

Strictly Private & Confidential

DRAFT INFORMATION MEMORANDUM

Unsecured Zero Coupon Bond of Face Value BDT 750,00,00,000

Transferable, Redeemable, Non-Convertible

for

NAGAD Ltd.



Corporate Office: Level-7, 36 Kemal Ataturk Avenue, 13 & 14 Delta Dhalia Tower,
Dhaka 1213, Bangladesh

Trustee: Green Delta Capital Limited



Advisor & Arranger: Riverstone Capital Limited



Financial Consultant: ZA Capital Advisory



Type of Security:	Unsecured Zero Coupon Bond
Issue Amount:	BDT 510,00,00,000
Face Value:	BDT 750,00,00,000
Number of Securities:	7,500,000
Number of Series:	4
YTM Rate:	Up to 10% p.a. (subject to approval)
Tenor:	5 Years
Issue Date:	TBD

Credit Rating Status of the Issue

	Short Term	Long Term
NAGAD	ST-3	A
Bond Rating	A (Indicative)	
Rating Agency	Credit Rating Information & Services Limited (CRISL)	

If you have any query about this document, you may consult the Issuer and the Trustee.

*Subject to Approval of Bangladesh Securities and Exchange Commission


Tanvir Ahamad Mishuk
 Managing Director
 Nagad Ltd.


Mohammad Aminul Haque
 Chief Financial Officer
 Nagad Ltd.


Salman Sadiq Khan
 Company Secretary
 Nagad Ltd.

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This Information Memorandum (the "Information Memorandum") has been prepared for the purpose of giving information with regard to the unsecured Third Wave Technologies Limited Zero Coupon Bond ("the Bond"), the Issuer which, according to the particular nature of the Bond is necessary to enable investors to make an informed assessment of the Bond and the rights attaching to the Bond. The Issuer accepts responsibility for the information contained in this Information Memorandum. To the best of the knowledge of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

Neither Riverstone Capital Limited (the "Arranger") nor any of its respective directors, affiliates, advisers or agents has made an independent verification of the information contained in this Information Memorandum in connection with the issue or offering of the Bond, and no representation or warranty, express or implied, is made by the Arranger or any of their respective directors, affiliates, advisers or agents with respect to the accuracy or completeness of such information. Nothing contained in this Information Memorandum is to be construed as, or shall be relied upon as, a promise, warranty or representation, whether to the past or the future, by the Arranger or any of their respective directors, affiliates, advisers or agents in any respect. The contents of this Information Memorandum are not to be construed as, and should not be relied on as, legal, business or tax advice, and each prospective investor should consult its own legal and other advisers for any such advice relevant to it.

No person is authorized to give any information or make any representation not contained in this Information Memorandum in connection with the issue and offering of the Bond and, if given or made, such information or representation must not be relied upon as having been authorized by any of the Issuer or the Arranger or any of their respective directors, affiliates, advisers or agents. The delivery of this Information Memorandum does not imply that there has been no change in the business and affairs of the Issuer since the date hereof or that the information herein is correct as at any time subsequent to its date.

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are required by the Issuer Manager to inform themselves about and to observe such restrictions.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

Certain statements included herein may constitute "forward-looking statements". All statements other than statements of historical fact included in this Information Memorandum are forward-looking statements. These statements relate to analyses and other information, which are based on forecasts of future results and estimates of amounts not yet determinable. These statements also relate to our future prospects, developments and business strategies. These forward-looking statements are identified by the use of terms and phrases, such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "target", "will" and similar terms and phrases, including references to assumptions. However, these words are not the exclusive means of identifying such statements. These statements are contained in many sections of this Information Memorandum. Although we believe that our plans, intentions and expectations reflected in or suggested by such forward-looking statements are reasonable, we cannot assure you that we will achieve those plans, intentions or expectations. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expected.

The following factors, among others, could cause our actual results, performance or achievements to differ from those set forth in the forward-looking statements:

Government regulation, including compliance with regulatory and permit requirements and changes in market rules, rates, tariffs and environmental laws;

Operating and financial restrictions placed on us and our subsidiaries related to agreements governing our indebtedness and other agreements of certain of our subsidiaries and project-level subsidiaries generally;

Our ability to borrow additional funds and access capital markets, as well as our substantial indebtedness and the possibility that we may incur additional indebtedness going forward;

Changes in foreign withholding taxes and foreign currency conversion rates;

Hazards customary to the manufacturing industry and manufacturing operations, such as unusual weather conditions, catastrophic weather-related or other damage to facilities, unscheduled outages, maintenance or repairs, environmental incidents, or electric transmission constraints and the possibility that we may not have adequate insurance to cover losses as a result of such hazards;



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Delays or unexpected costs during the completion of construction of our projects;

Our ability to expand into new business segments or new geographies;

Economic, social and political risks and uncertainties inherent in our operations, including that we develop and operate projects in emerging markets and may expand our operations into countries where we currently have no presence; and

Our ability to operate our businesses efficiently, manage capital expenditures and costs tightly, manage risks related to international operations and generate earnings and cash flows from our asset-based businesses in relation to our debt and other obligations.

Additional factors that could cause actual results to differ materially from our expectations, or cautionary statements, are disclosed under the caption "Risk Factors". All written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements contained herein under the caption "Risk Factors", as well as other cautionary statements that are made from time-to-time in our other communications. All forward-looking statements herein should be evaluated in the context of these risks and uncertainties.

The important factors referenced above may not contain all of the factors that are important to a prospective investor. In addition, we cannot provide assurance that we will realize the results or developments we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our operations in the way we expect. The forward-looking statements included herein are made only as of the date hereof. We undertake no obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise.



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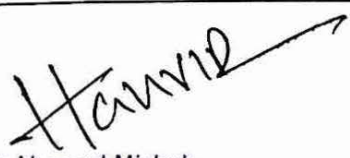
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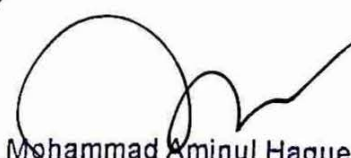
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Report to Eligible Investors

By investing in the Unsecured, Redeemable, Transferable and Non-Convertible Bond (herein referred as "Bond"), you are hereby deemed to have acknowledged, represented and warranted to, and agree (as the case may be) for the benefit of Riverstone Capital Limited as the Lead Arranger, as set out below:

Risk: You are fully aware of that any investment in the Bond involves a degree of risk.

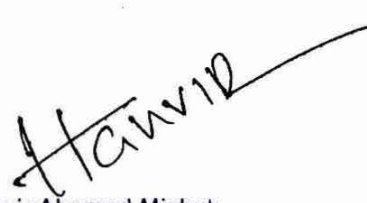
Consultation with advisers: You have (i) consulted with your own legal, regulatory, tax, business, investment, financial and accounting advisers in connection herewith to the extent you have deemed necessary, (ii) collected and reviewed all information that you or your advisers believe is necessary or appropriate in connection with the purchase of the Bond, and (iii) made your own investment decisions based upon your own judgment, due diligence and advice from such advisers as you have deemed necessary and not upon any view expressed by or on behalf of the Lead Arranger.

No reliance: You acknowledge and agree that you may not rely on any investigation that the Lead Arranger or any of its affiliates or any person acting on their behalf may have conducted with respect to the Company or any of their affiliates, and none of the Lead Arranger or its affiliates, employees, officers, directors, legal advisers or representatives has made any representation to you, express or implied, with respect to your investment in the Bond.

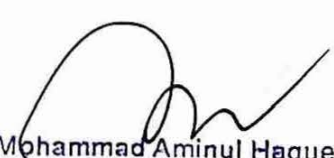
Informed decision: You are in possession of all the information that you believe is necessary or appropriate in order to make an informed decision regarding your purchase of the Bond, including without limitation adequate information concerning the Lead Arranger's business, financial condition, results of operations and prospects.

Knowledge and experience: You have such knowledge and experience in financial, business and international investment matters that you are capable of evaluating the merits and risks of purchasing the Bond and are aware that you may be required to bear, and are able to bear, all risk including economic risk of an investment in the Bond.

Information of the Company: You acknowledge that the information provided to you with regard to the Issuer and the Bond in this Information Memorandum, has been supplied to you by the Lead Arranger and that neither the Lead Arranger nor any of its affiliates, employees, officers, directors, legal advisers or representatives has verified such information or makes any representation or warranty as to its accuracy or completeness.



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Review of Information Memorandum: You have reviewed this Information Memorandum in its entirety, including the risks specifically outlined in the section titled "Risk Factors", and you understand and acknowledge all of the risks described therein. Based on all of the above, you have determined that: the Bonds are a suitable investment for you, and your investment in the Bond does not and will not, when consummated, violate any investment or other guidelines, policies or restrictions (corporate or otherwise), or any law, rule, regulation or order applicable to you; and you have obtained all approvals and consents (whether internal or external) and have made all notifications necessary for you to invest in the Bond as contemplated; and you can bear the economic risk of the investment and are able to sustain a complete loss in connection with your investment. Additionally, you confirm that you have no need for liquidity in respect of the Bond.

Own account: You are purchasing the Bond for your own account, including fund account and portfolio manager account and not with a view to any distribution thereof.

No representation or warranty: The Lead Arranger has not made, and you have not relied upon any representation, warranty or condition (express and/or implied), and the Lead Arranger shall not owe any duty whatsoever to you in connection with the Bond.

No obligation to purchase: The Lead Arranger shall have no obligation to purchase or acquire all or any part of the Bond purchased by you or to support losses, if any, directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Bond, including the non-performance by the issuance, whether to you or otherwise.



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Executive Summary

Macroeconomic Overview

Bangladesh is the eighth most populous country globally with a population size of 165.2 million (in 2022) with a GDP growth rate in the range of 6 – 7% over the past decade. The country's nominal GDP was valued at USD 425 billion (FY2022)¹ and foreign exchange reserve crossed USD 42 billion at the end of June 2022. Foreign Direct Investment (FDI) in Bangladesh saw a CAGR of 5.9% during the period 2018-2022 with USD 3.44 billion of FDI in 2022. According to World Bank's data on GDP (PPP) size, Bangladesh moved up from 40th place in 2008 to 26th place in 2022 in the global ranking.

The country's growing population, emerging middle-class income group, rising urbanization, increasing rural consumption, and working population represent a large consumer market for consumer products, particularly food and beverages products.

Large-scale industrialization is taking place in Bangladesh with the approval of 100 special economic zones and these increasing economic activities will drive the growth of many sectors including the digital financial services industry.

Industry Overview

For the month of June 2022, the total number of transactions in the MFS market is around 46 crore. This results in roughly BDT 94,293 crores in total transactions, and the number of daily transactions is around 1.5 crore.

There are 13 players in the MFS industry within Bangladesh. They include bKash (by Brac Bank Limited), Rocket (by the Dutch Bangla Bank Limited), Nexus Pay (MFS for existing customers by DBBL), Nagad (a DFS by Bangladesh Post Office), Upay (UCB Fintech Company Ltd.), SureCash (Progoti Systems Limited), MyCash (Mercantile Bank), mCash (Islami Bank Bangladesh Ltd) and Ok Wallet (One Bank Ltd.).

Out of this, bKash, Nagad, and Rocket are said to be the top industry players -- with a 40%, 25%, and 18% market share distribution respectively (as of June 2022).

The nine product categories within the MFS platform are Inward Remittances, Cash in Transactions, Cash Out Transactions, P2P (person-to-person) Transactions, Salary Disbursement, Utility Bill Payment, Merchant Payment, Government Payment, Others (for instance, microfinance, insurance premium, etc.). Out of these products, Cash In amount to the highest

¹ Bangladesh Bureau of Statistics


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monetary value of all transactions made (15.74% of total transactions or 7.26 crores) in the month of June 2022.

Urban areas are reported to use MFS for payment services, whereas rural areas use the services for receiving remittances. In fact, the MFS services have huge inclusion potential for the bottom-of-the-pyramid (BOP), even increasing the rural to urban flow of funds.

Growth drivers for this industry include the ability to own phones and strong network coverage. Exceptionally in the 2020, the pandemic has played a part in the number of MFS accounts, which grew to 93.9 million (August 2020) from 73.60 million (August 2019). Most of the accounts opened in April 2020 (during the pandemic), were shared between bKash, Rocket, and Nagad. The amount of growth was greater in rural areas, showing positive signs for more financial and institutional inclusion, including the ability to receive cash assistance from the Disaster Management and Relief division of the government.

Other factors include the simplification of payments made including the removal of costs for the purchase of essential goods and the removal of cash out charges for export-oriented RMG workers by the government. The government has also allowed small businesses without a trade license and privately owned companies to open merchant accounts, advancing their abilities to receive digital payments.

Company Overview

Nagad was launched in 2019 by Third Waves Technologies Limited, and is an initiative undertaken by the Bangladesh Post Office. Bangladesh post office has awarded Nagad as a master agent for countrywide expansion, marketing, modification and development of postal cash and card service on 14th December 2017. Over the year 2018, Nagad worked on developing channel and technological infrastructure to make its product and services available in the market for the mass population at large with new branding. On 26th March 2019, Honorable Prime Minister of Bangladesh, Sheikh Hasina, has officially inaugurated the service. Currently the products and the services are marketed under the brand name "Nagad" and it has undertaken very prominent advertising campaigns through various mediums. Third Wave Technology Limited is now Nagad Ltd.

Nagad's reduction in lead-time between customer registration and subsequent verification have proven fundamental to the company's success. Through the Porichoy app, Nagad has reduced the customer onboarding time to one-tenth of the industry standard by allowing customers to become verified users of their services through the digital KYC platform. Their "Add Money" feature allows for the transfer of money from user credit and debit cards to Nagad, which is


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supported by VISA and Mastercard. Furthermore, while users of other carriers pay Tk. 20 per Tk. 1,000, Nagad's users pay only Tk 9.99 for every Tk 1,000 cash-out, excluding VAT. SMEs can also make transactions to other SMEs using Nagad at a transaction cost of Tk 6.00, as per their Swadin Merchant campaign. Lastly, whereas other carriers have an individual transaction limit of Tk. 30,000, Nagad's transaction ceiling is Tk. 2.5 lacs courtesy of the Postal Act, giving Nagad a competitive advantage for wider use by a diverse demographic of consumers.

During April 2020, Nagad had surpassed four crore users and TK 400 crores in daily transactions. On March 7, 2020, 2.87 lakh people joined the platform, averaging a new customer every three seconds during the month. As part of their customer acquisition strategy, the company incentivizes potential users by offering cashbacks.

Nagad has achieved remarkable growth and success in the digital financial service industry in Bangladesh, with 70 million registered customers and a daily transaction value of BDT 1000 crore. To cater to the growing demand, Nagad has launched an Islamic wallet, which allows customers to transact in a Shariah-compliant way and is expected to attract more users.

Nagad is in the process to further substitute the requirement for a customer's physical and time-constrained presence with the ability to meet all their needs through digital options. It is looking to expand its usability by dispensing wages to government officials more expansively and has already provided educational stipends to those in need. Future growth strategies include acquiring more of the market share, establishing Nagad as the market leader.

Use of Proceeds:

The proceeds from Nagad's zero coupon bond will be used for balance sheet restructuring by paying part of the short term loan and for working capital investments. The details of which is stated below:

Table 1: Utilization of Proceeds

Particulars	Amount in BDT
Short Term Loan Repayment	4,000,000,000
Working Capital Investments	1,100,000,000
Total	5,100,000,000


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 Managing Director
 Nagad Ltd


Mohammad Aminul Haque
 Chief Financial Officer
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Salman Sadiq Khan
 Company Secretary
 Nagad Ltd.

1 Risk Factors and Management's Perception about the Risks

Investing in bonds involves a degree of risk. All Investors should carefully consider all the information in this Information Memorandum, especially the risk factors both internal and external, before making any investment decision. This section addresses the possible risks an investor might have to bear by investing in the Bond and each risk factor is followed by management's perception regarding the risk. If any of the risks described below materialize, it could have a serious impact on the Issuer's financial results, and the ability of the Issuer to fulfill its obligations under the Bonds to be issued. However, the list of risk factors is not meant to be a comprehensive description of all the risks, which may be relevant to a decision to invest in the Bond. The sequence in which the risks below are listed is not intended to be indicative of any order of priority or of the extent of their consequences.

1.1 Interest Rate Risks

Nagad has paid off all the loans listed in their 30th Jun '22 audited financial statements. Moreover, Nagad secured a loan of BDT ~100 crores from Sigma Engineers Limited as bridge finance.

Nagad is also anticipating borrowing an additional BDT 300 crores from Sigma Engineers Limited by the time the bond is approved. The bond being zero coupon, the company will not have huge burden of fixed periodic repayment and will be relieved from any unforeseen fluctuation of bank interest. So, changes in interest rates and banking policies will have very slight if none, effect on the financial condition and results of operations of the company.

Management Perception

The company has not issued any type of derivative instrument to hedge against interest rate risk. This zero coupon bond will refinance the existing loan denominated in BDT which will reduce the interest burden on the company. The fixed discount rate of bond will also protect the company from interest rate fluctuation risk.

1.2 Exchange Rate Risks

Exchange rate risk arises from currency fluctuation in international trade. The company does not have any international trade that will expose it to foreign currency fluctuation risk.

Management Perception

Nagad is a local company with no foreign exchange exposure. Nagad's revenue and expenses are all incurred in Bangladeshi taka. Thus, the Issuer is protected from any exchange rate risk.


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Salman Sadiq Khan
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1.3 Non-Repayment Risks

Non-repayment risk arises from the risk of loss of principal or income on the failure of an obligor or counterparty to meet their contractual obligations. It is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables.

Management Perception

The Issuer has no history of defaults and the fixed cost of the bond will help better manage the cash flow and pay the subscribers. Nagad's management has a strong credit policy in place and the management team monitors the company's exposure to credit risk on an ongoing basis. Risk exposure from other financial assets i.e., cash at bank and other external receivables are nominal.

1.4 Prepayment, Call or Refunding Risks

Prepayment, call or refunding risks are the risks associated with the early repayment of the principal amount of the Bond. Such risk exists in a bond that has prepayment or call option.

Management Perception

Since there is no provision for early repayment of the principal amount of the Bond in the first two years, the bondholders will not be exposed to prepayment or call risks associated with the investment in the first two years. Prepayment can be made at the management's discretion after the first two years, however there is no such intention by the management to do so at the moment.

1.5 Security Risks

Security are the assets pledged by an issuer to the bondholder to secure repayment of the Bond. Therefore, security risk involves the possibility of recovering the investment by the bondholder by utilizing the charge against the collateral securities in case of Issuer's inability to repay the Bond.

Management Perception

This is an unsecured bond. Specific revenue sources or assets are not being pledged against issuance of the bonds. Investors will have the right on the Company's Cash flow to be repaid but rank of a bond holder is below than bank loans with regard to claims on assets or earnings.

1.6 Liquidity Risks

Liquidity risks for bondholders relate to the restriction to sell the Bond to others before the redemption date. As the Bond will be issued with a maturity of up to 5 (five) years, the


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bondholders therefore will be concerned about the ability to sell the bond to other parties before the redemption date.

Management Perception

Based on BSEC's decision, all debt securities will be available for trading on the Alternate Trading Board in the near future. The Bond is transferable and can be sold to interested parties. The Issuer 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 Issuer's reputation. Typically, the Issuer ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within the due date. In extreme stressed conditions, the company may get support from the related company in the form of short-term funding.

1.7 Management Risks

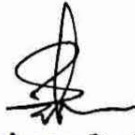
Management risk refers to the chance that company managers may put their own interests ahead of the interest of the company and shareholders. The term signifies the risk of the situation that may occur if the company or any of its stakeholders other than the management would have been better off without the choices made by management. The bondholders may suffer financial losses in such an event.

Management Perception

Issuer has a strong corporate governance and sound management system. The dynamic management team is constantly working on making the organization more effective and result oriented. Qualified professionals lead strong financial, technical, and marketing teams. Strategic management and control are centralized and undertaken by the key sponsors. Moreover, the management of the company is constantly supervised by a Board of Directors consisting of seasoned professionals and entrepreneurs who work hard to ensure that the interest of all the stakeholders is served by the management.

1.8 Operational Risks

The business of the company depends on the ability to process a large number of transactions efficiently and accurately. Losses may occur from inadequate personnel, inadequate or failed internal control processes and systems, or from external events that interrupt normal business


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operations. There can be no assurance that the company will not suffer material losses from operational risk in the future.

Management Perception

Nagad employs experienced as well as young individuals having both academic and practical knowledge. Nagad has latest state of the art technology and hardware to ensure smooth operation process. The management is very confident that it has the capability of combatting any future operational challenges.

Managing operational risks requires timely and accurate information as well as a strong control culture. The company has tried to mitigate its operational risks through:

- Training, supervision, and development of its human resource
- Active participation of the senior management in identifying and mitigating key operational risks
- Independent control and support functions that monitor operational risks on a daily basis.

1.9 Business Risks

Business risk refers to the possibility that the company will have lower than anticipated profit, or that it will experience a loss rather than a profit. Business risk of the issuer could occur by numerous factors including market demand condition for products, increase in import cost, competition, government regulations and economic climate.

Management Perception

Like all other businesses, such risks exist in the Fin-tech industry. The company scrutinizes all the associated risks systematically using up to date risk evaluation techniques.

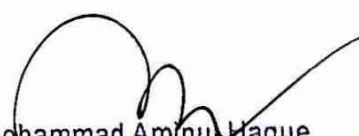
Issuer has highly skilled technical team working to mitigate business risk by analyzing user, market trends and political situation etc. Issuer has abided by government rules and regulations to do its businesses and it will continue to do so in the future.

1.10 Industry Risks

Industry risk is the possibility that a specific industry will not perform up to the level or at par. When problems plague one industry, they effect the individual organization of that industry. They may also cross over into other industries. Industry risk also refers to the risk of the increased



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competition from foreign and domestic sources leading to lower revenues, profit margins, market share etc., which can have an adverse impact on the business, financial condition and result of operations.

Management Perception

Nagad's biggest competitor is the market leader with almost 80% of the market share but has about 50% active users only. Nagad is strategizing to retain its active users and to increase that base. Regarding the lower revenues resulting from higher competition, Issuer has 6 steps strategy in place to increase its users and active user.

1.11 Market and Technology-Related Risks

Market and technology related risk mainly refers to the change in market condition due to technological modifications, which would adversely affect the business and profitability of the company. The company to some extent could experience adversity due to changes in technology, which may affect production efficiency and therefore profit in comparison to its competitors.

Management Perception

There are sixteen mobile financial services providers in Bangladesh. A very competitive market is prevalent for the mobile financial services providers in this country. Although there is a room for increasing of client's base, all the providers will be required to face stiff competition to increase market share. The competitors are continuously offering different types of packages to retain the existing clients and attract new clients leading to incurring cost of services. Considering the above, Nagad is exposed to market risk.

Technological advancement has a great impact on the mobile financial services industry. Automation as well as using up-to-date technology increases the quality of the service and ensures security for end-users. Advanced technology and user-friendly mobile applications are more prone to risks and fraudulent activities. Technological risk includes existing or potential customer cannot access mobile payment a service due to inability to provide his/her identity, customer identity is missing, customers information and transaction history are improper released, the customer is charged with unauthorized fees, etc. Therefore, implementing proper supervisory and regulatory measures are vital to safeguard both service providers and consumers and ultimately financial systems stability of the country. Technology is a continuous process of development and it becomes obsolete within a very short span of time. Switching to new


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technology is a matter of huge capital expenditure. On the above backdrop, like other competitors in the industry, Nagad is exposed to technological risk to some extent.

1.12 Risks Related to Potential or Existing Government Regulations

The company is operating under the Bangladesh Post Office (Amendment) Act, 2010, Company's Act 1994 and Income Tax Ordinance 1984 and Bangladesh Mobile Financial Services (MFS) Regulations, 2022 etc. and other relevant rules and regulation. Moreover, Bangladesh Bank changes policy rates of mobile banking institutions from time to time. Any abrupt changes in the policies and regulations made by the authorities may adversely affect the business of the company. Any abrupt changes in the policies and regulations made by the authorities may adversely affect the business of the Company.

Management Perception

Any abrupt changes of the policies made by the regulatory authorities may adversely affect the business of the Company. Like other competitors in the industry, Nagad is exposed to regulatory risk. Unless any policy is formulated that may negatively and significantly affect the industry as a whole, the business of the Issuer is expected not to be affected materially. The Issuer puts in significant effort to be compliant with all the regulations related to the company and any changes made that required adherence.

1.13 Risks Related to Potential Changes in Global or National Policies

A company's ability to operate a profitable business is directly related to the national policies including, monetary and fiscal policies of the country at any given time. Imposition of restrictive policy by the government at any time may affect a company's profitability. Again, changes in the existing global or national policies can have either positive or negative impacts on the company.

Every company operates under the economic policies formulated and imposed by the political government. The government tends to reshape these policies time to time for the sake of greater interest of the country's economy. Sometimes those changes in existing policy or any future policy framework adversely affect smooth operation of such companies.

Management Perception

The management of the Issuer is always concerned about the prevailing and upcoming future changes in the global or national policy and shall respond appropriately and in a timely manner to safeguard its interests.


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2 Detailed description and information to be provided as mentioned in schedule – A (Part I and Part II)

All information and documents required as per Schedule A (Part I and Part II) of Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 have been provided with the Bond application to BSEC. Following documents have been included in the Bond application:

Sl	Document
1	Memorandum and articles of association
2	Certificate of incorporation
3	Particulars of directors
4	Return of allotment of shares
5	Annual summary of share capital
6	Latest original auditors' report with the related audited financial statements of the issuer
7	Purpose of issuance of securities and detailed plan to use of proceeds thereof;
8	Resolution of the board of directors deciding to issue securities
9	Banker's certificate, or bank statement showing deposit of an amount equivalent to the owners' stake in the issuer or originator; or auditor's certificate in this regard attested by the Managing Director or Chief Executive Officer;
10	Description of business of the issuer or originator;
11	Latest credit rating report of the issue
12	Latest credit rating report of the issuer
13	Draft information memorandum (IM) prepared as per Schedule 'B'
14	Draft deed of trust prepared as per schedule 'C';
15	Declaration relating to covenants for rating trigger, if any and adoption of specific enforceable actions thereof;
16	Due diligence certificate of the trustee as per Schedule D
17	Repayment or payment schedule of the Bond
18	Undertaking of issuer or originator or guarantor(s) and its directors for obtaining CIB report from Bangladesh Bank,


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3 Details of the Utilization of Proceeds

Overview and Rationale

The proceeds from Nagad's zero coupon bond will be used for balance sheet restructuring by paying part of the short term loan and working capital investments. The details of which is stated below:

Table 2: Utilization of the Proceeds

Particulars	Amount in BDT Crore
Short Term Loan Repayment	400
Working Capital Investments	110
Total	510

3.1 Short Term Loan Repayment

Nagad has paid off all the loans listed in their 30th Jun '22 audited financial statements. Moreover, Nagad secured a loan of BDT ~110 crores from Sigma Engineers Limited as bridge finance.

Table 3: Issuer's existing Short-Term Loans as of March 26, 2023

Lender	Type of Loan	BDT Crore
Sigma Engineers Limited	Short Term Loan	BDT ~110 Crore
Total		BDT 110 Crore

Nagad is also anticipating borrowing an additional BDT 300 crores from Sigma Engineers Limited by the time the bond is approved. This loan will serve as a temporary measure to provide immediate funds until the bond is approved. This would provide Nagad with a significant boost in financial stability and allow them to continue pursuing their business goals with confidence.

3.2 Working Capital

A portion of the bond proceeds, i.e., BDT 110 Crore, will be used to finance working capital needs of the Issuer. This will enable the Issuer to maintain sufficient liquidity, supporting a smoother day to day business operation in the following years.


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4 Features of Bond

Nagad has envisaged to issue up to 7,500,000 units of unsecured, transferable, redeemable, non-convertible Zero Coupon Bonds of face value BDT five hundred and ten crore (BDT 510 Crore).

Minimum subscription amount is BDT six thousand and eight hundred (BDT 6,800). The bonds are BDT denominated and will be issued in dematerialized format and available for trading on the Alternative Trading Board (ATB) when approved by BSEC.

Table 4: Term Sheet

Name of Instrument	Nagad Zero Coupon Bond
Basic Features	Redeemable, Transferable and Non-Convertible
Transferability	Subscriber shall have the right to freely transfer novate or assign all or a portion of its rights and obligations under the Subscription Agreement.
Prepayment, Call, Refunding, Conversion Features	The Bond can be prepaid, called at any time after 24 months of the subscription date on mutual understanding of both the Issuer and Subscriber. The bond is Non-Convertible and Non-Refundable
Issuer	NAGAD Ltd.
Purposes and Objectives	Short Term Loan Repayment and Working Capital Investments
Advisor & Arranger	Riverstone Capital Limited
Financial Consultant to Issuer	ZA Capital Advisory
Trustee	Green Delta Capital Limited
Units to be issued	Up to 75,00,000
Issue Price	Up to BDT 510 crore
Face Value	Up to BDT 750 crore
Tenor	5 years

Minimum Subscription	BDT 6,800 approximately				
Yield to Maturity	Up to 10% per annum (subject to approval)				
Investors	Any eligible investor				
Mode of Placement	Private Placement on best effort basis				
Redemption	Series of 4 Zero Coupon Bonds, redemptions at maturity on years 2,3,4 & 5				
	Year	Series	Redemption %	Redemption Units	Redemption Amount BDT
	Year 2	Series 1	10%	7,50,000	75,00,00,000
	Year 3	Series 2	20%	15,00,000	150,00,00,000
	Year 4	Series 3	20%	15,00,000	150,00,00,000
	Year 5	Series 4	50%	37,50,000	375,00,00,000
Late Redemption	In case of any delay of payments, the investors shall receive interest at the rate of 2% above the YTM as per Bond documents.				
Taxation	Taxable as per Tax Regulations in Bangladesh				
Early Redemption	Bonds can be redeemed by the Issuer in accordance with the terms and conditions set out in the Bond Documents				
Enforcement of Charges over Securities	The Trustee shall enforce all payment obligations under the bonds only by way of petitioning for the winding up or dissolution of the securities of the issuer and/or by providing				


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	for the amount due and payable under the bonds in the liquidation or administration of the issuer.
Cost related to the Issue	• Regulatory Fees: the applicable regulatory fees payable to the BSEC in connection with the Issue. Application Fee: BDT 10,000 Consent Fee: 0.10% of total Face Value • Legal documentation: the costs incurred in connection with the preparation and execution of this Agreement and the Bond Documents; Legal Fees: As per agreement • The Issue Registration and Annual Registration fees and expenses of the Trustee and the Paying Agent of the Bond and the other parties to this Agreement and the Bond Documents; Trustee Fees: BDT 500,000 per annum excluding VAT and for TAX deduction at source, Issuer will share the copy of Challan in favor of "Green Delta Capital Limited". • The cost of obtaining and maintaining any credit rating for the Bonds and the Issuer; Credit Rating Fee: BDT 100,000 per annum • Other associated costs: other costs and expenses associated with the Issue including the fee payable to the Arranger • Arranger Fee: As per agreement • The fees and expenses of Central Depository Bangladesh Limited for maintain the Bonds in its system in dematerialized form; CDBL Fees: As per regulations


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5 Description of Collateral Securities and Type of Charges to Be Created

Nagad ZCB is unsecured and the claims of the bondholders are not covered by any collateral or security thereon. It shall constitute direct and unconditional obligations of the Issuer and shall at all times rank pari passu with all other all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.


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6 Rights, Duties and Obligations of the Issuer

6.1 Covenant to Repay

The Issuer covenants with the Trustee that it will, as and when the Bonds or any of them become due to be redeemed or any principal on the Bonds or any of them becomes due to be repaid, in accordance with the Conditions, unconditionally pay or procure to be paid to or to the order of the Trustee in Taka is immediately available freely transferable funds for redemption on Redemption Date and shall (subject to the provisions of the Conditions) until all such payment (both before and after judgment or other order) are duly made unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid on the dates provided for in the Conditions, provided that:

- a) every payment of Redemption Amount in respect of the Bonds or any of them made to or to the account of the Paying Agent in the manner provided in the Agency Agreement shall satisfy, to the extent of such payment, the relevant covenant by the Issuer contained in this Clause except to the extent that there is default in the subsequent payment thereof to the Bondholders in accordance with the Conditions;
- b) if any payment of Redemption Amount in respect of the Bonds or any of them is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the Bondholders or, if earlier, the [seventh day] after notice has been given to the Bondholders that the full amount has been received by the Paying Agent or the Trustee except, in the case of payment to the Paying Agent, to the extent that there is failure in the subsequent payment to the Bondholders under the Conditions; and
- c) in any case where payment of the whole or any part of the Redemption Amount due in respect of any Bond is improperly withheld or refused on the due date, Default Interest shall accrue for the Bond on the whole or such part of such Redemption Amount from the date of such withholding or refusal until the date either on which such Redemption Amount due is paid to the Bondholders or, if earlier, the seventh day after which notice is given to the Bondholders that the full amount payable in respect of the said Redemption Amount is available for collection by the relevant Bondholders provided that on further due presentation thereof such payment is in fact made.

The Trustee will hold the benefit of this covenant and the other covenants including Clause 15.3 (*Other Covenants by the Issuer*) of the Trust Deed on trust for the Bondholders.


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6.2 Other Covenants by the Issuer

The Issuer hereby covenants with the Trustee that so long as any of the Bonds remain outstanding, it will:

6.2.1 Comply with Bond Documents

Comply with, perform and observe all those provisions of the Trust Deed, the Agency Agreement, the Conditions and the other schedules which are expressed to be binding on it and to perform and observe the same. The Bonds are subject to the provisions contained in the Trust Deed, all of which shall be binding upon the Issuer and the Bondholders and all persons claiming through or under them respectively. The Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, the Trust Deed and the other Bond Documents and will be deemed to have notice of all of the provisions of the Bond Documents applicable to them.

6.2.2 Comply with Applicable Laws

Comply with, perform and observe all those provisions of the applicable laws including, but not limited to, the Securities and Exchange Commission (Debt Securities) Rules, 2021. The Issuer agrees that Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, the applicable laws and will be deemed to have notice of all of the provisions of the applicable laws, as applicable to them.

6.2.3 Books of account

At all times keep such books of account as may be necessary to comply with all applicable laws and so as to enable the financial statements of the Issuer to be prepared and allow, subject to confidentiality obligations under applicable law, the Trustee and any person appointed by it free access to the same at all reasonable times and to discuss the same with responsible officers of the Issuer.

6.2.4 Information

So far as permitted by applicable law, at all times give to the Trustee such information, opinions, certificates and other evidence as it shall require and, in such form, as it shall require in relation to Issuer for the performance of its obligations under the Bond Documents.

6.2.5 Execution of further documents

So far as permitted by applicable law, do all such further acts and things as may be necessary in the reasonable opinion of the Trustee to give effect to the provisions of the Trust Deed.


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6.2.6 Notices to the Bondholders

Send or procure to be sent to the Trustee not less than 5 (five) days prior to the date of publication one copy of each notice to be given to the Bondholders in accordance with the Conditions and, upon publication, send to the Trustee two copies of such notice.

6.2.7 Notification of non-payment:

Notify the Trustee forthwith in the event that it does not, on or before the due date for payment in respect of the Bonds or any of them, pay unconditionally the full amount in the relevant currency of the moneys payable on such due date on all such Bonds.

6.2.8 Notification of late payment:

In the event of the unconditional payment to the Trustee of any sum due in respect of the Bonds or any of them being made after the due date for payment thereof, forthwith upon request by the Trustee give notice to the Bondholders that such payment has been made.

6.2.9 Notification of redemption or repayment:

Not less than 14 (Fourteen) days prior to the Redemption Date in respect of any Bonds, give to the Trustee notice in writing of the amount of such redemption pursuant to the Conditions and duly proceed to redeem such Bonds accordingly.

6.2.10 Evidence of Due Approval by the Board of Directors and Authorized Signatories:

Upon reasonable notice by the Trustee to deliver to the Trustee a copy of the resolution of the Board of Directors of the Issuer authorizing issuance of the Bond, the declaration of the Trust, a list of the Authorized Signatories of the Issuer, together with certified specimen signatures of the same.

6.2.11 Payments:

Pay moneys payable by it to the Trustee as per the Trust Deed without set off, counterclaim, deduction or withholding, unless otherwise compelled by law and in the event of any deduction or withholding compelled by law pay such additional amount as will result in the payment to the Trustee of the amount which would otherwise have been payable by it to the Trustee hereunder.

6.2.12 Register the Trust Deed

The Issuer shall duly register the Trust Deed in all respects so as to comply with the provisions of the Registration Act, 1908 and also cause the Trust Deed to be registered in conformity with the provisions of law and generally do all other acts (if any) necessary for the purpose of assuring the legal validity of these presents.


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6.2.13 Pay Trustee Fees

The Issuer shall pay Trustee Fee to the Trustee for the services rendered under this Trust Deed. Such remuneration shall be payable on each anniversary from the date hereof and shall be paid upfront and non-refundable.

7 Rights and Obligations of the Trustee

7.1 Rights of the Trustee

7.1.1 Rights under Applicable Law

Notwithstanding anything contained in the Trust Deed, the Trustee shall have all such rights and powers granted to it under the applicable law including, but is not limited to, the Securities and Exchange Commission (Debt Securities) Rules, 2021 and the Trusts Act 1882.

7.1.2 Advice

The Trustee may in relation to the Trust Deed act on the opinion or advice of or a certificate or any information obtained from any lawyer, banker, valuer, surveyor, broker, auctioneer, accountant or other expert and shall not be responsible for any Liability occasioned by so acting;

7.1.3 Certificate of directors or Authorized Signatories

The Trustee, in the exercise of its functions, may call for and shall be at liberty to accept a certificate signed by two Authorized Signatories as to any fact or matter prima facie within the knowledge of the Issuer, as the case may be, as sufficient evidence thereof and a like certificate to the effect that any particular dealing, transaction or step or thing is, in the opinion of the person so certifying, expedient as sufficient evidence that it is expedient and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liability that may be occasioned by its failing so to do.

7.1.4 Resolution or direction of Bondholders

The Trustee shall not be responsible for acting in good faith upon any resolution purporting to be a Written Resolution or to have been passed at any Meeting of the Bondholders in respect whereof minutes have been made and signed or a direction of a specified percentage of Bondholders even though it may subsequently be found that there was some defect in the constitution of the Meeting or the passing of the resolution or the making of the directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the making of the directions was not valid or binding upon the Bondholders.


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Nagad Ltd.

7.1.5 No obligation to monitor

Subject to Clause 10.3.4 of Trust Deed, the Trustee shall not be under any obligation to monitor or supervise the functions of any other person under the Bonds (other than the Issuer) or any other agreement or document relating to the transactions herein or therein contemplated and shall be entitled, in the absence of actual knowledge of a breach of obligation, to assume that each such person is properly performing and complying with its obligations.

7.1.6 Bonds held by the Issuer

In the absence of the action knowledge or express notice to the contrary, the Trustee may assume without enquiry that no Bonds are for the time being held by or for the benefit of the Issuer or any of its Affiliates.

7.1.7 Events of Default

Save as otherwise provided by applicable law, until it shall have actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume that no Event of Default has happened and that the Issuer is observing and performing all the obligations on its part contained in the Bonds and the Bond Documents.

7.1.8 Right to Sue

The Trustee may sue and may be sued on behalf of the Bondholders along with enforcement of the Securities.

7.1.9 Entry on the Register

The Trustee shall not be liable to the Issuer or any Bondholder by reason of having accepted as valid or not having rejected any entry on the Register later found to be forged or not authentic and can assume for all purposes in relation hereto that any entry on the Register is correct.

7.1.10 Right to deduct or withhold for taxes

Notwithstanding anything contained in the Trust Deed, to the extent required by any applicable law, if the Trustee is or will be required to make any deduction or withholding from any distribution or payment made by it hereunder or if the Trustee is or will be otherwise charged to, or is or may become liable to, tax as a consequence of performing its duties hereunder whether as principal, agent or otherwise, and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatsoever nature and when so ever made upon the Trustee, and whether in connection with or arising from any sums received or distributed by it or to which it may be entitled under the Trust Deed (other than in connection


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with its remuneration as provided for herein or any other amounts for its own account) or any investments or deposits from time to time representing the same, including any income or gains arising there from or any action of the Trustee in connection with the trusts of the Trust Deed (other than the remuneration herein specified or any other amounts for its own account) or otherwise, then the Trustee shall be entitled to make such proper deduction or withholding to the extent required by any applicable law or, as the case may be, to retain out of sums received by it an amount sufficient to discharge any liability to tax (as required by any applicable law) which relates to sums so received or distributed or to discharge any such other liability of the Trustee to tax (as required by any applicable law) from any funds that may from time to time be held by the Trustee upon the trusts of this Trust Deed.

7.1.11 No responsibility to investigate

The Trustee shall not have any responsibility for or have any duty to investigate except under any applicable laws or regulations:

- a) the execution, delivery, legality, validity, effectiveness, adequacy, genuineness, enforceability or admissibility in evidence of any or all of the Bond Documents;
- b) any recitals, statements, warranties, representations or covenants of any party to any of the Bond Documents;
- c) its ability to exercise the rights, trusts, powers, authorities or discretions purported to be conferred on it by any of the Bond Documents; or
- d) the capacities, powers or credit standing of the Issuer or other party to any of the Bond Documents.

7.1.12 Error of judgment

The Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Trustee assigned by the Trustee to administer its corporate matters, except to the extent that they shall have been caused by the gross negligence, wilful default or fraud of any officer or employee of the Trustee.

7.1.13 No responsibility for loss

The Trustee shall not in any circumstances, except under any applicable laws or regulations:

- a) be liable to account to any Bondholder or any other person for anything except sums actually received by the Trustee which have not been distributed or paid to the persons entitled or at the time of payment believed by the Trustee to be entitled thereto, or


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- b) be liable to any Bondholder or any other person for any costs, charges, losses, damages, liabilities or expenses arising from or connected with any act, default, omission or misconduct of the Trustee, any Appointee or their respective officers, employees or agents in relation to the Bond Documents except to the extent that they shall have been caused by the Trustee's own gross negligence, willful default or fraud.

7.1.14 Enforcement of Obligations of the Issuer

The Trustee shall itself be entitled to enforce the obligations of the Issuer under the Bonds and the Conditions as if the same were set out and contained in the Trust Deed which shall be read and construed as one document with the Bonds.

7.1.15 Liability:

Save as provided by applicable law, Trustee will not be liable for any special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to loss of business, goodwill, opportunity or profit), whether or not foreseeable, even if the Trustee has been advised of such loss or damage and regardless of whether the claim for loss or damage is made in negligence, for breach of contract or otherwise.

7.1.16 Force Majeure

The Trustee shall not be liable for any failure or delay in the performance of its obligations under the Trust Deed or any other Bond Document because of circumstances beyond such Trustee's control, including, without limitation, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, embargo, labour disputes, any laws, ordinances, regulations or the like which restrict or prohibit the performance of the obligations contemplated by the Trust Deed or any other Bond Document, inability to obtain or the failure of equipment, or interruption of communications or computer facilities, and other causes beyond such Trustee's control whether or not of the same class or kind as specifically named above. However, the Trustee shall use commercially reasonable efforts consistent with accepted practice in its industry to resume performance as soon as practicable under the circumstances.

7.1.17 Immunities

The Trustee's immunities and protections from liabilities and its right to indemnification in connection with the performance of its duties under the Trust Deed shall extend to the Trustee's officers, directors, employees and consultants. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the defeasance or discharge of the Trust Deed and final payment of the



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Bonds, but in any event will be subject to any gross negligence, willful default or fraud of which the Trustee or its officers, directors or employees may be guilty in relation to their duties under the Trust Deed. The Issuer acknowledges that in any proceedings taken in relation to the Trust Deed, the Issuer will not be entitled to claim for itself or any of its asset's immunity from suit, execution, attachment or other legal process.

7.1.18 Professional Charges

Any Trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by the Issuer on matters arising in connection with the Trust of the Trust Deed and also its properly incurred charges in addition to disbursements for all other work and business done and all time spent by him on matters arising in connection with the Trust Deed.

7.1.19 Expenditure by the Trustee

Nothing contained in the Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial Liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

7.1.20 No obligation to Depository

The Trustee shall not be under any obligation to Depository. It shall have no obligation to monitor or supervise the function of the Depository in relation to the Bond.

7.2 Following an Event of Default

At any time after Event of Default shall have occurred, the Trustee shall:

7.2.1 act in accordance with Rule 17 (Duties of the Trustee upon a default) of the Securities and Exchange Commission (Debt Securities) Rules, 2021;

7.2.2 by notice in writing to the Issuer and the Paying Agent direct them:

- a) to act thereafter as agents of the Trustee in relation to payments to be made by or on behalf of the Trustee under the terms of this Trust Deed mutatis mutandis on the terms provided in the Agency Agreement (save that the Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of proper out-of-pocket expenses of the Paying Agent shall be limited to the amounts for the time being held by the Trustee on the trusts of the Trust Deed relating to the Bonds and available for such


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purpose) and thereafter to hold all Bonds and all sums, documents and records held by them in respect of Bonds on behalf of the Trustee; and/or

- b) to deliver up all Bonds and all sums, documents and records held by them in respect of Bonds to the Trustee or as the Trustee shall direct in such notice *provided that* such notice shall be deemed not to apply to any documents or records which the relevant Agent is obliged not to release by any law or regulation; and

7.2.3 until decided in a Meeting of the Bondholders, by notice in writing to the Issuer, require them to make all subsequent payments in respect of Bonds to or to the order of the Trustee and with effect from the issue of any such notice until such notice is withdrawn, sub-clause 14.1.1 of Clause 14.1 (Covenant to Repay) and (so far as it concerns payments by the Issuer) paragraph (c) (Payment to Bondholders) to Condition XI of Schedule 1 of the Trust Deed shall cease to have effect;

7.2.4 to take action in accordance with Condition XI of Schedule I (Terms and Conditions of the Bonds) of the Trust Deed;

As soon as the Trustee is satisfied that Event of Default is remedied by making payment to the Bondholders in accordance with the Bond Documents, it shall immediately inform the Bondholders.

7.3 Trustee's Duty and Obligation

7.3.1 Duties and Obligation under Applicable Law

Notwithstanding anything contained in this Trust Deed, the Trustee shall have all such duties and obligations as set out in the applicable laws, including but not limited to, the Rule 14 of the Securities and Exchange Commission (Debt Securities) Rules, 2021 and the Trusts Act 1882.

7.3.2 Administration of Trust

The Trustee shall manage and administer the Bonds in accordance with the terms of this Trust Deed and the Conditions and execute, acknowledge, confirm or endorse any agreements, documents, deeds, instruments and papers in connection therewith and to implement, give effect to and facilitate the terms and conditions of the Bonds and such other documents, deeds and agreements in contemplation thereof.

7.3.3 Act for the Bondholders

Save the provision of all applicable laws of Bangladesh, the Trustee shall act on behalf and for the exclusive interests of the Bondholders and be liable to sue and to be sued on behalf of them. The trust deed shall be preserved in the trustee's office for observation of the investors.


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7.3.4 Monitoring

The Trustee shall ensure that the Issuer is observing the applicable laws including, but not limited to, the requirements of the Securities and Exchange Commission (Debt Securities) Rules, 2021 and the terms and conditions of the Bond Documents. As soon as the Trustee is aware of any breach by the Issuer it shall immediately inform the Bondholders and the Issuer of such breach. The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of the Trust Deed, the Conditions and the other Schedules which are expressed to be binding on it and to perform and observe the same. As soon as Event of Default is remedied by making payment to the Bondholders in accordance with the Bond Documents, Trustee shall immediately inform the Bondholders.

7.3.5 Maintaining Account

The Trustee shall open and maintain such accounts as it deems necessary for discharging the functions of Trustee in pursuant to the provision of the Trust Deed, the Conditions, the Trusts Act 1882 and the Securities and Exchange Commission (Debt Securities) Rules, 2021.

7.3.6 Holding Trust Property

The Trustee shall hold and keep the money and assets representing the Trust Property and to deposit and withdraw such moneys and assets as may be required from time to time.

7.3.7 Report to BSEC

The Trustee shall monitor timely payment of all dues of the Issuer to the Bondholders in terms of the Information Memorandum approved by BSEC and submit an annual compliance report to the BSEC on the activities of the Issuer including repayment of dues to the Bondholders. When Trustee shall submit such report to the BSEC, it shall provide a copy of the Report to the Issuer and each of the Bondholders.

7.3.8 Grievances of the Bondholders

Upon receipt of a complaint from the Bondholders, the Trustee shall take necessary steps for redress of grievances of the Bondholders within one month of the date of receipt of the complaints and it shall keep the BSEC and the Issuer informed about the number, nature and other particulars of the complaints received and the manner in which such complaints have been redressed.


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7.3.9 Call for Meeting of the Bondholders

On the requisition of the Bondholders in accordance with the provision of the Trust Deed, the Trustee shall call any Meeting of the Bondholders and to facilitate the proceedings of such Meeting as it deems appropriate in accordance with the terms of the Trust Deed.

7.3.10 Compliance with the Instruction of the Bondholders

Upon instruction by the Bondholders in accordance with the Trust Deed, to sell or otherwise dispose of the Trust Property and close any bank accounts that may have been opened in pursuance of the Trust Deed after distribution of amounts standing to their credit.

7.3.11 Duty to Inspect

It is the duty of the Trustee to inspect or call for books of accounts, records, register of the Issuers and the Trust property, if required, to the extent necessary for discharging its obligation.

7.3.12 Duty to Ensure the Interest of the Bondholders

Subject to consent of the Bondholders and prior approval of the Commission, the Trustee shall have power to insert any additional terms and conditions for the performance of the obligations under the Trust Deed for the protection of the interest of the Bondholders.

7.3.13 Trustee's determination

The Trustee may determine whether or not a default in the performance or observance by the Issuer of any obligation under the provisions of any Bond Document or contained in the Bonds is capable of remedy and/or materially prejudicial to the interests of the Bondholders and if the Trustee certifies that any such default is, in its opinion, not capable of remedy and/or materially prejudicial to the interests of the Bondholders, such certificate shall be conclusive and binding upon the Issuer and the Bondholders.

7.3.14 Determination of questions

The Trustee as between itself and the Bondholders shall have full power to determine all questions and doubts arising in relation to any of the provisions of the Trust Deed and/or the Conditions and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee and the Bondholders.

7.3.15 Trustee's discretion

The Trustee shall (save as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by the Trust Deed or by operation of law, have absolute


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and uncontrolled discretion as to the exercise or non-exercise thereof and the Trustee shall not be responsible for any Liability that may result from the exercise or non-exercise thereof but whenever the Trustee is under the provisions of the Trust Deed bound to act at the request or direction of the Bondholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing.

7.3.16 Trustee's consent

Any consent given by the Trustee for the purposes of the Trust Deed may be given on such terms and subject to such conditions (if any) as the Trustee may require.

7.3.17 Application of proceeds

The Trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Bonds. The report on utilization of proceeds as well as implementation status shall be submitted to the Trustee on half-yearly basis within 10 (ten) days of close of the half year, till full utilization of proceeds.

7.3.18 Agents

The Trustee may with the prior consent in writing of the Issuer, instead of acting personally, employ and pay an agent on any terms, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee, as the case may (including the receipt and payment of money) and, provided the Trustee shall have exercised reasonable care in the selection of any such agent, the Trustee shall not be responsible for any Liabilities incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person.

7.3.19 Delegation

The Trustee may, with the prior consent in writing of the Issuer, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in it by this Trust Deed, act by responsible officers or a responsible officer for the time being of the Trustee and the Trustee may also whenever it thinks fit, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons (whether being a joint trustee of the Trust Deed or not) all or any of the trusts, powers, authorities and discretions vested in it by the Trust Deed and any such delegation may be made upon such terms and conditions and subject to such regulations



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(including power to sub-delegate with the consent of the Trustee) as the Trustee may think fit in the interests of the Bondholders and, provided the Trustee shall have exercised reasonable care in the selection of any such Appointee and the Trustee shall not be bound to supervise the proceedings or acts of and shall not in any way or to any extent be responsible for any Liabilities incurred by reason of the misconduct, omission or default on the part of such delegate or sub-delegate.

7.3.20 Custodians and nominees

The Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trust as the Trustee may determine, including for the purpose of depositing with a custodian the Trust Deed or any document relating to the trust created hereunder and, provided the Trustee shall have exercised reasonable care in the selection of any such Appointee, the Trustee shall not be responsible for any Liability by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person.

7.3.21 Confidential information

The Trustee shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Bondholder any confidential information (financial or otherwise) made available to the Trustee by the Issuer or any other person in connection with the Trust Deed and no Bondholder shall be entitled to take any action to obtain from the Trustee any such information. The Trustee shall forward to the Bondholders any non-confidential information made available to the Trustee by the Issuer in connection with the Trust Deed.

7.4 Trustee liable for gross negligence

- a) None of the provisions of the Trust Deed shall in any case in which the Trustee has failed to show the degree of care and diligence required by it as trustee, having regard to the provisions of the Trust Deed conferring on the Trustee any powers, authorities or discretions, relieve or indemnify the Trustee against any Liability which by virtue of any rule of law would otherwise attach to it in respect of any gross negligence, willful default or fraud of which it may be guilty in relation to its duties under the Trust Deed.
- b) If an Event of Default as defined in the Trust Deed is known to the Trustee, the Trustee shall send a notice of such Default within 07 (seven) Business Days after it occurs to Bondholders and the BSEC. The Trustee shall, on a best effort basis, try to mitigate the Default with the Issuer and shall only be entitled to take legal action against the Issuer on behalf of the Bondholders for recovery of the outstanding including principal and interest


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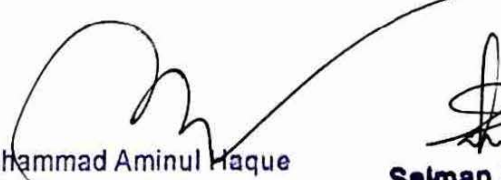
of the Bonds after 15 (fifteen) Business Days of completion of such mitigation actions and the Default cannot be mitigated by the Issuer, provided however that the Trustee shall do so after consultation with all the Bondholders and the Bondholders refuse to waive such Default.

8 Rights and Obligations of the Eligible Investors

- 8.1. Each of the Bondholders has the right to demand information relating to the issuance of Bond and/or information relating to the Issuer, as set forth in this Trust Deed or in the Conditions, from the Issuer.
- 8.2. Each of the Bondholders has the right to receive payment of Face Value of the Bond on the respective Redemption Date in accordance with the procedure as set out in the Condition VII (*Redemption*) of the Schedule I (*Terms and Conditions of the Bonds*) of the Trust Deed.
- 8.3. Each of the Bondholders has the right to receive any other payment including Default Interest and/or early redemption fee, if applicable, whenever such payment becomes due and payable by the Issuer in accordance with the procedure set forth in the Conditions contained hereunder in Schedule I (*Terms and Conditions of the Bonds*) of the Trust Deed
- 8.4. Each of Bondholders has the right to attend Meeting of the Bondholders and vote therein in accordance with the provisions of the Schedule II (*Meeting of Bondholders*) of the Trust Deed.



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9 Description of the Issuer: Nagad Ltd.

9.1 Business

Nagad Ltd. (Issuer) has been formed for being a dynamic & people oriented entity by the sponsor of the T-Asia Group & Sigma Group and other prominent investors of the country. Third Wave Technologies Limited (TWTL) is a private company registered on November 08, 2016 under the company act 1994 having its registered office at 36, Delta Dahlia Tower, Level 14, Banani, Dhaka-1213 which was later renamed to Nagad Limited. Bangladesh post office has awarded Nagad as a master agent for countrywide expansion, marketing, modification and development of postal cash and card service on 14th December 2017. Over the year 2018, Nagad worked on developing channel and technological infrastructure to make its product and services available in the market for the mass population at large with new branding. On 26th March 2019, Honorable Prime Minister of Bangladesh, Sheikh Hasina, has officially inaugurated the service. Currently the products and the services are marketed under the brand name "Nagad" and it has undertaken very prominent advertising campaigns through various mediums.

Nagad is one of the most potential corporates in the country's digital business arena which aims to spearhead the Digital Financial Service revolution in Bangladesh by facilitating customer's daily financial transaction needs like cash in, cash out, send money (P2P), mobile recharge etc. Nagad is already providing service for disbursement of different Govt. allowances like social safety net (75% of the total amount), stipend for students and has disbursed Prime minister's financial assistance to 14.97 lac families during the COVID pandemic.

Nagad has brought very exciting and innovative services in the market to meet customer needs and demands like DKYC (Digital KYC), SMTAP (Send money to any phone) and DMTAP (Disburse Money to any Phone). The ultimate objective of Nagad is to ensure access to a broader range of financial services for the people of Bangladesh with special focus to serve the low-income masses of the country to achieve broader financial inclusion by providing services that are convenient, affordable and reliable.

Post COVID-19, Nagad has shown remarkable growth and success in the digital financial service industry in Bangladesh. As of Dec,'22, Nagad has achieved a staggering 70 million registered customers, a significant milestone for the platform. Furthermore, Nagad has crossed the daily transaction value of BDT 1000 crore, highlighting the trust and reliance of its users on the platform. To cater to the growing demand, Nagad has launched an Islamic wallet, which is an innovative and unique feature in the industry. This new service allows customers to transact in a Shariah-compliant way and is expected to attract more users. Nagad's success post-COVID-19 can


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be attributed to its agility in adapting to changing customer needs and its constant innovation in providing new and valuable services to its customers.

Within ~48 months of operation, Nagad has acquired ~73 million customers (till Feb'23). Key metrics that attest to Nagad's reach in the Bangladesh market:

- 220,000+ Agent network
- 208 Distributors
- 25,000+ Merchants

Tie up with two major telecom operators with access to 135 million subscribers


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Figure 1: Key Achievements



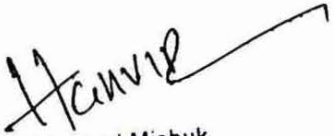
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9.2 Impact on the Sustainable Development Goal (SDG)

The Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including those related to poverty, inequality, climate, environmental degradation, prosperity, and peace and justice. The following points are indicating how Nagad is participating to achieve the Sustainable Development Goal (SDG) 2030.

Figure 2: SDG Goals

	Improving life and livelihood of people through creating <i>Uddoktas</i> (micro-merchant entrepreneurs), and facilitating transactions,		Empowering women by creating Female <i>Uddoktas</i> (micro-merchant entrepreneurs) and providing support for growth towards sustainability
	Digitizing transactions to progress towards cashless society, creating a positive impact in the economy		Financially innovative products to resolve the pain points of end users. Reducing dependence on physical infrastructure through implementation of digital infrastructures
	Working towards financial inclusion to serve the unbanked population, enabling the BOP population to generate higher income		Undertaking proper measures to ensure compliance with AML/ CFT guidelines
	Reducing paper consumption, through digitizing processes, and implementing initiatives like digital KYC		Consorting with Bangladesh Post Office, to create a meaningful partnership towards growth. Partnering with INGOs to create a sustainable social impact


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9.3 Product

The main products currently offered are:

CASH IN

- Enables customers to deposit money into their Nagad account from any Nagad Retail Agent (Uddokta) point
- Provided free of cost

SEND MONEY

- Enables customers to transfer money from their Nagad account to any other Nagad account
- Free of cost if done from the Nagad app

CASH OUT

- Customers can withdraw money from their Nagad account from any Nagad Uddokta (retail agent) point located anywhere in the country
- There is a charge for this service

TOP-UP

- Mobile Recharge allows customers to top up their mobile phone balance through their Nagad account

BILL PAYMENT

- Nagad allows customers to pay various utility bills through their service

Merchant Payment

- QR based and online merchant payments. Currently accepts payment at over 3500 merchants

COLLECTIONS

- Collecting or receiving money from different company or merchant branch wallet or field level staff to a corporate collection wallets

DISBURSEMENT

- Usually, this activity happens in the case of salary disbursement
- Nagad has a standing order with the government for govt disbursements

ADD MONEY FROM CARD & BANK ACCOUNT

- Allows customer to cash in to their Nagad account from their Credit/Debit Card and linked Bank Account

REMITTANCE

- Nagad works as the last mile solution for disbursement of remittance



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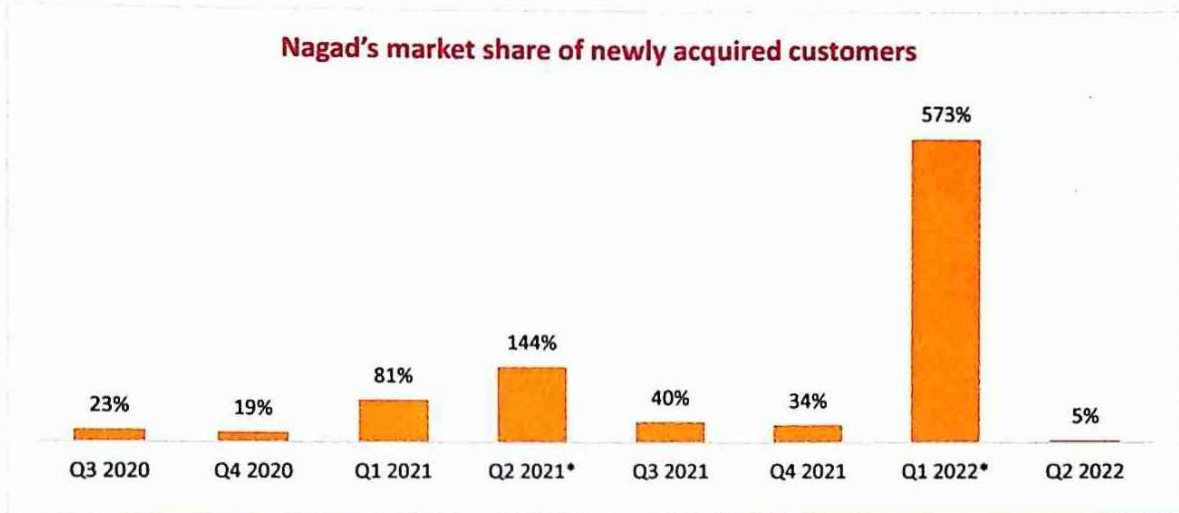


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9.4 Performance

Each graph is representing the actual performance of Nagad till June 2022. Customer Registration is increasing rapidly. In relation to that, the transaction volume and count is also in increasing trend.

Figure 3: Nagad's market share of newly acquired customers



*In Q1 2021 and Q1 2022, the industry (excluding Nagad) had negative number of newly acquired customer while Nagad had positive number of newly acquired customers which was higher than the overall decline in the industry (excluding Nagad)

Figure 4: Cumulative Customer Base (in Mn)




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Figure 5: Gross Transaction Volume (USD mn)




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9.5 Ownership Structure

As of Audit report June 2022 the shareholding structure of both ordinary and preference shares are summarized below:

Table 5: Name of Ordinary Shareholder

Name of Ordinary Shareholder	No of Share	% of holding
Stalwart Ltd.	19,965,716	28.24%
Finclusion Ventures Pte. Ltd.	15,603,520	22.07%
TASIA Holdings Ltd.	4,080,397	5.77%
Choudhury Frontier Management LLC	16	0.00%*
Fintech Holdings Ltd	5,443,140	7.70%
Blue Water Holdings Ltd.	9,995,047	14.14%
Finclusion Ventures Holdings Pte. Ltd.	6,288,883	8.90%
Sigma Engineers Ltd.	5,750,930	8.13%
Mieres Holdings Limited	3,034,316	4.29%
Century Online Limited	201,816	0.29%
Choudhury Frontier Holdings LLC	174,133	0.25%
Choudhury Bengal Fintech LLC	157,127	0.22%
Grand Total	70,695,041	100%

*The percentage shareholding of M/s. Choudhury Frontier Management LLC is 0.000023%

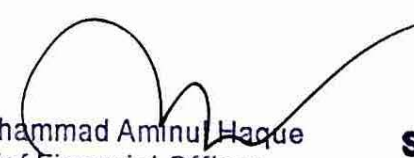
Table 6: Name of Preference Shareholder

Name of Preference Shareholder	No of Share	% of holding
Sigma Engineers Ltd.	377,058	42.80%
TASIA Holdings Ltd.	267,529	30.37%
Mieres Holdings Limited	198,944	22.58%
Century Online Limited	13,232	1.50%
Choudhury Frontier Holdings LLC	11,417	1.30%
Choudhury Bengal Fintech LLC	12,722	1.44%
Grand Total	880,902	100%

The above shares are convertible in ordinary shares (on a 1: 1 basis) at option of the holders, subject to compliance with the shareholders agreements and relevant laws and regulations.

During the year 2021-2022, the Company issued 4,770,844 Ordinary Share at face value against Share Premium of BDT 47,708,440 as per Section 57 of Company Act 1994. In the same period, the Company issued 2,420 convertible preference shares for BDT 3,084,250.


Tanvir Ahamed Mishuk
 Managing Director
 Nagad Ltd


Mohammad Aminul Haque
 Chief Financial Officer
 Nagad Ltd.


Salman Sadiq Khan
 Company Secretary
 Nagad Ltd.

9.6 Directors

As of 18th September, 2022 the following were the Board of Directors:

- I. Syed Mohammad Kamal | Chairman | Nominee Director of Sigma Engineers Ltd.
- II. Tanvir A Mishuk | Managing Director | Nominee Director of Tasia Holdings Ltd.
- III. Giles Alastair James Farley | Nominee Director of Mieres Holdings Ltd.
- IV. M Taamjeed Rahmaan | Nominee Director of Stalwart Ltd.
- V. Faisal Ahsan Choudhury | Nominee Director of Finclusion Ventures Pte. Ltd.
- VI. Md. Shafayet Alam | Nominee Director of Blue Waters Holdings Ltd.
- VII. Maruful Islam Jhalak | Nominee Director of Finclusion Ventures Pte. Ltd.
- VIII. Mohammad Aminul Haque | Nominee Director of Finclusion Ventures Pte. Ltd.
- IX. Md. Niaz Morshed | Nominee Director of Fintech Holdings Ltd.

On 25th July 2022, Rahel Ahmed (Nominee Director of Finclusion Ventures Pte. Ltd.) resigned from his post from the Board of Directors.

i. Syed Mohammad Kamal | Chairman | Nominee Director of Sigma Engineers Ltd.

Seasoned businessperson and one of the founding Directors of Sigma Engineers

Chairman: Sigma Powertech Limited

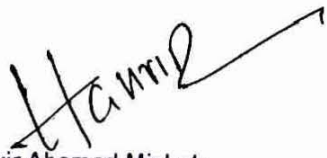
-Managing Director: Sigma Engineers Limited, Sigma Telecom Limited (International Gateway Services), Sigma Eco-Tech Limited (Central effluent treatment plant in Comilla EPZ), Comilla Aquifer Limited (Water treatment plant in Comilla EPZ), Adamjee Water Supply Limited (Water treatment plant in Adamjee EPZ), Sigma Washing Limited -Director and partner to various other companies.

ii. Tanvir A Mishuk | Managing Director | Nominee Director of Tasia Holdings Ltd.

Successful Serial Entrepreneur with 9 successful ventures operating with a combined annual yearly turnover of USD 250+ Million. He has created this empire in only 10 years of starting his first venture.

- Chairman: T-Asia Group, I Business (Web and app development)
- Director: Sigma Telecom Ltd., Cyber 8 Technologies Ltd (Canada), Shabestan (Singapore), Live wire Ltd., Fly Asia Ltd.

iii. Giles Alastair James Farley | Nominee Director of Mieres Holdings Ltd.



Tanvir Ahmad Mishuk
Managing Director
Nagad Ltd



Mohammad Aminul Haque
Chief Financial Officer
Nagad Ltd.



Salman Sadiq Khan
Company Secretary
Nagad Ltd.

Giles Farley is a director at ICU, leading asset management, private equity, and investment advisory firm specializing in Ukraine. He co-leads the firm's technology and ventures capital investment activities.

He has a long and successful track record in financial services with extensive experience in asset management, investment banking, and financial restructuring. He is also a Director at FPP (Fabien Pictet & Partners).

He was previously the Vice President of Liabilities and Mortgages and Management Associate at Citibank Germany and also worked at Boston Consulting Group. He holds an M.B.A. from Stanford University and a B.A. in Political Science from the University of California, Los Angeles.

iv. M Taamjeed Rahmaan | Nominee Director of Stalwart Ltd.

Taamjeed Rahmaan is a seasoned entrepreneur with experience in turn-around management, business development, and technology consulting. He has over 9 years of experience working with Fiat-Chrysler Automobiles Canada, Ford R&D, Honda Americas, ArcelorMittal, Arconic Ground Transportation Group, and many other top tiers North American corporations.

Taamjeed has been successfully managing businesses related to IT services, nanotechnologies for agriculture, fisheries, and livestock industries, export-import of eco-friendly products for wastewater treatment, and real-estate development. He is an executive member of the Canada-Bangladesh Chamber of Commerce.

v. Faisal Ahsan Chowdhury | Nominee Director of Finclusion Ventures Pte. Ltd.

Mr. Faisal Ahsan Choudhury is the owner of Choudhury Frontier Management LLC, an investment vehicle through which he manages equity holdings, including venture capital investments.

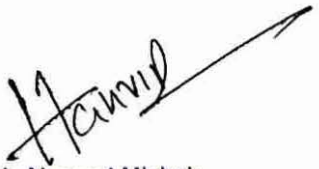
He previously worked in strategic and corporate finance roles at Strategic Education, Inc. and Citigroup Global Markets. Mr. Choudhury holds a bachelor's degree in science from Yale University and an MBA from Stanford University. He is a certified Chartered Financial Analyst (CFA) from CFA Institute, 2006.

vi. Md Shafayet Alam | Nominee Director of Blue Waters Holdings Ltd.

Seasoned business leader with diversified industry exposure. Experience of almost 23 years in Telecommunications, ICT, Consumer Electronics, Smart devices and Digital Financial Services

Prior experience: Huawei, ZTE, Sony, Motorola, Alcatel, Robi etc. in various capacities

vii. Maruful Islam Jhalak | Nominee Director of Telekom Asia Holdings Ltd.



Tanvir Ahmad Mishuk
Managing Director
Nagad Ltd



Mohammad Aminul Haque
Chief Financial Officer
Nagad Ltd.



Salman Sadiq Khan
Company Secretary
Nagad Ltd.

Maruful Islam Jhalak is a Philanthropist, Entrepreneur and Youth Leader, currently he is one of the Directors of I-Business Holdings Ltd., Asloob Holdings Ltd., Fly Asia Ltd, Telekom Asia Holdings Ltd. and Orvil International Overseas Ltd. and the Executive Director of T-Asia Group.

He is also the charter president of JCI Dhaka Uptown and the founder of the country's first ever digital village in Shonarga, Narayanganj. The large scale and success of the project has made the locals christen the village as 'JCI Village'.

viii. Mohammad Aminul Haque | Nominee Director of Telekom Asia Holdings Ltd.

Experience in leading several Fortune 500 Companies throughout the world and has worked in various sectors like FinTech, Financial Institution, Mining, Oil & Gas, Logistics, Electronics Manufacturing.

Prior experience includes global companies like Royal Dutch Shell, British Petroleum, Standard Chartered Bank etc.

ix. Md. Niaz Morshed | Nominee Director of Fintech Holdings Ltd.

Mr. Niaz Morshed is a prominent businessman of Bangladesh, and an alumnus of North South University. He is currently the Managing Director of Borotakia Group and the Proprietor of Borotakia Construction Company.

Besides business, he is also active socially. He is the Founder President of Junior Chamber Chittagong, which works to encourage and provide platform for the young entrepreneurs of Bangladesh and nurture them through entrepreneurial development activity. He is also the President of Bangladesh Human Rights Commission Chittagong North, which works for the preservation, promotion and upholding of human rights and peace. Mr. Elite is the Chief Editor of Click Magazine, which is a leading fashion lifestyle and business magazine in Bangladesh. He also serves as the Chief Advisor to Daily Kaler Kantha.

9.7 Management

I. Mr. Mohammad Aminul Haque | Chief Financial Officer (CFO)

13+ years of experience in managing high value projects (approx. 700 Million USD) with several Fortune 500 Companies throughout the world. Successfully applied his management expertise in global companies like Royal Dutch Shell, British Petroleum, Standard Chartered Bank etc. in Brunei, Singapore, Thailand, Malaysia, Philippines, Indonesia and Bangladesh.

II. Md. Shihab Uddin Chowdhury | Chief Sales Officer & Customer Service (CSO)



Tanvir Ahamad Mishuk
Managing Director
Nagad Ltd.



Mohammad Aminul Haque
Chief Financial Officer
Nagad Ltd.



Salman Sadiq Khan
Company Secretary
Nagad Ltd.

Experienced in B2B Sales leadership with a demonstrated history of working in the telecommunications industry. 16+ years of work experience, skilled in Negotiation, Mobile Operators, Management Information Systems (MIS), Business Relationship Management, and Business Development. Prior Experience Includes Standard Chartered Bank and Symphony Mobile in various capacities.

III. Mr. Sadat Adnan Ahamad | Chief Commercial Officer (CCO)

A seasoned business leader with 19+ years of proven record of accomplishment in digital financial service, telecom, DTH and consumer electronics industry. Played a vital role in bKash to drive revenue and customer acquisition to set the platform for where bKash is today.

IV. Mr. Sheikh Aminur Rahman | Chief Business Officer (CBO)

23+ years of experience in the arena of sales & distribution, site acquisition and logistics. Lead different regions as Regional Head during his tenure with Grameenphone and led the Sales & Marketing team of Progoti Systems Limited (Sure Cash) and Innova Telecom Limited.

V. Mr. Golam Mortuza Chowdhury | Chief Business Assurance Officer

He has more than 22 years of cross-sector expertise in a variety of value chain functions across many enterprises and industries. Governance, Internal Control, Enterprise Risk Management, Revenue Assurance, Fraud Management, Research & Analysis, Quality Assurance, Process Efficiency, Customer Service, Project Management, etc. are all areas in which he is competent in. Before joining Nagad, he held leadership positions at Grameenphone Ltd. and Warid CG.

VI. M. Nurul Alam | Chief Corporate and External Affairs (CCEAO)

M. Nurul Alam is an experienced professional with 39 years of experience in various functions including Ethics & Compliance, Internal Audit, Corporate Governance, Internal Control, Risk Management & Investor Relations. He played a significant role while working in GSK Bangladesh and VEON Ltd's Bangladesh Subsidiary, Banglalink. In the last 12 years, he has served the management board of Banglalink, a leading mobile telephone company in Bangladesh & Prime Islami Securities Limited as Chief Executive Officer.



Tanvir Ahamad Mishuk
Managing Director
Nagad Ltd.

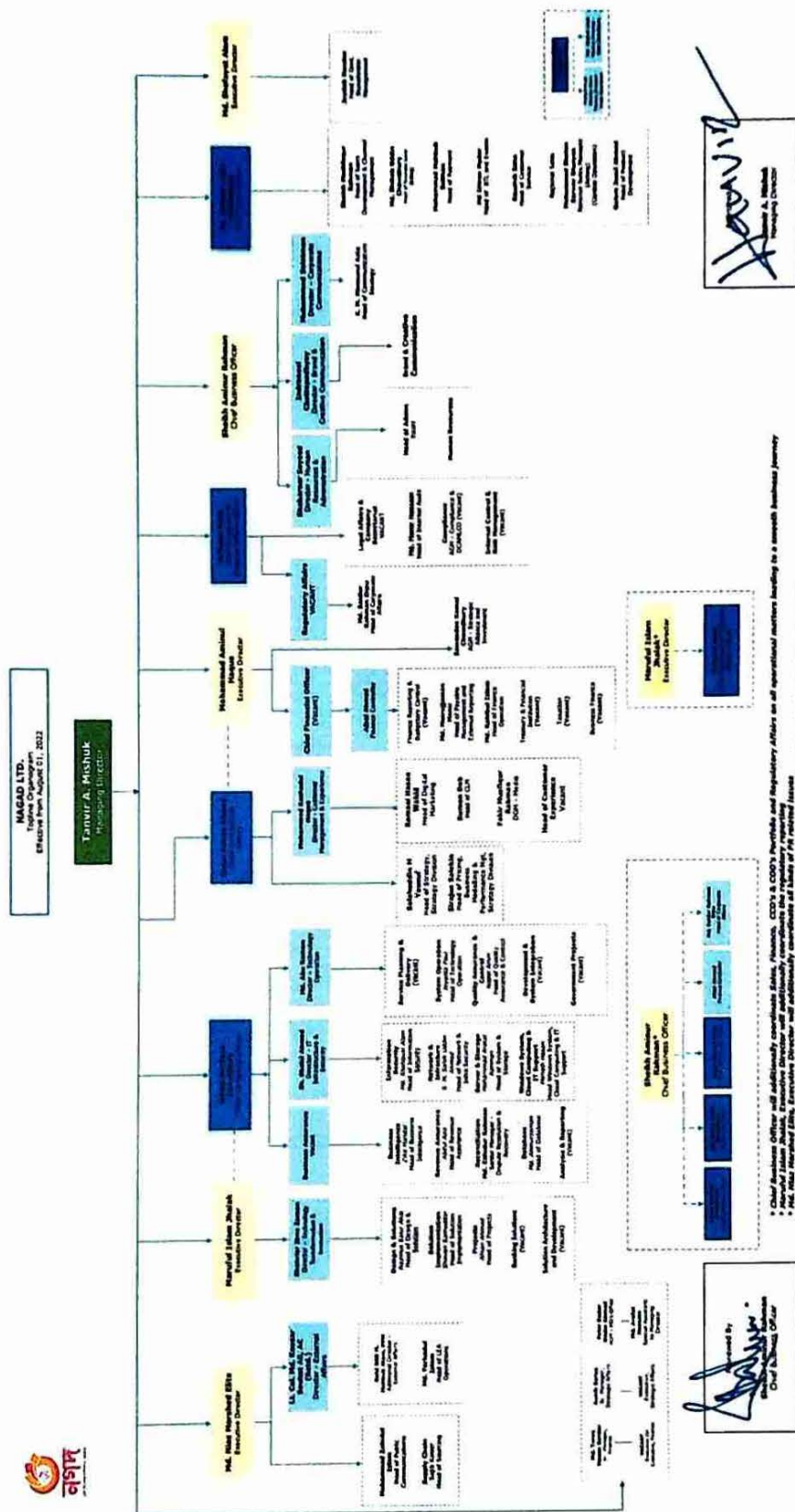


Mohammad Aminul Haque
Chief Financial Officer
Nagad Ltd.



Salman Sadiq Khan
Company Secretary
Nagad Ltd.

Figure 6: Nagad Ltd. Management Organogram



Tanvir Ahamad Mishuk
Managing Director
Nagad Ltd.

Mohammad Aminul Haque
Chief Financial Officer
Nagad Ltd.

Salman Sadiq Khan
Company Secretary
Nagad Ltd.

9.8 Description of Encumbered and Unencumbered Assets with value thereof

9.8.1 Unencumbered Assets:

The debt obligations of Nagad Ltd. to banks and financial institutions are unsecured and thus there is no charge on Fixed and Floating Assets. The following list provides details of the unencumbered assets of Nagad Ltd.:

Table 7: Unencumbered Assets

Asset class	30 June 2022
Fixed Assets-Tangible	
Furniture and fixtures	BDT 26,145,475
Office equipment	BDT 21,603,222
Network and hardware	BDT 437,799,956
Computer and accessories	BDT 2,699,932
Computer and laptop	BDT 63,977,311
Vehicle	BDT 6,863,158
Office Renovation	BDT 39,069,127
Sub-total	BDT 598,158,182
Fixed Assets-Intangible	
Nagad domain	BDT 1,308,764
DFS platform hardware	BDT 360,000,000
ORACLE database	BDT 21,305,667
Software	BDT 2,223,548
Sub-total	BDT 384,837,979
Total	BDT 982,996,161

9.8.2 Encumbered Assets:

Nagad Ltd. does not have any encumbered assets, as no debt obligation is secured by creating any charges on the fixed and floating assets.


Tanvir Ahamad Mishuk
 Managing Director
 Nagad Ltd.


Mohammad Ammul Haque
 Chief Financial Officer
 Nagad Ltd.


Salman Sadiq Khan
 Company Secretary
 Nagad Ltd.

9.9 Description of Assets and Liabilities

Table 8: Description of Assets (As of June 30, 2022)

	BDT Crore
Property, Plant and Equipment	52
Intangible Assets	23
Deferred Tax Assets	263
Non-Current Assets	338
Advance, Deposit and Prepayments	37
Contract Assets	83
Airtime Balance	20
Receivables	56
Restricted Cash and Cash Equivalents	1,934
Cash and Cash Equivalents	5
Current Assets	2,135
Total Assets	2,473

Table 9: Description of Liabilities (As of June 30, 2022)

LIABILITIES	BDT Crore
Short Term Loan	618
Liability for Digital Money	1,851
Distributor Deposit	5
Trade and Other Payables	480
Accrued Expenses	71
Current Tax Liabilities	3
Total Liabilities	3,027

9.10 Description of previously Issued Debt or Equity Securities

Nagad Ltd. issued ordinary and preferred shares in FY-2018, 2019, 2020, 2021 and 2022. Brief overview is as follows:

- Ordinary share of 9,495 issued @ BDT 100/share in FY-2018
- Ordinary share of 2,905,050 issued @ BDT 10/share in FY-2019
- Ordinary share of 525,471 issued @ BDT 10/share in FY-2020
- Preferred share of 571,131 issued @ BDT 10/share in FY-2020
- Preference share of 307,351 issued @ BDT 10/share in FY-2021
- Preference share of 2,420 issued @ BDT 10/share in FY-2021
- Bonus share of 67,169,570 issued @ BDT 10/share in FY-2022

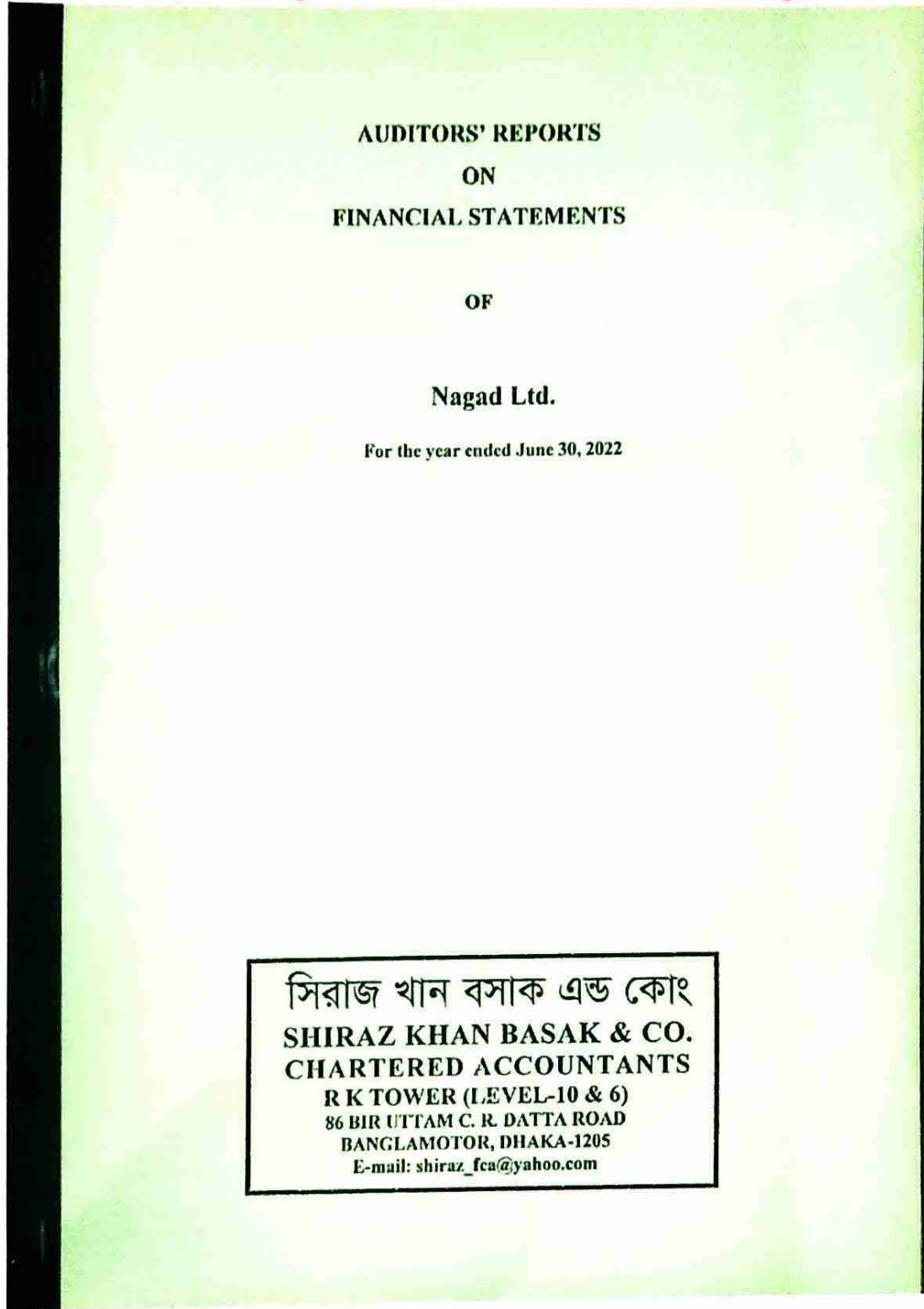
Nagad Ltd. did not issue any further debt or equity securities other than the above issue before this issuance of Zero Coupon Bond.


Tanvir Ahamed Mishuk
 Managing Director
 Nagad Ltd.


Mohammad Aminul Haque
 Chief Financial Officer
 Nagad Ltd.


Salman Sadiq Khan
 Company Secretary
 Nagad Ltd.

10 Auditors' Reports along with Audited Financial Statements of Nagad Ltd.



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Tanvir Ahamad Mishuk
Managing Director
Nagad Ltd.


Mohammad Amirul Haque
Chief Financial Officer
Nagad Ltd.


Salman Sadiq Khan
Company Secretary
Nagad Ltd.



SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS
(An associate firm of D. N. Gupta & Associates)

R. K. TOWER (LEVEL -10 & 6)
86, Bir Uttam C.R. Datta Road
(312, Sonargaon Road), Dhaka-1205
Tel : 88-02-9635139, 88-02-9673597
Mobile : 01552-575775, 01552638228
E-mail : shiraz_fca@yahoo.com
Website : www.shirazkhanbasak.bd.com

**INDEPENDENT AUDITORS' REPORTS
TO THE SHAREHOLDERS
OF
NAGAD LTD.**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **NAGAD LTD.** which comprises the Statement of Financial Position as at 30 June 2022, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements including a summary of significant accounting policies and other explanatory information disclosed in notes 1 to 34 and Annexure # A & B.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 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 Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these 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 financial statements that give a true and fair view in accordance with IFRSs, the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.


Tanvir Ahamad Mishuk
Managing Director
Nagad Ltd.


Mohammad Aminul Haque
Chief Financial Officer
Nagad Ltd.


Salman Sadiq Khan
Company Secretary
Nagad Ltd.



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Mobile : 01552-575775, 01552638228
E-mail : shiraz_fca@yahoo.com
Website : www.shirazkhanbasak.bd.com

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:

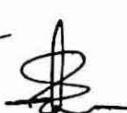
- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c) the Statement of Financial Position and Statement of Comprehensive Income dealt with by the report are in agreement with the books of account.
- d) the expenditure was incurred for the purpose of the company's business.

Date: December 27, 2022
Dhaka


Md. Shirazul Islam Khan FCA
Partner, Shiraz Khan Basak & Co.
Chartered Accountants
DVC: 2212270461AS573121


Tanvir Ahmad Mishuk
Managing Director
Nagad Ltd.


Mohammad Aminul Haque
Chief Financial Officer
Nagad Ltd.


Salman Sadiq Khan
Company Secretary
Nagad Ltd.

NAGAD LTD.
Statement of Financial Position
As at June 30, 2022

Particulars	Notes	Amount in Tk	
		June 30, 2022	June 30, 2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	6.00	518,444,490	147,177,399
Intangible Assets	7.00	231,453,792	269,937,592
Deferred Tax Assets	8.00	2,629,224,980	1,477,425,753
Total Non-Current Assets		3,379,123,262	1,894,540,744
CURRENT ASSETS			
Advance, Deposit and Prepayments	9.00	367,272,416	254,032,083
Contract Assets	10.00	827,125,728	1,191,444,703
Airtime Balance	11.00	201,366,720	183,827,659
Receivables	12.00	562,915,858	628,837,279
Trust Cum Settlement Account	13.00	19,343,816,944	19,313,463,755
Cash and Cash Equivalents	14.00	50,436,671	1,138,750,107
Total Current Assets		21,352,934,336	22,710,355,586
Total Assets		24,732,057,597	24,604,896,330
EQUITY AND LIABILITIES			
EQUITY			
Ordinary Shares	15.00	706,950,410	35,254,710
Preference Shares	17.00	8,809,020	8,784,820
Share Premium-Ordinary Shares	16.00	-	47,708,440
Share Premium-Preference Shares	18.00	3,060,050	623,987,263
Share Money Deposit	19.00	-	3,084,250
Retained Earnings	20.00	(6,257,909,878)	(3,636,934,233)
Equity		(5,539,090,398)	(2,918,114,750)
LIABILITIES			
Short Term Loan	21.00	6,176,000,000	3,674,020,920
Overdraft	22.00	-	1,531,347,222
Liability for Digital Money	23.00	18,504,520,076	17,220,625,923
Distributor Deposit	24.00	47,300,000	29,800,000
Trade and Other Payables	25.00	4,801,133,670	4,675,180,274
Accrued Expenses	26.00	711,014,288	371,137,171
Current Tax Liabilities	27.00	31,179,963	20,899,570
Current Liabilities		30,271,147,996	27,523,011,080
Total Equity and Liabilities		24,732,057,598	24,604,896,330

The accompanying notes from 01 to 34 and Annexure 'A', and 'B' an integral part of these Financial Statements.



Managing Director

Md. Aminul Haque
Director

Signed in terms of our separate report of even date

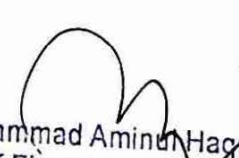
Date: December 27, 2022



Md. Shirazul Islam Khan FCA
Partner, Shiraz Khan Basak & Co.
Chartered Accountants
DVC: 2212270461AS573121

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Tanvir Ahmad Mishuk
Managing Director
Nagad Ltd.


Mohammad Aminul Haque
Chief Financial Officer
Nagad Ltd.

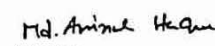

Salman Sadiq Khan
Company Secretary
Nagad Ltd.

NAGAD LTD.
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2022

Particulars	Notes	Amount in Tk	
		July 01, 2021 to June 30, 2022	July 01, 2020 to June 30, 2021
Net Revenue	28.00	5,171,801,929	3,474,647,077
Cost of Services	29.00	(4,155,739,582)	(2,518,043,801)
Gross Profit		1,016,062,347	956,603,276
Operating and Administrative Expenses	30.00	(2,928,525,188)	(1,902,083,681)
Marketing and Promotional Expenses	31.00	(1,570,768,490)	(1,245,241,755)
Operating Profit/(Loss)		(3,483,231,331)	(2,190,722,160)
Non-Operating Income	32.00	24,858,533	8,614,586
Profit/(Loss) before Financial Expenses		(3,458,372,798)	(2,182,107,574)
Financial Expenses	33.00	(283,222,111)	(337,394,393)
Profit/(Loss) before Tax		(3,741,594,909)	(2,519,501,967)
Income Tax (Expenses)/Income	34.00	1,120,619,264	646,877,107
Profit for the year		(2,620,975,645)	(1,872,624,860)
Other Comprehensive Income		-	-
Total Comprehensive Income		(2,620,975,645)	(1,872,624,860)

The accompanying notes from 01 to 34 and Annexure 'A', and 'B' an integral part of these Financial Statements.


Managing Director


Md. Aminul Haque
Director

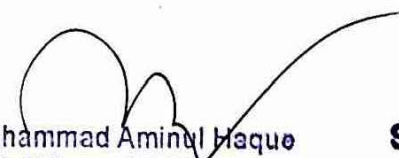
Signed in terms of our separate report of even date

Date: December 27, 2022




Md. Shirazul Islam Khan FCA
Partner, Shiraz Khan Basak & Co.
Chartered Accountants
DVC: 2212270461AS573121


Tanvir Ahamad Mishuk
Managing Director
Nagad Ltd.


Mohammad Aminul Haque
Chief Financial Officer
Nagad Ltd.


Salman Sadiq Khan
Company Secretary
Nagad Ltd.

Tanvir Ahamed Mishuk
Managing Director
Nagad Ltd.

Mohammad Aminul Haque
Chief Financial Officer
Nagad Ltd.

Salman Sadiq Khan
Company Secretary
Nagad Ltd.

NAGAD LTD.

Statement of Changes in Equity
For the year ended June 30, 2022

Particulars	Ordinary Shares Capital	Share Premium-Ordinary Shares Capital	Preference Shares	Share Premium-Preference Shares	Share Money Deposit	Retained Earnings	Total Equity
Balance as at June 30, 2021	35,254,710	47,708,440	8,784,820	623,987,263	3,084,250	(3,636,934,233)	(2,918,114,750)
Share issued during the year	671,695,700	-	24,200	-	(24,200)	-	671,695,700
Share Premium	-	(47,708,440)	-	(620,927,213)	(3,060,050)	-	(671,695,703)
Net Profit/(Loss) during the year	-	-	-	-	-	(2,620,975,645)	(2,620,975,645)
Balance as at June 30, 2022	706,950,410	-	8,809,020	3,060,050	-	(6,257,909,878)	(5,539,090,398)

For the year ended June 30, 2021

Particulars	Ordinary Shares Capital	Share Premium-Ordinary Shares Capital	Preference Shares	Share Premium-Preference Shares	Share Money Deposit	Retained Earnings	Total Equity
Balance as at June 30, 2020	35,254,710	47,708,440	5,711,310	328,290,713	44,535,500	(1,764,309,373)	(1,302,808,700)
Share issued during the year	-	-	3,073,510	295,696,550	(44,535,500)	-	254,234,560
Addition during the year	-	-	-	-	3,084,250	-	3,084,250
Net Profit/(Loss) during the year	-	-	-	-	-	(1,872,624,860)	(1,872,624,860)
Balance as at June 30, 2021	35,254,710	47,708,440	8,784,820	623,987,263	3,084,250	(3,636,934,233)	(2,918,114,750)

Date: December 27, 2022

Managing Director



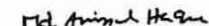
Md. Aminul Haque
Director

NAGAD LTD.

Statement of Cash Flows
For the year ended June 30, 2022

Particulars	Amount in Tk	
	July 01, 2021 to June 30, 2022	July 01, 2020 to June 30, 2021
A. Cash Flows from Operating Activities		
Cash Receipts from Customers and Channel Partners	6,175,018,378	18,596,047,382
Payments to Suppliers, Employees and Others	(8,099,829,303)	(5,439,198,660)
Cash generated from Operating Activities	(1,924,810,925)	13,156,848,722
Interest Received	610,078,206	549,679,473
Interest Paid	(241,088,236)	(384,469,595)
Income Tax paid	(65,195,298)	(41,207,795)
Net Cash Flows from Operating Activities	(1,621,016,253)	13,280,850,806
B. Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment	(407,575,852)	(62,145,242)
Receipts from Sale of Equipment	-	2,296
Net Cash Used in Investing Activities	(407,575,852)	(62,142,946)
C. Cash Flows from Financing Activities		
Receipts from Receivable against Issue of Share Capital	-	1,702,790
Receipts from Issue of Preference Shares	-	254,234,560
Share Money Deposits	-	3,084,250
Net Receipts/Payments against Short Term Loan	2,501,979,080	(1,291,679,080)
Net Receipts/Payments against Overdrafts	(1,531,347,222)	1,531,347,222
Net cash Flow from Financing Activities	970,631,858	498,689,742
D. Net Increase/(Decrease) in Trust Cum Settlement Account & Cash and Cash Equivalents	(1,057,960,247)	13,717,397,602
E. Trust Cum Settlement Account & Cash and Cash Equivalents at beginning of the year	20,452,213,862	6,734,816,260
F. Trust Cum Settlement Account & Cash and Cash Equivalents at end of the year	19,394,253,615	20,452,213,862
Less: Trust Cum Settlement Account	19,343,816,944	19,313,463,755
G. Cash and Cash Equivalents at the end of the year	50,436,671	1,138,750,107


Managing Director


Director

Date: December 27, 2022




Tanvir Ahamad Mishuk
Managing Director
Nagad Ltd.


Mohammad Aminul Haque
Chief Financial Officer
Nagad Ltd.


Salman Sadiq Khan
Company Secretary
Nagad Ltd.

NAGAD LTD.
Notes to the Financial Statements
For the year ended June 30, 2022

1.00 Corporate Information, Objective and Scope of Business**1.01 Corporate Information**

NAGAD LTD. ("Company") was formed as "Third Wave Technologies Limited (TWTL)" by the sponsor of T-Asia Group & Sigma Group and other prominent investors of the country. Later, it was changed from Third Wave Technologies Limited to "NAGAD LTD." on August 06, 2020. NAGAD LTD. is a private company registered on November 08, 2016 (Registered No. C-134027) under the company act 1994 having its registered office at 36, Delta Dahlia Tower, Level 14, Banani, Dhaka-1213. Bangladesh Post Office awarded NAGAD LTD. as a master agent for countrywide expansion, marketing, modification and development of postal cash and card service.

1.02 Objective and Scope of Business

NAGAD LTD. is the most potential corporate in the country's digital business arena. The Company has been awarded by Bangladesh Post Office (BPO) to provide digital financial service, Postal Cash Card and other services to the public at large with new branding. There are very good possibilities that the venture will be providing service for disbursement of different Govt. allowances. There will be opportunities to disburse Govt. Employee salary, some other allowances, stipend and many more through our distribution channel. The Company has a very good prospect of exploring and growing the socio economy through daily financial transaction needs like cash in, cash out, send money (P2P), mobile recharge etc. The Company aims to spearhead the Digital Financial Service revolution in Bangladesh.

2.00 Basis of Preparation of Financial Statements**2.01 Statements of Compliance**

The financial statements have been prepared in accordance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) and as per requirements of the Companies Act 1994, the Securities and Exchange Rules 1987, and other applicable laws and

2.02 Basis of Measurement

The financial statements of this company have been prepared assuming going concern basis based on the accrual basis of accounting following under the historical cost convention.

2.03 Functional and Presentation Currency

The financial statements are prepared in Bangladeshi Taka which is the Functional Currency.

2.04 Date of Authorization

These financial statements have been authorized for issue by the Board of Directors of the Company on December 08, 2022.

3.00 Reporting Period

The period of the financial statements covers from July 01, 2021 to June 30, 2022.

4.00 Significant Accounting Policies

The Company selects and applies its accounting policies consistently for similar transactions, other events and conditions, unless an IFRS specifically requires or permits categorization of items for which different policies may be appropriate. The accounting policies set out below have been applied consistently in all material respects to all period presented in the financial statements.




Tanvir Ahmad Mishuk
Managing Director
Nagad Ltd.


Mohammad Aminul Haque
Chief Financial Officer
Nagad Ltd.


Salman Sadiq Khan
Company Secretary
Nagad Ltd.

i) Changes in Accounting Policies

The Company changes its accounting policy only if the change is required by an IFRS or results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the Company's financial position, financial performance or cash flows. Changes in accounting policies is to be made through retrospective application by adjusting opening balance of each affected components of equity i.e. as if new policy has always been applied.

ii) Changes in Accounting Estimates

Estimates arise because of uncertainties inherent within them, judgment is required but this does not undermine reliability. Effect of changes of accounting estimates is included in profit or loss account.

iii) Correction of Error in Prior Period Financial Statements

The Company corrects material prior period errors retrospectively by restating the comparative amounts for the prior period(s) presented in which the error occurred; or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

4.01 Revenue

Under IFRS 15, revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a good or service to a customer.

Nature of Products and Services

The following is a description of the principal activities from which the Company generates its revenue.

(a) Cash-out and Others: Revenue from cash out and others include service charge earned from cash out/ e-money settlement, Person to Person (P2P) balance transfer via Unstructured Supplementary Service Data (USSD) and bill payment by customer.

The Company charges its customers a fixed rate of cash out/settlement fee at the time the customer redeems cash at agent point by surrendering e-money from his/her wallet. Revenue from cash out/settlement is recognised at the time electronic money is surrendered against cash.

The Company also charges fixed amount. of fees to customer at the time of e-money transfer from one personal wallet to another wallet or payment of utility bills and various fees using Nagad wallet. The Company also earns fixed fee from partner banks for each inward remittance. Revenue from these transactions is recognised at the time customers perform such transactions.

(b) Airtime Commission: The Company receives upfront commission against airtime purchased from Mobile Network Operators (MNOs). Commission on airtime is recognised as revenue when a customer purchases mobile airtime using Nagad wallet. Commission received against unsold airtime balance is recognised as unearned revenue.

4.02 Property, Plant and Equipment (PPE)**Recognition and Measurement**

The cost of an item of property, plant and equipment is recognized as an asset if, and only if it is probable that future economic benefits will flow to the Company and the cost of the item can be measured reliably. An item of property, plant and equipment that qualifies for recognition as an asset is measured at its cost.



Tanvir
Tanvir Ahamad Mishuk
Managing Director
Nagad Ltd.

Mohammad
Mohammad Aminur Raque
Chief Financial Officer
Nagad Ltd.

Salman
Salman Sadiq Khan
Company Secretary
Nagad Ltd.

4.03 Depreciation of Property, Plant and Equipment (PPE)

Depreciation has been charged on assets, the quantum of annual depreciation charge is calculated over their estimated useful life lives using the Straight-line method of depreciation. All the assets acquired or disposed of during the period have been depreciated for the period of its uses. The rate at which the assets are depreciated per annum depended on the nature and estimated useful life of each assets are consistently applied since inception of the company which are given below.

<u>Categories of assets</u>	<u>Rate of Depreciation</u>
Furniture and fixtures	10.00%
Office equipment	10.00%
Office Renovation	10.00%
Network and hardware	10.00%
Computer and accessories	20.00%
Computer and laptop	30.00%
Vehicle	10.00%

Depreciation on additions to property, plant and equipment's is charged from the month following the month of acquisition while no depreciation is charged in the month of retirement/disposal.

4.04 Intangible Assets

Computer software acquired by the company which have finite useful life are measured at cost less accumulated depreciation. Our local made computer software (Nagad platform) are amortized at 10% and Domain charges are amortized at 10% per period on a straight line method over their estimated useful lives.

Amortization on additions to intangible assets is charged from the month following the month of acquisition while no depreciation is charged in the month of retirement/disposal.

4.05 Contract Assets

Contract costs are costs that are incremental to obtaining a contract with a customer or costs that are Contract costs are capitalized as assets and recognized in profit or loss in a way that is consistent with the transfer of the related goods and services. Customer acquisition costs for the Company include commissions and other directly attributable costs related to acquisition of customer.

Management expects that customer acquisition costs are recoverable over average epacts lifetime of the customer i.e. four years.

4.06 Disclosure of "KONA"

"KONA Software Lab Ltd." has started its business in 1998 in Korea by acquiring EMV certification with self-developed Chip Operating System (COS) and launching "KONA" as KONA Money, the world's first open-type mobile payment platform. Globally, KONA serves 500 customers in 90 countries (ranks among top 4 banking card manufacturers). In Bangladesh, KONA serves more than 30 banks and owns 50% card market share.

NAGAD LTD. has introduced "NAGAD" which is a Digital Financial Service platform of Bangladesh Post Office (BPO). NAGAD LTD. has entered into agreement with KONA on 11th April 2018 to receive DFS service which is a tailor-made solution catered to the needs of NAGAD LTD. to implement and serve the unbanked people in its market that has significant amount of cash movement, wide availability of mobile phones and low penetration of smartphones. NAGAD LTD. and KONA together is focused to security along with flexibility and comfort of end-users.



NAGAD LTD. and KONA agreed with following Financial Terms & Condition

NAGAD LTD. shall pay KONA a total of 360,000,000 BDT (BDT Thirty-Six crore or BDT 360 Million) only.

NAGAD LTD. shall pay 10,000,000 BDT (BDT One Crore, or BDT 10 Million Only) per year as yearly fixed price on equal monthly basis for 10 years.

NAGAD LTD. shall also pay to KONA 3% (Three percent) of its gross transaction revenue (which will be at least 10%) until the Total Amount is fully paid. But the sum of Yearly Fixed Price and Receivables of KONA paid shall not exceed the Total Amount.

If NAGAD LTD. requires additional features during the duration of this Agreement, KONA shall provide such additional Products and services on mutually agreed terms and price between the Parties.

4.07 Going Concern

The company has adequate resources to continue in operation for the foreseeable future. For this reasons the directors continue to adopt going concern basis in preparing the Financial Statements. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of existing business.

4.08 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The company is recognizing financial instrument in its financial statement when it becomes a party under the instrument.

4.09(i) Financial Asset

Financial asset of the company include cash and cash equivalents and other receivable. The company initially recognizes receivable on the date they are organized. All others financial assets are recognized initially on the date at which the company becomes a party to the contractual provisions of the transaction. The company derecognizes a financial asset when and only when the contractual rights or probabilities of receiving the cash flows from the expire or it transfer the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

4.09(ii) Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, cash at banks, which are held and available for use by the unit without any restriction and having maturity dates of three months or less from the respective date of deposit. There is insignificant risk of change in value of same.

4.09(iii) Financial Liability

Financial liability are recognized initially on transaction date at which the company becomes a party to the contractual provision of the liability. The company derecognizes a financial liability when its contractual obligation are discharged or cancelled or expire. Financial liability include payable for expenses, liability for capital expenditure and other current liability.

4.10 Liabilities for Expenses

While the provision for certain standing charges and know liabilities is made at the Statement of Financial Position date based on estimate, the difference arising there from on receipts of bills/demands and/or actual payments is adjusted in the subsequent period when such liabilities are settled.




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Nagad Ltd.

4.11 Components of the Financial Statements

According to the IAS – 1 “Presentation of Financial Statements” the complete set of the Financial Statements includes the following components

- i) The Statement of Financial Position as on June 30, 2022;
- ii) The Statement of Profit or Loss & Other Comprehensive Income for the year ended June 30, 2022;
- iii) The Statement of Cash Flows for the year ended June 30, 2022;
- iv) Statement of Changes in Equity for the year ended June 30, 2022; and
- v) Accounting Policies and explanatory notes the Financial Statements as at and for the year ended on June 30, 2022.

4.12 Provisions

A provision is recognized on the financial position date if, as a result of past events, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

4.13 Income Tax Expenses

The tax expense for the period comprises current tax and deferred tax. Tax is recognised in the income statement, except in the case it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity.

i) Current Tax

The current income tax charge is calculated based on tax laws enacted or substantively enacted at the Financial Position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii) Deferred tax

Deferred tax is recognized on difference between the carrying amount of assets and a liability in the financial statements and the corresponding tax base used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liability are generally recognized for all taxable temporary difference and deferred tax assets are recognized to the extent that it is probable that the profit will be available against which deductible temporary difference, Unused tax losses or unused tax credits can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from Goodwill or from the initial recognized (other than in business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor accounting profit. Considering the practices generally followed in Bangladesh the company deferred tax assets or deferred tax liabilities are recognized in accordance with ISA-12 “Income Taxes”.

4.14 Related Party Disclosures

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decision.

4.15 Events after the Reporting Period

Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statement are authorized for issue.

The company adjust the amount recognized in its financial statement to reflect adjusting events after the reporting period and don't adjust the amounts recognized in its financial statements to reflect non-adjusting events after the reporting period.



4.16 Employee Benefits

As per company ISA-19 "Employee Benefits" The company provide short term employee benefits and post employment or long term benefit to employees as follows :

Short Term Employees' Benefits

- i. Wages, salaries and social security contributions
- ii. Paid annual leave and sick leave

4.17 Statement of Cash Flow

Statement of cash flows has been prepared in accordance with the International Accounting Standard IAS-7, 'Statement of Cash Flows' under direct method.

5.00 Other Disclosures**a) General**

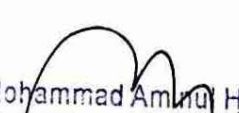
- i) Previous year of the financial statements covers from July 01, 2020 to June, 2021 and these financial statements have been prepared for the year ended June 30, 2022
- ii) The expenses, irrespective of capital or revenue nature, accrued/due but not paid have been provided for in the financial statements of the company.
- iii) Figures of previous year have been re-arranged whenever necessary to conform to current year's presentation.

b) Number of Employees Engaged

The number of employees engaged for the whole period or part thereof who received a total remuneration of Tk. 36,000 and above were 638.




Tanvir Ahamad Mishuk
Managing Director
Nagad Ltd.


Mohammad Amrullah Haque
Chief Financial Officer
Nagad Ltd.


Salman Sadiq Khan
Company Secretary
Nagad Ltd.

Notes	Particulars	Amount in Tk	
		June 30, 2022	June 30, 2021
6.00	Property, Plant and Equipment		
	Cost		
	Opening Balance	190,582,330	129,995,062
	Addition during the year	407,575,852	60,590,168
		598,158,182	190,585,230
	Adjustment during the year	-	2,900
	Total Cost	598,158,182	190,582,330
	Accumulated Depreciation		
	Opening Balance	43,404,931	21,907,385
	Depreciation charged during the year	36,308,761	21,498,150
		79,713,692	43,405,535
	Adjustment during the year	-	604
	Total Depreciation	79,713,692	43,404,931
	Carrying Amount	518,444,490	147,177,399

Details of Tangible Assets and Depreciation as at 30 June are shown in the Annexure-A

7.00	Intangible Assets		
	Cost		
	Opening Balance	384,837,978	383,282,904
	Addition during the year	-	1,555,074
	Total Cost	384,837,978	384,837,978
	Accumulated Amortization		
	Opening Balance	114,900,386	76,534,919
	Amortization charged during the year	38,483,800	38,365,467
	Closing Balance	153,384,186	114,900,386
	Carrying Amount	231,453,792	269,937,592

Details of Intangible Assets and Amortization as at 30 June are shown in the Annexure-B

8.00	Deferred Tax Assets/(Liabilities)		
	Balance as at July 01	1,477,425,753	809,649,160
	Deferred Tax Income/(Expense) for the year	1,151,799,227	667,776,593
	Closing Balance	2,629,224,980	1,477,425,753

As at June 30, 2022	Carrying Amount	Tax Base	Taxable/(Deductible) Temporary differences
Property, Plant and Equipment	518,444,490	424,671,479	93,773,011
Intangible Assets	231,453,792	24,840,002	206,613,791
Contract Assets	827,125,728	-	827,125,728
Unabsorbed Tax Loss	-	9,357,914,719	(9,357,914,719)
Unabsorbed Depreciation Allowance	-	533,681,077	(533,681,077)
Taxable/(Deductible) Temporary differences	1,577,024,010	10,341,107,276	(8,764,083,265)
Applicable Tax Rate			30.00%
Deferred Tax Liabilities/(Assets) as at June 30, 2022			(2,629,224,980)
Less: Opening Deferred Tax Liabilities/(Assets) as at June 30, 2021			(1,477,425,753)
Deferred Tax Expense/(Income) the year ended June 30, 2022			(1,151,799,227)
Deferred Tax Expense/(Income) related to the Origination and Reversal of Temporary differences			(1,151,799,227)
Adjustment to Opening Deferred Tax Asset resulting from changes in Tax Rate			(1,151,799,227)

As at June 30, 2021	Carrying Amount	Tax Base	Taxable/(Deductible) Temporary differences
Property, Plant and Equipment	147,177,399	118,250,519	28,926,880
Intangible Assets	269,937,592	49,277,951	220,659,641
Contract Assets	1,191,444,703	-	1,191,444,703
Unabsorbed Tax Loss	-	5,957,695,499	(5,957,695,499)
Unabsorbed Depreciation Allowance	-	408,088,235	(408,088,235)
Taxable/(Deductible) Temporary differences	1,608,559,695	6,533,312,204	(4,924,752,510)
Applicable Tax Rate			30.00%
Deferred Tax Assets as at June 30, 2021			(1,477,425,753)



Tanvir
Tanvir Ahamad Mishuk
 Managing Director
 Nagad Ltd.

Mohammad Aminul Haque
Mohammad Aminul Haque
 Chief Financial Officer
 Nagad Ltd.

Salman Sadiq Khan
Salman Sadiq Khan
 Company Secretary
 Nagad Ltd.

Notes	Particulars	Amount in Tk	
		June 30, 2022	June 30, 2021
9.00	Advance, Deposits and Prepayments		
	Advances		
	Advance Income Tax	9.01 85,383,484	41,090,473
	VAT Rebate Account	7,119,072	9,602,740
	Advance Office Rent	2,208,326	1,640,000
	Advance to Miller Merchant	101,101,362	-
	Advance to Suppliers	66,581,082	65,632,885
	Salary Advances	-	600,000
	Other Advances	15,368,011	78,786,886
		<u>277,761,338</u>	<u>197,352,983</u>
	Deposit		
	Security Deposit	6,459,080	4,818,080
		<u>6,459,080</u>	<u>4,818,080</u>
	Prepayments		
	Prepaid Commission for Uddokta and Distributor	82,889,416	51,861,020
	Prepaid Insurance Expenses	162,582	-
		<u>83,051,998</u>	<u>51,861,020</u>
		<u>367,272,416</u>	<u>254,032,083</u>
9.01	Advance Income Tax		
	Opening Balance	41,090,473	8,076,612
	Add: Tax paid during the Year	9.01.01 65,195,298	41,207,795
	Less: Adjustment during the Year against Assessment	(20,902,286)	(8,193,934)
		<u>85,383,484</u>	<u>41,090,473</u>
9.01.01	Advance Income Tax Addition		
	Advance Corporate Tax	-	117,322
	Advance Income Tax on Airtime Purchase	14,833,582	6,336,285
	Tax on Robi Settlement Charge	1,158,694	2,947,875
	Advance Income Tax on Interest	49,203,022	31,806,312
		<u>65,195,298</u>	<u>41,207,795</u>
10.00	Contract Assets		
	Cost		
	Opening Balance	1,755,267,638	1,457,986,555
	Addition during the Year	85,798,239	297,281,083
	Total cost	<u>1,841,065,877</u>	<u>1,755,267,638</u>
	Accumulated amortization		
	Opening balance	563,822,935	155,968,363
	Amortization during the Year	450,117,215	407,854,572
	Closing balance	<u>1,013,940,149</u>	<u>563,822,935</u>
	Carrying amount	<u>827,125,728</u>	<u>1,191,444,703</u>
	The contract assets represent unamortized customer acquisition costs in the form of commission and other directly attributable costs e.g. National ID verification, Know Your Customer (KYC) data entry and Facial Recognition etc.		
11.00	Airtime & SMS balance		
	Airtime - Robi	58,500,796	60,217,824
	Airtime - Teletalk	16,810,956	12,440,399
	Airtime - GP	93,602,214	80,509,908
	Airtime - BL	30,798,705	30,659,528
	SMS	1,654,049	-
		<u>201,366,720</u>	<u>183,827,659</u>

This airtime balance represent airtime balance with mobile network operators for Customers.



Tanvir
Tanvir Ahmad Mishuk
 Managing Director
 Nagad Ltd.

Mohammad
Mohammad Aminul Haque
 Chief Financial Officer
 Nagad Ltd.

Salman
Salman Sadiq Khan
 Company Secretary
 Nagad Ltd.

Notes	Particulars	Amount in Tk	
		June 30, 2022	June 30, 2021
12.00	Receivable		
	Interest (FDR) Receivable	-	132,973,552
	Interest (Float) Receivable	43,788,685	7,312,693
	Interest (Operational) Receivable	2,178,574	-
	Receivable against disbursement	352,573,730	415,537,846
	Receivable from Bank	50,661,434	12,794,633
	Receivable from Card	85,534,511	57,805,942
	Other Receivables	28,178,923	2,412,613
		<u>562,915,858</u>	<u>628,837,279</u>
13.00	Trust Cum Settlement Account		
	Cash at Bank	16,168,816,944	14,208,463,755
	Fixed Deposits	3,175,000,000	5,105,000,000
		<u>19,343,816,944</u>	<u>19,313,463,755</u>

Trust cum settlement account includes balance with customer deposits, channel partner deposits and merchants etc. which is kept with different banks in the form of cash and fixed deposit receipts (FDR). At any point of time, the physical cash balance of NAGAD LTD. accounts held in different banks must not be less to the balance in the system of NAGAD digital wallet platform.

EXIM Bank has encashed the whole amount against the Short Term Loan on 28 March, 2022. The management of Nagad Ltd. has filed a Writ Petition to the Honorable High Court (Writ Petition # 4940 of 2022), which is still under process as on financial position date. Thus the management has shown the amount of FDR in the financial statements.

14.00 Cash and Cash Equivalents

Cash in Hand	310,000	115,069
Cash at Bank	50,126,671	1,004,805,462
Deposits in Transit	-	88,643,615
Fixed Deposits	-	45,185,961
	<u>50,436,671</u>	<u>1,138,750,107</u>

15.00 Ordinary Share

Authorized Capital:

90,000,000 Ordinary Shares of Tk. 10 each

90,000,000 100,000,000

Issued, Subscribed and Paid up:

70,695,041 Share of Tk. 10 each as noted below

706,950,410 35,254,710

	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Name of the Shareholders	No. of Shares		Face value (Taka)	
Salwar Ltd.	19,965,716	1,228,500	199,657,160	12,285,000
Finclusion Ventures Pte. Ltd.	15,603,520	960,092	156,035,200	9,600,920
TASIA Holdings Ltd.	4,080,397	1	40,803,970	10
Choudhury Frontier Management LLC	16	1	160	10
Fintech Holdings Ltd.	5,443,140	334,919	54,431,400	3,349,190
Blue Water Holdings Ltd.	9,995,047	615,000	99,950,470	6,150,000
Telekom Asia Holdings Limited	-	386,958	-	3,869,580
Finclusion Ventures Holdings Pte. Ltd.	6,288,883	-	62,888,830	-
Sigma Engineers Ltd.	5,750,930	-	57,509,300	-
Mieres Holdings Limited	3,034,316	-	30,343,160	-
Century Online Limited	201,816	-	2,018,160	-
Choudhury Frontier Holdings LLC	174,133	-	1,741,330	-
Choudhury Bengal Fintech LLC	157,127	-	1,571,270	-
Total	70,695,041	3,525,471	706,950,410	35,254,710

16.00 Share Premium-Ordinary Share

47,708,440

During the year 2021-2022, the Company issued 4,770,844 Ordinary Share at face value against Share Premium of BDT 47,708,440 as per Section 57 of Company Act 1994.



Tanvir
Tanvir Ahamad Mishuk
 Managing Director
 Nagad Ltd.

Mohammad Aminul Haque
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 Chief Financial Officer
 Nagad Ltd.

Salman Sadiq Khan
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 Company Secretary
 Nagad Ltd.

Notes	Particulars	Amount in Tk	
		June 30, 2022	June 30, 2021
17.00	Preference Shares		
	Authorized Capital:		
	10,000,000 Preference Shares of Tk. 10 each	100,000,000	900,000,000
	Issued, Subscribed and Paid up:		
	880,902 Share of Tk 10 each as noted below	8,809,020	8,784,820
		June 30, 2022	June 30, 2021
		June 30, 2022	June 30, 2021
	Name of the Shareholders	No. of Shares	Value of Preference Share
	Sigma Engineers Ltd.	377,058	3,770,580
	TASIA Holdings Ltd.	267,529	2,675,290
	Micres Holdings Limited	198,944	1,989,440
	Century Online Limited	13,232	132,320
	Choudhury Frontier Holdings LLC	11,417	114,170
	Choudhury Bengal Fintech LLC	12,722	127,220
	Total	880,902	8,784,820
18.00	Share Premium-Preference Shares	3,060,050	623,987,263
	During the year 2021-2022,		
	i. The Company issued 2,420 convertible preference shares for BDT 3,084,250.		
	ii. During the year 2021-2022, the Company issued 62,398,726 Ordinary Share at face value against Share Premium of BDT 623,987,260 as per Section 57 of Company Act 1994.		
	iii. Cost related to issuance of preference shares was adjusted against share premium as per IAS 32 Financial Instruments: Presentation.		
19.00	Share Money Deposit	-	3,084,250
20.00	Retained Earnings		
	Opening Balance	(3,636,934,233)	(1,764,309,373)
	Add: Profit/(Loss) for the Year	(2,620,975,645)	(1,872,624,860)
		(6,257,909,878)	(3,636,934,233)
21.00	Short Term Loan	6,176,000,000	3,674,020,920
	EXIM Bank has adjusted Short Term Loan of BDT 3,176,000,000 of the above amount on 28 March, 2022 encashing FDR made with Exim Bank. The management of Nagad Ltd. has filed a Writ Petition to the Honorable High Court (Writ Petition # 4940 of 2022), which is still under process as on financial position date. Thus the management has shown the amount of Short Term Loan in the financial statements.		
22.00	Overdraft	-	1,531,347,222
23.00	Liability for Digital Money		
	Customer	13,920,354,409	12,102,674,706
	Channel and Others	4,584,165,667	5,117,951,217
		18,504,520,076	17,220,625,923
24.00	Distributor Deposit		
	Distributor Security Deposit	47,300,000	29,800,000
		47,300,000	29,800,000
25.00	Trade and Other Payables		
	Trade and Other Payables	4,801,133,670	4,675,180,274
		4,801,133,670	4,675,180,274
26.00	Accrued Expenses		
	Accrued Expenses	711,014,288	371,137,171
		711,014,288	371,137,171
27.00	Current Tax Liabilities		
	Opening Balance	20,899,570	8,194,018
	Add: Current Year Tax	31,179,963	20,899,570
	Less: Adjustment during the Year against Assessment	(20,899,570)	(8,194,018)
	Closing Balance	31,179,963	20,899,570



Tanvir
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 Managing Director
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Mohammad
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 Chief Financial Officer
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Salman
Salman Sadiq Khan
 Company Secretary
 Nagad Ltd.

Notes	Particulars	Amount in Tk	
		July 01, 2021 to June 30, 2022	July 01, 2020 to June 30, 2021
28.00	Net Revenue		
	Net Service Fees	4,416,337,924	2,899,401,193
	Airtime Revenue	145,083,243	55,145,117
	Income from Third Party Operation	7,745,827	16,439
	Interest Income from FDR	156,210,979	362,608,197
	Interest Income from Float	446,423,956	157,476,131
		<u>5,171,801,929</u>	<u>3,474,647,077</u>
29.00	Cost of Service		
	BPO Commission	45,046,647	33,194,878
	Distributor Commission	399,849,774	259,328,016
	MNO Service Charge	117,548,664	80,663,529
	Uddokta Commission	3,479,287,997	2,064,343,700
	Add Money and Bank Transfer	114,006,501	80,513,679
		<u>4,155,739,582</u>	<u>2,518,043,801</u>
30.00	Operating and Administrative Expenses		
	Personnel Expenses	1,526,700,403	1,121,878,518
	Technological Expenses	102,003,491	46,183,294
	Legal & Professional Fees	5,580,205	5,217,725
	Customer Acquisition	450,117,215	407,854,572
	Corporate Relationship Cost	35,202	549,465
	Administrative Expenses	844,088,672	320,400,108
		<u>2,928,525,188</u>	<u>1,902,083,681</u>
31.00	Marketing and Promotional Expenses	<u>1,570,768,490</u>	<u>1,245,241,755</u>
32.00	Non-Operating Income		
	Interest Income from Book Bank	22,724,054	7,424,000
	Interest from General Fixed Deposit	1,706,101	810,648
	Nagad Sheba	405,203	371,926
	Other Income	23,175	8,012
		<u>24,858,533</u>	<u>8,614,586</u>
33.00	Financial Expenses		
	Bank Service and Other Charges	5,743,647	1,913,718
	Interest Expenses	277,478,463	335,480,675
		<u>283,222,111</u>	<u>337,394,393</u>
34.00	Income Tax Expenses		
	Current Tax for the Year	34.01 31,179,963	20,899,486
	Deferred Tax Expenses/(Income)	34.02 (1,151,799,227)	(667,776,593)
		<u>(1,120,619,264)</u>	<u>(646,877,107)</u>
34.01	Current Tax Expense		
	Current Tax Charge for the Year ended	31,179,963	20,899,570
	Adjustment in Respect of Current Income Tax of prior Years	-	(84)
		<u>31,179,963</u>	<u>20,899,486</u>
34.02	Deferred Tax Expenses/(Income)		
	Origination and Reversal of Temporary differences	8.00 (1,151,799,227)	(688,017,822)
	Adjustment for Changes in Tax Rate	-	20,241,229
	Deferred Tax Income Recognized in Profit or Loss	<u>(1,151,799,227)</u>	<u>(667,776,593)</u>



Tanvir
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Mohammad Aminul Haque
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 Chief Financial Officer
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Salman Sadiq Khan
Salman Sadiq Khan
 Company Secretary
 Nagad Ltd.

Tanvir Ahamed Mishuk
Managing Director
Nagad Ltd.

Mohammad Aminul Haque
Chief Financial Officer
Nagad Ltd.

Salman Sadique Khan
Company Secretary
Nagad Ltd.

NAGAD LTD.
Schedule of Tangible Assets
As at June 30, 2022

Annexure-A

Particulars	Cost				Rate	Depreciation				Carrying Amounts as at 30.06.2022
	Balance as at July 01 2021	Addition during the year	Adjustment/ Disposal	Balance as at 30.06.2022		Balance as at July 01 2021	Addition during the year	Adjustment/ Disposal	Balance as on 30.06.2022	
Furniture and Fixtures	15,839,251	10,306,224	-	26,145,475	10%	1,084,982	1,851,146	-	2,936,128	23,209,348
Office Equipment	10,391,371	11,211,851	-	21,603,222	10%	1,108,270	1,419,954	-	2,528,225	19,074,997
Office Renovation	-	39,069,127	-	39,069,127	10%	-	1,014,654	-	1,014,654	38,054,473
Network and Hardware	110,541,745	327,258,211	-	437,799,956	10%	23,577,682	16,524,482	-	40,102,163	397,697,793
Computer and Accessories	859,549	1,840,383	-	2,699,932	20%	352,668	368,236	-	720,905	1,979,027
Computer and Laptop	46,087,256	17,890,055	-	63,977,311	30%	17,263,829	14,443,972	-	31,707,801	32,269,511
Vehicle	6,863,158	-	-	6,863,158	10%	17,500	686,316	-	703,816	6,159,342
As at June 30, 2022	190,582,330	407,575,852	-	598,158,182		43,404,931	36,308,761	-	79,713,692	518,440,490
As at June 30, 2021	129,995,062	60,590,168	2,900	190,582,330		21,907,385	21,498,150	604	43,404,931	147,177,399

Schedule of Intangible Assets
As at June 30, 2022

Annexure-B

Particulars	Cost				Rate	Amortization				Carrying Amounts as at 30.06.2022
	Balance as at July 01 2021	Addition during the year	Adjustment/ Disposal	Balance as at 30.06.2022		Balance as at July 01 2021	Addition during the year	Adjustment/ Disposal	Balance as at 30.06.2022	
Nagad domain	1,308,764	-	-	1,308,764	10%	378,387	130,877	-	509,265	799,499
DFS platform hardware	360,000,000	-	-	360,000,000	10%	108,000,000	36,000,000	-	144,000,000	216,000,000
ORACLE database	21,305,667	-	-	21,305,667	10%	6,391,700	2,130,568	-	8,522,267	12,783,400
Software	2,223,548	-	-	2,223,548	10%	130,300	222,355	-	352,654	1,870,894
As at June 30, 2022	384,837,979	-	-	384,837,979		114,900,387	38,483,800	-	153,384,186	231,453,792
As at June 30, 2021	383,282,904	1,555,074	-	384,837,979		76,534,920	38,365,467	-	114,900,386.33	269,937,592



11 Comparative Financial Statements of Nagad Ltd. for the last 05 (Five) Years

11.1 Balance Sheet of Nagad Ltd. in BDT Crore (Last 05 years)

Table 10: Balance Sheet of Nagad Ltd. in BDT Crore (Last 05 years)

Balance Sheet	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Average
Assets						
Property, Plant and Equipment	0.35	7.40	10.81	14.72	51.85	17.03
Intangible Assets	0.03	34.44	30.67	26.99	23.15	23.05
Work-in-progress	38.31	0.00	0.00	0.00	0.00	7.66
Deferred Tax Assets	1.56	24.54	80.96	147.74	262.92	103.55
Non-Current Assets	40.25	66.37	122.45	189.45	337.91	151.29
Advance, Deposit and Prepayments	0.64	2.05	5.20	25.40	36.73	14.00
Contract Assets	-	-	130.20	119.15	82.71	66.41
Airtime Balance	-	0.66	2.58	18.38	20.14	8.35
Receivables	-	0.61	16.33	62.88	56.29	27.22
Restricted Cash and Cash Equivalents/ Trust Cum Settlement	-	51.40	670.00	1,931.35	1,934.38	917.43
Cash and Cash Equivalents	0.20	5.78	3.48	113.88	5.04	25.68
Current Assets	0.83	60.49	827.81	2,271.04	2,135.29	1,059.09
Total Assets	41.09	126.87	950.25	2,460.49	2,473.20	1,210.38
Equity & Liabilities Equity						
Ordinary Shares	0.09	3.00	3.53	3.53	70.70	16.17
Preference Shares	-	-	0.57	0.88	0.88	0.47
Share Premium-Ordinary Shares	-	-	4.77	4.77	0.00	1.91

Tanvir Ahamed Mishuk
Managing Director
Nagad Ltd.

Mohammed Aminul Haque
Chief Financial Officer
Nagad Ltd.

Sakman Sadiq Khan
Company Secretary
Nagad Ltd.

Share Premium-Preference Shares	-	-	32.83	62.40	0.31	19.11
Share Money Deposit	-	5.01	4.45	0.31	-	1.95
Retained Earnings	(2.95)	(46.67)	(176.43)	(363.69)	(625.79)	(243.11)
Total Equity	(2.86)	(38.66)	(130.28)	(291.81)	(553.91)	(203.50)
Liabilities						
Loans from Director's	5.07	32.40	-	-	-	7.50
Short Term Loan	-	25.90	496.57	520.54	617.60	332.12
Liability for Digital Money	-	45.00	474.79	1,722.06	1,850.45	818.46
Distributor Deposit	-	1.68	1.85	2.98	4.73	2.25
Trade and Other Payables	38.54	46.55	86.60	467.52	480.11	223.86
Accrued Expenses	0.33	13.93	19.91	37.11	71.10	28.48
Current Tax Liabilities	-	0.07	0.82	2.09	3.12	1.22
Total Current Liabilities	43.94	165.53	1,080.53	2,752.30	3,027.12	1,413.89
Total Equity and Liabilities	41.09	126.87	950.25	2,460.49	2,473.21	1,210.38

Tanvir Ahamad Mishuk
Managing Director
Nagad Ltd.

Mohammad Ariful Haque
Chief Financial Officer
Nagad Ltd.

Salman Sadiq Khan
Company Secretary
Nagad Ltd.

11.2 Income Statement of Nagad Ltd. in BDT Crore (Last 05 years)

Table 11: Income Statement of Nagad Ltd. in BDT Crore (Last 05 years)

Income Statement	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Average
Net Revenue	-	7.89	118.95	347.46	517.18	198.30
Cost of Services	-	(6.93)	(103.55)	(251.80)	(415.57)	(155.57)
Gross Profit/(Loss)	-	0.96	15.40	95.66	101.61	42.73
Operating and Administrative Expenses	(4.39)	(47.50)	(162.84)	(190.21)	(292.85)	(139.56)
Marketing and Promotional Expenses	(0.11)	(20.56)	(40.54)	(124.52)	(157.08)	(68.56)
Operating Profit/(Loss)	(4.50)	(67.10)	(187.98)	(219.07)	(348.32)	(165.40)
Non-Operating Income	-	0.93	17.51	0.86	2.49	4.36
Profit/(Loss) before Financial Expenses	(4.50)	(66.17)	(170.47)	(218.21)	(345.84)	(161.04)
Financial Expenses	-	(0.46)	(14.90)	(33.74)	(28.32)	(15.48)
Profit/(Loss) before Tax	(4.50)	(66.62)	(185.38)	(251.95)	(374.16)	(176.52)
Income Tax (Expenses)/Income	1.56	22.91	55.61	64.69	112.06	51.37
Current Tax	-	(0.07)	(0.81)	(2.09)	(3.12)	(1.22)
Deferred Tax	1.56	22.98	56.43	66.78	115.18	52.58
Profit for the Year	(2.94)	(43.72)	(129.76)	(187.26)	(262.10)	(125.16)
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income	(2.94)	(43.72)	(129.76)	(187.26)	(262.10)	(125.16)

Tanvir Ahamed Mishuk
Managing Director
Nagad Ltd.

Mohammad Aminul Haque
Chief Financial Officer
Nagad Ltd.

Salman Sadiq Khan
Company Secretary
Nagad Ltd.

11.3 Cash Flow Statement of Nagda Ltd. in BDT Crore (Last 05 years)

Table 12: Cash Flow Statement of Nagda Ltd. in BDT Crore (Last 05 years)

Statement of Cash Flow	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Average
Cash flow from Operating Activities						
Profit before Taxation	(4.50)	(66.62)	(185.38)	(251.95)	(374.16)	(176.52)
Adjustments for:						
Depreciation & Amortization	0.02	13.72	20.72	46.77	52.49	26.74
Working Capital Changes:						
(Increase)/Decrease in Advance, Deposit and Prepayments	(0.64)	(1.41)	(3.15)	(20.20)	(11.32)	(7.35)
(Increase)/Decrease in Contract Assets	0.00	(9.01)	(145.80)	(29.73)	(8.58)	(38.62)
(Increase)/Decrease in Airtime Balance	0.00	(0.66)	(1.92)	(15.80)	(1.75)	(4.03)
(Increase)/Decrease in Receivables	0.00	(0.61)	(15.73)	(46.55)	6.59	(11.26)
Increase/(Decrease) in Liability for digital money	0.00	45.00	429.79	1,247.27	128.39	370.09
Increase/(Decrease) in Distributor Deposit	0.00	1.68	0.17	1.13	1.75	0.95
Increase/(Decrease) in Trade and other payables	38.53	8.01	40.05	380.92	12.60	96.02
Increase/(Decrease) in Accrued Expenses	0.32	13.60	5.97	17.21	33.99	14.22
Increase/(Decrease) in Current Tax Liabilities	0.00	0.07	0.75	1.27	1.03	0.62
Income Tax for the Year	0.00	(0.07)	(0.81)	(2.09)	(3.12)	(1.22)
Net Cash from Operating Activities	33.74	3.69	144.66	1,328.26	(162.10)	269.65
Cash flow from Investing Activities						
Purchase of Property, Plant and Equipment	(0.37)	(7.93)	(4.70)	(6.06)	(40.76)	(11.96)
Purchase of Intangible Assets	(0.03)	(38.23)	(0.07)	(0.16)	0.00	(7.70)
Work-in-progress	(38.31)	38.31	0.00	0.00	0.00	0.00
Net Cash used in Investing Activities	(38.72)	(7.85)	(4.77)	(6.21)	(40.76)	(19.66)
Cash Flows from Financing Activities						

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Salman Sadiq Khan
Company Secretary
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Proceeds from issue of Ordinary shares	0.09	2.91	0.53	0.00	67.17	14.14
Preference Shares	0.00	0.00	0.57	0.31	0.00	0.18
Share Premium - Ordinary Shares	0.00	0.00	4.77	0.00	(4.77)	0.00
Share Premium - Preference Shares	0.00	0.00	32.83	29.57	(62.09)	0.06
Increase/(Decrease) in Share Money Deposit	0.00	5.01	(0.56)	(4.15)	(0.31)	0.00
Increase/(Decrease) in Loan from Directors	5.07	27.33	(32.40)	0.00	0.00	0.00
Increase/(Decrease) in Short term loan	0.00	25.90	470.67	23.97	97.06	123.52
Net Cash used in Financing Activities	5.17	61.14	476.41	49.70	97.06	137.90
Net increase in Restricted Cash and Cash Equivalents / Trust Cum Settlement Account and Cash and Cash Equivalents	0.20	56.98	616.30	1,371.74	(105.80)	387.89
Restricted Cash and Cash equivalents/ Trust Cum Settlement Account and Cash and Cash Equivalents at the beginning of the year	0.00	0.20	57.18	673.48	2,045.22	555.22
Restricted Cash and Cash equivalents/ Trust Cum Settlement Account and Cash and Cash Equivalents of the year	0.20	57.18	673.48	2,045.22	1,939.43	943.10
Trust Cum Settlement Account	-	-	(665.46)	(1,931.35)	(1,934.38)	(1,510.40)
Cash and Cash Equivalents at the End of the year	0.20	57.18	8.02	113.88	5.04	36.86

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Nagad Ltd.

12 Financial Ratios of the last 05 (Five) Years

Table 13: Financial Ratios of the last 05 (Five) Years

Ratio	Equation	Year ended June 30				
		2018	2019	2020	2021	2022
Current ratio	= $\frac{\text{Total current assets}}{\text{Total current liabilities}}$	0.02	0.37	0.77	0.83	0.71
Quick ratio	= $\frac{\text{Current assets- Inventory}}{\text{Current liabilities}}$	0.02	0.37	0.77	0.83	0.71
Accounts receivable turnover ratio (Times)	= $\frac{\text{Net Sales}}{\text{Average receivable}}$	-	26.08	14.04	8.77	8.68
Assets turnover ratio	= $\frac{\text{Net Sales}}{\text{Average total assets}}$	0.00	0.09	0.22	0.20	0.21
Inventory turnover ratio	= $\frac{\text{Cost of goods sold}}{\text{Average inventory}}$	N/A	N/A	N/A	N/A	N/A
Break-even Point (Including Financial costs)	= $\frac{\text{Net Fixed Cost}}{\text{Selling Price - Variable Cost}}$	N/A	N/A	N/A	N/A	N/A
Gross margin ratio (%)	= $\frac{\text{Gross profit}}{\text{Net Sales}}$	-	12%	13%	28%	20%
Operating income ratio (%)	= $\frac{\text{Operating profit}}{\text{Net Sales}}$	-	-850%	-158%	-63%	-67%
Net income ratio after tax (%)	= $\frac{\text{Net profit after tax}}{\text{Net Sales}}$	-	-554%	-109%	-54%	-51%
Return on assets ratio (%)	= $\frac{\text{Net profit (after tax)}}{\text{Average total assets}}$	-14%	-78%	-46%	-26%	-26%

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Return on equity (after tax) (%)	=	Net profit (after tax) shareholder equity	N/A	N/A	N/A	N/A	N/A
Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA) Margin (%)	=	EBITDA Net Sales	-	-676%	-141%	-50%	-57%
Earnings per share (EPS)- Basic	=	Profit after Tax Number of Shares	(309.79)	(145.72)	(368.07)	(531.17)	(37.07)
Earnings per share (EPS)- fully Diluted	=	Profit after Tax Number of Shares	(309.79)	(145.72)	(368.07)	(531.17)	(37.07)
Net Asset Value (NAV) per share	=	Total Assets - Total Liabilities Number of Shares	(300.95)	(128.87)	(369.54)	(827.72)	(78.35)
Debt to Total Asset Ratio	=	Total Debt Total Asset	0.12	0.46	0.52	0.21	0.25
Times interest earned	=	Profit before interest Interest expenses	N/A	(144.58)	(11.44)	(6.47)	(12.21)
Debt-equity ratio (Prior to Issuing Bonds)	=	Non-current liability Shareholder equity	-	-	-	-	-
Debt-equity ratio (after issue of Bonds)	=	Non-current liability Shareholder equity	-	-	-	-	-
Debt Service Coverage Ratio	=	EBITDA Debt Service Cost	N/A	(115.61)	(11.05)	(6.08)	(11.36)

Tanvir Ahamed Mishuk
Managing Director
Nagad Ltd

Mohammad Aminul Haque
Chief Financial Officer
Nagad Ltd.

Salman Sadiq Khan
Company Secretary
Nagad Ltd.

13 Rating summary with rating rationale of the issue and the issuer or originator

Credit Rating Information and Services Limited (CRISL), the Premier Rating Agency of Bangladesh, has been operating since 1995. It is a closely held public limited company operating under the license from the Bangladesh Securities and Exchange Commission as a rating agency with the equity participation and technical assistance of Rating Agency Malaysia Berhad, VIS Credit Rating Company Ltd. of Pakistan, Faysal Bank Limited of Pakistan, Investment Corporation of Bangladesh and host of celebrated professionals of the country.

CRISL was granted license by the Securities & Exchange Commission (SEC) of Bangladesh for operating as a credit rating company in April 2002. The Company was incorporated as a public limited company under the Registrar of Joint Stock Companies in July 1995 and it received certificate for commencement of business also in July 1995. CRISL has been accredited as an External Credit Assessment Institution (ECAI) by Bangladesh Bank in 2009, which status gives it the eligibility to provide rating of bank credit exposures for risk weighted capital adequacy calculation.

CRISL has established itself as the most prestigious rating agency of the country having the largest database of corporate and financial sector. During the last 24 years since inception, CRISL has become the most admired and respected rating agency in Bangladesh. Its credibility and success stem from its relentless pursuit of analytical rigor, and commitment to serve the market place with independence, integrity and innovation.

Table 14: Rating Summary

	Short Term	Long Term
Nagad Ltd.	ST-3	A
Bond Rating	A (Indicative)	
Rating Agency	Credit Rating Information & Services Limited (CRISL)	

13.1 Rating Rationale for the Issuer

CRISL has reaffirmed the Long-Term rating to 'A' (pronounced as single A) and the Short-Term rating to 'ST-3' of Nagad Ltd. on the basis of its relevant qualitative and quantitative information up-to the date of rating. The above ratings have been assigned in consideration of regular investment repayment status, good brand image with increasing trend of market share, good IT infrastructure, etc. However, the above factors are constrained to some extent, by equity, profitability and licensing status, etc. Nagad is in the process to issue a zero-coupon bond which will be utilized to finance capital expenditure and working capital. CRISL anticipates that the


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company will become profitable in the near future and establish a robust legal standing as soon as possible. At the time of assigning rating, CRISL factors all the aforementioned areas.

Entity rated in this category is adjudged to offer adequate safety for timely repayment of financial obligations. This level of rating indicates a corporate entity with an adequate credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories. The short-term rating indicates good certainty of timely repayment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to financial markets is good with small risk factors.

CRISL also viewed the company with "Stable Outlook" considering the market growth and branding image.

13.2 Rating Rationale for the Issue

CRISL has reaffirmed 'A' (Indicative) rating (pronounced as single "A" indicative) of "Nagad Zero Coupon Bond". The above rating has been assigned on the basis of quantitative (audited accounts of June 30, 2022) and qualitative factors including the prospective market share of the issue. However, the above factors are constrained, to some extent, by the feature of the bond which includes unsecured and non-convertible debt instrument, etc.

Securities rated in this category are adjudged to be of good credit quality and offer adequate safety for timely repayment of financial obligations. Protection factors are considered variable and more susceptible to changes in circumstances than securities in higher-rated categories.


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14 Latest Default Matrix and Transition statistics of CRC

14.1 Default Matrix

The global slogan, after the default of a good number of global giants having high investment grade from rating agencies raised was "Who Rates the Raters?" - a million-dollar question in front of both the regulators and the investment community. The simple answer to the above lies in the review of the performance of a rating agency over the years in terms of its Default history at its various rating grades in the rating scale.

More specifically, for example, what is the percentage of default in its rating scale of Double A (AA) and at what time interval? The above statistics over a period of time indicates the efficiency of a rating agency, which works as the indicator of rating agency's performance and seriousness in its work. These default statistics represent the benchmark of rating accuracy and in most of the cases are considered by the regulators in taking various decisions to control and measure the risk being undertaken by the banks and issuers, thereby directing the rating agencies to take various actions in the rating process.

Default Rate and Transition Rate

Default rate is the percentage of default to total rated entities in a particular time period in a specific scale. It is calculated for each rating scale for a multiple time period. On the other hand, Transition rate is the percentage of rating changes to total rated entities for a particular time period. The transition of ratings may be upwards or downwards in the scale. For example, an A rated Bond, over a period of time, might be downgraded to next lower scale BBB or upgraded to AA in view of change in forecasted fundamentals and other prevailing market factors. Both default rate and transition rate are helpful for managing credit risks, structuring and pricing of debt. These rates also indicate the accuracy (or inaccuracy) of rating agencies in forecasting the probability of default.

CRISL Cumulative Default Rate (CDR)

CDR is the measure of movement of a rating category into 'Default Rating Category' in a time horizon. This rating is applicable for those counterparties who are in default. The Default is considered to have occurred with regard to a particular obligor when either or both of the two following events have taken place.

- a. The bank considers that the obligor is unlikely to pay its credit obligations to the banking company or syndicate banking group, without recourse by the bank to actions such as realizing security (if held)


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- b. The obligor is past due for more than 90 days or more as defined by BB

Regulator evaluates the consistency of an ECAI's rating category (Notch/Notation) through analysis of Cumulative Default Rate (CDR).

While recognizing rating agencies as External Credit Assessment Institute (ECAI) the Bangladesh Bank has approved separate rating scales for SMEs side by side with the rating scales for Corporate and other category of ratings. Based on the above CRISL has developed CDR against both Corporate and SME scales

CRISL CDR on SME rating

CRISL three years CDR for SME under investment grade (Se/Me-1 to Se/Me-4) stood at 3.09% with no default at Se/Me- 1 and Se/Me-2 rating notch. The CDR at Se/Me-3 notch stood at 1.22% which signifies that CRISL investment grade default is quite low against the backdrop of about 9.3% overall reported classified loan in the industry.

CRISL, being the first internationally recognized domestic rating agency in the country and also as a sponsor member of Association of Credit Rating Agencies in Asia (ACRAA) complies the regulation of calculating CDR in line with local regulatory requirement as well as compliance requirement of Basel Committee on Banking Supervision.

Calculation of Weighted Average MDR (wMDR) for 2015, 2016, 2017			
	wMDR for year 1	wMDR for Year 2	wMDR for Year 3
Se/ Me1	0.00%	0.00%	0.00%
Se/ Me2	0.00%	0.00%	0.00%
Se/ Me3	1.22%	0.00%	0.00%
Se/ Me4	3.39%	0.14%	0.18%
Investment Grade (Se/ME1-Se/Me4)	2.85%	0.11%	0.14%
Se/Me-5	59.49%	2.39%	2.48%
Se/Me-6	76.92%	0.00%	0.00%
Se/Me-7	100.00%	0.00%	0.00%
Se/Me-8	0.00%	0.00%	0.00%
Se/Me 9	0.00%	0.00%	0.00%


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Calculation of 3-years Cumulative Default Rate (CDR3) for 2015, 2016, 2017	
	CDR3
Se/ Me1	0.00%
Se/ Me2	0.00%
Se/ Me3	1.22%
Se/ Me4	3.71%
Investment Grade (Se/ME1-Se/Me4)	3.090%
Se/Me-5	61.44%
Se/Me-6	76.92%
Se/Me-7	100.00%
Se/Me-8	0.00%
Se/Me 9	0.00%

CRISL CDR on Corporate Rating

CRISL three years CDR for corporate under investment grade (AAA to BBB) stood at 2.28% with no default at AAA and AA rating notch.

The CDR at single A and BBB notch stood at 1.53% and 3.39% respectively which signifies that CRISL investment grade default is quite low against the backdrop of increasing default loan in the industry.

Calculation of Weighted Average MDR (wMDR) for 2011, 2012, 2013			
	wMDR for year 1	wMDR for Year 2	wMDR for Year 3
AAA	0.00%	0.00%	0.00%
AA	0.00%	0.00%	0.00%
A	0.30%	0.77%	0.47%
BBB	0.91%	1.58%	0.94%
Investment Grade (AAA-BBB)	0.57%	1.08%	0.65%
BB	0.00%	0.00%	5.71%
B	0.00%	10.00%	0.00%
CCC	0.00%	0.00%	0.00%
CC	0.00%	0.00%	0.00%
C	50.00%	50.00%	0.00%


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Calculation of 3-years Cumulative Default Rate (CDR3) for 2011, 2012, 2013	
	CDR3
AAA	0.00%
AA	0.00%
A	1.53%
BBB	3.39%
Investment Grade (AAA-BBB)	2.283%
BB	5.71%
B	10.00%
CCC	0.00%
CC	0.00%
C	75.00%

14.2 Transition Statistics

Transition Metric shows the percentage of rating changes to total rated entities for a particular time period. The transition of ratings may be upwards or downwards in the scale. For example, an A rated Bond, over a period of time, might be downgraded to next lower scale BBB or upgraded to AA in view of change in forecasted fundamentals and other prevailing market factors. Transition Metrics are helpful for managing credit risks, structuring and pricing of debt. These rates also indicate the accuracy (or inaccuracy) of rating agencies in forecasting the probability of default.

CRISL Corporate Rating Transition Matrix (2016-2021)

	AA	A	BBB	BB	B	CCC	CC	C	D	
AAA	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
AA	0.00%	91.86%	6.98%	1.16%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
A	0	11.38%	82.63%	5.09%	0.90%	0.00%	0.00%	0.00%	0.00%	0.00%
BBB	0	0.00%	15.78%	81.75%	2.28%	0.19%	0.00%	0.00%	0.00%	0.00%
BB	0.00%	0.00%	0.00%	19.05%	76.19%	0.00%	4.76%	0.00%	0.00%	0.00%
B	0.00%	0.00%	0.00%	0.00%	0.00%	80.00%	20.00%	0.00%	0.00%	0.00%
CCC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
C	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
D	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%


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15 Description of the Trustee

15.1 Overview of the Trustee

Green Delta Capital Limited (GDCL) was incorporated on 24th February 2010. GDCL is licensed and regulated by the Bangladesh Securities and Exchange Commission (BSEC). GDCL is a subsidiary of Green Delta Insurance Company Limited (GDIC) and an investment bank that offers one stop global standard Investment Banking solution to its clients.

15.2 Financial Highlights of Trustee

The following table provides a snapshot of the financial highlights of the company.

Table 15: Financial Highlights of Trustee for the year 2021

2021 (BDT MN)	
Total Assets	353
Paid-up Capital	260
Authorized Capital	1,000
Revenue	91
Net Profit	27
Total Shareholder's Equity	294

15.3 Shareholding Structure of Trustee

The table below illustrates the shareholders structure of Green Delta Capital Limited.

Table 16: Shareholding Structure of Trustee

Shareholders		Number of Shares	Amount (BDT)
1	Green Delta Insurance Company Limited	25,999,990	259,999,900
2	Nasir A. Choudhury	10	100
Total		26,000,000	260,000,000


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16 Modus Operandi

16.1 Application Procedure

The Arranger shall procure that the prospective investors shall have been provided with a copy of this Information Memorandum and an invitation letter to subscribe. Based on this Information Memorandum and subsequent clarification of queries (if any), the prospective investors shall submit a letter of commitment to the Arranger with the amount of intended subscription specified.

16.2 Allotment

- a) Subject to Clause 12.3. (*Conditions Precedent*) of the Trust Deed, the issuance and subscription of the Bonds shall take place on the Issue Date.
- b) On or before Issue Date, the investor shall execute and deliver a letter addressed to the Issuer in the form and manner to be stipulated under the Subscription Agreement.
- c) On the Issue Date, the investor shall pay the purchase price of the Bonds as set forth in Annexure A of Schedule 1 of the Trust Deed as well as in the Subscription Agreement in Taka to the prescribed account of the Issuer.
- d) On the Issue Date, the Register shall be completed by the Issuer by registering the name of the investors as Bondholders in the Register.

16.2.1 Issue of Bonds

Subject to the Consent and the completion of the condition precedent as set forth in each Subscription Agreement and receipt of Issue Price under each Subscription Agreement, the Issuer shall issue the Bonds in 4 (four) Series on the Issue Date in the name of the Bondholders in such number the respective Bondholder is entitled. Bonds shall be subject to the terms and conditions of the Bond Documents. On the Issue Date, the Register shall be completed by the Issuer by registering the name of the Bondholders in the Register.

16.2.2 Status

The Bonds shall be zero coupon, transferable, redeemable, non-convertible in nature. The Bonds shall constitute direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu* with all other all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

For the avoidance of doubt, nothing shall require the exercise or enforcement of any other right or remedy prior to the exercise of any right or remedy to recover any amount under or in


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respect of the Bonds from the Issuer. Nothing herein shall impair the obligation of the Issuer, which is absolute and unconditional, to pay the Redemption Amount and any Default Interest on the Bonds according to the Conditions.

Each Bondholder unconditionally and irrevocably waives any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Bond. No collateral is or will be given for the payment obligations under the Bonds and any collateral that may have been or may in future be given in connection with other indebtedness of the Issuer shall not secure the payment obligation of the Bonds.

16.2.3 Form and Denomination

The Bonds are issued in registered and dematerialised form in the denomination of BDT at a price stipulated within Annexure A of Schedule 1 of the Trust Deed without coupons attached. Each Bond will be numbered serially with an identifying number which will be recorded in the records of CDBL (the “Register”) a copy of which will be maintained by the Issuer.

16.2.4 Title

Title to the Bonds passes only by transfer and registration in the records of CDBL as described in Condition IV of the Trust Deed. The holder of any Bond will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it) and no person will be liable for so treating the holder. In these Conditions “Bondholder” and (in relation to a Bond) “holder” means the person in whose name a Bond is registered in the records of CDBL as owner of the Bond.

16.2.5 Register

The Issuer will cause a duplicate of the records of CDBL to be kept at its registered office on which shall be entered the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers of the Bonds. Each Bondholder shall receive a notification in respect of its entire holding of Bonds issued by the Issuer to such Bondholder. Bondholders and the Trustee shall be entitled to inspect the Register and take copies therefrom upon payment of fees as may be prescribed by the Issuer from time to time.

16.3 Refund

The Bond is not refundable.


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16.4 Transfer of the Bond

16.4.1 Transfer

Subject to Condition **Error! Reference source not found.**(D) of the Trust Deed, a Bond may be transferred subject to the detailed regulation concerning transfer of Bonds stipulated by the CDBL from time to time. No transfer of a Bond will be valid unless and until entered in the records of CDBL.

16.4.2 Formalities Free of Charge

Registration of a transfer of Bonds will be affected without charge by or on behalf of the Issuer, but upon payment (or the giving of such indemnity as the Issuer or the CDBL may require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

16.4.3 Closed Periods

Unless the Bonds are listed in a Qualified Stock Exchange, Bondholder may not require transfers of a Bond to be registered (a) within 10 (ten) Business Days of the Redemption Date in respect of the Bonds, save in the case of a payment which falls due as a result of an Event of Default; or (b) in the case of a payment of principal or interest as a result of an Event of Default, during the period from the later of (i) ten Business Days prior to the due date of such payment and (ii) the date on which the Trustee provides a notice pursuant to Condition X (Events of Default) of the Trust Deed to and including the due date for such payment of principal or interest; or (c) on the due date for any payment of principal or interest in respect of such Bond, each such period is a "Closed Period". In case the Bonds are listed, the Closed Period shall be replaced with the periods determined under the applicable laws.

16.4.4 Regulations

All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer of Bonds stipulated by the CDBL from time to time.

16.5 Trading or Listing with the Stock Exchange

The bond will be traded in Qualified Stock Exchange, i.e. any national or regional stock or securities exchange on which the Bonds are to be listed or quoted for trading, including without limitation, the Dhaka Stock Exchange, Chittagong Stock Exchange or any other recognized stock exchanges in the world.


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16.6 Repayment and Coupon payment

16.6.1 Payments in respect of Bonds

Payment in respect of Bonds (including but not limited to “Redemption Amount”) will be made by the Paying Agent through transfer to the registered accounts of the Bondholders or by a BDT cheque drawn on a bank that processes payments in BDT, or BB cheque, or payment order and mailed to the registered address of the Bondholder if it does not have a registered account. For the purposes of this Condition, a Bondholder’s “registered account” means the BDT account maintained by or on behalf of it with a schedule bank that processes payments in BDT, details of which appear on the Register at the close of business, and a Bondholder’s “registered address” means its address appearing on the Register at that time.

16.6.2 Payments subject to applicable law

All payments in respect of the Bonds are subject in all cases to any applicable laws and regulations of Bangladesh. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

16.6.3 Payments on Business Days

Payments will be made by the Issuer on the later time of the day of the due date for payment (or, if that is not a Business Day, the first following day which is a Business Day). A holder of a Bond shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a Business Day.

16.6.4 Partial payments

If the Issuer makes a partial payment in respect of any Bond, the Issuer shall procure that the amount and date of such payment are noted in the Register.

16.6.5 Record date

Each payment in respect of a Bond will be made to the person shown as the holder in the Register at the close of business on the day that is 10 (ten) Business Days before the due date for such payment (the “Record Date”).

16.6.6 Delay in Payment

If the Issuer fails to make payment of Redemption Amount on the due date, interest shall accrue on the Issue Price payable for the Bond at the Default Interest calculated from the date after the cure period set out in Condition X paragraph (a) of the Trust Deed. For avoidance of


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doubt, for the purpose of this Condition VIII (*Payments*) of Trust Deed due date shall mean any of the Redemption Date, as applicable.

16.6.7 Regulatory Approval

All payments with respect to the Bonds shall be subject to the regulatory approvals as may be required to be obtained under the laws of Bangladesh including but not limited to Bangladesh Bank.

16.7 Redemption or Conversion or Exchange

16.7.1 Redemption of Bonds

Each Bonds shall be redeemed at Face Value ("**Redemption Amount**") on the respective Redemption Date as detailed under Annexure B hereunder ("**Scheduled Redemption Date**") of the Trust Deed calculated from the Issue Date applicable for the said Bond. For avoidance of doubt, Scheduled Redemption Date of a Bond has been enclosed with Annexure B (*Redemption of Bonds*) of the Conditions of the Trust Deed.

16.7.2 Redemption for Taxation Reasons

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 or more than 60 days' notice (a "**Tax Redemption Notice**") to the Bondholders in accordance with Condition XIII (which notice shall be irrevocable) of the Trust Deed at their Issue Price, if (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice that the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition IX (*Taxation*) of the Trust Deed as a result of any change in, or amendment to, the laws or regulations of Bangladesh or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after [SIGNING DATE], and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due. Prior to the publication of any Tax Redemption Notice pursuant to this paragraph, the Issuer shall deliver to the Trustee (a) certificate signed by two Authorised Signatories of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it and (b) an opinion of independent legal or tax advisors of recognised standing to the effect that such change or amendment has occurred (irrespective of whether such amendment or change is then effective). The Trustee shall be entitled to accept such certificate


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and opinion as sufficient evidence thereof in which event it shall be conclusive and binding on the Bondholders. Upon the expiry of the Tax Redemption Notice, the Issuer will be bound to redeem the Bonds at their principal amount together with interest accrued to the date fixed for redemption.

16.7.3 Redemption at the Option of the Issuer

- I. The Bonds of may be redeemed at the option of the Issuer in whole or in part at any time, (each, a **"Early Redemption Date"**), upon the Issuer's giving not less than 30 or more than 60 days' written notice to the Bondholders, the Trustee and the Payment Agent (a **"Early Redemption Notice"**), which notice shall be irrevocable.
- II. On an Early Redemption Date, the Issuer shall:
 - a. Accept for payment on a *pro rata* basis of Bonds or portions thereof tendered pursuant to an Early Redemption Notice; and
 - b. Deposit with the Paying Agent money sufficient to pay the redemption price of all Bonds or portions thereof so accepted.

16.7.4 Change of Control Offer to Purchase

- I. Not later than 30 days following a Change of Control, the Issuer, at its sole discretion, shall have the right to make an offer to Purchase all Outstanding Bonds (a **"Change of Control Offer"**).
- II. On an Offer to Purchase Payment Date, the Issuer shall:
 - a. Accept for payment on a *pro rata* basis Bonds or portions thereof tendered pursuant to an Offer to Purchase;
 - b. Deposit with the Paying Agent money sufficient to pay the purchase price of all Bonds or portions thereof so accepted.

16.8 Details of conversion or exchange opinion exercise procedures

This is not applicable for Nagad Zero Coupon Bond.


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17 Details of Fees Structure and Expenses

Issuer's costs and expenses

The Issuer is responsible for paying:

17.1 Regulatory Fees

The applicable regulatory fees payable to the BSEC and BIDA in connection with the Issue.

- I. BSEC Application Fee: BDT 10,000
- II. BSEC Consent Fee: 0.10% of total Face Value

17.2 Legal documentation

The costs incurred in connection with the preparation and execution of this Agreement and the Bond Documents.

Legal Fees: As per agreement

17.3 Trustee & paying Agent

The fees and expenses of the Trustee and the Paying Agent of the Bond and the other parties to this Agreement and the Bond Documents;

Trustee Fees: BDT 5,00,000 p.a. approx. excluding VAT & Tax. For Tax deduction at source, please share the copy of Challan in favor of the Trustee.

17.4 Credit Rating Agency

The cost of obtaining and maintaining any credit rating for the Bonds and the Issuer;

Credit Rating Fee: BDT 100,000 annually

17.5 Other Associated Costs

Other costs and expenses associated with the Issue including the fee payable to the Arranger

17.6 Arranger Fee

Arranger's fee is as per agreement.

17.7 CDBL

The fees and expenses of Central Depository Bangladesh Limited for maintain the Bonds in its system in dematerialized form.

CDBL Fees: As per regulations


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18 Financial Projections for Nagad Ltd.

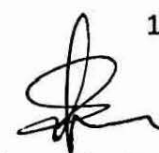
18.1 Projected Income Statement in BDT Crore

Table 17: Projected Income Statement in BDT Crore

Income Statement as of	Unit	2024	2025	2026	2027	2028
Net Revenue	BDT Cr	1144	1324	1532	1773	2053
Cost of Service	BDT Cr	766	889	1031	1196	1387
Gross Profit	BDT Cr	378	435	501	578	666
Operating Expense	BDT Cr	139	147	155	180	193
Sales & Marketing Expense	BDT Cr	154	162	172	183	194
Depreciation & Amortization	BDT Cr	34	36	37	23	21
Operating Expenses	BDT Cr	327	345	365	385	407
Operating Profit	BDT Cr	51	90	137	192	258
EBITDA	BDT Cr	85	126	174	215	279
Interest Expense	BDT Cr	0	0	0	0	0
Interest Expense-ZCB	BDT Cr	51	56	54	45	34
Bank Charge & Others	BDT Cr	1	1	1	1	1
Non-Operating Income	BDT Cr	3	3	4	4	4
EBT	BDT Cr	2	37	86	151	228
Income Tax (Expense)/Income	BDT Cr	(7)	(9)	(21)	(37)	(56)
Net Profit	BDT Cr	(5)	28	64	114	171


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 Managing Director
 Nagad Ltd


Mohammad Aminul Haque
 Chief Financial Officer
 Nagad Ltd.


Salman Sadiq Khan
 Company Secretary
 Nagad Ltd.

18.2 Projected Balance Sheet in BDT Crore

Table 18: Projected Balance Sheet in BDT Crore

Balance Sheet as at	Unit	2024	2025	2026	2027	2028
Assets						
Advance, Deposit & Prepayments	BDT Cr	53	56	59	63	67
Contract Asset	BDT Cr	39	21	3	0	0
Airtime Balance	BDT Cr	16	18	20	22	24
Receivables	BDT Cr	81	78	82	86	79
Restricted Cash & Cash Equivalent	BDT Cr	1496	1706	1945	2218	2530
Cash and Equivalents	BDT Cr	269	313	316	326	190
Total Current Assets	BDT Cr	1955	2192	2426	2715	2889
Property Plant & Equipment	BDT Cr	62	60	58	55	51
Intangible Asset	BDT Cr	38	48	45	41	35
Deferred Tax	BDT Cr	263	263	263	263	263
Total Long Term Asset	BDT Cr	363	371	365	359	348
Total Assets	BDT Cr	2318	2563	2791	3074	3237
Equities and Liabilities						
Trade & Other Payables	BDT Cr	491	516	526	516	522
Accrued Expense	BDT Cr	45	47	50	50	54
Short Term Loan	BDT Cr	0	0	0	0	0
Loan from Directors	BDT Cr	0	0	0	0	0
Distributor Deposit	BDT Cr	6	6	6	6	7
Tax Liabilities	BDT Cr	7	9	21	37	56
Liability for Digital Money	BDT Cr	1466	1672	1907	2174	2479
Total Current Liabilities	BDT Cr	2015	2250	2510	2785	3117
Zero Coupon Bond	BDT Cr	561	542	446	341	0
Total Long Term Liabilities	BDT Cr	561	542	446	341	0
Total Liabilities	BDT Cr	2576	2793	2957	3125	3117
Paid-Up Capital	BDT Cr	134	134	134	134	134
Preference Share	BDT Cr	1	1	1	1	1
Share Premium-Ordinary Share	BDT Cr	437	437	437	437	437
Share Premium-Preference Share	BDT Cr	0	0	0	0	0
Retained Earnings	BDT Cr	(830)	(802)	(738)	(624)	(453)
Total Common Stockholders' Equity	BDT Cr	(258)	(230)	(165)	(52)	120
Total Liabilities & Equity	BDT Cr	2318	2563	2791	3074	3237



Tanvir Ahmad Mishur
Managing Director
Nagad Ltd



Mohammad Aminul Haque
Chief Financial Officer
Nagad Ltd.



Salman Sadiq Khan
Company Secretary
Nagad Ltd.

18.3 Projected Statement of Cash Flow in BDT Crore

Table 19: Projected Statement of Cash Flow in BDT Crore

Cash Flow Statement as at	Unit	2024	2025	2026	2027	2028
A) Cash flow from operating activities						
Net Revenue	BDT Cr	1144	1324	1532	1773	2052
(Increase)/Decrease in Accounts Receivable	BDT Cr	(33)	5	(3)	(2)	9
(Increase)/Decrease in Interest Receivables	BDT Cr	(2)	(1)	(2)	(2)	(2)
Cash Collected from Sales	BDT Cr	1109	1328	1528	1769	2060
Cost of Service	BDT Cr	(766)	(889)	(1031)	(1196)	(1387)
(Inc)/Decrease in Advance, Deposit & Prepayments	BDT Cr	(3)	(3)	(3)	(4)	(4)
(Increase)/Decrease in Airtime Balance	BDT Cr	(1)	(2)	(2)	(2)	(2)
Operational cash flow adjustment	BDT Cr	(14)	0	0	0	0
Cash Paid to Suppliers	BDT Cr	(785)	(894)	(1036)	(1201)	(1393)
Cash Flow before indirect cost	BDT Cr	324	434	492	568	667
Operating Expense	BDT Cr	(139)	(147)	(155)	(180)	(193)
Sales & Marketing Expense	BDT Cr	(154)	(162)	(172)	(183)	(194)
Bank Charge & Others	BDT Cr	(1)	(1)	(1)	(1)	(1)
Non-Operating Income	BDT Cr	3	3	4	4	4
Increase/(Decrease) in Trade & Other Payables	BDT Cr	(31)	25	10	(10)	5
Increase/(Decrease) Accrued Expense	BDT Cr	(46)	2	3	0	3
Increase/(Decrease) Current Income Tax	BDT Cr	(5)	(7)	(9)	(21)	(37)
Increase/(Decrease) Liability for Digital Money	BDT Cr	180	206	235	267	305
Net Cash from Operations	BDT Cr	132	354	406	446	560
B) Cash flows from Investing Activities:						
Acquisition of property, plant and equipment	BDT Cr	(8)	(8)	(8)	(8)	(8)
Acquisition of Intangible Assets	BDT Cr	(18)	(18)	(5)	(5)	(3)
Net cash used in investing activities	BDT Cr	(26)	(26)	(13)	(13)	(11)
Cash Available for Debt Service	BDT Cr	107	329	393	433	550
C) Cash flows from financing activities:						
(Payment)/Received of Zero-Coupon Bond	BDT Cr	510	(75)	(150)	(150)	(375)
(Payment)/Received from Director	BDT Cr	(300)	0	0	0	0
Net cash flow by financing activities	BDT Cr	210	(75)	(150)	(150)	(375)
D) Net increase/decrease in cash and cash equivalents	BDT Cr	317	254	243	283	175
E) Cash and cash equivalents beginning of year	BDT Cr	136	269	313	316	326
F) Cash equivalents including Restricted Cash & Cash Equivalent end year	BDT Cr	453	523	556	599	501
Less: Restricted Cash & Cash Equivalent	BDT Cr	(184)	(210)	(239)	(273)	(311)
G) Cash and cash equivalents at end of the year	BDT Cr	269	313	316	326	190


Tanvir Ahmad Mishuk
 Managing Director
 Nagad Ltd


Mohammad Aminul Haque
 Chief Financial Officer
 Nagad Ltd.


Salman Sadiq Khan
 Company Secretary
 Nagad Ltd.

18.4 Repayment Schedule of Nagad Zero Coupon Bond

Table 20: Repayment Schedule of Nagad Zero Coupon Bond

Repayment Structure	Unit	2024	2025	2026	2027	2028
Redemption %		0%	10%	20%	20%	50%
Face Value	BDT	0	750,000,000	1,500,000,000	1,500,000,000	3,750,000,000
Face Value per lot	BDT	0	1,000	2,000	2,000	5,000
Issue Price per Lot	BDT	0	826	1,503	1,366	3,105
Units to be issued	BDT	0	750,000	1,500,000	1,500,000	3,750,000
Total Face Value	BDT	0	750,000,000	1,500,000,000	1,500,000,000	3,750,000,000
Cash repayment	BDT	0	750,000,000	1,500,000,000	1,500,000,000	3,750,000,000


Tanvir Ahamad Mishuk
 Managing Director
 Nagad Ltd


Mohammad Aminul Haque
 Chief Financial Officer
 Nagad Ltd.


Salman Sadiq Khan
 Company Secretary
 Nagad Ltd.

19 Conditions imposed by the Commission in the consent letter (Proposed):**For Private Placement of BDT 5,100,000,000 (BDT Five Hundred Ten Crore)**

1. The issuer shall ensure the compliance of Securities and Exchange Commission (Debt Securities) Rules, 2021;
2. The issuer shall not change or modify the submitted draft Information Memorandum, Trust Deed & Subscription Agreement after consent to issue the debt securities without prior approval of the Commission in this regard;
3. The issuer shall submit the Commission's approval of the trustee to act as trustee to the issue before opening of subscription;
4. The issuer shall execute the deed of trust as approved by the Commission in favor of the trustee and register the same under the Registration Act, 1908 (XVI of 1908) and shall submit a copy of the registered trust deed attested by the Chief Executive Officers of the issuer and the trustee to the Commission;
5. Auditors' Report along with Audited Financial Statements of the issuer made up to a date not earlier than 180 (one hundred eighty) days from the date of issue of the IM and shall be incorporated in IM.
6. All transactions excluding petty cash expenditures shall be affected through the company's bank accounts;
7. The issuer shall submit a status report, containing the name and address of the bondholders along with number of bonds purchased, of the issue to the Commission within 30 (thirty) days of issue of the securities or expiry of the period mentioned above, whichever comes earlier;
8. The issuer shall submit list of subscribers, bank statement and banker's certificate for the amount of capital to be issued to the Commission upon completion of the subscription;
9. Financial statements shall be prepared in accordance with International Accounting Standards (IAS) and audit thereof shall be conducted in accordance with the International Standards on Auditing (ISA), as adopted in Bangladesh. The financial statements shall be audited within 120 days from the date of ending of the financial year;
10. The company shall inform the Commission along with supporting documents and evidence about any change of its registered address, directors, managing director, business or any other material change that affects the affairs of the company;
11. Any further issue of capital shall require Commission's prior consent;
12. If there is any FDI or external debt, the issuer shall report it to Bangladesh Bank;

The Commission may impose conditions/restrictions from time to time as and when required.


Tanvir Ahmad Mishuk
Managing Director
Nagad Ltd
Mohammad Aminul Haque
Chief Financial Officer
Nagad Ltd.
Salman Sadiq Khan
Company Secretary
Nagad Ltd.

20 Declaration and due diligence certificates

20.1 Declaration about the responsibility of the directors, including the CEO of the issuer or originator in respect of the information memorandum

This information memorandum 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 enquiries that all conditions concerning this private 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 information memorandum to enable the investors to make a well-informed decision for investment.

S/d

Tanvir A. Mishuk

Managing Director

Nagad Ltd.


Tanvir Ahamad Mishuk
Managing Director
Nagad Ltd
Mohammad Aminul Haque
Chief Financial Officer
Nagad Ltd.
Salman Sadiq Khan
Company Secretary
Nagad Ltd.

20.2 Due diligence certificate of the trustee

**Due Diligence Certificate of the Trustee**

Chairman
Securities and Exchange Commission

Subject: Issuance of 75,00,000 Transferable, Redeemable, Non-Convertible Unsecured Zero Coupon Bond of Face Value TK 750,00,00,000 each of TK 1,000 of Nagad Limited

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

1. We, while act as trustee to the above mentioned issue on behalf of the investors, have examined the draft Information Memorandum, legal and other documents and materials as relevant to our decision; and
2. On the basis of such examination and the discussions with the issuer, 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; -

WE CONFIRM THAT:

- (a) all information and documents as are relevant to the issue have been received and examined by us and the draft IM, draft Deed of Trust and draft Subscription Agreement forwarded to the Commission has been approved by us;
- (b) we have also examined all documents of the assets to be charged with the Trust and are satisfied that the assets bear the value, title and charge status as disclosed in the IM;
- (c) while examining the above documents, we find that all the requirements of the Securities and Exchange Commission (Private Placement of Debt Securities) Rules, 2021 have been complied with;
- (d) we shall act as trustee to the issue as mentioned above as per provisions of the Deed of Trust to be executed with the issuer and shall assume the duties and responsibilities as described in the Deed of Trust and in the IM;
- (e) we shall also abide by the Securities and Exchange Commission (Private Placement of Debt Securities) Rules, 2021 and conditions imposed by the Commission as regards of the issue; and
- (f) the above declarations are unequivocal and irrevocable.

For Trustee


Md. Faruk Islam
Managing Director & CEO**Disclaimer by the Trustee:**

The external legal counsel of Trustee has yet to review the draft Trust Deed and other legal documents. Once the external legal counsel will complete the review of the draft, any change required by the Trustee shall be amended in the documents by the issuer before executing the legal documents. The issuer will also notify BSFC regarding the changes accordingly.

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Tanvir Ahmad Mishuk
Managing Director
Nagad Ltd
Mohammad Aminul Haque
Chief Financial Officer
Nagad Ltd.
Salman Sadiq Khan
Company Secretary
Nagad Ltd.

20.3 Due Diligence Certificate of the Issue Manager and Underwriter

As this bond will be issued under private placement, no issue manager or underwriter is appointed. Therefore, the *"due diligence certificate to be furnished by issue manager(s) in the information memorandum"* and *"due diligence certificate by the underwriter(s)"* are not applicable here.


Tanvir Ahamad Mishuk
Managing Director
Nagad Ltd
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Salman Sadiq Khan
Company Secretary
Nagad Ltd.

21 Credit Rating Report of the Nagad Zero Coupon bond and Nagad Ltd.**21.1 Credit rating report of the Nagad Zero Coupon Bond (The Issue)**

See Annexure I for detailed credit rating report of the Bond.


Tanvir Ahamad Mishuk
Managing Director
Nagad Ltd
Mohammad Aminul Haque
Chief Financial Officer
Nagad Ltd.
Salman Sadiq Khan
Company Secretary
Nagad Ltd.

21.2 Credit rating report of Nagad Ltd. (The Issuer)

See Annexure II for detailed credit rating report of the Issuer.


Tanvir Ahamad Mishuk
Managing Director
Nagad Ltd
Mohammad Aminul Haque
Chief Financial Officer
Nagad Ltd.
Salman Sadiq Khan
Company Secretary
Nagad Ltd.

22 Rights option/issue application procedure

This is not applicable to this application.


Tanvir Ahamad Mishuk
Managing Director
Nagad Ltd.
Mohammad Aminul Haque
Chief Financial Officer
Nagad Ltd.
Salman Sadiq Khan
Company Secretary
Nagad Ltd.

23 Private offer application procedure

Private offer application procedure to be submitted as per conditions in the consent letter.



Tanvir Ahamad Mishuk
Managing Director
Nagad Ltd



Mohammad Aminul Haque
Chief Financial Officer
Nagad Ltd.



Salman Sadiq Khan
Company Secretary
Nagad Ltd.

ANNEXURE I

Credit rating report of the Nagad Zero Coupon Bond (The Issue)


Tanvir Ahamad Mishuk
Managing Director
Nagad Ltd
Mohammad Aminul Haque
Chief Financial Officer
Nagad Ltd.
Salman Sadiq Khan
Company Secretary
Nagad Ltd.

ANNEXURE II

Credit rating report of Nagad Ltd. (The Issuer)



Tanvir Ahamad Mishuk
Managing Director
Nagad Ltd



Mohammad Aminul Haque
Chief Financial Officer
Nagad Ltd.



Salman Sadiq Khatri
Company Secretary
Nagad Ltd.