ANNUAL REPORT 2019

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aamra networks limited

aamra

the power of WE

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ANNUAL REPORT 2019

aamra
the power of WE

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VISION

Excellence and Innovation unlimited, through the power of "WE"

MISSION

To empower our customers, employees, partners and communities by providing the finest products, services and practices.

Creating value with the Power of WE

aamra recognizes the power that partnership and cooperation have in achieving any goal.

We believe that by harnessing the strength of togetherness with all our stakeholders, we will be able to surmount any obstacle in our path and scale new heights. Accordingly, our products and services are meant to create value of unity in relations to our business partners, shareholders as well as to our employees and society in general.

TRANSMITTAL LETTER

December 11, 2019

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

Sub: Annual Report for the year ended June 30, 2019

Dear Sir,
We are pleased to enclose a copy of the Annual Report together with the Audited Financial Statements for the year ended June 30, 2019 for your record/necessary action.

Thank you,

Sincerely Yours,

AKM Quamruzzaman
Company Secretary

NOTICE OF THE 18th ANNUAL GENERAL MEETING

Notice is hereby given that the 18th Annual General Meeting (AGM) of **aamra networks limited** will be held at **Delta Life Conference Hall, Delta Life Tower,** House-37, Road-9, Gulshan-2, Dhaka-1212 on December 26, 2019 at 10:00 a.m. to transact the following business:

1. To receive, consider and adopt the audited financial statements of the company for the year ended June 30, 2019 together with the reports of the directors and auditors thereon
2. To declare dividend for the year ended June 30, 2019 as recommended by the board of directors
3. To elect /re-elect directors of the company
4. To re-appoint independent director
5. To appoint auditors for the year 2019-20 and fix their remuneration
6. To appoint professional firm for obtaining certificate on compliance of corporate governance code for the year 2019-20

By order of the Board

AKM Quamruzzaman
Company Secretary

December 11, 2019

Notes:

1. The Record Date of the Company was19th November 2019 and the Shareholders whose names were in the Register of Members or in the Depository Register on the Record Date will be eligible to attend the meeting and to received dividend
2. A member entitled to attend and vote at the general meeting is also entitled to appoint a proxy to attend the meeting and vote on his/her behalf. The proxy form duly completed, must be affixed with a revenue stamp of Tk. 10/- and deposited at the registered office not later than 48 hours before the time of holding the meeting
3. Admission into the meeting place will be allowed upon presenting the attendance slip duly signed by the member/proxy/attorney/representative, as the case may be
4. As per BSEC Notification dated June 20, 2018, the soft version of annual report 2019 has been sent to the shareholders' email addresses available in their BO accounts with the depository. The annual report with all relevant documents has also been published on the company website. Interested shareholders may collect the annual report from the share department of the company by submitting written request beforehand.
5. **Annual report 2019 is available at** www.aamranetworks.com
6. **No gift or benefit in cash or kind shall be paid to the holder of equity securities at the AGM as per Bangladesh Securities and Exchange Commission Notification No. SEC/SRMI/2000-953/1950 dates 24th October 2000 (c).**

CORPORATE DIRECTORY

Registered Office
Safura Tower (12th Floor),
20 Kemal Ataturk Avenue
Banani C/A, Dhaka-1213
Tel:+88029841100
Email: info@networks.com.bd

Business Address
Praasad Trade Center (14th Floor)
6 Kemal Ataturk Avenue
Banani C/A, Dhaka-1213
Tel: +88029841100
Email: info@networks.com.bd

Chattogram Office
SFA Tower
132 Panchlaish R/A
Chattogram – 4203

Jashore Office
Sheikh Hasina Software &
Technology Park (MTB, 1st Floor)
Nazir Shankarpur Road, Jashore

Company website address:
www.aamranetworks.com

Auditors
K. M. Hasan & Co.
Chartered Accountants
HomeTown Apartment (9th Floor) 87,
New Eskaton Road, Dhaka-1000

Compliance Auditor
Masih Muhith Haque & Co
Chartered Accountants
Head office: Level 13, UTC Building
8, Panthopoth, Dhaka -1215

Legal Adviser
Syed Ishtiaq Ahmed & Associates
Law Consultants and Legal Practitioners
Concord Ovilash (1st Floor)
House – 62, Road – 11A
Dhanmondi, Dhaka-1209

Bankers
Shahjalal Islami Bank Limited
Bank Asia Limited
Dutch Bangla Bank Limited

Insurer
Pragati Insurance Limited
Guardian Life Insurance

COMPANY AT A GLANCE

Company Name	:	**aamra networkslimited**
Business Address	:	Praasad Trade Center (14th Floor) 6 Kemal Ataturk Avenue Banani C/A, Dhaka-1213 Tel: +88029841100 Email: info@networks.com.bd
Date of Incorporation	:	January 10, 2001
Date of Commercial Operation	:	January 10, 2001
Legal Status	:	Public Limited Company
Authorized Share Capital	:	BDT 1,000 Million
Paid-Up Share Capital	:	BDT 530.41 Million
Number of Shareholders	:	5,648
Line of Business	:	aamra networks limited is the leading IT and IT Enabled service provider in Bangladesh. We serve our customers with a wide range of products, services and solutions. Followings are a brief list of our portfolio. - Dedicated Internet & Data Bandwidth - Video Conferencing Solution - Video Surveillance Solution - WiFi Solution - IT Support & Infrastructure Management - Networking Monitoring Solution - Multiprotocol Label Switching (MPLS) - LAN - WAN - No Spam Solution - Email & Web Hosting Solution - Colocation Services - Data Center Solutions - Vehicle Tracking Solution - Enterprise Cloud Solutionother IT/IOT solutions

BOARD OF DIRECTORS

Syed Faruque Ahmed	Chairman
Syed Farhad Ahmed	Managing Director & CEO
Syeda Munia Ahmed	Director
Fahmida Ahmed	Director
Mahbub Mustafizur Rahman	Independent Director

Company Secretary	AKM Quamruzzaman

Audit Committee

Mahbub Mustafizur Rahman	Independent Director	Chairman
Syeda Munia Ahmed	Director	Member
Fahmida Ahmed	Director	Member

Nomination and Remuneration Committee

Mahbub Mustafizur Rahman	Independent Director	Chairman
Syeda Munia Ahmed	Director	Member
Fahmida Ahmed	Director	Member

PROFILE OF THE BOARD OF DIRECTORS

SYED FARUQUE AHMED
Chairman

Syed Faruque Ahmed is Chairman of aamra companies (formerly known as The Texas Group Bangladesh) and is one of its founder shareholders. Mr. Ahmed has been an indispensable part of the organization since its inception in 1985. His extraordinary visions, combined with his avid enthusiasm for technology, has been a pivotal element behind the success of aamra. Faruque took initiatives in the mid-1980s to introduce the first computers in Bangladesh and started one of the first ISPs in the country. Faruque is ever-vigilant in learning about the newest technologies and implementing them in scale for Bangladeshi market. His tenacity has always kept aamra ahead of the contemporary competitions. Beside his various roles at aamra, Faruque was an EC Member of the Internet Service Providers Association of Bangladesh (ISPAB) for 3 consecutive terms, and a former VP and EC Member of BASIS.

Chairman
- aamra technologies limited
- aamra infotainment limited
- aamra solutions limited
- aamra outsourcing limited
- aamra holdings limited
- aamra resources limited
- aamra fashions(cepz) limited
- aamra fitness limited
- aamra support services limited
- ACE IT networks limited
- aamra payment systems limited
- aamra active limited
- UMAI limited
- aamra MTS SolutionsLimited
- aamra Facility Management Limited
- aamra F & B Limited
- PMGF Limited

SYED FARHAD AHMED
Managing Director & CEO

Syed Farhad Ahmed is a revered entrepreneur, marketer, leader and founder of many successful business ventures in Bangladesh. His vision and dreams are at the core of aamra networks limited - one of the must successful IT companies of Bangladesh. Farhad is a founder shareholder of aamra companies (formerly known as The Texas Group Bangladesh) and started his career immediately after University graduation in the group's garments venture in 1985 (set up by his late father Mr. S.F. Ahmed, a renowned Chartered Accountant of the country) as its Director of Operations. Farhad has been an active participant in numerous business and professional organizations including: France-Bangladesh Chamber of Commerce & Industry, Bangladesh Garments Manufacturers and Exporters Association, Bangladesh Computer Samity and Internet Service Providers Association of Bangladesh. Farhad was also an Executive Committee Member & Vice Chairman, Marketing Committee of the Bangladesh Cricket Board.

Managing Director & CEO
- aamra technologies limited
- aamra infotainment limited
- aamra solutions limited
- aamra outsourcing limited
- aamra holdings limited
- aamra resources limited
- aamra fashions(cepz) limited
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- aamra payment systems limited
- aamra active limited
- UMAI limited
- aamra MTS SolutionsLimited
- aamra Facility Management Limited
- aamra F & B Limited
- PMGF Limited

SYEDA MUNIA AHMED
Director

Syeda Munia Ahmed, daughter of AHM Shafiul Islam was born in 1970. She is an M.A. in English from Dhaka University. She has also got "Special Diploma in Leadership and Diploma in Early Childhood" from Eaton house Singapore. Syeda Munia Ahmed has 21 years of teaching experience both in Bangladesh and Singapore. Syeda Munia Ahmed is also engaged in various cultural and social welfare organizations. With a higher educational background and vast experience, she is a very active Director of aamra networks limited. She spearheads the CSR activities of ANL which includes assisting the management in identifying CSR projects and mapping the companies' contribution effectively.

Chairman
- aamra infrastructure services limited

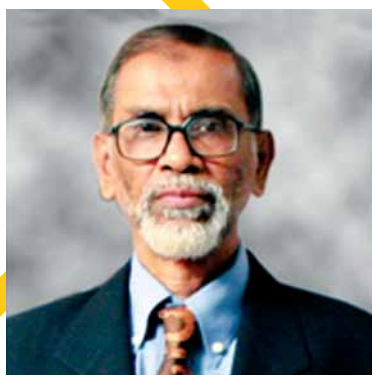
Director
- aamra technologies limited

FAHMIDA AHMED
Director

Fahmida Ahmed, as the Director of aamra networks limited, plays a critical part in its operation. She brings considerable experience in marketing, branding and consumer issues to the Board.She is closely involved in the organization's strategic policies and regulations. In addition, she plays an important role in the marketing, promotional and human resource activities of aamra networks limited. Fahmida closely works with other Directors of aamra to ensure capacity development and overall welfare of employees. She is the daughter of Late Khalid Ibrahim.

Managing Director
- aamra infrastructure services limited

Director
- aamra technologies limited



MAHBUB MUSTAFIZUR RAHMAN
Independent Director

Mahbub Mustafizur Rahman is a well-known, revered and coveted figure in the Banking & Financial sector of Bangladesh. Mr.Rahman, completed his MBA from the reputed Institute of Business Administration, Dhaka University and joined Bangladesh Development Bank Limited (then named as BSRS) in 1976. During his tenure in BDBL, he worked in different significant positions. He was largely responsible for implementation of several critical projects and loan recovery including security enforcement. He held the position of Assistant General Manager (AGM) when he left BDBL in the year 1993. He later joined Pubali Bank in 1994 where he was responsible for wholesale, retail syndication, SME & consumer credit related operation. He retired from Pubali Bank in the year of 2011 as the Deputy Managing Director. During his illustrious professional career, he attended several overseas training in Indonesia, Nepal, Singapore and USA. Currently he is working as the Training Facilitator & Consultant, Financial Excellence Ltd.

Mr. Rahman joined the board of aamra networks limited in the year 2016 as Independent Director. Mr. Rahman was re-appointed by the board as an Independent Director for the second term subject to approval of re-appointment by the shareholders in AGM.

SENIOR MANAGEMENT

Name	Name	Position
1	Syed Farhad Ahmed	Managing Director & CEO
2	Md. Anamul Haque	Chief Financial Officer
3	A.K.M Quamruzzaman	Company Secretary & Compliance Officer
4	Khaled Ahmed Nur	Head of Technical Service and R&D
5	Md. Mahbubor Rahman	Head of Core Network
6	Khandaker Md. Moinuddin	Head of Credit Control
7	T.M Mahbubur Rahman	Head of Admin & Logistics
8	Monirul Islam	Head of Sales
9	Mohammad Sarwar Hossain	Head of Internal Audit

Shareholding Pattern of the Company on Record date, November 19, 2019 on the basis of shareholder(S) types:

Group Name	Number of Shareholders	No. of Shares	Ownership (%)
All Investors A/C	2	117,000	0.221%
Company	49	14,363,248	27.079%
Company (Foreign)	1	8,477,970	15.984%
General Public	5,434	12,538,533	23.639%
NRB (Non-Resident Bangladeshi)	156	22,428	0.042%
Sponsor / Director	6	17,522,030	33.035%
Total :	**5,648**	**53,041,209**	**100%**

Distribution schedule of each class of equity security setting out of the number of holders and percentage:

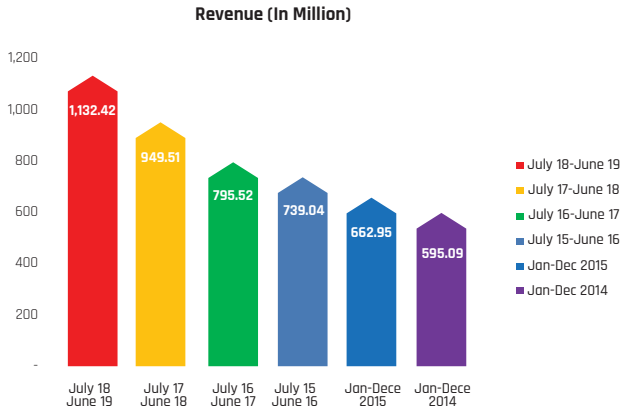
Share Holding Range	Number of Shareholders	No. of Shares	Ownership (%)
0000000001-0000010000	5,448	5,233,512	9.867%
0000010001-0000020000	94	1,343,579	2.533%
0000020001-0000030000	36	906,702	1.709%
0000030001-0000040000	10	365,829	0.690%
0000040001-0000050000	9	422,854	0.797%
0000050001-0000060000	2	115,000	0.217%
0000060001-0000070000	3	194,200	0.366%
0000070001-0000080000	3	219,024	0.413%
0000090001-1000000000	43	44,240,509	83.408%
Total	**5,648**	**53,041,209**	**100.00%**

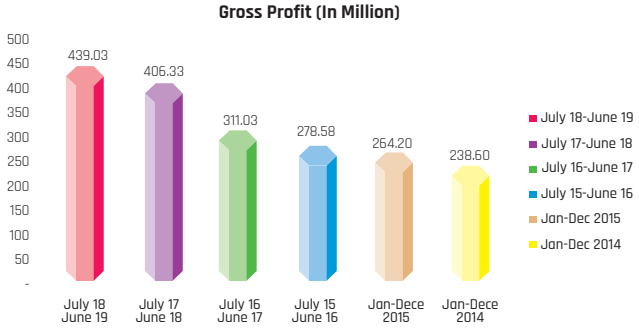
CURRENT YEAR FINANCIAL INFROMATION COMPARE TO LAST FIVE YEARS

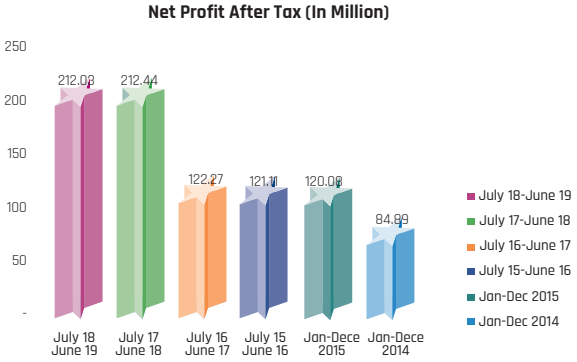
(Figures are in million BDT except ratio and per share)

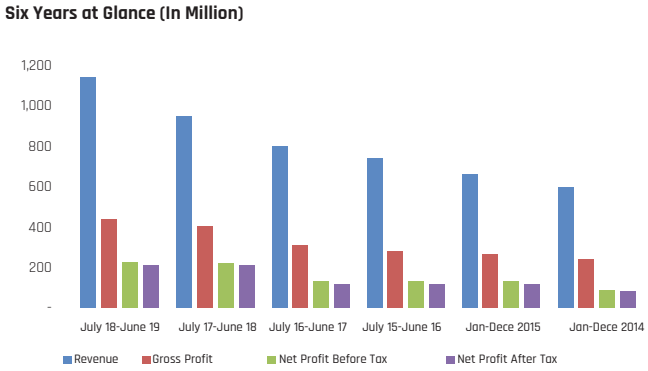
Particulars	Jul - June 2019	Jul - June 2018	Jul - June 2017	Jul - June 2016	Jul - June 2015	Jul - June 2014
Revenue	1,132.42	949.51	795.52	739.04	662.95	595.09
Gross Profit	439.03	406.33	311.03	278.58	264.20	238.60
Net Profit Before Tax	226.67	222.64	131.71	132.60	130.79	89.88
Net Profit After Tax	212.03	212.44	122.27	121.11	120.08	84.89
Total Assets	2,053.46	1,891.76	1,336.63	1,080.43	943.15	858.82
Net Asset Value (NAV)	1,873.58	1,714.60	1,021.43	899.16	835.16	569.81
NAV per Share	35.32	32.33	19.26	16.95	15.75	10.74
Number of Shares	53.04	53.04	53.04	53.04	53.04	53.04
NOCFPS	3.72	2.23	0.97	1.47	2.80	1.53
EPS	4.00	4.01	2.31	2.28	2.26	1.60
Dividend	6% Cash & 6% Stock (proposed)	10% Cash	10% Cash	-	-	-

Based on current number of shares


Revenue (In Million)
1,200
1,000
800
600
400
200
-
1,132.42
949.51
795.52
739.04
662.95
595.09
July 18 June 19
July 17 June 18
July 16 June 17
July 15 June 16
Jan-Dece 2015
Jan-Dece 2014
July 18-June 19
July 17-June 18
July 16-June 17
July 15-June 16
Jan-Dec 2015
Jan-Dec 2014


Gross Profit (In Million)
500
450
400
350
300
250
200
150
100
50
-
439.03
406.33
311.03
278.58
264.20
238.60
July 18 June 19
July 17 June 18
July 16 June 17
July 15 June 16
Jan-Dece 2015
Jan-Dece 2014
July 18-June 19
July 17-June 18
July 16-June 17
July 15-June 16
Jan-Dec 2015
Jan-Dec 2014


Net Profit After Tax (In Million)
250
200
150
100
50
-
212.08
212.44
122.27
121.11
120.08
84.89
July 18 June 19
July 17 June 18
July 16 June 17
July 15 June 16
Jan-Dece 2015
Jan-Dece 2014
July 18-June 19
July 17-June 18
July 16-June 17
July 15-June 16
Jan-Dec 2015
Jan-Dec 2014


Six Years at Glance (In Million)
1,200
1,000
800
600
400
200
-
July 18-June 19
July 17-June 18
July 16-June 17
July 15-June 16
Jan-Dece 2015
Jan-Dece 2014
Revenue
Gross Profit
Net Profit Before Tax
Net Profit After Tax

Chairman's Message

As-salamu Alaikum,

Honorable Shareholders, It gives me immense pleasure welcome you to the Annual General Meeting of aamra networks limited.

As a company, we are proud to see where aamra networks limited stands now. Our goal has always been to create value in this evolving IT and ICT ecosystem by continuously innovating and introducing latest technologies in Bangladesh market. With innovation comes uncertainties and risks. We are grateful that as shareholders, you have always patronized our initiatives, irrespective of the risks associated. Your continuous support has given us confidence; your trust has inspired entire aamra team. Thank you for always being with us.

Year 2019 has been a difficult year in aamra's history. On 28 March 2019, we suffered a major fire incident in our offices at FR Tower, Banani, Dhaka. We are thankful that our colleagues came out of this disaster safe, but the emotional impact of this tragic event is deep and long-lasting. As the Chairman of this company, I am immensely proud about how our teams performed with vigilance and efficiency.

I am honored to work alongside such amazing professionals and outstanding human beings.

The unstable global economy, rapidly growing inflation, decreasing value of currency and fluctuating IT market had critical impact on our business and profits. Irrespective of these unpredictable external elements, aamra has successfully retained its market reputation. In today's dynamic environment, we remain focused on our customers, teams, and communities, and on things we can control. Our Internet and Infrastructure business has remained steady and our Internet of Things (IOT) portfolio has observed healthy growth. We at aamra, are looking and planning ahead.

aamra's business strategy is aligned to the needs of our customers and the outcomes they want to achieve. When our customers win, aamra wins. That is why issues such as compliance and data privacy innovation, policy enforcement and security remains at the center of our corporate ethos.

We intend to continue to build the most innovative products and solutions to unleash the potential of Bangladeshi tech industry. We are proud to have our shareholders as companions in this journey to excellence.

Thank you for your continued support.

Syed Faruque Ahmed
Chairman

চেয়ারম্যানের বাণী

আস্‌সালামুআলাইকুম,

সম্মানিত শেয়ারহোল্ডারবৃন্দ, আমরা নেটওয়ার্কস লিমিটেডের বার্ষিক সাধারণ সভায় আপনাদের স্বাগত জানাতে পেরে আমি অত্যন্ত আনন্দিত। কোম্পানি হিসেবে আমরা নেটওয়ার্কস লিমিটেড আজ যেখানে রয়েছে তা নিয়ে আমরা গর্বিত। আমাদের সবসময়ই লক্ষ্য থাকে –বাংলাদেশের বাজারে বর্ধিষ্ণু আইটি ও আইসিটি ইকোসিস্টেমে ক্রমাগত উদ্ভাবনমূলক ও নতুন প্রযুক্তির সমাহার ঘটানো। উদ্ভাবনের সঙ্গে অনিশ্চয়তা ও ঝুঁকি থাকে।ঝুঁকি থাকা সত্ত্বেও শেয়ারহোল্ডার হিসেবে আপনারা সবসময় আমাদের উদ্যোগসমূহকে স্বাগত জানিয়েছেন, সেজন্য আমরা কৃতজ্ঞ। আপনাদের ক্রমাগত সমর্থন আমাদের আত্মবিশ্বাসী করেছে; আপনাদের বিশ্বাস,'আমরা'র কর্মী বৃন্দকে উৎসাহিত করেছে। সবসময় আমাদের সঙ্গে থাকার জন্য ধন্যবাদ।

২০১৯ সাল 'আমরা'র ইতিহাসে এক কঠিন বছর ছিল। ২৮ মার্চ, ২০১৯ তারিখে এফ আর টাওয়ার, বনানী, ঢাকায় অবস্থিত আমাদের অফিসসমূহ বড় ধরণের অগ্নি-দুর্ঘটনার শিকার হয়। সহকর্মীদের কাছে আমরা কৃতজ্ঞ যে – তাঁরা এই দুর্ঘটনা থেকে নিজেদের রক্ষা করেছেন। তবে এর আবেগী-প্রভাব গভীর ও দীর্ঘমেয়াদী। যেভাবে সতর্কতা ও দক্ষতার সঙ্গে আমাদের কর্মীদল কাজ করেছে, কোম্পানির চেয়্যারম্যান হিসেবে এতে আমি সত্যিই গর্বিত।

এ-রকম চমৎকার পেশাদার-মনোভাব সম্পন্ন ও অসাধারণ মানুষদের সাথে কাজ করতে পেরে আমি সম্মনিত বোধ করছি।

এই অস্থিতিশীল বিশ্ব-অর্থনীতি, দ্রুত বর্ধনশীল মূল্যস্ফীতি, মুদ্রা-মানের নিম্নগামিতা ও তথ্যপ্রযুক্তি বাজারের ওঠানামা,আমাদের ব্যবসা ও লাভে বিরূপ প্রভাব ফেলেছে। এসব অনিশ্চিত, বাহ্যিক বাধা অতিক্রম করে' আমরা' সফল ভাবে বাজার-খ্যাতি বজায় রেখেছে। এই গতিশীল পরিবেশে গ্রাহক, কর্মী বাহিনী ও সমাজ এবং যা কিছু নিয়ন্ত্রণযোগ্য –তা আমাদের নজরে ছিল। আমাদের ইন্টারনেট ও অবকাঠামো ব্যবসা স্থিতিশীল ছিল এবং ইন্টারনেট অফ থিংস (আইওটি) ব্যবসায় ভালো প্রবৃদ্ধি হয়েছে। 'আমরা'এগিয়ে যাওয়ার পরিকল্পনার মধ্যেই রয়েছে।

'আমরা'র ব্যবসায়িক কৌশল নির্ধারণ করা হয় বর্তমান ও সম্ভাব্য গ্রাহকদের চাহিদার কথা চিন্তা করে। গ্রাহকের সন্তুষ্টিই' আমরা'র সন্তুষ্টি। আর তাই কিছু বিষয়, যেমন– তথ্যের গোপনীয়তার সম্মতি, নীতি-প্রয়োগ ও নিরাপত্তা– আমাদের কর্পোরেট-নীতির কেন্দ্রবিন্দুতে থাকে।

বাংলাদেশের তথ্যপ্রযুক্তি-শিল্পের সম্ভাবনা তুলে ধরে আমরা সবচেয়ে উদ্ভাবনী পণ্য ও পরিষেবা তৈরী অব্যাহত রাখার লক্ষ্য স্থির করেছি। উৎকর্ষের পথে আমাদের সঙ্গী হওয়া শেয়ারহোল্ডারবৃন্দকে নিয়ে আমরা গর্বিত।

আপনাদের ক্রমাগত সমর্থনের জন্য ধন্যবাদ।

সৈয়দ ফারুক আহমেদ
চেয়ারম্যান

Managing Director and CEO's Message

As-salamu Alaikum,

Welcome to our Annual General Meeting 2019. Year after year, we have received immense support and continued inspiration from our most valued shareholders. We thank you for your trust in aamra.

Our 2019 results demonstrate that our business is in steady shape. This also is a positive testament to our investment in a multi-category approach to reduce our potential risk. We have always aimed to build diversity in our product and service offerings, this approach has been critical in maintaining sustainability in 2019.

2019 shall always be remembered as one of the most difficult years in aamra's existence. On 28 March 2019, FR Tower became the victim of a deadly fire incident. This event is particularly emotional for us as we occupied 4 floors in FR Tower, more than 200 colleagues were stationed in FR Tower. We are thankful to Almighty that none of aamra colleagues became victim to this massive incident, but our hearts go out to those who lost their lives in this tragedy. Our offices and infrastructure suffered major damage during this event, the extent of such loss can never be accurately put in words and numbers.

Even after affected by such tragedy, our connectivity and services was not interrupted, even for a second. aamra's robust nation-wide infrastructure and our people kept serving event in the face of turmoil. We are thankful to our clients, colleagues, bankers, partners and our shareholders for their continued support.

While some of our infrastructure were affected by fire, our business and revenue stream remained positive due to our product and service diversity. We are the first choice for B2B connectivity solutions such is Internet, Data, MPLS and other PLC solutions. We are on the final stage of building our new data center in DevoTech Technology Park. In the midst of competitive marketplace, we have remained consistent and progressive in our Internet and Infrastructure business. Additionally, our Internet of Things (IOT) portfolio is also doing very well. Our key IOT businesses such as Video Conferencing (VC), Video Surveillance (VS) has maintained steady growth. This year we have also ventured in Robotics business, we trust aamra shall become the leading name in Robotics Solutions in coming years.

As we work to transform our business, we remain equally focused on our sustainability agenda, which forms an integral part of our strategy. Given the important role that sustainability plays in securing the future of our business, we are constantly seeking new ways to further improve our practices. Additionally, good governance has long been a key priority for the Group, and we continue to strengthen our internal compliance programs to ensure transparent and responsible corporate behavior.

Our consumers are at the core of everything we do and our success depends on addressing their preferences, concerns and behaviors. Irrespective of the obstacles we faced in 2019, we are determined to serve our clients and our shareholders with consistency and innovation in 2020.

We look forward to continuous support of from our shareholders in the coming year.

Syed Farhad Ahmed
CEO & Managing Director

ব্যবস্থাপনা পরিচালক ও সিইও'র বাণী

আস্‌সালামু আলাইকুম,

আমাদের বার্ষিক সাধারণ সভা ২০১৯-এ আপনাদের স্বাগতম। বছরের পর বছর ধরে আমরা আমাদের কাছে যাঁরা সবচেয়ে গুরুত্বপূর্ণ– সেই শেয়ারহোল্ডারবৃন্দের কাছ থেকে ক্রমাগত সমর্থন ও অনুপ্রেরণা পেয়েছি। 'আমরা'র প্রতি আস্থা রাখার জন্য আপনাদের ধন্যবাদ জানাই।

আমাদের ২০১৯ সালের কার্যক্রমে দেখা গেছে যে, আমাদের ব্যবসা স্থিতিশীল রয়েছে। এটি সম্ভাব্য-ঝুঁকি কমাতে আমাদের বহুমুখী বিনিয়োগের একটি স্বীকৃতিও বটে। পণ্য ও পরিষেবার বৈচিত্র্যের দিকে সবসময়ই আমাদের নজর থাকে, ফলে ২০১৯ সালে টেকসই হওয়ার ক্ষেত্রে কঠিন পথ পাড়ি দিতে হয়েছে।

২০১৯ সাল'আমরা'র টিকে থাকার ক্ষেত্রে সবচেয়ে কঠিন বছর ছিল। ২৮ মার্চ, ২০১৯ তারিখে ভয়াবহ অগ্নি-দুর্ঘটনার শিকার হয় এফ আর টাওয়ার। এই দুর্ঘটনা আমাদের জন্য বিশেষ ভাবে বেদনাদায়ক, কারণ, এফ আর টাওয়ারে আমাদের চারটি অফিস ছিল এবং সেখানে আমাদের ২০০'র বেশি সহকর্মী বসতেন। সর্বশক্তিমান স্রষ্টাকে ধন্যবাদ জানাই এজন্য যে, বিশাল এই দুর্ঘটনায়' আমরা'র কোনো কর্মী হতাহত হননি। তবে এই ট্রাডেজিতে যাঁরা চলে গেছেন, তাঁদের জন্য আমাদের হৃদয়বিদীর্ণ হয়েছে। এই দুর্ঘটনায় আমাদের অফিস ও অবকাঠামো দারুণ ভাবে ক্ষতিগ্রস্ত হয়েছে – যা ভাষা কিংবা সংখ্যায় প্রকাশ করা সম্ভব নয়।

এ-রকম দুর্ঘটনার পরেও আমাদের সংযোগ ও গ্রাহকসেবা এক সেকেন্ডের জন্যও ব্যহত হয়নি। দেশ জুড়ে'আমরা'র শক্তিশালী অবকাঠামো ও কর্মীবৃন্দ দুর্যোগের মুখেও তাঁদের কাজ করে গেছেন।আমাদের গ্রাহক, সহকর্মী, ব্যাংক, অংশীদার ও শেয়ারহোল্ডারবৃন্দকে তাঁদের ক্রমাগত সমর্থনের জন্য ধন্যবাদ জানাই।

আগুনে কিছু অবকাঠামো ক্ষতিগ্রস্ত হলেও পণ্য ও সেবার বহুমুখিতার কারণে আমাদের ব্যবসা ও রাজস্ব-প্রবাহ ইতিবাচক রয়েছে। বিটুবি সংযোগ-সেবা যেমন – ইন্টারনেট, ডেটা এবং এমপিএলএস ও পিএলসি'র ক্ষেত্রে আমরাই গ্রাহকদের প্রথম পছন্দ। ডেভোটেক টেকনোলজিপার্ক-এ আমাদের নতুন ডেটা সেন্টার নির্মাণ এখন শেষ পর্যায়ে। প্রতিযোগিতা মূলক বাজারে ইন্টারনেট ও অবকাঠামো ব্যবসায় আমরা ধারাবাহিকতা ও প্রগতিশীলতা বজায় রেখেছি। পাশাপাশি, আমাদের ইন্টারনেট অফ থিংস (আইওটি)-ও বেশ ভালো করছে। আমাদের মুল আইওটি ব্যবসা যেমন – ভিডিওকনফারেন্সিং (ভিসি), ভিডিওসার্ভিলেন্স (ভিএস) দৃঢ় প্রবৃদ্ধি বজায় রেখেছে। এ-বছর আমরা রোবোটিক্স ব্যবসায় প্রবেশ করেছি। আমাদের বিশ্বাস, রোবোটিক্স সলিউশনে আগামী বছর গুলোতে' আমরা' অবশ্যই শীর্ষস্থানে থাকবে।

ব্যবসা-রূপান্তরে কাজ করলেও একইসঙ্গে আমরা টেকসই হওয়ার দিকেও সমানভাবে লক্ষ্য রাখি – যা আমাদের কৌশলের অংশ। ব্যবসার ভবিষ্যত স্থিতিশীলতায় গুরুত্ব দিয়ে কাজের ধারায় আরও উন্নতির জন্য আমরা ক্রমাগত নতুন উপায় অনুসন্ধান করছি। শুধু তা-ই নয়, সুশাসন দীর্ঘদিন ধরেই গ্রুপের মূল অগ্রাধিকার; এবং স্বচ্ছ ও দায়িত্বশীল কর্পোরেট-চর্চা নিশ্চিত করার জন্য আমরা ক্রমাগত অভ্যন্তরীণ অনুবর্তিতাদৃঢ় করছি।

আমাদের সবকিছুর মূলে গ্রাহকেরা, এবং তাঁদের পছন্দ, সম্পৃক্তি ও আচরণে আমাদের সফলতা নির্ভর করে। ২০১৯ সালে সম্মুখীন হওয়া সব বাধা পেরিয়ে ২০২০ সালে আমরা গ্রাহকও অংশীদারবৃন্দকে উদ্ভাবন ও স্থিতিশীলতা দিতে বদ্ধপরি কর।

আগামী বছর আমরা শেয়ারহোল্ডারবৃন্দের ক্রমাগত সহযোগিতা কামনা করছি।

সৈয়দ ফারহাদ আহমেদ
ব্যবস্থাপনা পরিচালক ও সিইও

PRODUCTS AND SERVICES

aamra networks limited is the authorized distributor of the world-renowned brands that cater to the Government Organizations, Multinational Companies, International Organizations, Manufacturing Industries, Financial Institutions and Small & Medium Businesses in Bangladesh. We make every effort to offer quality products and outstanding services that ensure utmost client satisfaction. Product & Service Portfolio is given below:

Brand	Product(s)	Origin
poly	Video Conferencing Solutions	USA
HGC GLOBAL COMMUNICATIONS	International Connectivity Provider	CHINA
HIKVISION	Video Surveillance Solution	CHINA
Barracuda	E-mail Security Gateway	USA
expereo	Peering Partner	USA
MATRIX TELECOM | SECURITY	Access Control Solution	USA
UNIVERSAL ROBOTS	Collaborative Robotic Automation	DENMARK

Brand	Product(s)	Origin
VIVANCO	High-frequency and fiber optic technology connector solutions & Micro Data Center Solutions	GERMANY
MikroTik	Routers and Wireless Products	LATVIA
aruba NETWORKS	Wireless Networking Equipment	USA
RapidSSL	Online Authentication	USA
Symantec	Online Authentication	USA
VERITAS	Enterprise Data Protection	USA
SOPHOS	Firewall Protection	UK
Rosenberger	High-frequency and fiber optic technology connector solutions	GERMANY
TM	International Connectivity Provider	MALAYSIA

SOME OF OUR VALUED CUSTOMERS

Democracy International
actionaid
giz
Plan
DIRD GROUP
BASHUNDHARA GROUP
For the People, for the Country
Habib Group
MASCO
ANANTA
consumerknitex
ENVOY GROUP
LABAID
DEKKO GROUP
dbl
citygroup
a quest for excellence
MGi
KSRM
Empire Electronics Ltd
Impress-Newtex
আর এফ এল
Kamaphuli
GEMCON GROUP
pathao
Orion Group
taking our NATION a step towards TOMMORROW
AKK
A.K.KHAN & COMPANY LTD
STANDARD GROUP
STS Group
UTTARA
IUB
INDEPENDENT UNIVERSITY
ULAB
UNIVERSITY OF LIBERAL ARTS BANGLADESH
FARIDABAD CADET COLLEGE
aisd
American International School Dhaka
BIBM
UAP
An Educational Initiative of STS Group
International School Dhaka
NORTHERN UNIVERSITY BANGLADESH
BIT
ASIAN UNIVERSITY FOR WOMEN
HSBC
Standard Chartered
LankaBangla
SECURITIES
city bank
making sense of money
মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.
UCB
পূবালী ব্যাংক লিমিটেড
PUBALI BANK LIMITED
BRAC BANK
midlandbank ltd
bank for inclusive growth
Dutch-Bangla Bank
DHAKA BANK LIMITED

DIRECTORS' REPORT 2019

Dear Shareholders,
On behalf of the Board of Directors and Management, it is indeed a great privilege for me to welcome you to the 18th Annual General Meeting of the Company. We are pleased to place herewith the Directors' Report and the Auditors' Report together with the Audited Financial Statements of the Company for the year ended June 30, 2019 for your valued consideration, adoption and approval.

The Directors' Report has been prepared in compliance with the Section 184 of the Companies Act 1994, BSEC's Notification of 2018, the Listing Regulations of Dhaka and Chittagong Stock Exchanges and other applicable rules and regulations. Relevant disclosures and explanations relating to certain issues have been given by the Directors, which they consider important to ensure transparency and good governance practices.

State of Global Economy
Global growth in 2019 has been downgraded to 2.6 percent, 0.3 percentage point below previous forecasts, reflecting weaker-than-expected international trade and investment at the start of the year. Growth is projected to gradually rise to 2.8 percent by 2021, predicated on continued benign global financing conditions, as well as a modest recovery in emerging market and developing economies (EMDEs) previously affected by financial market pressure. However, EMDE growth remains constrained by subdued investment, which is dampening prospects and impeding progress toward achieving development goals. Risks are also firmly on the downside, in part reflecting the possibility of destabilizing policy developments, including a further escalation of trade tensions between major economies; renewed financial turmoil in EMDEs; and sharper-than-expected slowdowns in major economies.

The global outlook has become increasingly fragile and uncertain. GDP growth is subdued and global trade is now contracting. Continued and deepening trade policy tensions are taking an increasing toll on confidence and investment, adding to policy uncertainty, and weighing on risk sentiment in financial markets. A sharp upward spike in oil prices due to rising geopolitical tensions and disruptions to oil supply in Saudi Arabia is also increasing uncertainty and financial volatility. Global growth slowed to an annual pace of 3% in the first half of 2019. Outcomes held up in the United States, helped by strong consumer spending and fiscal policy support, and Japan, but proved weaker than anticipated in many other advanced economies, especially in Europe. Developments in many emerging-market economies were also softer than projected, including in India, Mexico and many commodity exporting economies. GDP growth in China eased only gradually, amidst ongoing policy stimulus, but import demand weakened considerably.

Survey measures of business activity have continued to weaken, particularly in manufacturing, where global measures of output and new orders have declined to their lowest level for seven years. Trade tensions have weighed heavily on industrial sectors, especially in the advanced economies, where industrial production declined in the first half of 2019. Service sector output has so far held up, with improved labor market conditions and modest fiscal policy support underpinning household incomes and consumer spending. The unusual dichotomy between manufacturing and services is unlikely to last long. Prolonged weakness in industrial sectors would intensify the downturn in hiring intentions and reduced working hours already underway in some countries, placing downward pressure on household incomes, spending and demand for services. Global trade remains exceptionally weak. Trade volumes (goods and services) stalled at the end of 2018 and are now declining. Uncertainty about trade policies has reached a new high and new export orders are contracting in around two-thirds of the economies. The disruption to trade, cross border investment and supply chains from rising trade tensions is a direct drag on demand and adds to uncertainty. It also harms supply and weakens medium-term growth prospects, as the induced reallocation of activities across countries and adjustment to supply chains makes firms less productive. Lower expectations of future growth also reduce the incentives to invest at present.

Recent economic and financial developments suggest that the widespread moderation in GDP and trade growth prospects is likely to persist for longer than earlier anticipated, with confidence declining further, policy uncertainty continuing to rise and investment remaining weak. Lower interest rates should help to cushion the extent of the slowdown, although the impact of recent changes in policy interest rates is likely to be modest, especially in the advanced economies. Household spending is holding up, helped by real wage increases and modest macroeconomic policy support, but slowing job creation is likely to weigh on income growth, and persistent weak productivity and investment will check the strength of real wage gains. Global GDP growth is projected to slow from 3.6% in 2018 to 2.9% this year and 3% in 2020, with downward revisions in most G20 economies. These would be the weakest annual global growth rates since the financial crisis.

The bilateral tariff measures introduced by the United States and China since the start of 2018 will continue to exert a significant drag on global activity and trade over the next two years, particularly given the additional uncertainty that they create. All told, the US-China measures could reduce global GDP growth by between 0.3-0.4 percentage points in 2020 and 0.2-0.3 percentage points in 2021. These effects are incorporated in the projections for 2020. China and the United States would be most affected by these shocks, but all economies are adversely affected by rising uncertainty, with business investment impacted severely in the major advanced economies. In the event that tensions ease, global growth could be stronger than projected, although uncertainty could still remain elevated given the greater unpredictability of policies.

After the strong growth during 2017 and the first half of 2018, global economy decelerated in the second half of 2018. According to World Economic Outlook (WEO), April 2019 published by the International Monetary Fund (IMF) the escalation of trade tension between the United States and China, loss of momentum in Europe and uncertainty about Brexit raise the risks of global growth.Global growth reduced at 0.2 percentage point in 2018 compare to 2017 and it is estimated that in 2019 it may decline more 0.3 percentage points and reach at 3.3 percent. However, IMF forecasts that global growth may be raised at 3.6 percent in 2020.Growth in advanced economies is projected to slow from 2.2 percent in 2018 to 1.8 percent in 2019. This trend of economic growth is disappointing for many countries. Specially, gradual softening of growth in the USA as fiscal stimulus fades and downward revisions for the euro areas are too much unsatisfactory. Growth in euro areas marked down because of weak industrial production following the introduction of revised auto emission standards. Consumer price inflation reduced across advanced economies due to drop in commodity prices. In advanced economies,inflation is expected to decline to 1.6 percent in 2019 by reducing 0.4 percentage point from 2018. In the USA economy, inflation is projected to decline to 2.0 percent in 2019 from 2.4 percent in 2018. Core inflation rate (excluding food and energy) of Japan is projected to rise by the end of 2020. Inflation for the emerging market and developing economy group is projected to resume its steady decline after a temporary modest rise this year.

According to the IMF, the global growth may face further downward revisions. Rising inequality, weak investment, rising protectionism in trade, climate change and risk from cyber security are the main causes of these risks. However, the growth will be stabilized at the end of this year if the downside risks do not materialize and the policy support put in place become effective.

Bangladesh Economy

In FY19, Bangladesh economy maintained a strong growth momentum with stable inflation, amidst subdued global growth emanated mainly from the escalating trade tension, rising geopolitical tension, and the Brexit related uncertainty. Bangladesh Bureau of Statistics (BBS)'s provisional estimate shows that real GDP grew by 8.13 percent in FY19 up from 7.86 percent in FY18, supported largely by the pickup in the investment demand, particularly public investment and robust export growth. On the production side, the growth surge emerged mainly from the industry sector (13.02 percent growth) with 14.76 percent growth in manufacturing activities. At the same time, activities in the service and agriculture sectors remained firm (6.50 percent and 3.51 percent growth, respectively) in FY19.

At the end of Q4FY19, the 12-month average CPI inflation edged down to 5.48 percent, remaining comfortably below the ceiling of 5.6 percent for FY19, aided by the moderation of food inflation with a decline in rice prices. However, the 12-month average non-food inflation steadily increased to 5.42 percent in June 2019 from 3.52 percent in January 2018, warranting close attention as point-to-point non-food inflation continued rising.

Though the waning of import demand led to a sizeable reduction in the trade balance deficit, the current account balance deficit widened marginally in Q4FY19 (USD 1008 million in Q4FY19 compared to USD 948 million in Q3FY19) because of a rise in the outflow of primary income of which remittance income is the major part. Nonetheless, the overall balance witnessed a surplus of USD 338 million due partly to the lowering of statistical discrepancies. During this period, BDT experienced modest depreciation and to avoid excessive volatilities of the exchange rate, Bangladesh Bank continued selling USD. However, in FY19, BoP recorded a small surplus (USD12 million) from a big deficit (USD 857 million) in FY18 due to improvement in CAB throughout the year.

Notwithstanding a strong growth in government borrowings from the banking system and the turnaround of the net foreign asset (NFA), broad money (M2) registered a modest growth of 9.9 percent at the end of FY19 against the programmed ceiling of 12 percent, due mainly to decelerated credit growth in the private sector. The modest growth in private credit helped reduce the stress on the liquidity condition in the banking system Q4FY19 in spite of subdued deposit growth. Nonetheless, interest rates in the interbank money market and yields on various government securities went up during this quarter. Consequently, interest rates on both deposit and lending showed some upward nudge. The weighted average interest rates on deposit and lending increased to 5.43 percent and 9.58 percent in Q4FY19 from 5.35 percent and 9.5 percent respectively, in Q3FY19. Among other indicators, gross non –performing loans (NPL) in the banking system decreased slightly to 11.7 percent in Q4FY19 from 11.9 percent in Q3FY19 with improving asset quality in the foreign banks and state-owned banks. Given the downturn in equity markets

throughout the world, Dhaka Stock Exchange witnessed some dip with volatility in Q4FY19, as reflected in its price indices, market capitalization, and turnover. On the fiscal side, a rise in the government expenditure against a moderate revenue collection led budget deficit to 4.5 percent of GDP in FY19. Though deficit financing mostly relied on non-bank borrowing, borrowing from the banking system by the government went up in Q4FY19.

Looking ahead, economic growth outlook is expected to remain strong at the targeted level (8.2 percent) and inflation remains at below the targeted level (5.5 percent) in FY20. Some external factors like sluggish global growth, disrupting supply chain by the escalating trade war, Brexit- related uncertainty and rising geopolitical tension and some domestic factors like managing high NPL and tight liquidity condition mainly due to slower growth of deposit are the likelihood of downside risk of economic growth prospect. A coordinated monetary and fiscal policy is required ensuring growth momentum and stable inflation.

Bangladesh has maintained its robust growth performance. Exports and remittances have been buoyant. Agriculture had bumper harvests. Overall inflation has slowed as decelerating food inflation offset a pickup in non-food inflation. According to a World Bank Report monetary expansion has been short of target as private sector credit growth slowed and the Bangladesh Bank siphoned off banking liquidity by selling dollars to defend the taka. Vulnerabilities in the banking system and capital market persisted. Higher export and lower import growth reduced the current account deficit, but a decline in the financial account surplus diluted the impact of the current account deficit decline on the overall balance of payments deficit. The budget deficit increased in FY18 but remained below the 5 percent of GDP target. Low revenue collection continues to be a major challenge as policy and administrative reforms have stalled and, in some instances, reversed. Key structural reform challenges are to mitigate the financial sector vulnerabilities, strengthen revenue mobilization, manage public investments better, meet the infrastructure gap, enhance human capital and streamline business regulation. Addressing these reform challenges will be critical for reinforcing future productivity growth.

The Bangladesh economy continues to grow at an impressive rate. On the supply side, the growth is being driven by manufacturing and construction. Rapid growth of electricity generation appears to have energized the urban formal and rural non-farm economy. Bumper crop harvests helped further. On the demand side, private consumption has remained strong, underpinned by strong remittance and rural income growth. In addition, exports growth has accelerated, benefiting from the US-China trade dispute while import growth has decelerated.

The growth of bank credit to the private sector has slowed in line with slower growth in deposits. Banking regulation and supervision have been ineffective due to lack of enforcement and regulatory independence. High nonperforming loans (NPLs) compounded by an eroding capital base continue to pose financial stability risks. Interest rates have tended upwards with the tightening of availability of loanable funds. Corporate governance weaknesses, especially at state-owned banks, and legal complexities in contract enforcement are adversely affecting the ability of banks to improve risk management and loan recovery. This is limiting the expansion of access to and usage of financial services.

The fiscal deficit has increased but remains well within sustainable thresholds. Domestic financing of the deficit has begun to shift towards less expensive sources with restraints on sales of National Saving Certificates (NSCs). Maintenance of a prudent cap on budget deficits have helped management of inflation and avoid crowding out of credit to the private sector. Tax revenue mobilization has slipped, reflecting the impact of several ad hoc tax cuts and exemptions as well as slow progress in the automation of administrative processes. Increased subsidies to exports and energy have increased recurrent spending and a rush of new development projects in the Annual Development Program (ADP) added more pressure. Low revenues have shrunk the fiscal space for meeting the spending gaps in infrastructure, health, education and social protection.

Several short and long-term development challenges for National Economy. An immediate challenge is to address the banking sector vulnerabilities, revenue shortfall and pressure on foreign exchange reserves. At the same time, there is the need to prepare for tighter external financing conditions in the near and medium-term. These will have to be complemented with reforms to improve infrastructure, boost human capital and make business regulation less onerous and more predictable.

Narrowing the infrastructure gap requires not only more spending, but also improving the maintenance of existing assets. The infrastructure challenge, in key sectors such as transport and energy, can be addressed by adopting a comprehensive infrastructure financing strategy based on a combination of tax funding, partnership with the private sector and cost recovery. Structural issues around bankability, coupled with near-term challenges, may hold back private sector participation.

A growing and youthful workforce in Bangladesh provides a time-bound window of opportunity to improve productivity and accelerate economic growth. Weak learning outcomes across the education system translate into a failure to realize fully the potential of human capital. Equipping the young generation with the skills needed for productive jobs remains crucial. To expand individuals' potential, a coherent skills development strategy across the different learning environments and schooling stages is imperative.

Improving the ease of doing business could reduce informality by reducing the cost of entry and operating in the formal sector. Measures to reduce the time, cost, and complexity of registration, coupled with high quality public services as well as enhanced monitoring and enforcement, would improve the business climate and foster growth. These require designing comprehensive policies, including streamlining tax codes, easing firm and labor regulations to create a level playing field for both formal and informal participants, and expanding access to finance and public services to help increase productivity in the informal sector.

Capital Market

Capital Market, overall, 2018-2019 has been a year of weariness. The DSEX, the benchmark index of the main bourse Dhaka Stock Exchange had been on a downward trend since the beginning of 2018 but turned around rapidly after elections. The DSEX reached as high as 6318 in January 2018 and then fell by more than a thousand points to 5262 at the end of July 2018. The index maintained a stable position in the last half of the year until closing for the year at 5,385.64, a 13.75 percent drop year-on-year. Market capitalization plunged by 3.6 percent to BDT 3436.7 billion in Q4FY19. The key indicators of the capital market, DSE broad index (DSEX) and DSE-30 index, declined in Q4FY19. The overall price-earnings (PE) ratio of the DSE edged down in Q4FY19. Sector-wise PE data show that the banking sector's PE score was the lowest position while that of the cement sector was the highest. Total turnover value significantly declined by 50.9 percent in Q4FY19 compared to the previous quarter. Market liquidity as measured by the Turnover Velocity Ratio (TVR) dropped to 26.0 percent in Q4FY19 from 51.07 percent in Q3FY19.

The total turnover and net investment by foreign and non-resident Bangladeshi decreased throughout the year. In last quarter FY19 investment by foreign and non-resident Bangladeshi investors edged down to BDT 8.7 billion from BDT 14.6 billion in earlier quarter. Cross-country data on price-earnings (PE) ratios as of June 2019 show that Bangladesh has moderate PE ratio (14.25) among the South and East Asian countries while dividend yield of Bangladesh is the highest position (4.25) among these countries. Market capitalization in Bangladesh remains low at around 20 percent of GDP.

About the ICTIndustry

The national development agenda of Bangladesh is driven by the Vision 2021, launched in 2010, which articulates a framework for achieving key developmental goals for the country by the year 2021. The goals envisage an ambitious future ranging from "possessing an efficient, accountable, transparent and decentralized system of governance" to "a poverty-free middle-income economy" to "a globally integrated regional economic and commercial hub".

In order to realize these goals, the Government has firmly positioned ICT as an enabler in this framework through its "Digital Bangladesh" initiative, comprised of four pillars: (1) Digital Government (i.e., public service delivery), (2) ICT in Business (i.e., private sector opportunities), (3) Connecting Citizens and (4) Human Resource Development. Several projects for digitalization have been completed and some others are under way in support of this initiative. The slogan of "Digital Bangladesh" of the Government of Bangladesh has special significance for national development and is a significant impetus for the use of digital technology in the country. This remarkable initiative and its constituent programs like the a2i (Access to Information) program have fostered remarkable growth in the overall ICT infrastructure, emergence of the ICT sector as a business, broad ranging e-government services, and more recently, a focus on e-commerce and digital businesses. The a2i program has taken an initiative named "Rural E-commerce" through 5,275 Union Digital Centers established throughout the country. Union Digital Centers are helping to create an alternative virtual market for the goods and services produced in marginalized or rural areas. Reflecting the growing importance of the digital economy for Bangladesh, the National Digital Commerce Policy 2018 as well as the National ICT Policy 2019 has been developed and the public sector openness to private sector consultation and drafting of these policy instruments is commendable. However, it is now important to translate the policies into implementable master plans through continued public-private dialogue and support by development partners.

ICT is a natural component of the country's developmental trajectory for a number of reasons. Job creation is a necessity given that approximately 110 million of the country's population of 160 million is under the age of 35. Sixty-five per cent of the population resides in rural areas, which poses significant challenges for both providing government services to citizens as well as integration of the rural population with the cities. The Government has shown remarkable foresight to recognize early the potential of ICT as an essential ingredient for the success of the Vision 2021. Since the inception of Digital Bangladesh initiative, the ICT

sector has grown at an average pace of 40 per cent per annum. The gains in the ICT infrastructure are evident. Nationwide coverage of mobile services is increasing with 2G (near 100 per cent coverage), 3G (undergoing rapid rollout) and 4G networks (primarily in the capital and other major cities), while 5G services are being tested as a growth mechanism for the medium-term. Mobile subscription adoption is high at 88.1 per cent; 71 per cent of the country now enjoys mobile broadband penetration accompanying the telecommunications sector with relatively high competition. The Bangladesh Telecommunication Regulation Commission (BTRC) estimates mobile broadband subscriptions to be more than 50 per cent of the population (85.5 million users), while overall Internet usage is estimated at 57.2 per cent (91.2 million users). Further growth may be constrained by affordability of mobile connectivity (possibly due to incurred spectrum charges), and lack of familiarity of the users with mobile Internet services. While 40 per cent of the users possess a smart-phone, while only approximately 4 per cent currently utilize 4G-capable devices. Universal access is a stated concern for the Government, however the regulator is currently observing the marketplace dynamics before making any policy decisions. This is to ensure that any decisions bear in mind the fast-evolving dynamics of the telecom market and do not lead to inordinate burdens on telecommunications firms that may harm consumers in the long term through price increases or deterioration of quality. Recent initiatives for operator interoperability through passive and soon active tower sharing are encouraging in this context.

This operating environment has incubated a fast evolving e-commerce sector driven on one hand by a flourishing ICT sector, and a fast-growing middle income consumer base, which has become used to absorbing relatively complex ICT services–whether public-sector or private-sector based–and has an appetite for value-added services. A variety of e-commerce businesses exist–ranging from food and grocery delivery to specialized logistical services. Development initiatives such as the innovative Ek Shop model have facilitated aggregation of e-commerce websites by leveraging e-government structures, namely the Union Digital Centers (8,000+) and the vast ICT network established to support e-government operations. The network also involves order facilitation through the post office delivery system as well as private sector logistics firms that can link to Ek Shop as well. This has facilitated market development for e-commerce firms while at the same time allowing consumers to access a variety of online services. It has also encouraged micro-entrepreneurship in the remotest corners of Bangladesh, since an individual can advertise their goods online by utilizing UDC services. Overall, e-commerce holds significant potential for the country, especially given the recent focus on prioritized sectors such as tourism, pharmaceuticals, apparel/jute, and food processing, which are naturally inclined towards e-commerce.

Improvements in trade logistics are required. While the post office network is extensive, last mile delivery remains a concern given the challenging geography and remote/dispersed communities. For e-commerce firms, order facilitation involves a fragmented chain of multiple logistical suppliers, and operations are frequently hampered by security challenges, reliance on cash as the predominant form of payment (between logistics suppliers and e-commerce firms, as well as with customers), and an overall weak level of maturity of this important service function.

Trade facilitation is an emerging area of interest as well for e-commerce. Cross-border e-commerce activity is currently constrained due to a low insignificant value and factual checks of most parcels entering Bangladesh. The benefits versus the burden imparted to the customs authority as a result of this needs to be reviewed. Bangladesh's trade facilitation commitments and continued improvements to its customs infrastructure must also be met.

The Information and Communication Technology Act 2006 (and amended versions in 2009, 2013) and the Digital Security Act 2018 are the cornerstones of cyber laws in Bangladesh. The former is credited with broad-ranging coverage related to recognition of online contracts and digital signatures, as well as recourse mechanisms for dispute resolution. The Digital Security Act 2018 was enacted to ensure National Digital Security and establish regulations regarding Digital Crime Identification, Prevention, Suppression, Trial among other related matters. The Consumer Rights Protection Act, 2009 does not have any focus on digital transactions. A regulatory gap exists regarding copyrights, trademarks and patent rights of e-information and data, and domain name protection.

Mobile Financial Services (MFS) have experienced a rapid uptake from consumers, outpacing card-based payment systems growth, although the usage is still low for e-commerce and digital-payments. Currently, e-commerce related transactions only account for approximately 1.02 per cent of the transactions of MFS. In addition, digital payments constitute currently only 0.14 per cent of the transactions of MFS. Interoperability of mobile-money to Banks and Bank to mobile-money transfer capability needs to be developed swiftly. This will help boost trust among consumers and help develop mobile money as the intermediate step solution away from cash and closer to cashless transactions. The key challenges to overcome are fostering consumer trust and strengthening merchant – MFS/card-service-provider linkages.

Two key areas of concern are international transaction limits for outbound payments in foreign currency, and access to financing for start-ups, ICT entrepreneurs and e-commerce merchants. The former needs to be reviewed in terms of balancing valid concerns of capital flight with the concern that such restrictions will prevent companies from scaling up operations, especially in cases where procurement of inputs is required from international sources, or where business-related expenses are required. The latter is a key factor constraining SME growth, extending to firms operating within the digital economy. Ample space remains for equity financiers and incubator / accelerator programs offering financing in Bangladesh to be substantially expanded.

In terms of skills development, the e-commerce sector has outpaced skills providers. Companies do cite a challenge in acquiring IT talent, although this is expected to extend to the broader digital skills base as well as the sector evolves. Increased requirements for spurring digital entrepreneurship will undoubtedly arise, as will demand for complex skills focusing not only on website development, but cloud-based custom programming, database development, AI (in the form of customer service bots among other uses), supply chain management and other expertise. A feedback loop is required to link policy, skills providers and the private sector to manage skills mismatch issues.

Competing in the Global Market

According to a McKinsey report, annual global spending on external IT services is about $900bn. Despite the many advantages of Bangladesh, India remains the global giant in IT outsourcing, with the IT export market set at $150bn, but tides are changing due to the IT industry's high turbulence. The growth of IT export market in India has also been consistently declining from 18.5% in 2011 to 8-10% in 2017. And if there's one thing to learn from the decline from Bangladesh's neighbor, it's that to achieve long-term sustainability, IT outsourcing businesses need to focus more on being a business partner to their clients than a temporary IT provider. This includes developing a shared understanding of business outcomes, long term relationships, and active collaboration on critical IT-architecture decisions, transformation with clear planning and action, and win-win contract mechanisms.

Bangladesh has a sizable young workforce and high cost competitiveness (20-30% less than in India or Philippines) which is estimated to only strengthen with the completion of IT parks, a major key value proposition for companies looking to outsource or offshore operations. Leading global IT service providers like Wipro, IBM, TCS, NTT Data, Infosys, and WPP have already entered the market through delivery center set-ups and joint ventures with local companies. Despite this, the IT-ITES industry remains significantly smaller than its main competitors (India & Philippines) and has yet to reach the growth phase in its industry life cycle. However, once it arrives at this destination, we are likely to see greater growth due to favorable government policies and foreign investments (Russia recently invested $100m & Japan also seeking to invest). In essence, Bangladesh is an upcoming hotspot for ICT outsourcing, where it's speed to reach that position depends on its ability to develop its talent capital and infrastructure to compete in the global platform.

Issues in Reaching Exponential Growth

Technology in the IT sector changes quickly as people's need for new and adequate training is required to keep up with pace in the industry. This places increasing demands on firms to be adaptable according to the new tried and tested technologies as well as human resources properly equipped with updated skills. A.T. Kearney's Global Services Location Indexsays that Bangladesh has steadily risen from its place at 26th in 2014 to 22nd in 2016 and 21st in 2017. From a comparison with other countries in the 2017, Bangladesh scored lowest in business environment showing that though many factors contribute to restraining growth in the ICT sector, a single factor makes the country unattractive for offshoring businesses.Despite the attractive young workforce, government incentives, and cost competitiveness, issues of intellectual property (IP)/data privacy, skilled talent, and lack of infrastructure remain significant challenges for scaling operations in the sector. Bangladesh currently ranks 129 out of 138 countries on WEF's IP protection index, and lacks the capacity to provide high value work due to lack of infrastructure and talent. However, both of these are likely to change with changes in legislation, and setup of IT parks. The government is also offering up to 100% reimbursement for training programs to provide incentives to develop the value of the country's talent capital in this sector.

Future prospect of ICT in Bangladesh

Bangladesh has established an important foundation for inclusive growth and diversification through the promotion of a technology-driven and skill based digital economy. The Government has in an exemplary manner supported public-private dialogue and collaboration in digitalization matters. It has been possible to expand the provision of e-governmental services rapidly and - due to the UDC infrastructure - in a way accessible to the population.

Over the years, a diversified set of e-commerce businesses have emerged comprising the classical e-marketplace for goods and services offers, delivery service models for grocery products, as well as digital travel agency services. This foundation promises to diversify significantly through additional business models and digital opportunities, if the development path of an enabling e-commerce environment is continued.

Going forward, an important need exists to implement actions that support e-commerce in a comprehensive national strategy-recognizing all barriers to business from an ecosystem perspective–to increase confidence of the general public in e-commerce, and to address the digital divide between urban and rural areas with greater priority.

Last of all, the digital economy constitutes a significant national development opportunity for our country and a chance to diversify from traditional industries prevalent in the country, building on the ICT sector development. Ample potential exists to add e-commerce components to nationally prioritized sectors such as pharmaceuticals, the apparel and jute sector and the food processing industry.

The future of ICT in Bangladesh is exceptionally bright in the sense of growth prospects, further enhanced by the government's initiative of creating a Digital Bangladesh by 2021. In 2018, the fiscal budget for IT development alone was $988m showing commitment to developing this sector. The ICT industry has the potential to transform the business landscape in Bangladesh and possibly become the country's 3rd engine in the future. It also has the potential to provide jobs for millions, which is critical considering the impacts automation may have on a country heavily dependent on its ability to provide cheap labor. However, to do so, there must be greater investments made in not only developing the talent capital through training programs, but also industry-academia collaboration to ensure graduates are ready for entrance into the market. Measure should also be taken to raise the ease of doing business in the country, since cost competitiveness alone is not always enough to attract big players to enter the market. It is highly likely ICT will become Bangladesh's 3rd engine given its overall high growth and prospects, however, to make this vision into a reality it is crucial we overcome the many issues hindering exponential growth.

aamra making significant progress in Bangladesh IT Industry

aamra has been in the forefront of Bangladeshi IT Industry in FY 2018-2019. We have retained our market leadership as the B2B Internet Connectivity provider. We have maintained our servicesin the metropolitans, i.e. Dhaka, Chittagong etc. Additionally, we have made significant progresses inJashore-Khulna metropolitans. We are serving customers from our office at Sheikh Hasina Software & Technology Park, Jashore and our strong physical presence in the region has given us competitive edge in serving our customers better than our competitors. In addition to our conventional products such as Internet and Data, we have made sizable advances in our Private Leases Circuit (PLC) products like MPLS, IPLC etc. These product lines have diversified our portfolio and added potential in our future revenue streams.

In the Internet of Things (IOT) vertical, we have remained firm and consistent over the years. We have made steady progress in the Video Surveillance (VS) business and has retained our market leadership in the Video Conferencing (VC) business. To add to that, we have done extensive research in vehicle tracking technology, we trust this has a lot of potential and we look forward to launching enterprise vehicle tracking solution in the coming financial year.

In terms of business, we have been steady and consistent this year. However, aamra family has been struck with the most tragic incident in its history on 28 March 2019. aamra occupied 4 floors in FR Tower, and this immense fire caused massive property damage to us. We are glad and thankful to Almighty that none of our colleagues became victim of this calamity.

Contribution to GDP

As a law-abiding and responsible company of Bangladesh, ANL is firmly committed to the state and society. ANL contributes to the national exchequer in the form income tax, VAT & excise duty. During the year 2018-19 company's contribution to the national exchequer is given below.

Particulars	(Figures in Million BDT)	(Figures in Million BDT)
	Jul'18- June'19	Jul'17 – June'18
Income Tax paid on company's income	17.88	12.46
Value Added Tax (VAT)	47.37	73.98
Total	**65.25**	**86.44**

ANL has always believes that its greatest strength is its people. Keeping the same in mind, ANL has spent Tk. 180.40 million for 2019 and Tk. 164.47 million for 2018 as salaries and allowances to its employees.

Segment/Product wise performance:

Particulars	July'18 - June'19					July'17 - June'18				
	Except EPZ Project		EPZ project		Total	Except EPZ Project		EPZ project		Total
	Internet & Wi-Fi bandwidth and equipment sales	IT support & software	Internet, Equipment Sale & Others	IT support & software		Internet, Equipment Sale & Others	IT support & software	Internet, Equipment Sale & Others	IT support & software	
Revenue	766,460,371	347,528,403	16,872,683	1,556,567	1,132,418,024	586,209,642	346,170,451	14,976,010	2,152,916	949,509,019
Variable Cost	(407,589,908)	(76,742,631)	(7,300,782)	(673,524)	(492,306,845)	(289,470,725)	(35,567,882)	(7,656,353)	(1,100,659)	(333,795,619)
Contribution Margin	**358,870,463**	**270,785,772**	**9,571,902**	**883,043**	**640,111,179**	**296,738,916**	**310,602,569**	**7,319,657**	**1,052,257**	**615,713,399**
Fixed Cost	(166,480,385)	(31,345,582)	(2,982,009)	(275,101)	(201,083,078)	(130,269,850)	(76,819,945)	(2,008,791)	(288,779)	(209,387,365)
Gross Profit	**192,390,078**	**239,440,190**	**6,589,892**	**607,942**	**439,028,102**	**166,469,066**	**233,782,624**	**5,310,866**	**763,478**	**406,326,034**
Operating expenses	(122,878,362)	(65,821,018)	(629,626)	(58,085)	(189,387,091)	(103,171,924)	(60,982,720)	(611,366)	(87,889)	(164,853,899)
Operating Profit	**69,511,716**	**173,619,172**	**5,960,266**	**549,857**	**249,641,010**	**63,297,142**	**172,799,904**	**4,699,500**	**675,589**	**241,472,135**
Financial expenses	(5,966,127)	(2,705,161)	(5,795)	-	(8,677,083)	(9,078,756)	(5,361,217)	(11,168)	-	(14,451,140)
Other income	794,235	-	-	-	794,235	6,749,327	-	-	-	6,749,327
Loss on fire	(3,751,668)	-	-	-	(3,751,668)	-	-	-	-	-
Profit before WPPF	**60,588,156**	**170,914,011**	**5,954,471**	**549,857**	**238,006,495**	**60,967,713**	**167,438,687**	**4,688,333**	**675,589**	**233,770,322**
Workers' Profit Participation Fund (WPPF)	(2,885,150)	(8,138,762)	(283,546)	(26,184)	(11,333,643)	(2,903,224)	(7,973,271)	(223,254)	(32,171)	(11,131,920)
Profit before income tax	**57,703,006**	**162,775,249**	**5,670,924**	**523,673**	**226,672,852**	**58,064,489**	**159,465,416**	**4,465,079**	**643,418**	**222,638,402**
Provision for income tax										
Current tax	(10,541,449)	-	-	-	(10,541,449)	(11,030,414)	-	-	-	(11,030,414)
Deferred tax	(4,101,236)	-	-	-	(4,101,236)	828,717	-	-	-	828,717
	(14,642,685)	-	-	-	(14,642,685)	(10,201,697)	-	-	-	(10,201,697)
Net Profit after income tax	**43,060,321**	**162,775,249**	**5,670,924**	**523,673**	**212,030,167**	**47,862,791**	**159,465,416**	**4,465,079**	**643,418**	**212,436,705**

Business Risk Analysis

Diversity and Scale of Operation

The diversity of an IT company is critical for its continued success. IT and ICT is a rapidly evolving industry. If a company's product/service portfolio is not diversified, then it faces the risk of market fallout when technology trend shifts.

Over the last decade, we have ensured that our service offerings are diversified so that we remain competitive even in the face of unfavorable industry shifts. Our key solutions include Commercial Internet and Data Connectivity, Internet Infrastructure Solutions, LAN, WAN, MPLS, Video Conferencing Solutions, Video Surveillance Solutions, Cloud & Email Solutions, Data Center, Vehicle Tracking Solutions, WiFi, Networking Solutions, Vehicle Tracking, Software Solutions and other connectivity/IOT solutions. This vast diversity of products and solutions keep us in a competitive position. This inclusiveness to diversity and mindset of adaptability helps us focus in our existing businesses also prepare for future innovations.

Geographic Diversity

We have the capacity to operate in all districts of Bangladesh. With our regional offices in Dhaka, Chittagong, Khulna, Jashore, Bogra and Cox's Bazar, we can reach any corner of the country with efficiency and ease.

The geographic spread of revenues is an important parameter in analyzing a company's business risk. Our revenue stream is not centralized in Dhaka/Chittagong metro locations, but distributed nationwide which is healthy for our company. This diversity is mostly due to our Internet business. That being said, products/services such as Video Conferencing, Video Surveillance and WiFi has observed healthy geographical diversion in the recent years.

Our regional expansion in Jashore-Khulna region has added further diversity in the geographic footstep of aamra.

Funding Risk

In order to finance its import of IT solution items, to support bid bond for tender security, to provide performance guarantee for execution of work order, the company is availing financing from a number of financial institutions. Interest rates charged for these facilities are only fixed for a certain period of time and the company is completely exposed to any adverse changes in the interest rates. This adverse change can decrease the profitability and operating cash flow of the company.

As per the financial intuitions' information, it is observed that the company has been performing well and is adjusting its liabilities within the time period.

Human Resource and Knowledge Management

aamra prioritizes its 'people' above everything. aamra's human resources are its core strength. We attribute our success to our efficient, every-ready and experiences workforce. aamra's award winning HR professionals ensure that we recruit the best human resources available in the market. Our strategy is to recruit talented young graduates, straight out of University and shape them into excellent professionals. Additionally, for specialized positions, we recruit the leading candidates available in the industry. This mixture of youth and experience give balance and stability in our human resources and knowledge base.

We work extensively in training, capacity building and knowledge development of our employees. To ensure knowledge management of the company, we have grown the culture of extensive on the job training. In addition, employees are assigned to senior colleagues, who are responsible for providing hands-on training on various knowledge elements. In addition, the HR also organizes periodic training on soft-skills and organization development topics.

aamra believes in grooming its people and promoting leaders from within.

Potential or Existing Government Regulations

IT companies have to comply with The Income Tax Ordinance, 1984; The Income Tax Rules, 1984; The Value Added Tax Act, 1991; The Value Added Tax Rules, 1991; The Customs Act, 1969; Bangladesh

Telecommunication Regulatory Commission Act, 2001 and The Companies Act, 1994. In addition, we have a dedicated team of personnel who regularly communicate with regulatory agencies to remain aware about the most updated regulations. We are a very agile and adaptive organization and always take necessary steps to comply with any new regulations. Having said that, any adverse change in the policies can affect the overall performance of the industry.

Financial Risk Analysis

Financial risk analysis includes different categories of analysis such as Profitability Analysis, Liquidity Analysis, Cash flow Analysis and Capital Structure.

Profitability Analysis

aamra networks limited has been operating for more than 18 years in the rapidly expanding IT industry of Bangladesh. Over last decade the company has earned goodwill & trust among wide range of established customer base through distribution of state-of-the-art internet communication solution including internet access, web development, networking solution, software development & all kind of maintenance services. As a logical sequence, the company was able to continue to generate higher revenue in each year since FY 2015. It is observed that ANL has maintained stable mark up throughout the years, though competitive market has slightly resisted the earnings growth rate. It is observed that, moderate level of cost of service has allowed the company to sustain a lucrative gross profit margin trend. On the contrary, ANL's high operating cost has consumed considerable portion of profit in each year though it can be considered as quite normal scenario for large publicly listed company operating as a group.

Operating cost percentage on revenue of ANL is as follows:

Year	Operating cost Percentage (%)
2016	18.14%
2017	20.05%
2018	17.36%
2019	16.72%

This trend of operating expenses is representing that company has a good control over operating expenses. More in depth analysis of the financial statements has made visible that depreciation & salary expenses have risen to a higher pace compared to the level of activity in FY 2019. Consequently, combined effect of both above mentioned factors has resulted into slightly deteriorated net profit margin.

Cash Flow Analysis

Cash flow from operation is one of the most important perimeters to measure true financial strength of any organization. Both standalone & comparative use of this ratio can assist us in making an informative decision. In terms of the cash flow of FY 2018-2019, ANL has showed strong and positive performance.

Leverage & Capital Structure Analysis

Capital structure of the company is comprised of capital introduced by the shareholders and short term & long-term financing from bank and other financial institutions. As on 30 June 2019, total equity of the company stood at BDT 1,873.58 million (comprised of paid up capital, share premium and retained earnings) whereas borrowings stood at BDT 57.74 million (comprised of current portion of lease liabilities and short-term loan).

Highlights on Financial Performance

The comparatives on the financial performance of the Company for the year ended June 30, 2019 and June 30, 2018 are presented below:

				(Figures in Million Taka)
Particulars	**Taxable**	**Non-Taxable**	**Total 2019**	**2018**
Revenue	766.46	365.96	1,132.42	949.51
COGS	574.07	119.32	693.39	543.18
Gross Profit	192.39	246.64	439.03	406.33
Operating Expenses	122.88	66.51	189.39	164.85
Non-Operating Income	0.79	-	0.79	6.75
Financial Cost	5.97	2.71	8.68	14.45
Profit before tax	57.70	168.97	226.67	222.64
Profit after tax	43.06	168.97	212.03	212.44

Percentage of Cost of Goods sold slightly increased in the year 2019.The percentage of COGS is 61.23% and 57.21% in the year 2019 and 2018 respectively. Gross profit percentage is 38.77% for 2019 and 42.79% for 2018. Net profit after tax is 18.72% for 2019 and 22.37% for 2018.

Extra Ordinary Gain/ Loss:

There was a loss on fire incident amounting Tk. 3,751,668 in the year 2019.

Related Party Disclosures

The detalis of related party transaction during the year alog with the relationship is illustrated below in accordance with IAS 24:

Amount in Taka

SL	Related parties	Relationship	Nature of Transaction	Transaction during the Year		Balance as on 30 June 2019	Balance as on 30 June 2018
				Addition during the year	Payment / Adjustment		
1	aamra holdings limited	Concern under common management	Software maintenance	144,000	144,000	-	-
2	aamra holdings limited	Concern under common management	Intercompany loan account	64,906,000	64,906,000	-	-
3	aamra technologies limited	Concern under common management	IIG bandwidth & Equipment Purchase	74,236,334	73,691,883	10,704,100	10,159,649
4	aamra technologies limited	Concern under common management	Intercompany loan account	83,900,000	83,900,000	-	-
5	Syed Faruque Ahmed	Chairman	Office rent (Chittagong)	837,900	764,750	73,150	73,150
6	Syed Farhad Ahmed	Managing Director	Salary	3,900,000	3,600,000	300,000	300,000
Total Related Party Transactions				**228,924,234**	**228,006,633**	**11,077,250**	**10,532,799**

The related party transaction is made for business transaction only.

Status of IPO Funds

ANL has raised fund BDT 562.50 million from IPO and the trading of shares of aamra networks limited started on the bourses both Dhaka and Chittagong Stock Exchanges on Monday, October 2, 2017. Fund raised through IPO has been utilized fully by February 2019. The status of IPO funds is as follows:

Statement of use of IPO Proceed

Report on Utilization of Initial Public Offering (IPO) Proceeds
For the month of February 28, 2019

Name of the company **: aamra networks limited**
Amount (BDT) of Capital Raised Through IPO **: Tk. 562,500,000**
Date of Close of Subscription **: August 16, 2017**
Proceeds Receiving Date **: September 26, 2017**
Last Date of Full Utilization of Fund as per Prospectus **: Within 12 Months of receiving IPO fund**

Sl. No.	Purpose Mentioned in the Prospectus	Time line as per prospectus	Amount as per prospectus (BDT)	Status of Utilization				Remarks
				Total Utilized Amount (BDT)	Utilized (%)	Total Un-utilized Amount (BDT)	Un-utilized (%)	
1	IPO Expenses	As soon as	29,704,173	29,704,173	100.00%	-	0.00%	
2	Loan repayment	25/Oct/17	185,921,482	185,921,482	100.00%	-	0.00%	
3	BMRE for infrastructure Development	25/Sep/18	154,667,531	154,667,531	100.00%	-	0.00%	
4	Data Center Setup	25/Sep/18	118,002,406	118,002,406	100.00%	-	0.00%	
5	Wi-Fi Hotspot setup in different locations	25/Sep/18	74,204,408	74,204,408	100.00%	-	0.00%	
Total			**562,500,000**	**562,500,000**		-		

Percentage:
Interest income of IPO proceeds: 0.00%
Un-utilized IPO proceeds: 0.00%

Note:

a) Actual application was received almost 18.07 Times.

b) During the month Pay Orders for Tk. 2,925,826 has been issued from IPO Bank account for payment of BMRE for infrastructure Development.

c) During the month Pay Orders for Tk. 1,026,472 has been issued from IPO Bank account for payment of BMRE for infrastructure Development.

d) IPO proceeds have been utilized for the purposes/heads as specified in the prospectus and in line with the condition of the Commission's consent letter and subsequent letter BSEC/CFD/68/2017/part-01/08 date January 31, 2019.

e) Assets have been procured/imported/constructed maintaining proper procedure as well as at reasonable price and proper reconciliation made with Bank Statement

Variance between quarterly and Annual Financial Statements:
There was no significant variance occurs between quarterly and Annual Financial Statements In the year 2019.

Director Remuneration:
The total amount of salary paid to the director of the company during the period is as follows:

Name	Designation	2019	2018
Syed Farhad Ahmed	Managing Director	3,900,000	3,900,000
Total		**3,900,000**	**3,900,000**

Corporate and Financial Reporting Framework

- The financial statements prepared by the Management of ANL, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the issuer company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the issuer company's ability to continue as a going concern.

Minority Interest

aamra believes that good Corporate Governance involves open and trusting cooperation between all stakeholders involved in the Company, including the owners of the Company – the Shareholders. The Board of Directors is committed to ensuring the highest standards of governance designed to protect the interests of all stakeholders, including the rights of its minority shareholders while promoting integrity, transparency and accountability. The Board of Directors shall at all times act in a manner that will be in the best interest of the Company.

Going Concern

The financial statements of the Company have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Board of Directors of ANL has made annual assessment about whether there exists any material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern, including review of budget and future outcome of inherent uncertainties in existence.

Based on the different indications, Directors feel it appropriate to adopt going concern assumptions and no material uncertainty exists in preparing the financial statements.

Current year financial information compare to last five years

It is in the page no. 15 to 16

Dividend

The Board of Directors of aamra networks limited have recommended 6% cash dividend and 6% Stock Dividend for the shareholders out of profit of the year 2019 at the time of considering of the Annual Financial Statements of the company subject to the approval by the Shareholders in the forthcoming Annual General Meeting.

The Board of Directors affirm that no bonus share or stock dividend has been or shall be declared as interim dividend.

Board Meetings and Attendance by the Directors

Attendance by the Directors in the Board of Directors' Meeting in 2018-2019 are summarized and given below:

Sl. No	Name	Number of Meeting	Number of Attendance
1	Syed Faruque Ahmed, Chairman	13	13
2	Syed Farhad Ahmed, Managing Director & CEO	13	13
3	Syeda Munia Ahmed, Director	13	10
4	Fahmida Ahmed, Director	13	11
5	Mahbub Mustafizur Rahman, Independent Director	13	7

Shareholding Status

Summary of Shareholders
Shareholding Position as on 30-06-2019

On the Basis of Share Holders Type

Group Name	Number of Shareholder	No. Of Shares	Ownership (%)
All Investor A/C	2	116,000	0.219%
Company	89	13,920,997	26.246%
General Public	5,726	12,981,184	24.474%
NRB [Non- Resident Bangladesh]	167	8,500,998	16.027%
Sponsor / Director	6	17,522,030	33.035%
Total	**5,990**	**53,041,209**	**100%**

Director's Shareholding Position

Sl. NO	Name of Director & Sponsors	Shareholding %
1	aamra holdings ltd	23.76%
2	aamra resources ltd	8.53%
3	Syed Faruque Ahmed (Nominated Director of aamra holdings limited)	0.19%
4	Syed Farhad Ahmed (Nominated Director of aamra resources limited)	0.19%
5	Syeda Munia Ahmed (Nominated Director of aamra holdings limited)	0.19%
6	Fahmida Ahmed (Nominated Director of aamra resources limited)	0.19%
7	Mahbub Mustafizur Rahman, Independent Director	0%

There are no shares held by Company Secretary, CFO, Head of Internal Audit, Executives and Spouse and minor children of Directors and Executives.

Shareholders who holds 10% and above shares

Sl. No	Name of Shareholders who hold 10% or more shares	Status (Sponsor/Promoter Director/ Sponsor Director/Nominated Director /Independent Director Depositor Director /Institution/Foreigner etc.)	No. of Shares held as on June'2019	% of total no of paid-up shares as on June'2019
1	aamra holdings ltd.	Director & Sponsor	12,600,000	23.755%
2	Augere Holdings (Netherlands) B.V	Foreign Institution	8,477,970	15.98%
3	Investment Corporation of Bangladesh	Institution	5,400,000	10.18%
	TOTAL		**26,477,970**	**49.92%**

Directors' Retirement & Re-election

As per Section 91 of the Articles of Association of the Company 1/3 Directors of the Company will retire by rotation each/every year. In this regard Syed Farhad Ahmad and Syeda Munia Ahmed is retired from the board and recommended for re-election as director as they are eligible for the re-election.

A brief profile of them is illustrated in the page no.11 and no.12

Management Discussion and analysis

Responsibility to Financial Statements

The Board of Directors of aamra networks limited would like to inform that the audited accounts containing the Financial Statements for the year ended 30th June 2019 are in conformity with the requirements of the Companies Act- 1994, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by ICAB, Securities & Exchange Rules- 1987 and the Listing Regulations of the Dhaka and Chittagong Stock Exchanges and they believe that the financial statements reflect fairly the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operations. These Financial Statements are audited by the Statutory Auditors, K.M. Hasan & Co.

In accordance with the provisions of section 185 of the Companies Act, 1994 and based on the information provided by the management, your directors state that:

(i) In the preparation of accounts, the applicable accounting standards have been followed;

(ii) We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 30th June 2019 and of the profit of the Company for the year ended on that date;

(iii) We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1994 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

(iv) We have prepared the annual accounts on going concern basis.

Comparative analysis of financial performance preceding five years

(Figures are in million BDT except ratio and per share)

Particulars	Jul - June 2019	Jul - June 2018	Jul - June 2017	Jul - June 2016	Jul - June 2015	Jul - June 2014
Revenue	1,132.42	949.51	795.52	739.04	662.95	595.09
Gross Profit	439.03	406.33	311.03	278.58	264.20	238.60
Net Profit Before Tax	226.67	222.64	131.71	132.60	130.79	89.88
Net Profit After Tax	212.03	212.44	122.27	121.11	120.08	84.89
Total Assets	2,053.46	1,891.76	1,336.63	1,080.43	943.15	858.82
Net Asset Value (NAV)	1,873.58	1,714.60	1,021.43	899.16	835.16	569.81
NAV per Share	35.32	32.33	19.26	16.95	15.75	10.74
Number of Shares	53.04	53.04	53.04	53.04	53.04	53.04
NOCFPS	3.72	2.23	0.97	1.47	2.80	1.53
EPS	4.00	4.01	2.31	2.28	2.26	1.60
Dividend	6% Cash & 6% Stock (proposed)	10% Cash	10% Cash	-	-	-

Based on current number of shares

Significant deviations from the last year operating results

There is no significant change occurred in EPS for the year 2019 compare to last year i.e. 2018.

Financial and economic scenario of the country and the Globe

This is disclosed at page no. 25 to 28

Risk and concerns issues related to financial statement

This is disclosed at page no. 32 to 33

Future Plan

We are on the final stage of building our new data center in DevoTech Technology Park. In the midst of competitive marketplace, we have remained consistent and progressive in our Internet and Infrastructure business. Additionally, our Internet of Things (IOT) portfolio is also doing very well. Our key IOT businesses such as Video Conferencing (VC), Video Surveillance (VS) has maintained steady growth. This year we have also ventured in Robotics business, we trust aamra shall become the leading name in Robotics Solutions in coming years.

CEO and CFO's declaration to the board of directors

It is mentioned page no. 42

Report on Corporate Governance

As a publicly listed company ANL is committed to maintain high standards of Corporate Governance and it is compiled as per notification of Bangladesh Securities Exchange Commission vide no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03June 2018.details report enclosed in page no. 43

Responsibility to Internal Control System

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

Opinion of the External Auditors

K.M. Hasan & Co., the external auditor of the Company has carried out annual audit to review the system of internal controls, as they consider appropriate and necessary, for expressing their opinion on the financial statements. They have also examined the financial statements made available by the management together with all the financial records, related data, minutes of share-holders meeting and board meetings, relevant policies and expressed their opinion.

Committees:

It is in the page no. 10

Appointment of Auditor

K.M Hasan & Co, Chartered Accountants, was recommended by the board for re-appointed as the statutory auditors for the year 2019-20 and also recommended to fix their remuneration Tk. 170,000.00 (One lac seventy thousand) only plus VAT subject to the approval by the shareholders in the forthcoming AGM.

Appointment of Practicing Professional Accountant or Secretary for Certificate for Compliance of CorporateGovernance

Masih Muhith Haque & Co, Chartered Accountants had been appointed for certificate on compliance of Corporate Governance for the year 2018-19. They intended their interest to get appointment for the year 2019-20. The Board of Directors recommended to appoint them for obtaining certificate on compliance of Corporate Governance for the year 2019-20 and also recommended their remuneration of BDT. 40,000/= (Forty Thousand only) Plus VAT subject to the approval of the Shareholders at the upcoming AGM.

Credit Rating

Alpha Credit Ratings Limited reaffirms A+ (A Plus) in the long term and ST-2 in the short-term rating of aamra networks limited on the basis of Company's latest year-end financials of 2018. This rating is valid till July 21, 2020.

Acknowledgement

The Board of Directors of the Company would like to extend their sincere thanks and gratitude to its stakeholders for assistance and guidance from time to time. The Directors of the Company acknowledge their gratitude to its customers, financiers and regulatory authorities for their guidance and support to the Company and the co-operation extended by the auditor, and the devoted efforts put in by the Company's employees to remain performance of the Company at satisfactory level.

On behalf of the Board of Directors,

Syed Faruque Ahmed
Chairman

AUDIT COMMITTEE REPORT

The audit committee makes recommendation on the reporting, control and compliance aspects of the Directors' and the Company's responsibilities, providing independent monitoring, guidance and challenge to executive management in these areas. The audit committee on behalf of the board strives to ensure effective implementation of the processes and procedures set out in the business plans and policies. Its aim is to ensure that high standards of corporate reporting, control and compliance are achieved, in the belief that excellence in these areas enhances the effectiveness and reduces the risks of the business.

The composition of the committee

In accordance with the currently accepted best practices and corporate governance guidelines, the board appointed audit committee comprises of the following non-executive and independent Director:

Name	Designation	Position in the Board
Mahbub Mustafizur Rahman	Chairman	Independent Director
Syeda Munia Ahmed	Member	Director
Fahmida Ahmed	Member	Director

The Committee conduct four meetings during the year under review. The terms of reference of the audit committee clearly defines the roles and responsibilities of the audit committee. The terms of reference are periodically reviewed and revised with the concurrence of the board of directors. The roles and functions of the committee are further regulated by the rules governing the audit committee as specified by the conditions/ guidelines on corporate governance issued by the Bangladesh Securities and Exchange Commission.

Activities of the Audit Committee

For the year ended on 30 June 2019, the Audit Committee of the Board of Directors conducted four meetings in which among other things, the following issues were discussed/evaluated/reviewed and provided guidelines and necessary instruction:

- Reviewed the Company's 1st Quarterly Un-Audited Financial Statements- Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, statement of Cash Flows and related explanatory notes as on 30 September 2018.
- Reviewed the Company's Half Yearly Un-Audited Financial Statements- Statement of Financial Position, Statement of Comprehensive Income, and Statement of Changes in Equity, statement of Cash Flows and related explanatory notes as on 31 December 2018.
- Reviewed the Company's 3rd Quarterly Un-Audited Financial Statements- Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, statement of Cash Flows and related explanatory notes as on 31 March 2019.
- Reviewed the company's Financial Statements- Statement of Financial Position, Statement of profit or loss & Comprehensive Income, Statement of Changes in Equity, statement of Cash Flows and related explanatory notes as on 30 June 2019.
- Recommended for appointment of External Auditors and fixation of their remuneration.
- Reviewed the effectiveness and independence of the statutory auditors.
- Reviewed the adequacy of internal control and systems.
- Reviewed the Management's Discussion and Analysis before disclosing in the Annual Report.
- Reviewed the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors.
- Reviewed IPO proceed utilization Report.

Acknowledgement

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

Mahbub Mustafizur Rahman
Chairman, Audit Committee
October 29, 2019

Report of the Nomination and Remuneration Committee (NRC)

The Board of Directors of aamra networks limited in accordance with the Corporate Governance Code of BSEC dated June 03, 2018 constituted the NRC comprised with the following members:

Sl No	Name of Member	Designation
1	Mahbub Mustafizur Rahman, Independent Director	Chairman
2	Syeda Munia Ahmed, Director	Member
3	Fahmida Ahmed, Director	Member

During the year under review the committee held one meeting on April 30, 2019 and transacted the following activities:

1. Reviewed the level and composition of remuneration of the company and opined that the level and composition of remuneration is competitive to attract, retain and motivate the Directors to run the company successfully.
2. Reviewed the relation between remuneration and performance and opined that it is clear and meets appropriate performance benchmarks.
3. Took initiative in formulating remuneration policy and the evolution criteria.
4. Reviewed the devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality.
5. Reviewed identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down and recommend their appointment and removal to the Board.
6. Reviewed the criteria for evaluation of performance of independent directors and the Board.
7. Reviewed the needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria.
8. Reviewed the policy for developing, recommending and reviewing annually the company's human resources and training.

Acknowledgement

The Nomination and Remuneration Committee expressed its sincere thanks to the members of the Committee, Board, Management and the employees for their support in carrying out the duties and responsibilities.

Mahbub Mustafizur Rahman
Chairman, Nomination and Remuneration Committee
October 29, 2019

CEO AND CFO'S DECLARATION TO THE BOARD OF DIRECTORS

October 29, 2019

The Board of Directors
aamra networks limited
Safura Tower (12th Floor)
20, Kemal Ataturk Avenue
Banani C/A, Dhaka

Subject: Declaration on Financial Statements for the year ended on June 30, 2019.

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

(1) The Financial Statements of aamra networks limited for the year ended on June 30, 2019 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Banglades and any departure there from has been adequately disclosed;

(2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;

(3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;

(4) To ensure above, the company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;

(5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and

(6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that;-

i. We have reviewed the statements for the year ended on June 30, 2019 and that to the best of our knowledge and belief;

a. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;

b. These statements together present a true and fair view of the company's affair and are in compliance with existing accounting standards and applicable laws.

ii. There are, to the best of knowledge and belief, no transaction entered into by the company during the year which are fraudulent, illegal or violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

(Syed Farhad Ahmed)
Managing Director & CEO

(Md. Anamul Haque)
Chief Financial Officer

REPORT ON CORPORATEGOVERNANCE

Corporate governance is about commitment to values and ethical business conduct. It provides for a structure that works for the benefit of its stakeholders by ensuring that the enterprise adheres to accept ethical standards and best practices as well as to applicable laws, procedures and implicit rules. Good Corporate Governance principles encourage the Company to create value through innovations, development and exploration on one hand and on the other to provide accountability and control systems commensurate with the risks involved. The other important part of the Corporate Governance is disclosure of information regarding the financial position of the Company, its performance, ownership and governance in a timely and accurate way. These disclosures help in improving the public understanding of the structure, activities and policies of the organization.

Thus, Corporate Governance is about promoting corporate fairness, transparency and accountability. Corporate Governance guidelines developed over a period of time in Bangladesh, are protected through Bangladesh Securities & Exchange Commission's Notification No.BSEC/CMRRCD/2006 -158/207/Admin/80 dated June 03, 2018.

Corporate Governance at ANL

ANL's corporate governance policies recognize the importance of the transparency to all its constituents; including employees, customers, investors, and the regulatory authorities demonstrating that the shareholders are the ultimate beneficiaries of the Company's economic activities.

In addition to the primary role of monitoring corporate performance, the function of the Board includes approving a business plan, reviewing and approving annual budgets and borrowing limits, fixing exposure limits and ensuring that our shareholders are kept informed about our plans, strategies and performance. To enable the Board of Directors to discharge these responsibilities effectively, the management provides detailed reports on performance to the Board on quarterly basis. The Board of Directors also functions through various committees such as the Audit Committee.

Ethics & Compliance

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

We are performing ethically and efficiently to generate long-term value and wealth for all its stakeholders. The Corporate Governance principles of the Company ensures that the Board remains informed, independent and involved in the Company and there are ongoing efforts towards better corporate governance to mitigate "non-business" risks. The Board periodically reviews the compliance of all applicable laws and gives appropriate directions, wherever necessary.

Board of Directors

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

In order to comply with the BSEC's notification dated June 03, 2018 on Corporate Governance, the Board of ANL has appointed one eminent personality as Independent Director of the Company. Thus, the Board of ANL comprises of 5 (Five) members of which three are Non-Executive Directors, one Executive Director and one Independent Directors. The goal has been to form a Board, which is cohesive and has the expertise for quick and informed decision making.

Role of the Board

The Board of Directors is in full control of the Company's affairs and is also accountable to the shareholders. The Board is committed to achieve greater financial performances and long-term prosperity, while meeting stakeholders' expectations of sound corporate governance practices.

Changes in the Board

Syed Farhad Ahmad and Syeda Munia Ahmed, Directors of the Company retire by rotation as per Articles of Association of the Company and being eligible offer themselves for re-election.

Board Meetings

The Company holds at least four Board meetings in a year, one in each quarter inter-alia to review the financial results of the Company. The gap between the two Board Meetings does not exceed three months. Apart from the four scheduled Board Meetings, additional Board Meetings are also convened to address the specific requirements of the Company. Urgent matters are also approved by the Board by passing resolutions through circulation. During the year under review 8meetings of the Board were held.

The following information has been given to the Board either as a part of the agenda of the meeting or by way of presentation during the meeting:

* Annual operating plans, budgets and performances
* Quarterly, half-yearly and annual results of the Company
* Minutes of the meeting of the Audit committee, nomination of remunaration committee
* Significant regulatory matters
* Detailed risk analysis and asset liability management report
* Details of Investments
* Compliance of statutory /regulatory/Listing Agreements.
* Such other material and significant information

The Board performs following functions in addition to overseeing the overall business and management:

* Review, monitor and approve major financial and business strategies and corporate actions.
* Assess critical risks facing by the Company – review options for their mitigations.
* Ensures that the processes are in place for maintaining the integrity of :

- The Company.
- The financial statements.
- Compliance with law.
- Relationship with customers and shareholders.
- Delegation of appropriate authority to the Senior Executives of the Company for effective management of operations.

Meeting Attendance & Directors Remuneration

The Board members receive only fees for attending Board/Committee meetings and they do not received other remuneration or incentive except Syed Farhad Ahmed.

Audit Committee

The primary role of the Audit Committee is overseeing the financial reporting process and disclosure of financial information, reviewing the financial statements before submission to the Board, reviewing adequacy of internal control systems and reviewing findings of internal investigations besides recommending appointment/ removal of statutory auditors and fixing their remuneration. A separate report on the activities of the Audit Committee is attached in the page no. 40 of this report.

Role of the Chairman

The Chairman serves as the primary link between the Board and Management, and works with the CEO and Company Secretary to set the agenda of the Board Meetings. He provides leadership to the Board and ensures that the Board works effectively and discharges its responsibilities efficiently.

Chairman & Managing Director/CEO of the Company are different persons

Chairman of the Board and Managing Director of the Company are different persons with different roles and responsibilities, defined by the Board and thereby preventing unregulated powers of decision making on a single hand. The Chairman is a Non-Executive Director while the Managing Director is an Executive Director.

Role of the Managing Director & CEO

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

Role of the Company Secretary
Company Secretary is responsible for advising the Board through the Chairman on all governance matters. He is also responsible for ensuring proper information flow with the Board and its Committees and between the management and the non-executive directors. He is also acting as bridge between the regulators/stakeholders and the Company.

Role of the Head of Internal Control & Compliance
The head of Internal Control and Compliance is responsible for reporting to the Board Audit Committee regarding deviations from accounting and internal control system. He is also leading the internal audit team of the Company.

Internal Control and Compliance
The Company's internal control system was commensurate with its size and business nature. The system minimized operational risks through effective control, systemic review and on-going audit. The internal auditors undertook a comprehensive audit of all functional areas and operations, their findings referred to the Audit Committee of the Board.

The Company internalized its legal and technical appraisal functions to ensure optimum control. The Company's multi-level authorization structure ensured that higher exposure levels were duly authorized by personnel and committees with requisite experience and authority. Training programs and guidelines helped implement linkage between goals and operations.

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

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

Risk Management
The Company always concentrates on delivering high value to its stakeholders through appropriate tradeoff between risk and return. A well-structured and proactive risk management system is in place within the Company to address the risks relating to market, liquidity and operations.

Related Party Transactions
Transactions with related parties are made on arm's length basis and are in the ordinary course of business. Detailed transactions with related parties are described at notes 32 of the Financial Statements in the page no. 96 of this annual report.

Auditors Certificate on Corporate Governance
The Company has complied with all mandatory requirements of Corporate Governance guidelines as enumerated in the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 of Bangladesh Securities and Exchange Commission. Masih Muhith Haque & Co, Chartered Accountants in Practice have certified that the Company has complied with the conditions of Corporate Governance as stipulated under the Corporate Governance Guidelines which is annexed in the page no. 47

Observance of IAS and IFRS & Applicable Laws
The Directors confirm that the financial statements have been prepared in accordance with the Internation Accounting Standards and other applicable rules and regulations. A statement on implementations of the different accounting standards is set out at notes to the financial statements.

Employee Health & Safety
ANL maintains internal health and safety policies and procedures and national regulations to ensure a safe working environment. We are working with our employees to ensure that health and safety standards are maintained and improved. ANL provides adequate life and hospitalization insurance coverage to all its permanent employees.

Annual General Meeting (AGM)

ANL holds Annual General Meeting of shareholders once a year and the Company ensures effective interaction with the shareholders at the Annual General Meeting. The Directors pay special attention in answering the various queries raised by the shareholders at the Annual General Meeting.

Having reviewed the BSEC's Corporate Governance guideline as last amended on June 3, 2018, the Company's Board issued and signed their declaration of Compliance, a statement of which is given below:

মাসিহ মুহিত হক এন্ড কোং
MASIH MUHITH HAQUE & CO.
Chartered Accountants
since 1985

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E-mail : info@masihmuhith.com I Web : www. rsm.global/bangladesh

Report to the Shareholders of aamra network limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by aamra network limited for the year ended on 30 June 2019. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

(a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission except for the condition # 1(5)(XXV)(d), 3(1)(c) and 6(5)(c);

(b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

(c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and

(d) The Governance of the company is highly satisfactory or satisfactory.

Masih Muhith Haque & Co.

Dhaka, December 10, 2019.

(Masih Muhith Haque & Co.)
Chartered Accountants

A member firm of RSM

aamra networks limited

COMPLIANCE REPORT ON CORPORATE GOVERNANCE

Status of compliance with the conditions of Corporate Governance Guidelines as set by Bangladesh Securities & Exchange Commission (BSEC) by the notification # BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 and subsequently amended through their notification # BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 7.00)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	**BOARD OF DIRECTORS :**			
1(1)	**Board's Size** The number of the board members of the company shall not be less than 5 (five) and more than 20 (twenty)	√		The Board of Director comprises of five members.
1(2)	**Independent Directors:** All companies shall have effective representation of independent directors on their Boards, so that the Board, as a group, includes core competencies considered relevant in the context of each company; for this purpose, the companies shall comply with the following:			
1(2) (a)	At least one-fifth (1/5) of the total number of directors in the company's board shall be independent directors.	√		
1(2)(b) (i)	The independent director either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		
1(2) (b) (ii)	The independent director is not a sponsor of the company and is not connected with the company's any sponsor, director, or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	√		
1(2) (b) (iii)	The independent director has not been an executive of the company in immediately preceding 2 (two) financial years;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(2) (b) (iv)	The independent director does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		
1(2) (b) (v)	The independent director is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		
1(2) (b) (vi)	The independent director is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
1(2) (b) (vii)	The independent director is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		
1(2) (b) (viii)	The independent director is not independent director in more than 5 (five) listed companies;	√		
1(2) (b) (ix)	The independent director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	√		
1(2) (b) (x)	The independent director has not been convicted for a criminal offence	√		
1(2) (c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM)	√		Appointed by the Board of Directors. Will be put for approval by the shareholders in ensuing Annual General Meeting (AGM).
1(2) (d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(2) (e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only: Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]: Provided further that the independent director shall not be subject to retirement by rotation as per the(Companies Act, 1994).Act No.18	√		
1(3)	**Qualification of Independent Director (ID)**			
1(3) (a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	√		
1(3) (b) (i)	**Independent director shall have following qualifications:-** Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or international chamber of commerce or business association; **or**	√		
1(3) (b) (ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or	√		
1(3)(b) (iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(3)(b) (iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	√		
1(3) (b) (v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	√		
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		
1(3) (d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	√		
1(4)	**Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:**			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		Ministry of Commerce has allowed the MD to hold similar position in 12 associate companies of aamra networks limited including aamra technologies ltd. vide letter # bam/to-1/md/23/2015/298, dated August 13, 2015.
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
1(5)	**The Directors' Report to Shareholders:** The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):			
1(5)(i)	Industry outlook and possible future developments in the industry	√		
1(5)(ii)	Segment-wise or product-wise performance	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	√		
1(5)(v)	Discussion on continuity of any Extra-Ordinary gain or loss.	√		
1(5)(vi)	Basis for related party transactions- a statement of all related party transactions.	√		
1(5)(vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments	√		
1(5) (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc	N/A		
1(5) (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements, the management shall explain about the variance on their Annual Report.	N/A		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5) (x)	Remuneration to directors including independent directors.	√		Remuneration was only paid to Managing Director in the year and accordingly disclosed in the Director's report. The other Directors were not paid remuneration, however they were paid meeting attendance fee.
1(5) (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	√		
1(5) (xii)	Proper books of account of the issuer company have been maintained.	√		
1(5)(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	√		
1(5) (xiv)	IAS/BAS/IFRS/BFRS, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	√		
1(5) (xv)	The system of internal control is sound in design and has been effectively implemented and monitored	√		
1(5) (xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and haven effective means of redress;	√		
1(5) (xvii)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5) (xviii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	√		
1(5) (xix)	Key operating and financial data of at least preceding 5 (five) years shall be Summarized.	√		
1(5) (xx)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	**N/A**		The Board of Directors has proposed 6% cash 6% stock dividend for the year.
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
1(5)(xxiii)	**A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-**			
1(5)(xxiii) (a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	√		
1(5)(xxiii) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	√		Director-wise shareholding (Managing Director is also the Chief Executive Officer) is mentioned. No share is held by minor children of the directors. No shares are held by Independent director, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children.
1(5)(xxiii)(c)	Executives;	**N/A**		No shares are held by the executives as defined in the BSEC notification

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxiii) (d)	Shareholders holding ten percent (10%) or more votes' interest in the company (name wise details).	√		
1(5)(xxiv)	**In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:**			
1(5)(xxiv) (a)	A brief resume of the director;	√		Syed Fahad Ahmed and Syeda Munia Ahmed have been re-appointed during the year. Their Resumes are included in the annual report.
1(5)(xxiv) (b)	Nature of his/her expertise in specific functional areas;	√		Syed Fahad Ahmed and Syeda Munia Ahmed have been re-appointed during the year. Nature of their expertise in specific functional areas is included in the annual report.
1(5)(xxiv) (c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		Syed Fahad Ahmed and Syeda Munia Ahmed have been re-appointed during the year. Names of companies in which they also hold the directorship and the committees of the board in which they are members are included in the annual report.
1(5)(XXV)	**A Management's Discussion and Analysis signed by CEO or MD presenting details analysis of the company's position and operations along with a brief discussion of changes in the financial statement, among others focusing on:**			
1(5)(XXV) (a)	accounting policies and estimation for preparation of financial statements;	√		
1(5)(XXV) (b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(XXV) (c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5)(XXV) (d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;		√	No such statement is included for lack of available information of peer industry
1.5(XXV) (e)	briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(XXV) (f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		
1(5)(XXV) (g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(XXVi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per **Annexure-A**; and	√		
1(5)(XXVii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per **Annexure-B** and **Annexure-C.**	√		
1(6)	**Meetings of the Board of Directors:** The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not Inconsistent with any condition of this Code.	√		
1(7)	**Code of Conduct for the Chairperson, other Board members and Chief Executive Officer:**			

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of Interest; compliance with laws, rules and regulations; prohibition of insider trading relationship with environment, employees, customers and suppliers; and independency.	√		
2(00)	**Governance of Board of Directors of Subsidiary Company :**			
2(a)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	N/A		The company does not have any subsidiary company.
2(b)	At least 1 (One) independent director on the Board of Directors of the holding company shall be director on the Board of Directors of the subsidiary company.	N/A		The company does not have any subsidiary company.
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	N/A		The company does not have any subsidiary company.
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	N/A		The company does not have any subsidiary company.
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	N/A		The company does not have any subsidiary company.
3(00)	**Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).**			
3(1)	**Appointment:**			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;		√	Ministry of Commerce has allowed the MD to hold similar position in 12 associate companies of aamra networks limited vide letter # bam/to-1/md/23/2015/298, dated August 13, 2015. MD also holds CEO position in following associated companies: aamra payment systems limited, aamra active limited, UMAI limited, aamra MTS Solutions Limited, aamra Facility Management Limited, aamra F & B Limited, PMGF Limited. Process of application to Ministry of Commerce for allowing this matter is on going.
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		
3(2)	**Requirement to attend Board of Directors' Meetings:** The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3(3)	**Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO):**			
3(3)(a)	**The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:**			
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4(00)	**Board of Directors' Committee:-** For ensuring good governance in the company, the Board shall have at least following sub committees:			
4(i)	Audit Committee; and	√		
4(ii)	Nomination and Remuneration Committee.	√		
5(00)	**Audit Committee:**			
5(1)	**Responsibility to the Board of Directors:**			
5(1)(a)	The company shall have an Audit Committee as a subcommittee of the Board;	√		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
5(2)	**Constitution of the Audit Committee:**			

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	N/A		
5(2)(e)	The company secretary shall act as the secretary of the Committee;	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
5(3)	**Chairperson of the Audit Committee:**			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	N/A		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	√		
5(4)	**Meeting of the Audit Committee:**			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5(5)	**Role of Audit Committee**			
5(5)(a)	Oversee the financial reporting process;	√		
5(5)(b)	monitor choice of accounting policies and principles;	√		
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(5)(d)	oversee hiring and performance of external auditors;	√		
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval;	√		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		
5(5)(h)	review the adequacy of internal audit function;	√		
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	review statement of all related party transactions submitted by the management;	√		
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		
5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights hare Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.			
5(6)	**Reporting of the Audit Committee**			
5(6)(a)	**Reporting to the Board of Directors:**			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.			
5(6)(a)(ii)	**The Audit Committee shall immediately report to the Board on the following findings, if any:-**			
5(6)(a)(ii)(a)	report on conflicts of interests;	N/A		No such incident took place during the year
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	N/A		No such incident took place during the year
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	N/A		No such incident took place during the year
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	N/A		No such incident took place during the year
5(6)(b)	**Reporting to the Authorities :** If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	N/A		No such incident took place during the year

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(7)	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	√		The Audit Committee report is disclosed in the Annual Report and signed by the Chairman of the Committee.
6(00)	**Nomination and Remuneration Committee (NRC).**			
6(1)	**Responsibility to the Board of Directors:**			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	√		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	√		
6(2)	**Constitution of the NRC:**			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	√		
6(2)(b)	All members of the Committee shall be non-executive directors;	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	√		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	N/A		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	N/A		
6(2)(g)	The company secretary shall act as the secretary of the Committee;	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	√		
6(3)	**Chairperson of the NRC:**			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	N/A		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	√		The chairperson will attend the annual general meeting (AGM) to answer the queries of the shareholders
6(4)	**Meeting of the NRC:**			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	**√**		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	N/A		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	√		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√		
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		
6(5)(b)	**NRC shall oversee, among others, the following matters and make report with recommendation to the Board:**			
6(5)(b)(i)	**formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:**			
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	√		
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	√		
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	√		
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	√		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.		√	No such disclosure is given in the annual report
7(00)	**External or Statutory Auditors.**			
7(1)	**The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-**			
7(1)(i)	appraisal or valuation services or fairness opinions;	√		
7(1)(ii)	financial information systems design and implementation;	√		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	broker-dealer services;	√		
7(1)(v)	actuarial services;	√		
7(1)(vi)	internal audit services or special audit services;	√		
7(1)(vii)	Any service that the Audit Committee determines;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7(1)(ix)	Any other service that creates conflict of interest.	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.
8(00)	**Maintaining a website by the Company.**			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
9.00	**Reporting and Compliance of Corporate Governance.**			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		

PHOTO GALLERY

Caption

1.	aamra networks limited holds 17th AGM at Delta Tower, Gulshan-2 on December 2018
2.	Honorable Board of Directors with senior officials and shareholders at the 17th AGM
3.	Shareholders expressing their opinion at the AGM
4.	aamra receives accreditation as Hikvision's Platinum Value-Added Service Provider
5.	aamra & Poly Inc. (US) showcases video conference solutions for the future
6.	aamra is recognized as the official Internet Partner for NASA Space Apps Challenge 2019

PHOTO GALLERY

7

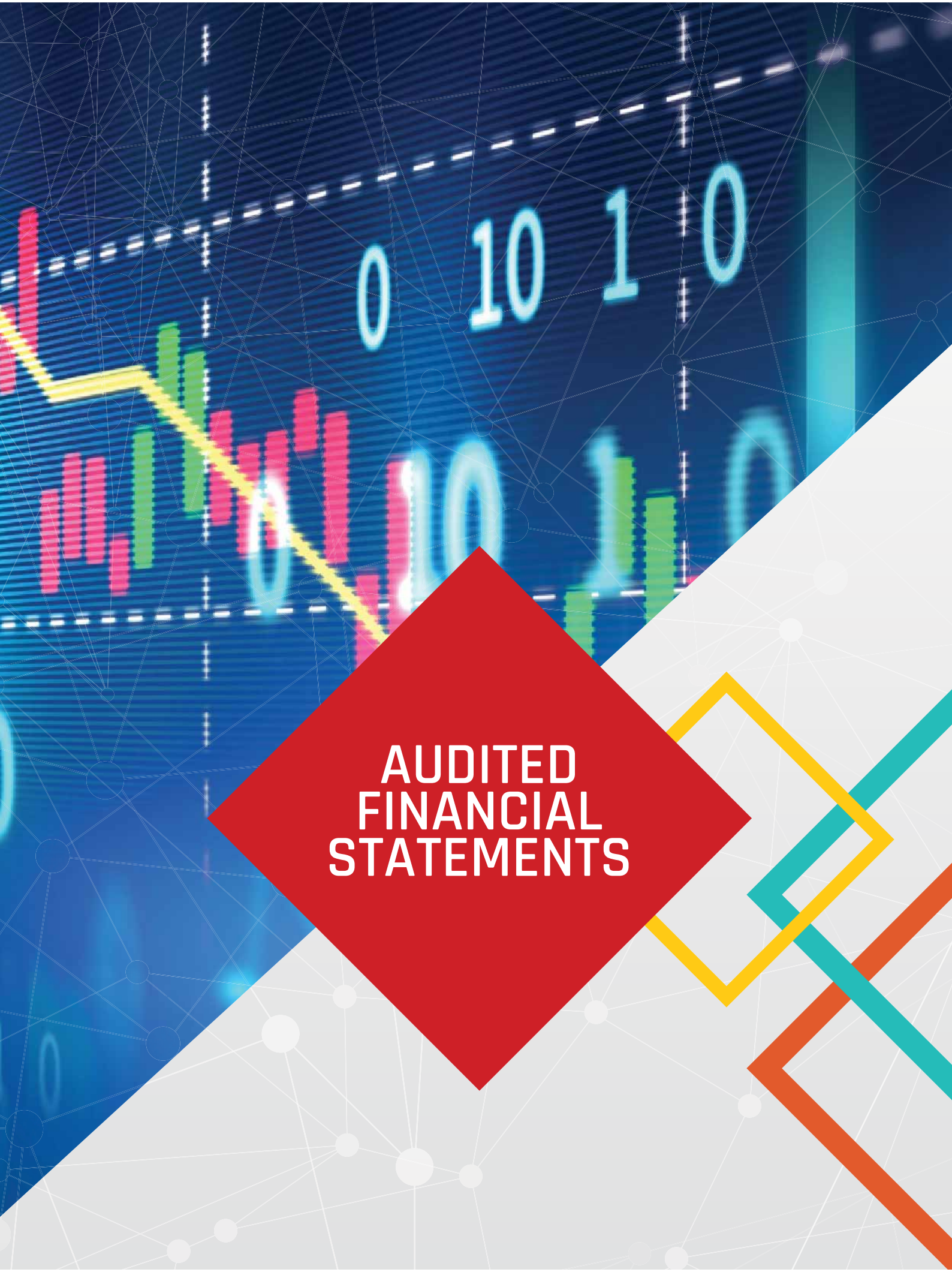
8

9

10

Caption

7.	aamra participates in Poly Collaboration Summit 2019
8.	aamra participates in BYLC Career Fair 2019
9.	Directors of ANL visited first ever BD vs India Day-Night test match as special guests of BCCI
10.	aamra, the official ISP Partner at the historic Bangladesh vs Qatar World Cup 2022 Qualifier match



AUDITED FINANCIAL STATEMENTS

কে. এম. হাসান এন্ড কোং
K.M. Hasan & Co.
Charted Accountants
KMHCO.
Since 1984

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Mc.Millan Woods International
Professionation at the forefront

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
aamra networks Limited

Report on the audit of the Financial Statements

Disclaimer of Opinion

We have audited the financial statements of **aamra networks Limited,** which comprise the statement of financial position as at 30 June 2019 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying financial statements of the company. Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1. We could not confirm revenue amounting to Tk.697,793,571as management could not provide us original sales invoice due toloss of relevant documentscaused by fire (Note: 1.3). However company provided us with system printed invoices from NBR approved VAT software.
2. We could not confirm cost of goods sold amounting to Tk. 341,729,677 as management could not provide us original Purchase orderdue toloss of relevant document caused by fire (Note: 1.3). However company provided us with system printed purchase order. In addition to that we could not confirm operating expenses amounting to Tk. 57,107,555 as management could not provide usdocuments due to loss of relevant document caused by fire (Note: 1.3).

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994,The Securities and Exchange Rules 1987,relevant notifications issued by Bangladesh Securities and Exchange Commission and other applicable laws and regulation 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 responsibility is to conduct an audit of the company's financial statements in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Report on Other Legal and Regulatory Requirements
In accordance with the Companies Act, 1994 and the Securities and Exchange Rules 1987 we also report the following:

a) We have obtained all the information and explanations except those mentioned in basis for disclaimer of opinion which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) In our opinion, proper books of account except those mentioned in basis for disclaimer of opinion as required by law have been kept by the company so far as it appeared from our examination of those books;

c) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and return; and

d) The expenditure incurred was for the purposes of the company's business except those mentioned in basis for disclaimer of opinion.

Place: Dhaka
Dated: 29 October 2019

K. M. HASAN & CO.
Chartered Accountants

aamra networks limited
STATEMENT OF FINANCIAL POSITION
As at 30 June 2019

	Notes	Amount in Taka	
		30 June 2019	30 June 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,013,795,561	957,496,957
Intangible assets	5	13,847,826	17,309,783
Advance, deposit & prepayments	8.1	11,755,010	9,857,510
Total non-current assets		1,039,398,397	984,664,250
Current assets			
Inventories	6	340,996,779	274,652,675
Trade and other receivables	7	323,477,346	293,133,078
Advance, deposit and prepayments	8.2	318,142,659	229,686,755
Cash and cash equivalents	9	31,441,308	109,621,323
Total current assets		1,014,058,092	907,093,831
TOTAL ASSETS		**2,053,456,489**	**1,891,758,081**
EQUITY AND LIABILITIES			
Capital and reserves			
Shareholders equity			
Share capital	10	530,412,090	530,412,090
Share premium	11	542,488,192	542,488,192
Retained earnings	12	800,684,416	641,695,458
Total equity		1,873,584,698	1,714,595,740
Non-current liabilities			
Deferred tax liability	13	19,520,087	15,418,851
Current liabilities			
Lease liabilities	14	2,537,647	3,172,106
Short term loan	15	55,207,684	53,457,234
Accrued expenses	16	24,508,196	21,920,103
Dividend payable		8,543,004	7,419,260
Provision for Beneficiaries' Profit Participation & Welfare Fund (BPP&WF)	17	15,569,254	21,178,055
Trade and other payables	18	35,951,709	27,072,895
Provision for tax	19	18,034,211	27,523,836
Total current liabilities		160,351,704	161,743,489
Total liabilities		179,871,791	177,162,340
TOTAL EQUITIES AND LIABILITIES		**2,053,456,489**	**1,891,758,081**
Net Asset Value (NAV) per share	29.4	**35.32**	**32.33**

The annexed notes form an integral part of these financial statements.

Chairman **Managing Director & CEO** **Director** **Company Secretary** **Chief Financial Officer**

Signed in terms of our separate report of even date annexed.

Place: Dhaka
Date: 29 October 2019

K. M. HASAN & CO.
Chartered Accountants

aamra networks limited
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 June 2019

	Notes	Amount in Taka	
		30 June 2019	30 June 2018
Revenue	21	1,132,418,024	949,509,019
Cost of goods sold & services	22	(693,389,922)	(543,182,984)
Gross Profit		**439,028,102**	**406,326,034**
Operating expenses	23	(189,387,091)	(164,853,899)
Operating Profit		**249,641,010**	**241,472,135**
Financial expenses	24	(8,677,083)	(14,451,140)
Other income	25	794,235	6,749,327
Loss on fire	26	(3,751,668)	-
Profit before WPPF		**238,006,495**	**233,770,322**
Beneficiaries' Profit Participation & Welfare Fund (BPP&WF)	17	(11,333,643)	(11,131,920)
Profit before income tax		**226,672,853**	**222,638,402**
Income tax expenses			
Current tax	27	(10,541,449)	(11,030,414)
Deferred tax	13	(4,101,236)	828,717
		(14,642,685)	(10,201,697)
		212,030,167	**212,436,705**
Net Profit after income tax			
Other comprehensive income		-	-
Total comprehensive income		**212,030,167**	**212,436,705**
Earnings per share (EPS)	29.1	**4.00**	**4.01**

The annexed notes form an integral part of these financial statements.

Chairman **Managing Director & CEO** **Director** **Company Secretary** **Chief Financial Officer**

Signed in terms of our separate report of even date annexed.

Place: Dhaka
Date: 29 October 2019

K. M. HASAN & CO.
Chartered Accountants

aamra networks limited
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2019

Particulars	Ordinary Share Capital	Share Premium	Retained Earnings	Total
Balance at 01 July 2018	**530,412,090**	**542,488,192**	**641,695,458**	**1,714,595,740**
Dividend paid during the year	-	-	(53,041,209)	(53,041,209)
Net profit after tax during the year	-	-	212,030,167	212,030,167
Balance at 30 June 2019	**530,412,090**	**542,488,192**	**800,684,416**	**1,873,584,698**

For the year ended 30 June 2018

Particulars	Ordinary Share Capital	Share Premium	Retained Earnings	Total
Balance at 01 July 2017	**380,000,000**	**159,131,807**	**482,299,963**	**1,021,431,770**
Dividend paid during the year	-	-	(53,041,209)	(53,041,209)
Addition during the year	150,412,090	412,087,910	-	562,500,000
Adjustment during the year	-	(28,731,525)	-	(28,731,525)
Net profit after tax during the year	-	-	212,436,705	212,436,705
Balance at 30 June 2018	**530,412,090**	**542,488,192**	**641,695,458**	**1,714,595,740**

Chairman **Managing Director & CEO** **Director** **Company Secretary** **Chief Financial Officer**

Signed in terms of our separate report of even date annexed.

Place: Dhaka
Date: 29 October 2019

K. M. HASAN & CO.
Chartered Accountants

aamra networks limited
STATEMENT OF CASH FLOWS
For the year ended 30 June 2019

	Notes	Amount in Taka	
		30 June 2019	30 June 2018
A. Cash flows from operating activities			
Cash received from customers & others		1,102,867,991	790,445,706
Cash paid to suppliers and employees		(621,247,166)	(479,559,872)
Operating expenses paid		(257,395,740)	(165,932,027)
Finance expenses paid	24	(8,677,083)	(14,451,140)
Income tax paid		(17,878,657)	(12,461,813)
Loss due to fire (Cash in hand)		(246,222)	-
Net cash provided from operating activities	30	**197,423,123**	**118,040,854**
B. Cash flows from investing activities			
Acquisition of property, plant & equipment		(224,801,663)	(350,397,114)
Acquisition of intangible assets		-	(200,000)
Net cash used in investing activities		**(224,801,663)**	**(350,597,114)**
C. Cash flows from financing activities			
Short-term loan (paid)/received	15	1,750,449	(184,446,119)
Lease liabilities (paid)/received	14	(634,459)	(899,367)
Proceeds from issue of share capital		-	533,768,475
Dividend paid		(51,917,465)	(45,621,949)
Net cash provided from financing activities		**(50,801,475)**	**302,801,041**
D. Net increase/ (decrease) in Cash and cash equivalents (A+B+C)		(78,180,015)	70,244,781
Cash and cash equivalents at the beginning of the year		109,621,323	39,376,541
Cash and cash equivalents at the end of the year	9	**31,441,308**	**109,621,323**
Net Operating Cash Flow Per Share (NOCFPS)	31	**3.72**	**2.23**

The annexed notes form an integral part of these financial statements.

Chairman **Managing Director & CEO** **Director** **Company Secretary** **Chief Financial Officer**

Place: Dhaka
Date: 29 October 2019

aamra networks limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

1. ABOUT THE COMPANY

1.1 Reporting entity

aamra networks limited (formerly Global Online Services Limited) was incorporated in Bangladesh under The Compa nies Act, 1994 on 10 January 2001 vide registered No. C - 42228(1587)/2001 as a private company limited by shares. The company was converted in to a public company limited by shares on May 08, 2013 under The Companies Act 1994.The registered office of the company is situated at Safura Tower (12th floor), 20 Kemal Ataturk Avenue, Banani C/A, Dhaka - 1213.

1.2 Principal activities

Over the last decade, aamra networks limited has been consistently providing state-of-the-art IT communication solutions and services to its customers which includes Internet Access, Web Page Development and Hosting, Leased Port Internet Access ,Total Network Solutions, Video Conferencing Solutions, various IT enable Support, Software Develop ment and Maintenance Services etc.

1.3 Fire Incident at company's head office

FR Tower at Banani in Dhaka catches fire on Thursday, March 28, 2019. The fire incident, at FR Tower in Banani, caused huge losses to life and property. The companies accounts department was situated in FR Towers 9th floor. The compa nies nine months (from 01 July 2018 to 28 March 2019) hard copy evidences, Cash amounting to Tk. 246,222 and property, plant and equipment amounting to Tk. 3,505,446 have been destroyed by fire as mentioned in G.D at Banani Thana G.D No. 660(5) dated 10.04.2019.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below, which comply with International Financial Reporting Standards (IFRSs), have been applied consistently to all periods presented in these financial statements, and have been applied consistently by entities.

2.1 Basis of preparation of financial statements

"These financial statements of aamra networks limited have been prepared on a going concern basis under historical cost convention in accordance with International Financial Reporting Standards (IFRSs).The disclosures of information are made in accordance with the requirements of the Companies Act 1994 and the financial statements have been prepared in accordance with International Accounting Standard (IAS) -1 using the accrual basis of accounting.In the preparation of these financial statements, management used available information to make judgments, estimate and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from those estimate."

2.2 Going concern

The Company has adequate resources to continue in operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management assessment there are no material uncer tainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. It is to be mentioned that, license from BTRC is being regularly renewed by them since 2001 and aamra networks limited has already got the renewed ISP license from BTRC for the period 30 June 2015 to 29 June 2020. It is expected that BTRC will continue the renewal of license in future.

2.3 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation in compliance with the require ments of International Accounting Standard (IAS) -16: "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

2.3.1 Depreciation on property, plant and equipment

Depreciation has been charged to allocate the cost of property, plant and equipment, over the period of their expected useful life, in accordance with IAS 16: "Property, Plant and Equipment". Depreciation is provided for the period in use of the assets. Acquisitions during the year are depreciated for effective month. Depreciation is charged at the following rates under reducing balance method:

Category of property, plant and equipment	Rate (%)
Furniture & Fixture	10
Office Equipment	15
Electric Installation	18
Telephone Installation	18
Computer & Computer Equipment	20
Data Centre	20
Fiber Optic Cable & Equipment	20
Radio link/infrastructure & Backbone	18
Motor Vehicle	20
Office Decoration	15
Wi-Fi Equipment & Installation	20

2.4 Intangible assets

Intangible assets (IAS - 38 Para -8) that are acquired by the Company such as computer software and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses, if any.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

Intangible assets are amortized on a reducing balance method and charged in statement of profit or loss and other comprehensive income.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

2.5 Components of financial statements

a) Statement of financial position.
b) Statement of profit or loss and other comprehensive income.
c) Statement of changes in equity
d) Statement of cash flows.
e) Notes to the financial statements

2.6 Other regulatory compliances

The Company is also required to comply with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations:

a) The Income Tax Ordinance & Rules, 1984
b) The Value Added Tax Act & Rules, 1991
c) Bangladesh Telecommunication Regulatory Commission Act. 2001
d) Securities & Exchange Rules, 1987
e) DSE & CSE Listing regulation

2.7 Valuation of inventories

Inventories are stated at cost which is lower than net realizable value in compliance with the requirements of paras 21 and 25 of IAS-2 (Inventories).

The cost of inventories is based on the weighted average cost principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Net realizable value (NRV) is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

2.8 Impairment

Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, are assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Non-financial assets

The carrying amount of the non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the assets' recoverable amounts are estimated. For intangible assets that have indefinite lives, recoverable amount is estimated at each reporting date. An impairment loss is recognized if the carrying amount of an asset or its cash generating unit (CGU) exceeds its estimated recoverable amount.

2.9 Trade & other receivables

Trade & other receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition trade & other receivables are measured at amortized cost using the effective interest method, less any bad debts provision.

2.10 Advance, deposit & prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deduction, adjustment or charges to other account heads. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to Statement of Comprehensive Income.

2.11 Cash and cash equivalents

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

2.12 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects. Paid up share capital represents total amount contributed by the shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

2.13 Borrowings

Interest-bearing borrowings include short term bank loan. Interest-bearing borrowings are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost using the effective interest method.

2.14 Trade & other payables

Trade & other payables for goods and services received have been accounted for those goods & services for which no payment has been made. Payables are not interest bearing and are stated at their nominal value.

2.15 Provision for tax

Provision for tax is made @ 25% on estimated taxable income in accordance with Income Tax Ordinance - 1984.

2.16 Deferred tax

Deferred tax (as per IAS-12) is recognized in accordance with the provision of IAS-12. Deferred tax arises due to temporary difference deductible or taxable for the events of transactions recognized in the statement of comprehensive income. A temporary difference is the difference between the tax base of an asset or liability and its carrying amount/ reported amount in the financial statement. Deferred tax asset or liability is the amount of income tax payable or recoverable in future period(s) recognized in the current period. The deferred tax asset/ income or liability/ expense does not create a legal liability/ recoverability to and from the income tax authority. This is recognized for book purpose as equalization item presented in the financial statements to show the retained earnings as a consistent reflection of the business events. The nature and amount of a change as deferred tax in an accounting estimate that has an effect in the current period or is expected to have an effect in future periods.

2.17 Revenue recognition

Revenue from goods & services

In compliance with the requirements of IFRS 15 : Revenue from receipts from customers against sales and services are recognized when products and services are provided to customers, that is, when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Revenue from other income

Revenue from bank interest has been recognized at the time of received.

2.18 Earnings per share (EPS)

This has been calculated in compliance with the requirements of IAS 33 : Earnings Per Share is calculated dividing the basic earnings by the number of ordinary shares outstanding at the end of the year.

2.19 Number of employees

The number of employees engaged for the period who received a total salary of Taka 36,000 and above during the period was 364. None of them were receiving below Taka 3,000 per month.

2.20 Statement of cash flows

The statement of cash flows has been prepared in accordance with the requirements of "IAS 7: statement of cash flows" using direct method.

2.21 Risk and uncertainty for use of estimates and judgments

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRSs) requires management to make judgments, estimates and assumptions that affect the applicable of accounting policies and the reported amounts of assets, liabilities, income and expenses, and disclosure requirements for contingent assets and liabilities during and at the date of the financial statements.Actual result may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised in any future years affected as required by IAS 8 : Accounting Policies, Changes in Accounting Estimates and Errors."

2.22 Financial instruments

Non-derivative financial instruments comprise accounts and other receivables, cash and cash equivalents, borrowings and other payables are shown at transaction cost.

2.23 Foreign currency

Transactions in foreign currencies are translated to Taka at the foreign exchange rates prevailing on the date of transaction. All monetary assets and liabilities denominated in foreign currencies at reporting date are translated to Taka at the rates of exchange prevailing on that date. Resulting exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the statement of profit or loss and other comprehensive income as per International Accounting Standard (IAS)-21 "The Effects of Changes in Foreign Exchange Rates".

As per the Paragraph 28 of IAS 7" Unrealized gains and losses arising from changes in foreign currency exchange rates are not cash flows. However, the effect of exchange rate changes on cash and cash equivalents held or due in a foreign currency is reported in the statement of cash flows in order to reconcile cash and cash equivalents at the beginning and the end of the period. This amount is presented separately from cash flows from operating, investing and financing activities and includes the differences, if any, had those cash flows been reported at end of period exchange rates.

2.24 Provision, contingent liabilities and contingent assets

The preparation of financial statements in conformity with IAS-37 Provision, Contingent Liabilities and Contingent Assets, requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities, and the disclosure requirements for contingent assets and liabilities during and at the date of the financial statements. Due to the inherent uncertainty involved in making estimates, actual result reported could differ from those estimates."

In accordance with the guidelines as prescribed by IAS-37 provisions were recognized in the following situations:

* When the company has a present obligation as a result of past event.
* When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
* Reliable estimates can be made of the amount of the obligation.

The Company has contingent liability which has been disclosed in Note-20.

2.25 Events after the reporting period

As per IAS -10, Event after the reporting period are those event favorable and unfavorable, that occur between the end of the reporting year and the date when the Financial Statements are authorized for issue. Two types of event can be identified:

* Those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
* Those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

No material events had occurred from the end of the reporting period to the date of issue of this Financial Statements, which could materially affect the value stated in the Financial Statements.

2.26 Related party disclosures

The company carried out a number of transactions with related parties (as per IAS-24) in the normal course of business and on arm's length basis. The information as required by IAS 24. Related party disclosure have been disclosed in note-32 to the Financial Statements.

2.27 Borrowing Costs

Borrowing costs directly attributable to the acquisition and construction of plant and equipment are capitalized as part of the cost of those assets, until such time as the assets are ready for their intended use in accordance with IAS 23. All other borrowing costs are charged to the statement of profit or loss and other comprehensive income as an expense in the period in which they are incurred.

3. OTHERS

3.1 Employee benefits

The company maintains the following benefit schemes for their employees:

(a) Defined contribution plan

The company maintains a recognized contributory provident fund for all its permanent employees. Assets of provident fund are held in a separate trustee board administered fund as per the relevant rules and is funded by contributions from both the employees and the company at pre-determined rates.

(b) Insurance scheme

Employees of the company are covered under group life insurance scheme & Medical Insurance.

(c) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognized for annual leave encashment based on the latest basic salary.

3.2 Beneficiaries' Profit Participation & Welfare Fund (BPP&WF)

The company has made a provision for Beneficiaries' Profit Participation & Welfare Fund (BPP&WF) for the year ended July'18 - June'19. The Company provides 5% of its net profit before tax after charging such expense as Workers' Profit Participation in accordance with "Bangladesh Labour (Amendment) Act 2013".

3.3 Reporting period

The reporting period covers 1 (one) year from 01 July 2018 to 30 June 2019.

3.4 Reporting currency

The financial statements are prepared and presented in Bangladeshi currency (Taka), which is the company's functional currency. All financial information presented have been rounded off to the nearest taka except where indicated other wise.

3.5 Comparative information

Comparative information has been disclosed in the financial statements for all numerical information and also the narrative and descriptive information where it is relevant for understanding of the current period`s financial statements.

3.6 General

3.6.1 Wherever considered necessary , previous years phrases and figures have been rearranged to conform to the current year presentation.

3.6.2 Figures have been rounded off to nearest taka.

	Amount in Taka	
	30 June 2019	30 June 2018
4. PROPERTY, PLANT AND EQUIPMENT		
Property, plant and equipment (Except EPZ Project) (Note - 4.1)	1,011,615,074	954,898,702
Property, plant and equipment (EPZ Project) (Note - 4.2)	2,180,487	2,598,255
	1,013,795,561	**957,496,957**
4.1 Property, plant and equipment (Except EPZ Project)		
Land and land development	200,659,864	198,344,514
Furniture & fixture	5,231,692	5,627,812
Office equipment	25,923,683	16,608,341
Electric installation	511,585	623,884
Telephone installation	59,154	72,139
Computer & computer equipment	3,948,599	4,230,849
Data Centre	141,576,157	176,850,515
Fiber optic cable & equipment	118,831,495	57,165,810
Infrastructure & backbone equipment	373,124,337	325,587,751
Motor vehicle	13,407,152	9,498,523
Office decoration	20,017,125	24,883,273
WiFi equipment & installation	108,324,231	135,405,288
	1,011,615,074	**954,898,702**
4.2 Property, plant and equipment (EPZ Project)		
Furniture & Fixture	221,476	246,084
Office Equipments	329,449	387,587
Computer & Comp. Equipment	99,579	124,474
Infrastructure & Backbone Equipment	932,358	1,137,022
Office Decoration	597,625	703,088
	2,180,487	**2,598,255**

Details of property, plant and equipment are shown in annexure -"A".

5. INTANGIBLE ASSETS				
Computer software			13,847,826	17,309,783
Details of intangible assets are shown in annexure -"B".				
6. INVENTORIES				
Inventories (Note - 6.1)			175,816,546	154,058,105
Inventories in transit for sales (Note - 6.2)			165,180,233	120,594,570
			340,996,779	**274,652,675**
6.1 Inventories	UOM	Qty		
Audio & Video equipments	Pc	1220	17,462,876	14,629,872
Security & surveillance equipment	Pc	4912	20,163,862	18,318,266
Wireless Radio & related equipment	Pc	2531	10,253,820	8,364,710
Network switch, modem, hub & router	Pc	6201	56,353,793	59,253,890
Computer & related accessories	Pc	1698	30,817,205	27,486,548
Optical Fiber Cable	Meter	245821M	8,326,870	6,201,973
Optical Fiber Related Equipment	Pc	287462	9,782,760	7,937,460
LAN Equipment & Retated Accessories	Pc	73829	13,283,741	6,382,421
Power, UPS and related accessories	Pc	9462	9,371,619	5,482,965
			175,816,546	**154,058,105**

	Amount in Taka	
	30 June 2019	30 June 2018
6.2 Inventories in transit for sales		
Audio & video equipments	10,263,914	1,845,372
Security & surveillance equipment	39,201,738	28,463,738
Wireless Radio & related equipment	7,293,018	647,238
Network Switch, Modem, Hub & Router	30,362,826	20,163,762
Computer & related accessories	1,483,927	727,460
Optical Fiber Cable	19,128,360	16,482,728
LAN Equipment & Retated Accessories	48,953,688	47,327,700
Power, UPS and related accessories	8,492,762	4,936,572
	165,180,233	**120,594,570**

Above products have been delivered to the customers against their purchase/work order but no invoices are issued.

7. TRADE AND OTHER RECEIVABLES		
Balance as on 01 July	293,133,078	127,320,438
Add: Addition during the year	1,132,418,024	949,509,019
	1,425,551,102	1,076,829,457
Less: Received during the year	1,102,073,756	783,696,379
Balance as on 30 June	**323,477,346**	**293,133,078**
7.1 Ageing Schedule of Trade Receivable		
Duration		
1 - 30 days	168,952,064	188,965,856
31 - 60 days	101,371,238	1,884,675
61 - 90 days	50,685,619	6,177,692
91 - 180 days	2,468,425	96,104,855
181 - 365 days	-	-
Over 365 days	-	-
	323,477,346	**293,133,078**
7.2 Discloser as per Para F of Schedule XI, Part-1, The Companies Act, 1994		
Debts exceeding 6 months	-	-
Other debts less provision	323,477,346	293,133,078
	323,477,346	**293,133,078**
Receivable Considered good in respect of which the Company is fully secured.	-	-
Receivables considered good in respect of which the Company holds no security other than the debtor personal security.	**323,477,346**	**293,133,078**
Receivable considered doubtful or bad	-	-
Receivables due by common management	-	-
The maximum amount of receivable due by any director or other officer of the company	-	-
	323,477,346	293,133,078
8. ADVANCE, DEPOSIT & PREPAYMENTS		
Advance, deposit & prepayments - Non current (Note 8.1)	11,755,010	9,857,510
Advance, deposit & prepayments - Current (Note 8.2)	318,142,659	229,686,755
	329,897,669	**239,544,265**
8.1 Advance, deposit & prepayments (Non current)		
Security deposit		
Deposit against T & T	328,200	328,200
Deposit against rent-safura tower	343,575	343,575
Deposit against BTCL bandwidth bill	492,181	492,181
Deposit against ATL bandwidth bill	3,500,000	3,500,000

	Amount in Taka	
	30 June 2019	30 June 2018
Deposit against POP	110,000	110,000
Security deposit POP rent Bogura	45,000	45,000
Security deposit POP Tanzia	121,600	121,600
Security deposit POP Mymenshing	96,000	96,000
Security Deposit POP Mirpur	30,000	30,000
Deposit against rent AEPZ.	70,954	70,954
Deposit against Summit Communication underground cabling bill	400,000	400,000
Deposit against rent F R Tower	3,570,000	3,570,000
Devo Tech Technology Park Ltd.	1,897,500	-
Deposit against rent NOC	560,000	560,000
Deposit agains space rent for Coloasia	100,000	100,000
Bangladesh Hi-Tech Park	90,000	90,000
	11,755,010	**9,857,510**
8.2 Advance, deposit & prepayments (Current)		
Advance against office rent (Note-8.2.1)	2,572,000	3,227,000
Bank guarantee margin & tender security (Note-8.2.2)	25,508,951	24,913,351
Advance income tax (AIT) (Note-8.2.3)	58,087,075	60,239,492
Advance against expenses (Note-8.2.4)	231,852,144	140,463,535
VAT current account	122,489	843,377
	318,142,659	**229,686,755**

All the above advance, deposit and prepayments are considered as good and secured by the company management.

8.2.1 Advance against office rent		
Faruque Rupayan Tower -17th Floor	1,545,000	1,995,000
Faruque Rupayan Tower -5th Floor	560,000	740,000
Eshayat Corporation for BNS POP Uttara, Dhaka	-	40,000
KA 6 Kalachadpur Baridhara	30,000	30,000
Kawranbazar POP	100,000	4,000
Gulshan POP	180,000	252,000
Bangladesh Hi-Tech Park	36,000	36,000
Khulshi POP	6,000	30,000
Sylhet POP	40,000	100,000
Munna Tower Khulna POP	75,000	-
	2,572,000	**3,227,000**
8.2.2 Bank guarantee margin & tender security		
Army Head Quarters, Dhaka Cant.	11,926,296	10,543,808
Atomic Power Research Institute	25,000	25,000
B I B M	-	2,500
Bangladesh Ansar & VDP	250,000	250,000
Bangladesh Bank		41,200 -
Bangladesh Computer Council	239,395	66,250
Bangladesh Hi-Tech Park Authori	92,354	-
Bangladesh Navy	852,500	852,500
Bangladesh Ordinance Factories	150,000	150,000
Bangladesh Telecommunication Co	1,200,000	-
BEPZA	1,292,944	1,034,472
Best Holdings Ltd.	200,000	200,000
Biman Bangladesh Airlines Ltd.	483,183	448,160
Bnagladesh Power Development bo	55,000	55,000
Border Guard	350,000	-

	Amount in Taka	
	30 June 2019	30 June 2018
Bridge Management Capacity Dev.	-	55,000
BTRC (Bnagladesh Telecommunica	23,000	-
CAAB, Kurmitola,Dhaka	30,000	30,000
Coast Guard Sadar Dophtor	148,467	151,467
Commandant Bangladesh ordance F	50,000	50,000
DESCO	165,035	-
DG,BGB BIBIDHO A/C	35,698	-
DGFI	1,686,254	5,989,180
Dhaka Electric Supply Co (DESCO	338,197	338,197
DPDC's	104,750	-
DPHE,P & C Division,LGED Dhaka	40,000	-
edotco Bangladesh Ltd.	68,352	68,352
Election Commission Secretariat	-	300,000
Grameenphone Ltd.	132,641	148,507
Hazrat Shahjalal Int. Airport	25,000	25,000
HCI- High Commission of INDIA	60,023	-
HIGH COMMISSION OF INDIA	60,000	60,000
ICDDRB	381,504	381,504
Imperial Hospital Ltd.	350,307	350,307
Independend University	500,000	500,000
Islami Bank Bangladesh Ltd.	350,035	-
Khulna Shipyard Ltd.	-	13,000
Local Goernment Division	65,835	-
MediaStar (Prothom Alo)	-	9,525
Military Institute of Science T	60,000	60,000
Ministry of Family Planning	33,125	-
Ministry of Finance	-	2,640
Ministry of Home Affairs (NTMC)	-	124,953
Ministry of Public Administrati	727,556	691,056
Mutual Trust Bank Ltd.	150,000	-
NCC Bank	-	50,000
North South University.	93,750	-
NRB Global Bank Ltd.	173,734	173,734
Police Commissioner, DMP	-	3,500
Police Head Quarteers	25,000	-
RAB Forces Headquarters	70,046	-
Rapid Action Battalion	619,570	651,570
RHD	525,035	-
Teletalk Bangladesh Ltd.	750,000	750,000
The Inspector General of Prison	308,168	308,168
Trust Bank Ltd.	175,000	-
Unique Hotel & Resorts Ltd	25,000	-
	25,508,951	**24,913,351**
8.2.3 Advance income tax		
Balance as on 01 July	60,239,492	47,777,680
Add: Addition during the year	17,878,657	12,461,813
	78,118,149	60,239,492
Less: Adjustment during the year	20,031,074	-
Balance as on 30 June	**58,087,075**	**60,239,492**

	Amount in Taka	
	30 June 2019	30 June 2018
8.2.4 Advance against expenses		
Advance against suppliers	231,082,657	138,996,089
Advance against IPO expenses	-	972,648
Advance to staff	769,487	494,798
	231,852,144	**140,463,535**
9. CASH AND CASH EQUIVALENTS		
Cash in hand	339,136	550,698
Cash at bank (Notes-9.1)	31,102,173	109,070,625
	31,441,308	**109,621,323**
9.1 Cash at bank		
Bank Asia Limited (MCB Banani Branch) (Note - 9.1.1)	3,402,917	1,889,626
Dhaka Bank Limited (Banani Branch) (Note - 9.1.2)	2,887,400	2,813,008
Dutch Bangla Bank Limited (Banani Branch) (Note - 9.1.3)	5,405,871	38,167,518
Shahjalal Islami Bank Limited (Banani Branch) (Note - 9.1.4)	18,725,661	28,390,967
BRAC Bank Limited (Gulshan Branch) (Note - 9.1.5)	380,324	37,809,507
Janta Bank Limited (Banani Branch) (A/C No. 0100153836391)	300,000	-
	31,102,173	**109,070,625**
9.1.1 Bank Asia Limited (MCB Banani Branch)		
A/C No: 01236050632	3,158,115	1,659,361
A/C No: 01236050650	144,256	142,300
A/C No: 01233051466	13,732	1
A/C No: 01233052008	86,814	87,964
	3,402,917	**1,889,626**
9.1.2 Dhaka Bank Limited (Banani Branch)		
A/C No: 206.100. 3584	1,673,909	821,180
A/C No: 206.100. 3714	1,141,677	1,916,564
A/C No: 201.100.7356	63,196	64,921
A/C No: 204.100.552	8,618	10,343
	2,887,400	**2,813,008**
9.1.3 Dutch Bangla Bank Limited (Banani Branch)		
A/C No: 1031100016776	38,228	11,378
A/C No: 1031200000594	4,313,756	36,302,901
A/C No: 1031100016790	40,195	41,345
A/C No: 1031200001113	1,013,692	1,811,894
	5,405,871	**38,167,518**
9.1.4 Shahjalal Islami Bank Limited (Banani Branch)		
A/C No: 40143 11100005465	9,983,237	20,727,243
A/C No: 40143 13100000937	662,135	7,432,830
A/C No: 40143 13100000941	143,847	230,894
A/C No: 40143 13100000949	7,936,442	-
	18,725,661	**28,390,967**
9.1.5 BRAC Bank Limited (Gulshan Branch)		
A/C No. 1501203495396001	79,935	37,331,439
A/C No. 1501203495396002 (USD)	300,389	478,067
	380,324	**37,809,507**
10. SHARE CAPITAL		
10.1 Authorized capital		
100,000,000 ordinary shares @ Tk. 10 each	**1,000,000,000**	**1,000,000,000**
10.2 Issued, subscribed & paid -up capital		
53,041,209 ordinary shares of Tk. 10 each.	**530,412,090**	**530,412,090**

Amount in Taka	
30 June 2019	30 June 2018

10.3 The detail of shareholding positions are as follows

Name of Shareholders	30-Jun-19			30-Jun-18		
	Name of Share	% of Holding	Amount in Taka	No. of Shares	% of Holding	Amount in Taka
Sponsors and Directors:						
aamra holdings ltd	12,600,000	23.76%	126,000,000	12,600,000	23.76%	126,000,000
aamra resources ltd	4,522,030	8.53%	45,220,300	4,522,030	8.53%	45,220,300
Syed Faruque Ahmed	100,000	0.19%	1,000,000	100,000	0.19%	1,000,000
Syed Farhad Ahmed	100,000	0.19%	1,000,000	100,000	0.19%	1,000,000
Syeda Munia Ahmed	100,000	0.19%	1,000,000	100,000	0.19%	1,000,000
Fahmida Ahmed	100,000	0.19%	1,000,000	100,000	0.19%	1,000,000
Sub-Total	17,522,030	33.03%	175,220,300	17,522,030	33.03%	175,220,300
Other than Sponsors and Directors (Note -10.3.1)	35,519,179	66.97%	355,191,790	35,519,179	66.97%	355,191,790
Total	**53,041,209**	**100%**	**530,412,090**	**53,041,209**	**100%**	**530,412,090**

10.3.1 Other than Sponsors and Directors

	30-Jun-19		30-Jun-18	
	No. of Shares	Amount in Taka	No. of Shares	Amount in Taka
Augere Holdings (Netherlands) B.V	8,477,970	84,779,700	8,477,970	84,779,700
Mahmudul Huq	800,000	8,000,000	800,000	8,000,000
Intekhab Mahmud	200,000	2,000,000	200,000	2,000,000
Md. Ehsanul Habib	200,000	2,000,000	200,000	2,000,000
Food Chain Asia Ltd.	2,000,000	20,000,000	2,000,000	20,000,000
Mahtab Uddin Ahmed	120,000	1,200,000	120,000	1,200,000
Arifur Rahman	100,000	1,000,000	100,000	1,000,000
Showkat Ali Sarkar	20,000	200,000	20,000	200,000
Touhidul Alam Zenith	200,000	2,000,000	200,000	2,000,000
Enayet Uddin Md. Kaiser Khan	100,000	1,000,000	100,000	1,000,000
Md. Shahniaz Jewel	60,000	600,000	60,000	600,000
Mustafa Kamal Shaheen	100,000	1,000,000	100,000	1,000,000
Sohel Ahmed	20,000	200,000	20,000	200,000
Md. Sanowar Hossain	16,000	160,000	16,000	160,000
Md. Nurul Afsar & Sharmin Jahan	6,000	60,000	6,000	60,000
Md. Monirul Islam Sarker	5,000	50,000	5,000	50,000
Md. Ahosan Habib	2,500	25,000	2,500	25,000
ATM Rakibul Hoque	100,000	1,000,000	100,000	1,000,000
Kazi Rafiqul Islam	100,000	1,000,000	100,000	1,000,000
Parvez Ahmed	5,000	50,000	5,000	50,000
Abdul Quadir Chowdhury	100,000	1,000,000	100,000	1,000,000
Abaci Investments Limited (MDA)	100,000	1,000,000	100,000	1,000,000
National Finance Ltd.	1,000,000	10,000,000	1,000,000	10,000,000
MTB Securities Ltd.	400,000	4,000,000	400,000	4,000,000
Pradip Kumar Das	400,000	4,000,000	400,000	4,000,000
Bishwajit Das	400,000	4,000,000	400,000	4,000,000
Major General Md. Shamsul Haque	25,500	255,000	25,500	255,000
Masudur Rahman	20,000	200,000	20,000	200,000
Investment Corporation of Bangladesh (ICB)	5,400,000	54,000,000	5,400,000	54,000,000
General Public	15,041,209	150,412,090	15,041,209	150,412,090
	35,519,179	**355,191,790**	**35,519,179**	**355,191,790**

	Amount in Taka	
	30 June 2019	30 June 2018
11. SHARE PREMIUM		
Balance as on 01 July	542,488,192	159,131,807
Add: Addition during the year	-	412,087,910
	542,488,192	571,219,717
Less: Adjustment during the year	-	28,731,525
Balance as on 30 June	**542,488,192**	**542,488,192**
12. RETAINED EARNINGS		
Balance as on 01 July	641,695,458	482,299,963
Add: Net Profit after tax during the year	212,030,167	212,436,705
	853,725,625	694,736,667
Less: Dividend paid during the year	53,041,209	53,041,209
Balance as on 30 June	**800,684,416**	**641,695,458**
13. DEFERRED TAX LIABILITY		
Balance as on 01 July	15,418,851	16,247,568
Charged during the year	4,101,236	(828,717)
Balance as on 30 June	**19,520,087**	**15,418,851**
Details of calculation of deferred tax liability is shown in annexure -"C".		
14. LEASE LIABILITIES		
CAPM = Lease - VL16TI0005	2,537,647	3,172,106
	2,537,647	**3,172,106**
15. SHORT TERM LOAN		
Shahjalal Islami Bank Limited (Banani Branch)		
SIBL = LTR No-4013 32300002235	1,382,638	-
SIBL = LTR No-4013 32300002239	1,430,905	-
SIBL = LTR No-4013 32300002242	10,273,616	-
SIBL = LTR No-4013 32300001886	-	1,764,480
SIBL = LTR No-4013 32300001907	-	289,332
SIBL = LTR No-4013 32300001908	-	127,835
SIBL = LTR No-4013 32300001923	-	561,344
SIBL = LTR No-4013 32300001924	-	86,367
SIBL = LTR No-4013 32300001931	-	169,582
SIBL = LTR No-4013 32300001936	-	152,196
SIBL = LTR No-4013 32300001946	-	11,956,100
SIBL = LTR No-4013 32300001959	-	862,967
SIBL = LTR No-4013 32300001960	-	309,153
SIBL = LTR No-4013 32300001974	-	5,989,360
SIBL = LTR No-4013 32300001984	-	257,422
SIBL = LTR No-4013 32300002008	-	467,067
SIBL = LTR No-4013 32300002017	-	327,926
SIBL = LTR No-4013 32300002019	-	91,720
SIBL = LTR No-4013 32300002023	-	406,140
SIBL = LTR No-4013 32300002036	-	436,318
SIBL = LTR No-4013 32300002044	-	2,451,304
SIBL = LTR No-4013 32300002049	-	37,923
SIBL = LTR No-4013 32300002065	-	251,135
SIBL = LTR No-4013 32300002066	-	247,926
SIBL = SOD - 4013.341.11241	15,859,375	-
SIBL = SOD - 4013.341.11279	14,872,106	-
SIBL = SOD - 4013.341.11364	4,832,556	-
SIBL = SOD - 4013.341.11534	4,482,243	-
SIBL = SOD - 4013.341.11535	2,074,246	-
SIBL = SOD - 4013.341..8992	-	9,979,020
SIBL = SOD - 4013.341.1029	-	8,674,132
SIBL = SOD - 4013.341.9298	-	7,560,487
	55,207,684	**53,457,234**

		Amount in Taka	
		30 June 2019	30 June 2018
16.	ACCRUED EXPENSES		
	Accrued expenses (Note - 16.1)	20,619,656	16,228,389
	Withholding tax and VAT payable (Note - 16.2)	3,888,540	5,691,714
		24,508,196	**21,920,103**
16.1	**Accrued expenses**		
	Salary & allowances	11,118,551	10,421,243
	Office & roof rent	2,166,704	2,232,942
	Utilities expenses	1,090,716	911,300
	PF liabilities	5,790,086	2,144,948
	Audit fee	195,500	172,500
	Telephone & mobile bill	258,099	345,456
		20,619,656	**16,228,389**
16.2	**Withholding tax and VAT payable**		
	VAT payable	-	2,207,000
	Tax payable	2,269,352	1,547,868
	TDS on Royalty Fee	1,619,188	1,936,846
		3,888,540	**5,691,714**
17.	**PROVISION FOR BENEFICIARIES' PROFIT PARTICIPATION & WELFARE FUND (BPP&WF)**		
	Balance as on 01 July	21,178,055	10,046,135
	Add: Addition during the year	11,333,643	11,131,920
		32,511,698	21,178,055
	Less: Adjustment during the year	16,942,444	-
	Balance as on 30 June	**15,569,254**	**21,178,055**
18.	**TRADE AND OTHER PAYABLES**	**35,951,709**	**27,072,895**
19.	**PROVISION FOR TAX**		
	Balance as on 01 July	27,523,836	16,493,421
	Add: Addition during the year	10,541,449	11,030,414
		38,065,285	27,523,836
	Less: Adjustment during the year	20,031,074	-
	Balance as on 30 June	**18,034,211**	**27,523,836**

20. CONTINGENT LIABILITIES

Contingent liability is BDT 7,753,353. Following are the detail of the pending issues related to litigation regarding Taxation filed by ANL for the assessment year 2004-05 and 2005-06 that are pending in the High Court and for the assess ment year 2006-07 and 2007-08 that are pending in the Income Tax Appellate Tribunal:

Assessment Year	Income Tax Paid	Further Income Tax claimed by NBR	Current Status
2004-05	620,000	4,562,514	Pending in the High Court
2005-06	1,075,165	6,769,017	Pending in the High Court
2006-07	429,244	(200,584)	Pending in the Income Tax Appellate Tribunal
2007-08	1,489,218	236,033	

21.	**REVENUE**		
	Internet & Wi-Fi bandwidth and equipment sales (Taxable unit) (Note-21.1)	766,460,371	586,209,642
	IT support & software (Non taxable unit) (Note-21.2)	347,528,403	346,170,451
	EPZ project (Non taxable unit) (Note-21.3)	18,429,251	17,128,926
		1,132,418,024	**949,509,019**

		Amount in Taka	
		30 June 2019	30 June 2018
21.1	**Internet & Wi-Fi bandwidth and equipment sales (Taxable unit)**		
	Internet & Wi-Fi bandwidth	431,599,363	420,638,232
	Computer & related accessories	132,717,492	90,758,763
	Equipments sale	238,239,237	135,955,920
		802,556,092	647,352,915
	Less: Value added tax (VAT)	36,095,722	61,143,274
	Net Revenue from Internet & Wi-Fi bandwidth and equipment sales	**766,460,371**	**586,209,642**
21.2	**IT support & software (Non taxable unit)**		
	IT support & services	204,058,955	244,647,558
	Software & website services	153,814,416	112,057,960
		357,873,371	356,705,518
	Less: Value added tax (VAT)	10,344,968	10,535,067
	Net Revenue from IT support & software	**347,528,403**	**346,170,451**
21.3.	**EPZ project (Non taxable unit)**		
	Internet Service	17,364,752	16,742,652
	Equipments sale	353,862	438,049
	IT support & services	1,638,492	2,249,800
		19,357,106	19,430,501
	Less: Value added tax (VAT)	927,855	2,301,575
	Net Revenue from EPZ project	**18,429,251**	**17,128,926**
22.	**COST OF GOODS SOLD & SERVICES**		
	Internet & Wi-Fi bandwidth and equipment sales (Taxable unit) (Note-22.1)	574,070,293	419,740,575
	IT support & software (Non taxable unit) (Note-22.2)	108,088,213	112,387,827
	EPZ project (Non taxable unit) (Note-22.3)	11,231,417	11,054,582
		693,389,922	**543,182,984**
22.1	**Internet & Wi-Fi bandwidth and equipment sales (Taxable unit)**		
	Wages, salary & other allowances	70,250,783	62,648,619
	Company's contribution to provident fund (PF)	1,646,056	1,535,268
	Infrastructure, optical fiber & networking equipment cost	59,315,920	51,513,940
	POP expenses & roof rent	6,827,344	7,446,585
	Utilities expenses	3,633,749	1,964,626
	Repairs & maintenances	942,853	783,567
	Cost of bandwidth	110,712,792	92,317,271
	Cost of equipment and Computer & related accessories	230,265,923	140,597,916
	License renewal & others fee	1,011,424	489,650
	Entertainment expenses	93,019	27,664
	Communication expenses	2,735,777	1,803,756
	Depreciation charges	86,634,653	58,611,714
		574,070,293	**419,740,575**
22.2	**IT support & software (Non taxable unit)**		
	Wages, salary & other allowances	31,853,105	36,995,469
	Company's contribution to provident fund (PF)	746,354	906,612
	Cost of IT support & software	28,185,621	31,977,631
	Utilities expenses	1,681,561	1,210,133
	Repairs & maintenances	427,509	462,714
	License renewal & others fee	458,600	289,149
	Entertainment expenses	42,176	16,336
	Research & development	689,070	536,025
	Communication expenses	1,260,382	1,092,229
	Depreciation charges	39,281,878	34,611,583
	Amortization of intangible asset	3,461,957	4,289,946
		108,088,213	**112,387,827**

	Amount in Taka	
	30 June 2019	30 June 2018
22.3 EPZ project (Non taxable unit)		
Wages, salary & other allowances	1,027,800	1,538,000
Company's contribution to provident fund (PF)	54,000	82,800
Infrastructure, optical fiber & networking equipment cost	2,846,371	2,637,406
Cost of equipment	254,893	262,830
POP expenses	406,307	396,061
Utilities expenses	74,869	84,628
Cost of bandwidth	6,293,671	5,726,309
Communication expenses	43,947	45,839
Depreciation charges	229,559	280,709
	11,231,417	**11,054,582**
23. OPERATING EXPENSES		
Internet & Wi-Fi bandwidth and equipment sales (Taxable unit) (Note-23.1)	122,878,362	103,171,924
IT support & software (Non taxable unit) (Note-23.2)	65,821,018	60,982,720
EPZ project (Non taxable unit) (Note-23.3)	687,712	699,255
	189,387,091	**164,853,899**
23.1 Internet & Wi-Fi bandwidth and equipment sales (Taxable unit)		
Salary & other allowances	43,418,824	37,087,653
Company's contribution to provident fund (PF)	994,792	957,076
Office rent	12,804,008	12,582,941
Utilities expenses	3,576,070	3,394,612
Travelling expenses	3,197,644	4,688,375
Training Expenses	154,123	441,770
Stationery expenses	728,097	909,785
Repair & maintenance	494,719	423,681
Telephone & mobile bills	1,345,997	1,062,044
Conveyance	5,191,917	4,081,568
Audit & professional fees	226,775	576,320
Royalty expenses *	12,254,595	6,624,554
Regulatory fees & form	2,513,278	803,197
Courier & postage	109,472	87,405
Business development & marketing	1,711,905	1,261,463
Vehicle expenses	4,300,415	3,175,955
Papers & Periodicals	26,950	8,631
Insurance expenses	1,667,848	1,235,251
Security & protection expenses	295,535	434,239
Annual general meeting expenses	34,402	-
Office maintenances	1,203,193	1,194,930
Entertainment expenses	26,189	1,029,150
Depreciation charges	26,601,612	21,111,325
	122,878,362	**103,171,924**
23.2 IT support & software (Non taxable unit)		
Salary & others allowances	29,686,960	21,901,123
Company's contribution to provident fund (PF)	451,058	565,176
Office rent	5,805,592	7,430,520
Utilities expenses	1,621,462	2,004,598
Travelling expenses	1,449,875	2,768,594
Training Expenses	69,883	260,876
Stationery expenses	338,909	537,249
Repair & maintenances	236,279	250,193
Telephone & mobile bills	638,740	627,161
Conveyance	2,390,222	2,451,973

	Amount in Taka	
	30 June 2019	30 June 2018
Audit & professional fees	102,825	340,330
Royalty expenses *	5,556,477	3,911,954
Regulatory fees & form	1,139,571	474,307
Courier & postage	61,136	67,198
Business development & marketing	776,212	744,923
Vehicle expenses	1,949,894	1,875,475
Papers & Periodicals	12,220	5,097
Insurance expenses	756,236	729,444
Security & protection expenses	134,002	256,428
Annual general meeting expenses	15,598	-
Office maintenances	554,294	705,634
Entertainment expenses	11,874	607,737
Depreciation charges	12,061,701	12,466,729
	65,821,018	**60,982,720**

* A common trade mark: "aamra the power of we" is registered by aamra holdings limited (AHL) which is also used by aamra networks limited (ANL). ANL is paying AHL royalty fees for using the said trade mark.

23.3	EPZ project (Non taxable unit)		
	Salary & others allowances	253,100	238,900
	Company's contribution to provident fund (PF)	13,680	13,320
	Stationery expenses	19,353	22,366
	Repair & maintenances	26,384	32,443
	Telephone & mobile bills	62,720	53,394
	Conveyance	79,624	70,637
	Courier & postage	25,361	26,388
	Office maintenance	19,280	21,992
	Depreciation charges	188,210	219,815
		687,712	**699,255**
24.	**FINANCIAL EXPENSES**		
	Internet & Wi-Fi bandwidth and equipment sales (Taxable Unit)	5,966,127	9,078,756
	IT Support & Software (Non Taxable Unit)	2,705,161	5,361,217
	EPZ Project (Non Taxable Unit)	5,795	11,168
		8,677,083	**14,451,140**
25.	**OTHER INCOME**		
	Interest on bank deposit	794,235	6,749,327
		794,235	**6,749,327**
26.	**LOSS ON FIRE**		
	Office Decoration	3,204,546	-
	Furniture & Fixture	300,901	-
	Cash in Hand	246,222	-
		3,751,668	**-**

	Amount in Taka	
	30 June 2019	30 June 2018
27. PROVISION FOR - CURRENT TAX		
Net revenue (Taxable unit)	766,460,371	586,209,642
Allowable cost of service	(574,070,293)	(419,740,575)
Allowable excess depreciation	(9,403,648)	(5,638,766)
Gross Profit	**182,986,429**	**160,830,300**
Allowable operating expenses	(122,878,362)	(103,171,924)
Allowable excess depreciation	(5,063,503)	(3,637,584)
Allowable Operating Profit	**55,044,565**	**54,020,792**
Allowable finance cost	(5,966,127)	(9,078,756)
Other income	794,235	6,749,327
Allowable Profit before WPPF	**49,872,673**	**51,691,363**
Workers' Profit Participation Fund (WPPF)	(7,706,877)	(7,569,706)
Business income before Tax	**42,165,796**	**44,121,658**
Provision for Tax on business income @ 25%	10,541,449	11,030,414
Provision for Tax during the year	**10,541,449**	**11,030,414**

28. DISCLOSURE OF MANAGERIAL SALARY

28.1 The total amount of salary paid to the director of the company during the period is as follows :

Name	**Designation**		
Syed Farhad Ahmed	Managing Director	3,900,000	3,900,000
		3,900,000	**3,900,000**

28.2 The total amount of salary paid to the director of the top five executive of the company during the period year is as follows:

Name	Designation		
Syed Farhad Ahmed	Managing Director	3,900,000	3,900,000
Sharful Alam	Chief Operating Officer	2,766,000	2,766,000
AKM Quamruzzaman	Company Secretary	1,596,000	1,596,000
Md. Anamul Haque	Chief Financial Officer	645,000	585,000
Khaled Aahamed Nur	General Manger	2,081,000	2,051,000
Mahbubor Rahman	Deputy General Manger	1,856,000	1,856,000
Kh. Md Moinuddin	Deputy General Manger	1,981,000	1,921,000
		14,825,000	**14,675,000**

28.3 Aggregate amount of salary paid to all director and managers of the company during the period is as follows:

Particulars	Nature of Payment		
Director	Salary	3,900,000	3,900,000
Managers and Above	Salary	43,568,000	38,570,500
		47,468,000	**42,470,500**

i) No amount of money was expensed by the company for compensating any member of the board for special services rendered.

ii) The company does not pay any board meeting attendance fee to the directors of the company.

28.4 Disclosures under para 3 of schedule XI part II of the Companies Act. 1994

Salary Range (Monthly)	Number of Employee's
Below Tk. 3,000	Nil
Above Tk. 3,000	364

28.5 Disclosures under para 6 of schedule XI part II of the Companies Act. 1994

Name of Auditor	Purpose			
K. M. Hasan & Co. Chartered Accountants	Audit Fee		195,500	172,500

29. INFORMATION AS REQUIRED BY ANNEXURE – E (B)(25)(f),(g),(i) OF BANGLADESH SECURITIES AND EXHANGE COMMISSION (PUBLIC ISSUE) RULES, 2015

	Amount in Taka	
	30 June 2019	30 June 2018
29.1 Earnings per share (EPS)		
Particulars		
Net Profit after Tax	212,030,167	212,436,705
Weighted average number of ordinary shares	53,041,209	53,041,209
Earnings Per Share (EPS)	**4.00**	**4.01**
29.2 Net profit excluding Extra-ordinary income or non-recurring income coming from other than core operation		
Particulars		
Net Profit after Tax	212,030,167	212,436,705
Less: Extra-ordinary income or non-recurring income		
Interest on bank deposit	794,235	6,749,327
Net profit excluding Extra-ordinary income or non-recurring income	**211,235,932**	**205,687,378**
29.3 Earnings per share excluding extra-ordinary income or non-recurring income coming from other than core operation		
Net profit after tax except Extra-ordinary income or non-recurring income	211,235,932	205,687,378
Weighted average number of ordinary shares	53,041,209	53,041,209
Earnings Per Share (EPS)	**3.98**	**3.88**
29.4 Net Asset Value per Share		
Particulars		
Share Capital	530,412,090	530,412,090
Share Premium	542,488,192	542,488,192
Retained Earnings	800,684,416	641,695,458
Total Shareholders' Equity	**1,873,584,698**	**1,714,595,740**
Total Number of Ordinary Shares	**53,041,209**	**53,041,209**
Net Asset Value (NAV) per Share	**35.32**	**32.33**

30. RECONCILATION OF CASH FLOWS FROM OPERATING ACTIVITIES THROUGH INDIRECT METHOD

As per Clause No. 5 (2) (e) of Notification No. BSEC/CMRRCD/2006-158/208/Admin/81, Dated: 20 June 2018: A Reconcili ation of Net operating cash flow under Indicect Method is provided below:

Profit after income tax	**212,030,167**	**212,436,705**
Add: Non-cash Items		
Depreciation charges	164,997,613	127,301,874
Loss on fire	3,505,446	-
Amortization of Intangible Asset	3,461,957	4,289,946
	383,995,182	344,028,525
Add/(less): Changes in Working Capital		
Inventories	(66,344,104)	(49,286,831)
Trade and other receivables	(30,344,268)	(165,812,640)
Advance, deposit & prepayments	(90,353,404)	(50,776,015)
Accrued expenses	2,588,094	3,438,206
Provision for Beneficiaries' Profit Participation & Welfare Fund (BPP&WF)	(5,608,801)	11,131,920
Trade and other payable	8,878,814	15,115,991
Provision for tax	(9,489,625)	11,030,414
Deferred tax asset/(liability)	4,101,236	(828,717)
Net cash provided from operating activities	**197,423,123**	**118,040,854**

31. Net Operating Cash Flow Per Share (NOCFPS)

Operating Cash Inflow at the year end	197,423,123	118,040,854
Weighted average number of Ordinary Shares	53,041,209	53,041,209
Net Operating Cash Flow per Share	**3.72**	**2.23**

32. RELATED PARTY DISCLOSURES

The details of related party transaction during the year along with the relationship is illustrated below in accordance with IAS 24:

Amount in Taka

SL	Related parties	Relationship	Nature of Transaction	Transaction during the Year		Balance as on 30 June 2019	Balance as on 30 June 2018
				Addition during the year	Payment / Adjustment		
1	aamra holdings limited	Concern under common management	Software maintenance	144,000	144,000	-	-
2	aamra holdings limited	Concern under common management	Intercompany loan account	64,906,000	64,906,000	-	-
3	aamra technologies limited	Concern under common management	IIG bandwidth & Equipment Purchase	74,236,334	73,691,883	10,704,100	10,159,649
4	aamra technologies limited	Concern under common management	Intercompany loan account	83,900,000	83,900,000	-	-
5	Syed Faruque Ahmed	Chairman	Office rent (Chittagong)	837,900	764,750	73,150	73,150
6	Syed Farhad Ahmed	Managing Director	Salary	3,900,000	3,600,000	300,000	300,000
Total Related Party Transactions				**228,924,234**	**228,006,633**	**11,077,250**	**10,532,799**

33. EVENTS AFTER THE REPORTING PERIOD

33.1 The Board of Directors in its meeting held on 29 October 2019 approved the financial statements for the year ended June 30, 2019. The Board of Directors also authorized the same for issue.

33.2 The Board of Directors recommended 6% cash dividend and 6% stock dividend for the shareholders subject to approval in the ensuing Annual General Meeting.

33.3 Except above, no other significant event occurred till the date of signing the financial statements.

aamra networks limited
Schedule of Property, Plant and Equipment
As at 30 June 2019

annexure -"A"

A. Property, plant and equipment (Except EPZ Project)

Amount in Taka

Particulars	Cost				Depreciation					Written Down Value as on 30.06.2019	Written Down Value as on 30.06.2018
	Balance as on 30.06.2018	Addition during the year	Disposal during the year	Balance as on 30.06.2019	Rate of Dep.	Balance as on 30.06.2018	Charge during the year	Disposal during the year	Balance as on 30.06.2019		
Land and Land Development	198,344,514	2,315,350	-	200,659,864	-	-	-	-	-	200,659,864	198,344,514
Furniture & Fixture	8,818,267	428,572	461,327	8,785,512	10%	3,190,455	523,791	160,426	3,553,820	5,231,692	5,627,812
Office Equipment	42,157,814	13,739,689	-	55,897,503	15%	25,549,473	4,424,347	-	29,973,820	25,923,683	16,608,341
Electric Installation	5,450,230	-	-	5,450,230	18%	4,826,346	112,299	-	4,938,645	511,585	623,884
Telephone Installation	2,995,531	-	-	2,995,531	18%	2,923,392	12,985	-	2,936,377	59,154	72,139
Computer & Comp. Equipment	21,896,639	638,400	-	22,535,039	20%	17,665,790	920,650	-	18,586,440	3,948,599	4,230,849
Data Centre	215,175,743	115,700	-	215,291,443	20%	38,325,228	35,390,058	-	73,715,286	141,576,157	176,850,515
Fiber Optic Cable & Equipment	123,109,531	81,397,686	-	204,507,216	20%	65,943,720	19,732,001	-	85,675,722	118,831,495	57,165,810
Infrastructure & Backbone Equipments	620,961,668	118,331,057	-	739,292,726	18%	295,373,917	70,794,472	-	366,168,389	373,124,337	325,587,751
Motor Vehicle	16,414,154	6,970,000	-	23,384,154	20%	6,915,631	3,061,371	-	9,977,002	13,407,152	9,498,523
Office Decoration	61,072,522	865,209	8,787,252	53,150,479	15%	36,189,249	2,526,811	5,582,706	33,133,354	20,017,125	24,883,273
WiFi Equipment & Installation	182,495,916	-	-	182,495,916	20%	47,090,628	27,081,058	-	74,171,686	108,324,231	135,405,288
Sub-Total	**1,498,892,529**	**224,801,663**	**9,248,579**	**1,714,445,613**		**543,993,828**	**164,579,844**	**5,743,133**	**702,830,539**	**1,011,615,074**	**954,898,702**

B. Property, plant and equipment (EPZ Project)

Particulars	Cost				Depreciation					Written Down Value as on 30.06.2019	Written Down Value as on 30.06.2018
	Balance as on 30.06.2018	Addition during the year	Disposal during the year	Balance as on 30.06.2019	Rate of Dep.	Balance as on 30.06.2018	Charge during the year	Disposal during the year	Balance as on 30.06.2019		
Furniture & Fixture	473,134	-	-	473,134	10%	227,050	24,608	-	251,658	221,476	246,084
Office Equipment	1,446,128	-	-	1,446,128	15%	1,058,541	58,138	-	1,116,679	329,449	387,587
Computer & Comp. Equipment	728,750	-	-	728,750	20%	604,276	24,895	-	629,171	99,579	124,474
Infrastructure & Backbone Equipment	3,674,441	-	-	3,674,441	18%	2,537,419	204,664	-	2,742,083	932,358	1,137,022
Office Decoration	2,264,398	-	-	2,264,398	15%	1,561,310	105,463	-	1,666,773	597,625	703,088
Sub-Total	**8,586,851**	**-**	**-**	**8,586,851**		**5,988,596**	**417,768**	**-**	**6,406,364**	**2,180,487**	**2,598,255**
Total as at 30 June 2019	**1,507,479,380**	**224,801,663**	**9,248,579**	**1,723,032,464**		**549,982,423**	**164,997,613**	**5,743,133**	**709,236,903**	**1,013,795,561**	**957,496,957**
Total as at 30 June 2018	**1,065,911,181**	**441,568,199**	**-**	**1,507,479,380**		**422,680,549**	**127,301,874**	**-**	**549,982,423**	**957,496,957**	**643,230,633**

Total Depreciation has been apportioned as following:

Amount in Taka

Dep: Except EPZ Project	Taka	Dep: EPZ Project	Taka	Jul'18-Jun'19	Jul'17-Jun'18
Cost of goods sold & services	125,916,531	Cost of goods sold & services	229,559	126,146,090	93,504,005
Operating expenses	38,663,313	Operating expenses	188,210	38,851,523	33,797,869
	164,579,844		**417,768**	**164,997,613**	**127,301,874**

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aamra networks limited
Schedule of Intangible Assets
As at 30 June 2019

Annexure -"B"

Amount in Taka

Particulars	Cost			Amortization				Written Down Value as on 30.06.2019	Written Down Value as on 30.06.2018
	Balance as on 30.06.2018	Addition during the year	Balance as on 30.06.2019	Rate of Amortization	Balance as on 30.06.2018	Charge during the year	Balance as on 30.06.2019		
Computer Software	45,340,117	-	45,340,117	20%	28,030,334	3,461,957	31,492,291	13,847,826	17,309,783
Total as at 30 June 2019	**45,340,117**	**-**	**45,340,117**		**28,030,334**	**3,461,957**	**31,492,291**	**13,847,826**	**17,309,783**
Total as at 30 June 2018	**45,140,117**	**200,000**	**45,340,117**		**23,740,388**	**4,289,946**	**28,030,334**	**17,309,783**	**21,399,728**

Total Amortization has been charged as following:

Amount in Taka

Intangible assets	Jul'18-Jun'19	Jul'17-Jun'18
Cost of goods sold & services	3,461,957	4,289,946
	3,461,957	**4,289,946**

Annexure -"C"

aamra networks limited
Schedule of Calculation of Deferred Tax Liability
As at 30 June 2019

Particular	Carrying Amount		Taxable/(Deductible) temporary differences
	Accounting Base	Tax Base	
	Tk.	Tk.	Tk.
Relevant assets			
Property, plant & equipments (Taxable unit)	1,011,615,074	922,252,020	89,363,055
Property, plant & equipments (Non Taxable unit)	2,180,487	1,795,466	385,021
Intangible assets	13,847,826	25,515,550	(11,667,724)
Relevant liabilities			
Total temporary differences			78,080,351
Deferred tax liability @ 25%			19,520,087
Deferred tax asset @ 25%			-
Balance as on 01 July 2018			**15,418,851**
Movement during the year			4,101,236
Net deferred tax (asset)/ liability			**19,520,087**

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aamra networks limited

Safura Tower (12th Floor), 20 Kemal Ataturk Avenue
Banani C/A, Dhaka-1213, Tel: +88029841100
Email: info@networks.com.bd

PROXY FORM

I/We .....
Of .....being a member of aamra networks limited and a holder of .....shares hereby appoint Mr./Ms ..... as my/our proxy to vote for me/us and on my/our behalf at the 18th Annual General Meeting of the company to be held on Monday December 26, 2019 at 10.00 AM and any adjournment thereof.

Signed this .....day of 2019

Signature ..... Revenue Stamp Signature .....

Name ..... Name .....

(Member) (Proxy)

BO A/C No. | | | | | | | | | | | | | | | | |

1) This form of proxy, duly completed must be deposited at least 48 hours before the meeting at the Company's Business office. Proxy is invalid if not duly signed and stamped.

2) Signature of the shareholder should agree with the Specimen Signature registered with the Company and depository register.

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aamra networks limited

Safura Tower (12th Floor), 20 Kemal Ataturk Avenue
Banani C/A, Dhaka-1213, Tel: +88029841100
Email: info@networks.com.bd

ATTENDANCE SLIP

I hereby record my attendance at the 18th Annual General Meeting (AGM) to be held on Monday December 26, 2019 at 10.00 AM at Delta Life Conference Hall, Delta Life Tower, House-37, Road-90, Gulshan-2 Dhaka-1212 as holder of..... Shares of the Company.

Name of the Member/Proxy ....

BO A/C No. | | | | | | | | | | | | | | | | |

Signature .....

N.B.: Shareholder attendance Meeting in person or by Proxy are requested to complete the attendance Slip and hand it over at the entrance of the meeting hall.

No gift or benefit in cash or kind shall be paid to the holder of equity securities at the AGM as per Bangladesh Securities and Exchange Commission notification No. SEC/SRMI/200-953/1950 dated 24th October 2000 (c).

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