



DIRECTORS' REPORT

On behalf of the Board of Directors and Management, It is indeed a great privilege for me to welcome you to the 20th 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, 2021 for your valued consideration, adoption and approval. These were approved by the Board of Directors on October 28, 2021.

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.

Bangladesh Economy

Bangladesh has been able to achieve a real GDP growth of 5.2 per cent, which is the highest in Asia, in the outgoing fiscal year (FY) 2020-2021. Bangladesh has made some very remarkable strides in economic development over the last five decades enabling the country transiting from low income country to achieve the status of lower middle income country in 2015. The country is on track to leave the United Nations list of least developed countries in 2024.

Bangladesh is now considered one of the fastest growing economies in the world. Bangladesh has had an annual growth rate of Gross Domestic Product (GDP) over 6.0 per cent since 2011. The Bangladesh government's vision 2041 stipulates to eliminate extreme poverty and secure upper middle-income country status by 2031 and achieve the high income country status by 2041.

Bangladesh's growth rests on three pillars: exports, social progress and fiscal prudence. Between 2011 and 2019, Bangladesh's exports grew at 8.6% every year, compared to the world average of 0.4%. The success is largely due to the country's relentless focus on products, such as apparel, in which it possesses a comparative advantage.

The COVID-19 pandemic impacted Bangladesh profoundly. In addition to the impact on health, GDP growth decelerated, and poverty increased. The pandemic may also have long term economic implications as a result of reduced female labor force participation, learning losses, and heightened financial sector vulnerabilities.

Bangladesh's economy is turning around in the context of tackling the coronavirus of the world economy. With nearly two dozen COVID-19 stimulus packages the country has an overall outlay of 1.24 trillion taka, which is 4.44% of GDP. This included steps like 50 billion taka for export-oriented industries to pay the wage bill for three months, two-year loans to factory owners at 2% interest, 200 billion taka for banks to provide working capital loan facilities to CMSMEs at an interest rate of 9%; 4% to be borne by the borrower, and 5% by the government as a subsidy.

Within the broad agriculture sector, the growth rate of agriculture and forestry sector decelerated from 4.10 percent to 2.65 percent in FY 2021-22. In addition, growth in fishing sector slowed slightly to 5.74 percent from 6.02 percent of previous fiscal year. The contribution of the broad agricultural sector to the GDP stood at 13.47 percent in FY 2020-21 against 13.74 percent in the previous fiscal year.

Of the 4 sectors of the broad industrial sector, growth in the manufacturing (large and medium scale and small scale) has increased significantly. According to provisional estimate, the growth of large and medium enterprises and small scale industries in GDP stood at 6.56 and 1.73 percent respectively in FY 2020-21, compared to 1.39 percent and 3.96 percent in the previous fiscal year. The growth of the construction sector stood at 8.68 percent as compared to 8.66 percent over the previous fiscal year. Overall, the contribution of the broad industry sector stood at 34.99 percent in FY 2020-21, as compared to 34.74 percent in the previous fiscal year.

In maintaining the trend of socio-economic development and high growth in Bangladesh, the private sector is playing a very positive and important role along with the government. In FY 2020-21, the total investment of GDP was 29.92 percent, out of which 21.25 percent was from private sector.

Inflation rate in FY2020-21 was 5.56 percent at national level, which was 5.65 percent in the previous fiscal year. It may be mentioned that the average inflation rate in the country is set at 5.4 percent in the FY2020-21. Food inflation witnessed a 0.22 percentage point increase in only six months. It was 5.23% in January 2021 and increased to 5.45% in June 2021.

Despite production and manufacturing setbacks, a drop in exports, loss of livelihood and a rise in poverty, Bangladesh's economy has also shown resilience through the Covid-19 pandemic.

Capital Market Scenario

The country's capital market is set to post the highest return in a decade in the outgoing fiscal year (FY), 2020-21, when most other sectors faced serious disruptions in their business operations due to the ongoing Covid-19 pandemic.

The stock market witnessed a 51.31 per cent return in the outgoing FY as in June 2021, despite the free fall of many stock prices. Initially the fall was contained by setting floor prices, as investors became panicked following the COVID outbreak. The country's capital market showed better performance in the first half (H1) of 2021 as the key index of the major bourse soared 748 points to reach at 41 months high at the end of June.

After the 2010-11 stock market debacle, the DGEN, the then benchmark index of the DSE, witnessed negative returns of 0.59 per cent and 25 per cent for 2010-11 and 2011-12 respectively. Later, the premier bourse posted a positive return of 0.07 per cent in 2012-13. The DSE introduced new benchmark index - the DSEX - on June 27, 2013 with a base of 4,055 points. After introduction of the DSEX, the DSE posted a 9.16 per cent return in 2013-14, while the return was 2.30 per cent in 2014-15, and 25.49 per cent in 2016-17. The market returns were negative for 2015-16, 2017-18, 2018-19 and 2019-20, ranging from 1.65 per cent to 26.41 per cent. Finally, in June the DSEX closed at 6,036, posting the highest return of 51.31 per cent or 2,047 points since the 2010-11 debacle.

The regulatory initiatives to restore governance in the market and other reforms including removal of a floor price, re-listing of OTC companies has positively impacted the market. Introduction of SME board,

corporate restructuring, development initiatives for Sukuk and bond market, new IPO allotment rules and change of circuit breaker for IPOs has positively impacted the bourse towards building a vibrant capital market. Corporate tax cut for the listed manufacturing companies in the fiscal year (FY) 2021-2022 has further strengthened the investors' optimism in this unprecedented pandemic time.

In early May, the Bangladesh Securities and Exchange Commission (BSEC) approved rules to create a market stabilization fund worth around Tk. 210 billion with unclaimed and unsettled dividends of listed companies. According to information of the Dhaka and Chittagong bourses, 335 listed companies have unclaimed cash dividends worth Tk. 9.56 billion and unclaimed or unsettled stock dividends worth Tk. 199.86 billion.

The flow of liquidity increased in the stock market, as returns in other sectors declined. Experts and market operators said the investors pumped fresh funds into the stock market - following decline in interest rates of other fixed income securities along with various regulatory reforms in market operations. The regulatory steps, including formation of the market stabilisation fund, helped the market to witness the investors' increased participation.

Along with posting the highest return in index in the outgoing FY, the DSE witnessed hefty turnovers, especially in May and June. In the last two months, the DSE posted daily turnovers ranging from Tk. 11.60 billion to Tk. 27.00 billion. Following the investors' increased participation, the DSE's market capitalization also hit an all-time high of Tk. 5.10 trillion on June 10. And, at the end of June, market capitalization of the prime bourse soared by Tk. 660 billion in six months to reach an all-time high at Tk. 5,142 billion.

Between January 1 and June 30, 2021, DSEX, the prime index of the Dhaka Stock Exchange (DSE), rose 748 points or 13.85 per cent to settle at 6,150 on Wednesday (June 30). The daily turnover, another important gauge, stood at Tk. 12.44 billion on an average in January-June, 2021, up by 51 per cent over the same period of the previous year.

The Chittagong Stock Exchange (CSE) also performed well in the first half of 2021 with the CSE All Share Price Index - CASPI - soaring 2,202 points to settle at 17,795 and the Selective Categories Index - CSCX rising 1,291 points to close at 10,695. Market capitalization of the CSE also rose to Tk. 4,384 billion on June 30, rising 16.80 per cent over the same period of the previous year. The daily average turnover stood at Tk. 655 million in January-June,

2021, jumping by 121 per cent over the same period of the previous year.

The rally has been largely supported by major sectors stocks like general insurance, miscellaneous, cement, life insurance, textile, food, engineering, banking and non-bank financial institutions. The market momentum exerted that bullish trend to be prevalent on bourses and 2021 will be a year of opportunities for the capital market.

ICT Industry

Around a year and a half have passed since the onset of the Covid crisis. The Bangladesh economy and the global economy have certainly not been able to go back to the pre-Covid state. Though there have been some signs of recovery for the Bangladesh economy, the recovery process has remained weak, fragile and uncertain. The effective recovery process also requires a better understanding of the Covid context and setting the priorities right.

The COVID crisis showed us that domestic production, distribution, and finance system require further digitisation to manage operations remotely without human involvements. As the trends in supply, demand, and financing mechanisms are changing rapidly, the ICT industry can play a crucial role for Bangladesh in not only containing and responding to the impact of COVID-19 but also to build on the opportunities that are shaping up globally.

The Information Communication and Technology (ICT) sector has been at the forefront of Bangladesh's "Vision 2021" and "Digital Bangladesh" agenda. As a middle-income country, the importance of transitioning to a knowledge-based economy is very crucial for Bangladesh's future. The ICT as a sector of economy has also been growing fast. The total export from the sector touched the \$ 1.0 billion-mark in 2019, showing a 66 per cent growth over the last two years. The sector is poised to fetch US\$ 5.0 billion in export earnings by the year 2025.

Bangladesh has made phenomenal progress in expanding mobile financial service coverage. When citizens have universal access to digital device, Internet and digital literacy with universal identity system, implementation of universal digital financial services (UDFS) would be easier and quicker to ensure a true inclusive economy and society. From the perspective of ICT industry, implementation of 'Made in Bangladesh' action agenda will make Bangladesh a major hub of ICT and IoT devices manufacturing. The ICT industry will be able to create 100,000 jobs in the device manufacturing sector. The success of 'Made in Bangladesh' roadmap

will also depend on restriction of 100% FDI in device manufacturing. The participation of local industry will ensure establishment of factories of world class device manufacturers.

Bangladesh has also established various back-end capacity for becoming a manufacturing hub of ICT devices and software. To ascertain the proper applicability of the software and hardware produced, developed, or purchased by different government departments or agencies and to maintain its quality, Bangladesh Computer Council (BCC) has established Software and Hardware Quality Testing & Certification Centre. Based on leading standards, practices, and frameworks and aligned and tailored as per Bangladesh requirements and strategic objectives, Bangladesh National Digital Architecture (BNDA) project has created Bangladesh National Digital Architecture framework. Design, development, and implementation of interoperability framework across the GoB has been developed through this project.

Bangladesh has become a global example for digital transformation of government services. The Government has made all necessary information of the Ministries and other relevant notifications available through various websites which are accessible to the public. In addition, the Government has trained more than 50,000 public officials to maintain these websites and update data and information regularly. The Government of Bangladesh (GoB) has also introduced a national portal containing information from all the Ministries, while e-Service centres were introduced at the district level enabling the districts to share information online. Moreover, a National Data Centre facilitating the dissemination of citizens' National Identification (NID) Cards and voter lists has been established and made operational.

The Government has also established the National ICT Infra-Network for Bangladesh Government Phase II, and implemented 800 video conferencing systems at different Ministries, departments and upazila offices. Additionally, successful implementation of the project will ensure 10Gbps capacity network at the upazila levels and 100 Gbps capacity networks at the district levels. The digitisation of government services has expanded and improved significantly. The government's e-governance initiative comprises of five components i.e., Service Process Simplification (SPS), 'less paper office,' government services portal, land information services, and government forms portal.

Bangladesh has been working relentlessly to establish "Digital Bangladesh", an integral part of the government's Vision 2021. The government initiatives have resulted in an accelerated pace of

growth of internet users. Number of internet users in Bangladesh stood at 103.476 Million in June, 2020. Dependence on the Internet increased since the start of the pandemic. The Internet has become essential for work, education, essential services, telemedicine or entertainment. During the pandemic, the increased internet traffic led to reduced bandwidth availability per head. The mass closures resulting from the COVID-19 pandemic have left Internet service providers with two main issues to address: An unprecedented number of people are now working from home or taking classes online, and people suddenly out of work may be wondering how they'll make their monthly payments, including the Internet bill. When the national holiday was announced, many people left urban areas and were headed towards their villages. Most of the urban houses use ISP connection and as a result, a sudden fall in revenue was experienced by the ISP firm. ISPs were unable to collect bills of thousands of consumers, where bills of 2/3 months were due. The sector is facing problems in accessing working capital from the banking sector under the government's stimulus package as the banks are unsure if the ISP industry qualifies for the stimulus package.

However, the foundations for fiber optic connectivity are being laid, which will ensure high speed internet at cheaper price. Bangla-GovNet project implemented by ICT Division built the ICT Backbone Network up to 240 government ministries, divisions and departments, 64 districts and 64 upazila. Info-Sarker 2 project extended this network up to the upazilla level and connected the government offices. The ongoing Info-Sarker Phase-3 project has taken up the goal to establish broadband internet infrastructure in 2600 unions across the country through the optical fiber cable, of which 2400 unions have already been connected. The Connected Bangladesh project is working on establishment of connectivity in 772 remote unions of the country.

Despite the fact that the internet use has increased significantly during the coronavirus outbreak but as almost all the corporate houses, the main revenue source for major ISPs, were closed for several months, the Broadband internet service providers were facing obstructions in revenue collections. Furthermore, complex VAT structure in the ISP value chain, lack of cash and inability to secure loan from banking sector or Govt's stimulus package, delayed in port clearance and excessive import duty on equipment, lack of National Data Protection and localization rule and incentive to operate business and lack of rules & guidelines to host public confidential data in local cloud have halted immediate pivoting that the players in the sector could have undertaken

to minimize the intensity of the initial blow from the pandemic.

Industry outlook

With the growing inevitability that COVID-19 is here to stay, the ICT Division of the Government of Bangladesh is developing a roadmap to tackle the pandemic and ensuing crisis and to find innovative ways to flourish in the 'new normal'. ISP and Infrastructure is one of the 18 priority sectors selected based on the impact of COVID-19 on the sector and its potential for transformation of the economy and society.

Bangladesh is propelling on the trajectory of new growth curve of rapid digitization determined by technological progress. High-tech and Software Technology Parks, vibrant start-up ecosystem involving over 1200 tech startups, over 100 million internet users, and mounting adoption of digital devices construct the columns of support ecosystem for building Digital Bangladesh. Bangladesh is targeting USD 5 Billion local revenue and USD 5 Billion export by the IT and ITES sector in next five years (Mission 5 billion). To reach the goal, Bangladesh needs to profit from the cognitive ability of graduates on the rise and just over 150 institutions in Bangladesh are preparing the huge workforce with industry demand-driven training on science and technology. The ICT industry needs to be settled down into the "new normal" caused by the pandemic through governmental policy intervention, potential transformation and upgradation so that it can sustain its ever-growing impact on the economy and society.

On the other hand, a dynamic industry is rising in Bangladesh, with many businesses running initiatives covering most emerging technologies like robotic process automation, artificial intelligence, block chain, big data analytics, virtual reality, and internet of things, and are at different phases of examining and conducting. Their capacity of following the digital progress will be an important element for the future success of the country's ICT industry. Augmented reality and virtual reality have grown significantly in 2020. These immersive technologies are now part of everyday life, from entertainment to business. The arrival of Covid-19 has prompted this technology adoption as businesses turned to the remote work model, with communication and collaboration extending over to AR and VR.

The COVID-19 also identified new divides, especially digital divide for the population as for the Cottage, Micro, Small and Medium Enterprise (CMSME), as they have suffered most for not having access to digital devices and Internet. Due to lack of digital literacy and affordability most of the children and

students suffered and are continuing to suffer for not having classes. This situation is forcing the government and private sector to go for ambitious plan or universal access to digital ecosystem with access to device, Internet and digital learning. There is a scope for second wave of financial inclusion by covering all citizens under digital financial services, along with payment services, the private and government are now thinking to launch digital credit, savings and insurance. The market size for these two initiatives is USD 30 Billion in next five years.

In the context of the current pandemic ICT interventions that can help mitigate the negative impact as well as create new business opportunities need to be identified. To reach that goal specific action items have been proposed by the UNDP in the mitigation strategy, the strategy for leveraging new opportunities, and the post COVID readiness strategies. These will ensure further investment in the economy as a whole and especially in the ICT sector, in the development of human resources, in policy formulation, and create the need for research and development resulting in the desired impact of reaching the ICT readiness goal by 2025.

ICT-based development of any country is dependent primarily on innovation and ICT infrastructure, hardware, software, and essentially its human resources. To ensure that Bangladesh tops the ICT readiness index among South Asian countries by 2025, it is important to ensure that ICT penetration and its utilisation transpires for all citizens and for small and medium sized organisations across the country. Undeniably, it'll be impossible to not feel the impact of the pandemic in any industry but precautionary and supportive policies will ensure the tech and digital industry will not be crippled in during and post COVID-19 economy. With the challenges now apparent for the IT and digital sector, it's crucial that the government pays significant attention to its third-engine during and post COVID Bangladesh.

Principal Business

aamra networks limited (ANL) is an ISP company involved in Leased Bandwidth distribution, IAAS, SAAS and IP enabled value-added services. ANL is one of the first private sector licensed Internet Service Provider (ISP) in Bangladesh. aamra networks limited over the last decade has consistently provided its customers with the state-of-the-art IT communication solutions and services which includes Internet Access, Web Page Development, and Hosting, Leased Port Internet Access, Total Network Solutions, Video Conferencing Solutions, Video Surveillance Solutions, Software Development and

Maintenance Services etc. Additionally, aamra networks limited has ventured into Infrastructure and Cloud solutions. To add to this, the company is constantly upgrading its international connectivity portfolio, i.e. MPLS, PLC and other forms of peer-to-peer connectivity. The company has also ventured into IoT solutions, Robotics and Automation.

Business Strategy

Our strategic objective is to build a sustainable and resilient organization that remains relevant to the agenda of our clients, while creating growth opportunities for our employees, generating profitable returns for our investors and contributing to the communities that we operate in. Our clients and prospective clients are faced with transformative business opportunities due to COVID. These organizations are dealing with the challenge of having to reinvent their core offerings, processes and systems rapidly and position themselves as 'digitally enabled'. The current economic climate and volatility, resulting from the COVID-19 pandemic, in their operations has accelerated their adoption of digital technologies to enhance organizational resilience, get competitive advantage and optimize cost structures.

The journey to the digital future requires not just an understanding of new technologies and new ways of working, but a deep appreciation of existing technology landscapes, business processes and practices. Our strategy is to be a navigator for our clients as they ideate, plan and execute on their journey to a digital future.

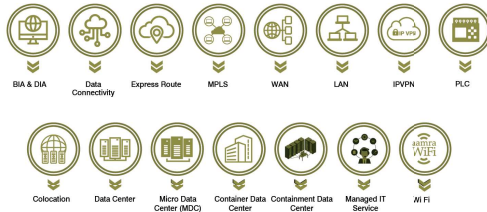
In fiscal 2020-2021, we continued to focus our strategy to strengthen our relevance to clients and drive accelerated value creation. We believe the investments we have made, and continue to make, in our strategy will enable us to advise and help our clients as they tackle these market conditions, especially in the areas of digitization of processes, migration to cloud-based technologies, workplace transformation, business model transformation, enhanced cyber security controls and cost structure optimization in IT. Further, we have successfully enabled our employees to work remotely and securely thus achieving the operational stability to deliver on client commitments and ensuring our own business continuity.

Product Categories & Services

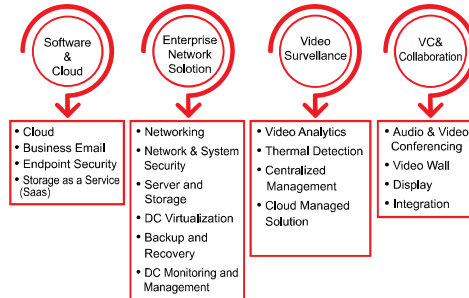
aamra networks limited maintains a wide range of product and service portfolio. Our products and service portfolio can be summarized in two broad categories - i) Internet and Infrastructure Solutions, ii) IoT Solutions.

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Internet & Infrastructure



Internet of Things (IoT) Solutions



Nationwide Presence

ANL has spread its service throughout the country. The coverage of its services is illustrated in the map of Bangladesh:



Distributor of Global Brands

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.

Some of the reputed brands we represent are Cisco, Fortinet, Sophos, Huawei, Juniper, Dell, HikVision,

Samsung, Matrix, Poly, VMWare, Schneider, NBS etc.

aamra making significant progress in Bangladesh IT Industry

aamra has made sizable progress in the IT industry last year. Our internet and infrastructure portfolio has gone through a significant overhaul. We have updated our network in several POPs across the country. Additionally, we have made moderate upgradations in our data centers to ensure that we can serve our customers better. Dhaka and Chattogram metro have always been key sources of our revenue stream. We have retained our market share in these metro locations, and also expanded our business.

During the last one year, we have majorly focused on onboarding quality and high-yielding customers, instead of just concentrating on customer number. This vertical approach contributed significantly in terms of generating revenue from upsell.

This year, we have been very successful in our MPLS business. We are partnered with two of the largest name in international MPLS industry - Orange Business Solutions (OBS) and Hutchison Global Communications Limited (HGC). We have made significant progress in the MPLS business last year and generated sizable revenue from this portfolio. We forecast that more and more international organizations shall need MPLS solutions, hence we have proactively reengineered our network so that we can accommodate future client requirements at ease.

For last few years, South-East and North-East regions of our country have been priority zones for aamra's business expansion. We already have strong and growing presence in Jashore-Khulna-Mongla region. In addition, we have made significant progress in Bagura-Nilphamary-Rangpur region. In both regions, we are the selected service provider for majority of national defense organizations. We are also very glad to have added several high-value public and private clients in these regions, from our internet and IOT portfolio.

We consider Data Center and Infrastructure to be one of the most potential business opportunities in near future. aamra already has 4 major data centers (2 in Dhaka, 1 in Jashore and Chattogram each), and we are regularly working to enhance our data center portfolio. Our largest DC in DevoTech, Gulshan 2 is already receiving brilliant market response and our existing resources are almost depleted. Our upgradation and expansion initiatives are also ongoing. In addition to serving local customers, we are also serving several international customers from our data centers. Also, we have been able to secure

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several business opportunities for implementation and migration of client data center. Our target for next year is to actively pursue this vertical.

Our IOT portfolio has also seen positive growth this year. Especially in Software and Cloud vertical, we have successfully secured several large tenders and we are in the path of securing several others. We have also onboarded AWS solutions this year, and we are receiving fantastic feedback from our potential customers. In years to come, we forecast, AWS to be one of our most high-return product line.

As far as business is concerned, aamra has remained consistent and in the right track. However, we must mention the deadly impact of COVID - 19 on the global economy. Companies all around the world are facing various difficulties, we are no different. aamra has always been a customer driven company. We work alongside our customers and focus on long-term mutually beneficial relationship. We are very disheartened to see some of our very valued clients face tremendous difficulties. Some of our clients are on the verge of closing their operation. In these difficult times, aamra team has been by the side of its clients. We have facilitated discounts, waivers, complimentary solutions, term payment options to help our clients remain afloat. From the beginning of this pandemic, we have been working closely with our customers. Our 'client first, business second' approach has helped many of our customers. Many of our clients have successfully tackled the calamity and have started clearing their back-payments. During these times of common struggle, we have successfully strengthened relationship with customers. We are thankful for being able to fight this pandemic together, with collective support and empathy.

Operating and Financial Performance of the Company

The financial results of the Company for the year 2021 with a comparison of 2020 are summarized below:

(BDT in million except per share data)	2020	2021
Revenue	972.13	999.45
Gross profit	391.64	349.61
Operating profit	222.44	182.06
Profit before tax	195.56	131.26
Tax	16.12	10.87
Profit after tax	179.44	120.39
Earnings per Share (EPS)	03.19	02.14

The impact of the COVID-19 pandemic was severely felt by all the industries. Lockdowns and mobility restrictions hampered economic activities and despite the varying monetary stimuli offered by governments,

the year overall proved highly constraining for most sectors. The company strove to not only deliver the high speeds that the ANL name has become synonymous with, but to also ensure a high level of reliability and consistency of its Internet connections. The FY 2020-21 brought with it a whole new set of challenges. With the COVID-19 global pandemic affecting the economic wellbeing of the nation, Almost overnight, organizations and employees had to adapt to what is now termed as the 'new normal' - making a shift to working remotely. It was surely a year where humankind was tested to the limit of their capabilities, tolerance, innovation, adaptability and much more. Amidst unprecedented challenges, the Company recorded growth in top line in the financial year 2020-21. Planned robust portfolio growth was hampered due to COVID-19 in the first half of the year while collections were an issue due to closure of corporate houses and mobility restrictions.

Despite devastating impact of COVID-19 aamra networks commitment to simplification, capital discipline and culture laid the foundation for a steady performance in FY2021. During 2020-21, the turnover of the Company was BDT 999.45 mn as against BDT 972.13 mn during FY 2019-20 registering an increase of 2.80%. The Company posted a Profit Before Tax from continuing operation of BDT 131.26 during the year as against BDT 195.56 mn of previous year registering a decrease of 32.87%. The Profit After Tax from continuing operation during FY 2020-21 is BDT 120.39 mn as against BDT 179.44 mn in FY 2019-20 registering a decrease of around 33%.

During FY21, the gross profit is BDT 349.61 mn which was BDT 391.64 mn in FY20 registering a decrease of 10.73%. During the year the company paid tax of BDT 10.87 mn which was BDT 16.12 mn in 2020. The COVID-19 pandemic has disrupted demand and supply chains across industries, negatively impacting the cost of goods sold. Higher service & maintenance cost, competitive sales price, minimum margin collectively impacted on the overall profitability of the Company.

Product or Segment wise performance

During FY21, the Internet and WiFi Bandwidth sales the main stream products of the company collectively generated BDT 539.80 mn which was BDT 546.86 mn registering a decrease of 1.30%. The Company's business is rolling to corporate clients only, during the last quarter of FY 21 the countrywide lockdown for controlling the spread of deadly Coronavirus impacted the growth momentum in turnover. Additionally, the Company's IT Support services, which contributed 29.40% of total turnover in FY20, decreased by 38.14%. On the contrary, taxable equipment sales increased 115%. Due to its higher imported/purchase price remarkably impacted the COGS and gross profit.

Significant deviation in operating results & significant variance between quarterly and annual results

During the year under review, the company was able to maintain steady performance until the 3rd quarter. The Company's IT Support services, which contributed 29.40% of total turnover in FY20, decreased by 38.14%. On the contrary, taxable equipment sales increased 115%. Due to its higher imported/purchase price remarkably impacted the COGS and gross profit. In addition to that, competitive sales price, minimum margin collectively impacted the overall profitability of the Company. Therefore, a 33% decrease in net profit and EPS have been observed.

Five years data

Key operating and financial data of preceding 5 (five) years of the Company has been summarized on 09 page of this Annual Report.

Capital Expenditure

The Total Capital Expenditure on acquisition of Property, Plant & Equipment equipment, of the Company amounted to BDT 535.62 million. The detailed note on acquisition of Property, Plant and Equipment is given under the note no. 4, 6 of the Financial statements.

Related party transaction

Compliant steps have been taken by the Board to avoid any conflict of interests that may arise, in transacting with related parties as per the definition of IAS. A statement of related party transactions has been presented in note no. 35 on 131 page of the Annual Report.

Events occurring after the reporting date

As at the date of this report, the directors are not aware of any matter or circumstance that has arisen since the end of the year 2021 that has significantly affected or may significantly affect the operations of the Company, the results of its operations or its state of affairs, which is not already reflected in this report other than the following:

On October 28, 2021, aamra networks recommended 10 percent stock dividend. Details of the recommended dividend during the financial year are disclosed in Note 36 of the Financial Report.

Material changes after Balance Sheet date (June 30, 2021)

There have been no material changes and commitments between the end of FY21 and the date of this report, affecting the financial position of the Company.

Appropriations of profit

Taking into account the profit available for distribution after complying with the regulatory requirements, the Board recommended 10 percent stock dividend for the year ended June 30, 2021 for approval of Shareholders in the Nineteenth Annual General Meeting. The Board proposed the following appropriations:

Amount in million BDT	
Net profit for the year 2021	120.39
Retained earnings at the beginning of 2021	916.48
Total profit available for appropriation	1036.87
Proposed Appropriations	
Proposed stock dividend	56.22
Retained earnings	980.65

Dividend

The Company will be paying 10% stock dividend for the year ended 2021. The Board of Directors in its meeting held on 28 October 2021 recommended "10% stock" dividend for the year 2021. As per article-89, Schedule-1 of the Companies Act 1994, dividend shall be declared out of profit i.e. from current year's profit and from previous years' retained profit. During the year ended the company has registered profit of BDT 120.39 mn.

The Board while recommending stock dividend considered the Notification of BSEC in this regard and decided to retain the stock dividend amount as capital for utilizing the amount for nationwide network expansion with the view to comply the regulatory requirement (under BMRE). The Board also noted the following;

- the stock dividend or bonus shares has declared from the current year's profit;
- the stock dividend or bonus shares has not declared-
 - from the accumulated profit or retained earnings; and
 - from capital reserve or revaluation reserve or any unrealized gain or profit earned prior to incorporation of the company or through reducing paid up capital
- as the stock dividend or bonus shares has declared complying the above so, the post dividend retained earnings will not be negative or debit balance;

aamra networks aims to provide commendable and sustainable rate of dividend to its shareholders and the Company has been paying dividend consistently for many years.

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

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Dividend Distribution Policy

The Board, in complying with the requirements of BSEC's notification approved dividend distribution policy, in its 127th meeting held on October 28, 2021. According to the said notification the details policy has been disclosed in page no. 96 of this annual report and also available at www.aamranetworks.com.

Status of Issuance of Zero Coupon Bond

The company assuming the rapid growth in access bandwidth occurs and to expand the capacity of our core networks while at the same time getting the competitive edge on controlling costs, delivering higher reliability, offering an attractive mix of broadband access technologies and speeds, dynamically distinguishing between types of traffic, offering new value-added service options and enhancing customer service and customer satisfaction, we have undertaken the POP upgradation project.

We got approval from the Bangladesh Securities and Exchange Commission for issuing Zero Coupon Bond (ZCB) worth BDT 1000 million for the financing of the aforesaid PoP upgradation and network expansion project. The bond market in Bangladesh is relatively a new concept and other than FIs there are few companies where the investors subscribed to the bond. As a result, no deal has been finalized yet. However, we are trying our best and are optimistic about the prospect of the bond market. Meanwhile, BSEC has extended the timeline till June 2022 for issuing the ZCB.

Contribution to the National exchequer and the economy

During the year 2021, the company contributed a total amount of BDT 10.87 million as Corporate Tax, BDT 17.50 million as TDS and BDT 51.53 million as VAT, in total BDT 79.91 million was paid to the national exchequer. aamra networks always uphold its responsibilities to the development of the society and the country as a whole. We encourage our employees to participate in social and charitable programs.

Annual General Meeting

Annual General Meeting is the biggest program for the Company in a year. All shareholders are encouraged to attend and/or participate in AGM to deliberately give their opinion regarding any facts of the company. Shareholders can attend in person or send a proxy as their representative. The notice of AGM and proxy form is also available for all shareholders in the official website.

The notice of the twentieth Annual General Meeting is given on page 08 of this Annual Report. A summary of the agenda is given below:

Ordinary Business :

- Adoption of Directors' Report, Auditors Report and Audited Financial Statements;
- Declaration of dividend;
- Re-appointment of retiring Directors;
- Re-appointment of Statutory Auditors and compliance auditors.

Special Business : Nil

Notice of the Annual General Meeting

Notice of the Twentieth Annual General Meeting of the Company is given on page no. 08 of the Annual report.

Management Discussion and Analysis

A management discussion and analysis signed by the Managing Director regarding the Companies operation and position along with a brief discussion of changes in the financial statements has attached on page no. 37

Directors' statement pursuant to the disclosure and transparency

The Directors confirm that to the best of each director's knowledge and belief:

- the financial statements, prepared in accordance with IAS/IFRS, give a true and fair view of the assets, liabilities, financial position and results of the Company, and
- the management report contained in the operational and financial review includes a fair review of the development and performance of the business and the position of the company, together with a description of principal risks and uncertainties that may face.
- the internal control system is properly designed, implemented and effectively monitored.

Accounting policies and maintenance of books of accounts

The Directors consider that in preparing the Financial Statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates and that the International Accounting Standards have been followed. In preparing financial statements, information has been obtained from the books of accounts, which have been maintained properly as required by the applicable rules and regulations.

Directors' responsibilities of preparation of Financial Statements

The Directors are of the view that the Annual Report and Company's financial statements have been prepared in accordance with applicable laws and regulations and as per the requirement of regulatory

authorities. The Board confirms that a true and fair view of the state of the affairs of the Company has been ensured while preparing the Financial Statements of the Company. A statement of the Directors' responsibility in relation to financial statements has been given on page 84 of this Annual Report.

Observance of IAS, IFRS & applicable laws

The Directors have the responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable to ensure that the financial statements comply with the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws. The Directors also confirm that the financial statements have been prepared in accordance with the International Accounting Standards and other applicable rules and regulations. A separate report on Directors' Responsibilities as to the preparation of financial statement is set out on page 84 in this Annual Report.

Fairness of the accounts

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS) and the requirements of Companies Act, 1994. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of their profits for the year ended June 30, 2021.

Internal control

Internal control including financial, operational and compliance controls and risk management systems, maintained by Management and that was in place throughout the financial year and up to and as of the date of this report, is adequate to meet the needs of the company in its current business environment. The Internal Audit regularly reviews of the aamra networks operations, examine the business processes and evaluate the adequacy and efficiency of financial and operating controls and highlights significant risks. Management follow up and review the status of actions on recommendations made by the internal control. The Board reviews regular reports from the management on the key operating statistics, as well as legal and regulatory matters. The Board also approves any changes or amendments to the company's policies.

There are policies and procedures in place to ensure compliance with internal control and the prescribed laws and regulations. These policies and procedures are set out in the company's Standard Practice

Instruction and are updated from time to time in tandem with changes to the business environment or regulatory guidelines.

Risk and concerns

The Board of Directors is in charge of determining the Company's fundamental attitude toward risk while setting out the risk principles as well as the level of risk exposure. The Board of Directors are responsible for formulating risk policies, determining methods to measure and manage risk, setting commensurate risk limits and monitoring their performance.

Fundamental principles of aamra networks risk management philosophy are:

- Effectively managing and monitoring credit, interest rate, liquidity, market and operational risk and providing for appropriate allocation of capital among the types of risk.
- Managing risk in a forward-looking manner and identifying and analyzing risks from the beginning with the help of steering risk strategies, models and parameters.
- Creating maximum value for the shareholders, depositors and employees in long term
- Being financially reliable and strong and establishing business relations with the stakeholders that will last for many years by creating the image of a profound institution that will stay in business permanently
- Complying with Companies Act, Rule and Regulations of BSEC, Listing Regulations of Stock Exchanges and other guiding principles of BSEC.

Going concern

The Board of Directors has reviewed the Company's overall business plans, strategies and is satisfied that the Company has adequate resources to continue its operations in the foreseeable future. Accordingly, the financial statements of the Company are prepared based on the going concern concept.

Directors' Responsibilities for Financial Statements

The Board is responsible to present a fair, balanced and understandable assessment of the Company's position and prospect as part of good corporate governance and to that end the directors confirm to the best of their knowledge that-

- the Financial Statements, prepared by the Management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- proper books of account as required by the law have been maintained;
- appropriate accounting policies have been consistently applied in preparation of the Financial

Directors' Report continued...

Statements and that the accounting estimates are based on reasonable and prudent judgements;

- the Financial Statements prepared in accordance with IAS/IFRS;
- the Financial Statements prepared on going concern basis;
- the minority shareholders have been protected from abusive action by or in the interest of controlling shareholders acting either directly or indirectly and have effective means of redress;

Directors' Responsibility to Internal Control System

The Board of Directors are responsible to ensure that the system of internal control is sound in design and has been effectively implemented and monitored. In this regard, the board 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 are consistently followed. The Audit Committee consists of three members from the Board of Directors. The Chairman of the Audit Committee is an Independent Director.

Corporate governance

Fundamentally, the conduct of the Company is guided by our core values, our code of ethics and a commitment to openness and transparency. Our corporate governance practices are a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times.

Corporate governance is about maximizing shareholder value legally, ethically and sustainably. At ANL, the Board exercises its fiduciary responsibilities in the widest sense of the term. ANL's Board of Directors endeavors always to provide learned and strategic direction for the Company through applying the highest standards of corporate governance practice. To this end, we comply with all reporting regulations and requirements as defined in the Code of Corporate Governance issued by the Bangladesh Securities and Exchange Commission. Strengthening the policies and procedures by accommodating the changes in legislation and perspectives is our routine application to protect the Company from risk and introduce new policies necessary to steer the company on right and clear strategic direction. We work to ensure all governance matters are transparent to stakeholders as well as shareholders through channels such as the Annual General Meeting (AGM), quarterly financial statements and this annual report. The Board of

Directors of the Company has always committed to maintain and practice an effective corporate governance structure. A detailed report on corporate governance has been set out on page 62 to 72 of this Annual Report.

Board diversity

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical backgrounds, age, ethnicity, race and gender that will help us retain our competitive advantage.

The Board Diversity Policy adopted by the Board sets out its approach to diversity. The policy is available on our website, at <https://www.aamranetworks.com>. Additional details on Board diversity are available in the corporate governance report that forms part of this Annual Report.

Policy on directors' appointment and remuneration

The current policy is to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As of June 30, 2021, the Board had five members, one of whom are executive director, one non-executive chairman, one independent director and two non-executive directors. Two of the non-executive directors of the Board are women. The details of Board and committee composition, tenure of directors, areas of expertise and other details are available in the corporate governance report that forms part of this Annual Report.

The policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under Bangladesh Securities and Exchange Commission Corporate Governance Code is available on our website, at <https://www.aamranetworks.com>

Board evaluation

The evaluation of all the directors, committees, Chairman of the Board, and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The Board evaluation process was completed for fiscal 2020-2021. The evaluation parameters and the process have been explained in the Board Evaluation policy.

Directors' meeting, attendance & remuneration

During the year ended June 30, 2021 total 7 (Seven) meetings were held. During this year, all of the Directors serving on the Board attended were more than 97 percent of the aggregate of the total number

of meetings of the Board of Directors. The attendance in the Board and Committee meetings by each Director is given in Annexure-I on page 60 of this Annual Report. Please note that the amount of total remuneration which has been paid to the Directors including Independent Directors is given in Note - 26.2 on page 127 of this Annual Report.

Directors to retire, re-appointment and biographies of the Directors-

As per Article 91 of the Articles of Association of the Company, one-third of the Directors of the Company are required to retire by rotation at each Annual General Meeting (AGM). The retiring Directors are eligible to stand for re-election. In this connection the following Directors will retire in the 20th Annual General Meeting and being eligible offered themselves for re-election as per Article 93 of the Articles of Association of the Company:

- i) Ms. Syeda Munia Ahmed
- ii) Ms. Fahmida Ahmed

The Nomination and Remuneration Committee reviewed the nomination of the above retiring directors and recommended the board for re-appointment. Accordingly, the board recommended the re-appointment of retiring directors for re-election.

Biographies of the Directors (including retiring Directors) and the names of the Company where they have an interest are mentioned in this annual report on 28 page.

Report on the compliance of the conditions of BSEC's notification

In accordance with the BSEC's Notification dated June 3, 2018, the Board of Directors are required to report on the compliance of certain conditions. The notification was issued for the purpose of establishing a framework for ensuring good governance practices in the listed companies for the interest of the investors and the capital market. The overall shareholding pattern and a statement on the compliance with the BSEC's conditions is given on Annexure-II and Annexure-III on page no. 60 and 62 respectively of this annual report.

Pattern and distribution of shareholding-

As on June 30, 2021 the paid up capital of the Company is Tk. 562,236,810 subdivided by 56,223,681 shares of Tk. 10 each where the Sponsor Shareholders holding is 33.03%. The overall shareholding patterns of the Company as at the end of the year 2021 is shown in Annexure-III, page 62 of this Annual Report. The distribution of shareholdings as required by the regulatory authorities is also given in this Annual Report.

Substantial shareholdings

BSEC's Corporate Governance Notification dated June 3, 2018 requires a listed company to disclose in the Directors' Report, the list of shareholders holding ten percent or more voting interest in the Company. Shareholders who hold ten percent or above shares in aamra networks including the shareholding status of all sponsors shareholders as on June 30, 2021 is given in Annexure-II, page 60 of this Annual Report.

Corporate responsibility

aamra networks defines Corporate Responsibility as operating with integrity at all times, sustaining the Company's long-term viability while contributing to the present and future well-being of all stakeholders.

At aamra networks, we recognize that we have certain responsibilities to our clients, shareholders, employees, and the communities in general. But the biggest contribution of the Company has to make the long-term sustainability of its business.

We value our shareholders and their rights. We are always committed towards our shareholders to preserve their rights and to enhance their return as much as possible. Considering this fact the management of aamra networks gives its best effort to:

- Keep standard operating performance that ranks among the best in the industry;
- Ensure Effective corporate governance;
- Provide Complete financial information;
- Give attractive dividend.

aamra networks is committed to being an equal opportunity employer, adhering to the highest social standards, the company seeks to provide a superior working environment for its employees based on diversity and respect for the importance of the individual. Based on these aamra networks is committed to:

- Provide a workplace in which employees are respected;
- Encourage a management style that empowers and develops employees;
- Ensure proficient training and development program that emphasizes the employees to add value;
- Measure progress in employment practices and employee morale.

Business ethics

Our customer welfare comes first. We ensure understanding our client's needs, extending facilities to the right clients at just terms. We care for our clients to enjoy consistent continuous service wherever we operate. We have 24/7 dedicated customer

care and also have complaint box for taking care of customer complaints with the highest priority. All our Board, Management and employees strictly follow regulatory guidelines, instructions, and all applicable laws, rules, and regulations of the country.

Audit information

The Directors who held office at the date of this Director's Report confirm that:

- So far as the Directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- The Directors have taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant information and to establish that the company's auditors are aware of that information.

Auditors

According to the BSEC's order dated 27 July, 2011 an Auditor of cannot be appointed for more than three consecutive years. Besides, section 210(10) of the Companies Act, 1994 also gives authority to shareholders of the company to fix the Auditor's remuneration.

G. Kibria & Co., Chartered Accounts have completed their first year of audit and expressed willingness to be reappointed as the statutory auditor of the company for the FY-2021-2022. In this regard, the Audit Committee scrutinized and reviewed their proposals and recommended to the Board to appoint G. Kibria & Co., Chartered Accounts as the external auditor of the Company for the FY-2021-2022.

The Board in its meeting held on October 28, 2021, recommended the shareholders to reappoint G. Kibria & Co., Chartered Accounts at a remuneration of Tk. 2,20,000 plus VAT.

The Audit Committee scrutinized and reviewed the proposals of K. M. Hasan & Co., Chartered Accountants to be compliance auditor of the company and recommended to the Board for reappointment.

The Board in its meeting held on October 28, 2021 also recommended the shareholders to appoint K. M. Hasan & Co., Chartered Accounts at a remuneration of Tk. 27,500 plus VAT as the compliance auditor for the year 2022.

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 year-end financials of 2020. This rating is valid till July 21, 2022.

Our employees and environment

The Management of aamra networks believes that the Human Resources of any organization can make a difference in the Industry. Considering this

thought aamra networks recruits competent people, develop them as per the demand of the time and situation, and retain them with competitive and standard motivation-award and retention policies and practices.

The Company is committed to creating a working environment based on the values of equal opportunity, diversity and meritocracy. All the Company's activities are reinforced by its governance structure, which complies with the leading codes of best practices.

With respect to issues that are relevant to its operating environment, aamra networks promises to:

- Avoid and discourage discrimination and provide equal opportunity and respect diversity;
- Ensure frequent interaction between employees and senior Management for constructive development in systems & procedure;
- Support employee efforts to achieve a healthy work-life balance;
- Organizing Training & Seminar for employee development
- Ensuring best HR practices
- An empowering Management style that develops employees and encourages performance;
- Aamra networks seeks to enhance employee motivation and performance in line with Company's strategic objectives and in accordance with "aamra" brand promises: ethics, professionalism, innovation, pragmatism, team spirit and integrity.

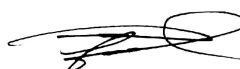
Signing of Report

The Board in its 127th meeting held on October 28, 2021 authorized the Chairman, Mr. Syed Faruque Ahmed to sign the Directors report and any addendum thereto.

Acknowledgment

We would like to acknowledge and place on record our gratitude to our valued clients, depositors and shareholders for their confidence in aamra networks. Our sincere appreciation to the Bangladesh Telecommunication Regulatory Commission, Bangladesh Securities and Exchange Commission, Dhaka and Chittagong Sock Exchanges, NBR, Banks and Financial Institutions, Other government bodies and statutory auditors for their constructive suggestions and cooperation. We also express our appreciation for the dedication and efforts put in by the employees at all levels of the Company.

For and on behalf of the Board,



Syed Faruque Ahmed
Chairman
Dhaka, October 28, 2021