1.28 | 1.16 | 1.00 |

*Considering the latest number of shares i.e. 50,000,000 for all years in calculating Diluted Earnings Per Share (EPS)

C) **Dividend declared:**

| Particulars | 31-Dec-20 | 30-Jun-20 | 30-Jun-19 | 30-Jun-18 | 30-Jun-17 | 30-Jun-16 |
|------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Cash Dividend | Nil | Nil | Nil | Nil | Nil | Nil |
| Stock Dividend (Bonus Share) | Nil | Nil | 200.00% | 100.00% | Nil | Nil |

- D) Subra Systems Ltd. (SSL) was incorporated on March 25, 2008 vide registration no. C 70514 (2023)/08 as a private limited company in Bangladesh under the Companies Act, 1994. Subsequently the company was converted into Public Limited Company vide EGM dated June 10, 2019.
- E) The Company started its commercial operation in March 25, 2008.
- F) The Company has one subsidiary in operation, namely Subra Technology Ltd. as on the balance sheet date.
- G) No proceeds or part of the proceeds of the issue of shares would be applied directly by the company in the purchase of any business.
- H) The Company did not prepare any statement of accounts for the period subsequent to December 31, 2020.
- I) Figures related to previous years have been re-arranged whenever considered necessary.

Place: Dhaka;
Date: April 15, 2021

Sd/-
AFM Alamgir, FCA
Chief Executive Partner
ARTISAN
Chartered Accountants

(e) **Financial spread sheet analysis for the latest audited financial statements;**

Subra Systems Ltd.
Statement of Financial Position
As at December 31, 2020

| Particulars | Amount | Percentage on Total Asset | Grand Total |
|--------------------------------------|--------------------|---------------------------|---------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | 541,347,309 | | 67.52% |
| Property, Plant and Equipment | 209,883,742 | 26.18% | |
| Land and Land Development | 162,371,510 | 20.25% | |
| Furniture & Fixture | 5,826,581 | 0.73% | |
| Air Conditioner | 2,787,797 | 0.35% | |
| Computer & Peripherals | 12,505,221 | 1.56% | |
| Electric Items | 2,933,107 | 0.37% | |
| Server Equipment | 9,091,882 | 1.13% | |
| Vehicle | 12,003,441 | 1.50% | |
| Office Decoration | 2,364,203 | 0.29% | |
| Intangible Assets | 343,250 | 0.04% | |
| Operating Software | 343,250 | 0.04% | |
| Intellectual Properties | 125,848,190 | 15.70% | |
| Point of Sales | 662,021 | 0.08% | |
| Accounting Management Systems | 1,860,014 | 0.23% | |
| Housing Management System | 57,112 | 0.01% | |
| Inventory Management | 1,576,180 | 0.20% | |
| Human Resource Management | 672,937 | 0.08% | |
| Garments Management systems | 1,694,042 | 0.21% | |
| Payroll management | 559,613 | 0.07% | |
| Providend fund Management System | 1,850,288 | 0.23% | |
| Hospital Management System | 2,151,773 | 0.27% | |
| Diagnostic Management System | 1,703,224 | 0.21% | |
| Amusement Park Mgt. | 1,344,758 | 0.17% | |
| E-Education Management Soft. | 1,750,731 | 0.22% | |
| Gratuity & WPPF Management System | 830,410 | 0.10% | |
| Document Management Software | 843,437 | 0.11% | |
| Fixed Asset Management System | 2,327,500 | 0.29% | |
| Job portal | 415,288 | 0.05% | |
| Shipping management ERP | 2,929,430 | 0.37% | |
| Anti Money Londering Software | 523,749 | 0.07% | |
| Construction Mgt. (ERP) | 1,949,761 | 0.24% | |
| Proucrement Management System | 1,595,320 | 0.20% | |
| E-Commerce Management Software | 3,162,651 | 0.39% | |
| Buying House Mangement System | 1,493,225 | 0.19% | |
| Escrow (Central Back office) | 7,203,623 | 0.90% | |
| Club management system | 1,087,488 | 0.14% | |
| E-ticketing system | 1,808,000 | 0.23% | |
| Meeting Management System | 902,537 | 0.11% | |
| Food Court Management System | 1,501,089 | 0.19% | |
| Fund Management system | 1,114,019 | 0.14% | |
| Cheque Printing System | 1,518,437 | 0.19% | |
| Mail register | 1,286,064 | 0.16% | |
| Leather Goods Manufacturing system | 6,407,652 | 0.80% | |

| | | | |
|---|--------------------|---------------|----------------|
| Visitor Attendance System | 1,106,899 | 0.14% | |
| Food Production Management System | 5,431,735 | 0.68% | |
| CRM system | 13,157,699 | 1.64% | |
| Vat Management System | 13,657,117 | 1.70% | |
| Task Management System | 11,634,355 | 1.45% | |
| Mobile Point of Sale | 8,758,750 | 1.09% | |
| Restaurant Management System | 9,402,314 | 1.17% | |
| Filling Station Management System | 7,916,945 | 0.99% | |
| Capital Work In Progress | 138,373,445 | 17.26% | |
| Investment in Shares | 65,200,000 | 8.13% | |
| Investment in Subra Technology Ltd. | 65,200,000 | 8.13% | |
| Right-of-Use Assets | 1,698,682 | 0.21% | |
| | | | |
| CURRENT ASSETS | 260,407,817 | | 32.48% |
| | | | |
| Accounts Receivable | 89,902,799 | 11.21% | |
| Advances, Deposits and Prepayments | 168,806,755 | 21.05% | |
| Advance against office rent | 429,435 | 0.05% | |
| Advance against salary | 1,075,320 | 0.13% | |
| Advance for office space | 167,300,000 | 20.87% | |
| Deposit-BTCL | 2,000 | 0.00% | |
| Cash and Cash Equivalents | 1,698,263 | 0.21% | |
| | | | |
| Total Assets | 801,755,127 | | 100.00% |
| | | | |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | |
| SHAREHOLDER'S EQUITY | 780,365,104 | | 97.33% |
| Share Capital | 500,000,000 | 62.36% | |
| Retained Earnings | 280,365,104 | 34.97% | |
| | | | |
| NON-CURRENT LIABILITIES | 420,987 | | 0.05% |
| Lease Liabilities | 420,987 | 0.05% | |
| | | | |
| CURRENT LIABILITIES | 20,969,035 | | 2.62% |
| Liabilities for Expenses | 12,154,633 | 1.52% | |
| Salary | 4,837,680 | 0.60% | |
| Director Remuneration | 100,000 | 0.01% | |
| Telephone Bill | 13,750 | 0.00% | |
| Utilities Bill | 101,466 | 0.01% | |
| Water Bill | 10,740 | 0.00% | |
| Audit Fees | 115,000 | 0.01% | |
| Income Tax | 463,227 | 0.06% | |
| Liability for WPPF | 6,512,770 | 0.81% | |
| Advance Against Sales | 879,930 | 0.11% | |
| Current Portion of Lease Liabilities | 1,706,871 | 0.21% | |
| Short Term Loan | 6,227,602 | 0.78% | |
| IFIC Bank Ltd | 6,227,602 | 0.78% | |
| Total Equity and Liabilities | 801,755,127 | | 100.00% |

Subra Systems Ltd.
Statement of Profit or Loss and Other Comprehensive Income
For the period ended December 31, 2020

| Particulars | For the period ended Dec 31, 2020 | Percentage on Total Turnover | Grand Percentage |
|--|-----------------------------------|------------------------------|------------------|
| Revenue | 103,436,543 | | 100% |
| Sales of Software | 90,090,253 | 87.10% | |
| Software Implementation & Customization | 7,289,665 | 7.05% | |
| Web Page & Data Transmit | 6,056,625 | 5.86% | |
| Less: Direct Costs | 38,731,163 | 37.44% | |
| Software Deployment Cost | 29,595,979 | 28.61% | |
| Amortization Expenses | 9,135,184 | 8.83% | |
| Gross Profit | 64,705,380 | | 62.56% |
| Less: Administrative Expenses | 15,582,324 | 15.06% | |
| Salary allowances & festival Bonus | 4,654,700 | 4.50% | |
| Director Remuneration | 600,000 | 0.58% | |
| Board Meeting Fees | 12,000 | 0.01% | |
| Outsourcing Allowances | 1,289,167 | 1.25% | |
| Utilities Expenses | 325,836 | 0.32% | |
| R & D Expenses | 1,890,895 | 1.83% | |
| WASA Charges | 40,460 | 0.04% | |
| License and Renewal Fees | 32,600 | 0.03% | |
| Photocopy | 171,760 | 0.17% | |
| Telephone Charges | 74,992 | 0.07% | |
| Internet Charges | 55,250 | 0.05% | |
| Electric Materials | 73,030 | 0.07% | |
| Traveling and Conveyance | 335,670 | 0.32% | |
| Drinking Water | 22,220 | 0.02% | |
| Printing & Stationery expenses | 501,243 | 0.48% | |
| Entertainment | 82,595 | 0.08% | |
| Audit Fees | 115,000 | 0.11% | |
| News Paper & Periodicals | 9,090 | 0.01% | |
| Vehicle Insurance premium | 73,652 | 0.07% | |
| Tender Schedule Expenses | 68,850 | 0.07% | |
| Office Repairs & Maintenance | 465,090 | 0.45% | |
| Advertisement Expenses | 88,000 | 0.09% | |
| Bank Charges | 42,961 | 0.04% | |
| IPO Expenses | 150,000 | 0.15% | |
| Depreciation Charge for the Right-of-Use Asset | 679,473 | 0.66% | |
| Depreciation (Annexure-A) | 3,709,725 | 3.59% | |
| Amortization (Annexure-B) | 18,066 | 0.02% | |
| Profit from Operation | 49,123,056 | | 47.49% |
| Less: Financial Expenses | 645,429 | 0.62% | |
| Interest on Short Term Loan | 501,129 | 0.48% | |
| Interest Expense on the Lease Liability | 144,300 | | |
| Profit Before Income Tax & WPPF | 48,477,627 | | 53.81% |
| Less: Contribution to WPPF | 2,308,458 | 2.23% | |
| Profit Before Income Tax | 46,169,168 | | 44.64% |
| Less: Income Tax Expenses | - | 0.00% | |
| Net Profit after Tax | 46,169,168 | | 44.64% |

- (f) **Earnings per Share (EPS) on fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis. Future projected Net Income should not be considered while calculating the weighted average EPS;**

As per audited financial statement for the year ended June 30, 2020

| Particulars | Amount in Taka |
|---|----------------|
| Net Profit after Tax | 84,086,234 |
| Total existing number of Share | 50,000,000 |
| Weighted average number of Share | 38,116,188 |
| Earnings per Share (EPS)-Fully Diluted Basis | 1.68 |
| Earnings per Share (EPS)-Weighted average no. of Share basis | 2.21 |

- (g) **All extra-ordinary income or non-recurring income coming from other than core operations should be shown separately while showing the Net Profit as well as the Earnings Per Share;**

As per audited financial statement for the year ended June 30, 2020

| Particulars | Amount in Taka |
|---|-------------------|
| Profit Before Income Tax | 84,086,234 |
| Less: Other Income | - |
| Profit before Income Tax except Other Income | 84,086,234 |
| Less: Income Tax Expense | - |
| Profit Before Income Tax | 84,086,234 |
| No. of shares | 38,116,188 |
| Earnings per Share (EPS) | 2.21 |

- (h) **Quarterly or half-yearly EPS should not be annualized while calculating the EPS;**

This information is not applicable for SSL.

- (i) **Net asset value (with and without considering revaluation surplus or reserve) per unit of the securities being offered at the date of the latest audited statement of financial position.**

The Company has not revalued any of its assets.

As per audited financial statement for the period ended December 31, 2020

| Particulars | Amount in Taka |
|--|--------------------|
| Share Capital | 500,000,000 |
| Retained Earnings | 280,365,104 |
| Total Shareholders' Equity (without revaluation reserve) | 780,365,104 |
| Total Number of Ordinary Share | 50,000,000 |
| Net Assets Value (NAV) (without revaluation reserve) at BDT 10.00 per share | 15.61 |

- (j) **The Commission may require the issuer to re-audit the audited financial statements, if any deficiency or anomaly is found in the financial statements.**

If require, SSL will bear the cost of audit.

CHAPTER (XXVI)

APPLICATION PROCEDURE

We will incorporate these procedures after getting the consent letter from Bangladesh Securities and Exchange Commission.

The QIO subscription money collected from qualified investors by the exchange will be remitted to the Company's **Current Account No. 1501201708282001** with **Brac Bank Ltd., Head Office, Dhaka** for this purpose.

The QIO subscription money collected from nonresident Bangladeshi applicants in US Dollar or UK Pound Sterling or EURO shall be deposited to three FC accounts opened by the Company for QIO purpose are as follows:

| Sl. | Name of the A/C | Account No. | Type of A/C | Currency | Bank & Branch |
|-----|--------------------|------------------|-------------|----------|---------------------------------------|
| 1 | Subra Systems Ltd. | 1501201708282002 | FC A/C | USD | Brac Bank Ltd., Head Office, Dhaka |
| 2 | | 1501201708282003 | | GBP | |
| 3 | | 1501201708282004 | | EURO | |

CHAPTER (XXVII)

OTHERS

MANAGEMENT DECLARATION

Management declaration regarding exemption of the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018

As per letter no. BSEC/CI/QIO-SC-09/2021/372 dated April 18, 2021 given by Bangladesh Securities and Exchange Commission, in exercise of the power conferred by the Rule 14 of the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018 hereby grants exemption to Subra Systems Ltd from the compliance of the Rule 2(h), 3(2) (a) and 15(1) of the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018.

Sd/-

Md. Shaifullah Khaled Shams

Managing Director

MANAGEMENT DECLARATION REGARDING COMPLY ALL THE RULES TO PREPARE THE PROSPECTUS AND SUBMIT ALL DOCUMENTS

We have complied with the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018, the Companies Act 1994, The Securities & Exchange Rules 2020 and other applicable rules and regulations while preparing the prospectus. Moreover, we have maintained the requirement relating to the rules, notification, guidelines, and instruction as provided by the Bangladesh Securities and Exchange Commission (BSEC).

We also submit all the documents Annexure-A, Annexure-B, Annexure-C, Annexure-D and Annexure-F in accordance with the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018.

Sd/-

Md. Shaifullah Khaled Shams

Managing Director