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 5,386.64, a 13.76 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	766,650,371	347,526,600	16,672,683	1,556,567	1,132,416,624	586,209,542	348,770,451	14,526,010	2,152,906	949,508,910
Variable Cost	(407,584,908)	(76,742,531)	(7,300,792)	(673,524)	(492,305,965)	(269,470,725)	(35,567,892)	(7,658,253)	(1,169,539)	(313,795,576)
Contribution Margin	**359,070,463**	**270,785,772**	**9,371,892**	**882,043**	**640,111,179**	**316,738,816**	**313,202,559**	**7,319,757**	**1,082,267**	**635,713,399**
Fixed Cost	(166,680,385)	(31,345,582)	(2,882,009)	(276,101)	(201,084,076)	(130,269,650)	(76,819,945)	(2,008,791)	(298,791)	(209,387,366)
Gross Profit	**192,390,078**	**239,440,190**	**6,489,892**	**605,942**	**439,026,102**	**186,469,066**	**236,382,624**	**5,310,866**	**783,476**	**426,326,034**
Operating expenses	(122,879,362)	(66,021,018)	(629,626)	(58,885)	(189,587,891)	(103,971,924)	(60,982,720)	(61,366)	(87,891)	(164,953,869)
Operating Profit	**69,511,716**	**173,419,172**	**5,860,266**	**545,057**	**249,541,810**	**82,257,142**	**172,799,904**	**4,855,500**	**575,585**	**261,472,165**
Financial expenses	(5,788,377)	(2,705,181)	(5,735)	-	(8,497,893)	(9,878,758)	(5,367,717)	(11,368)	-	(14,457,148)
Other Income	754,235	-	-	-	754,235	6,749,327	-	-	-	6,749,327
Loss on fire	(3,751,650)	-	-	-	(3,751,650)	-	-	-	-	-
Profit before WPPF	**60,569,156**	**170,914,011**	**5,854,531**	**545,057**	**238,046,495**	**80,127,712**	**167,432,187**	**4,844,133**	**575,585**	**253,779,322**
Workers' Profit Participation Fund (WPPF)	(2,885,163)	(8,138,762)	(278,596)	(25,954)	(11,328,476)	(3,815,274)	(7,973,771)	(230,664)	(27,171)	(12,047,878)
Profit before income tax	**57,703,006**	**162,775,249**	**5,575,934**	**523,073**	**226,672,262**	**76,312,438**	**159,458,416**	**4,613,469**	**548,414**	**241,731,444**
Provision for income tax										
Current tax	(10,541,445)	-	-	-	(10,541,445)	(11,030,414)	-	-	-	(11,030,414)
Deferred tax	(4,101,238)	-	-	-	(4,101,238)	878,717	-	-	-	878,717
	(14,642,683)	-	-	-	(14,642,683)	(10,151,697)	-	-	-	(10,151,697)
Net Profit after income tax	**43,060,321**	**162,775,249**	**5,575,934**	**523,073**	**212,030,157**	**47,062,741**	**159,458,416**	**4,613,469**	**548,414**	**211,582,755**

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 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**

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	29,704,370	29,704,370	100.00%	-	0.00%	
2	Loan repayment	25/Oct/17	195,521,602	195,521,602	100.00%	-	0.00%	
3	BMRE for Infrastructure Development	25/Sep/18	154,557,521	154,557,521	100.00%	-	0.00%	
4	Data Center Setup	25/Sep/18	116,062,496	116,062,496	100.00%	-	0.00%	
5	WiMAX Network setup in different locations	25/Sep/18	74,234,481	74,234,481	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	2,053.45	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 shareholders 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