

aamra networks limited

Safura Tower (12th Floor) 20, Kemal Ataturk Avenue,
Banani Commercial Area, Dhaka-1213

**Financial Statements & Auditor's Report
For the year ended 30 June, 2023**



Independent Auditor's Report

To the Shareholders of Aamra Networks Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Aamra Networks Limited ("the Company"), which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including summary of significant accounting policies.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report

KEY AUDIT MATTER	How our audit addresses the Key Audit Matter
Revenue and Accounts Receivables During the year, the Company has recognized revenue of BDT 1,274,166,545 for the year ended 30 June 2023 (BDT 1,029,242,788 for the year ended 30 June 2022). The Company's revenue recognition process are not complex and does not involve high levels of judgement. However this a significant driver of Company performance and has major impact on financial statement user's decision making. Finally this account always has risk of management over-ride of internal controls.	Our audit procedures included: <ul style="list-style-type: none"> ▶ Obtain an understanding of Company's internal controls, systems and processes around revenue recognition and accounts receivable. ▶ Review invoices, delivery reports and other supporting documents such as payment support to ensure occurrence and completeness of revenue recognized. ▶ Test Subsequent receipts for receivable balances to substantiate existence, collectability and completeness of accounts receivables recognized on the books. ▶ Inspect correspondence with clients and customers to determine whether provisions are necessary.
Details of Revenue Recognition are included in Note 23.00 and Accounts Receivable are included in Note 8.00 to the Financial Statements	



Inventory	
<p>The Company's inventory balance as at 30 June 2023 was BDT 259,215,404 (BDT 268,386,835 as at 30 June 2022). This represents 8 % of Total Assets of the Company (9 % of the Company as at 30 June 2022). There is estimation performed by management in regards to obsolescence and determination of net realizable value. Based on the requirement of estimates and the fact that this is a major asset category, this was determined to be a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> ▶ Obtain an understanding of Company's internal controls, systems and processes around inventory management. ▶ Perform procedures over inventory purchase to substantiate existence, completeness and valuation of inventory ▶ Perform Physical inspection of inventory to determine the existence and valuation of inventory ▶ Perform price testing of inventory to determine inventory valuation and determine whether inventory is obsolete or not. ▶ Revenue prices received by the Company and the overall gross margin earned to determine whether the Company is able to recover the net realizable value of inventory.
<p>Details of Inventory are included in Note 7.00 to the Financial Statements</p>	

Property, Plant & Equipment (PPE)	
<p>The Company's PPE balance as at 30 June 2023 was BDT 1,516,791,924 (BDT 1,474,318,063 as at 30 June 2022). This represents 47% of Total Assets of the Company (47% of the Company as at 30 June 2022). There is estimation performed by management in regards to Asset useful life. Based on the requirement of estimates and the fact that this is a major asset category, this was determined to be a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> ▶ Obtain an understanding of Company's internal controls, systems and processes around PPE. ▶ Performed discussions with management to understand their process of determining asset useful life. ▶ We performed PPE additions procedures by obtaining supporting documentation, invoices, and delivery information as well payments support. ▶ We performed reasonability of depreciation expenses charged by management to ensure accuracy and occurrence. ▶ We performed discussions with management and performed other corroborating procedures to ensure management's assumptions around impairment were reasonable.
<p>Details of PPE are included in Note 4.00 and Annexure A to the Financial Statements</p>	

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for information other than financial statements and auditor's report. The other information comprises of the Director's Report, Corporate Governance Compliance Report and Management Discussion and Analysis. We expect to receive this other information after the date of our auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules 1987 and relevant notifications issues by Bangladesh Securities and Exchange Commission, we also report that:

- ▶ We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ▶ In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- ▶ The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns;
- ▶ The expenditures incurred were for the purpose of the Company's business.

Date: 27th August, 2023
Dhaka, Bangladesh
DVC: 2308270392AS140364



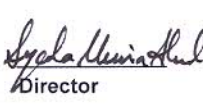



A.K Gulam Kibria, FCA (#392)
Engagement Partner
G. KIBRIA & CO.
Chartered Accountants



aamra networks limited
STATEMENT OF FINANCIAL POSITION
As at 30 June 2023

	Notes	Amount in Taka	
		30 June 2023	30 June 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,516,791,924	1,474,318,063
Intangible assets	5	5,702,726	7,128,408
Capital work-in-progress	6	554,012,814	553,189,734
Advance, deposit & prepayments	9.1	11,936,373	10,936,373
Total non-current assets		2,088,443,838	2,045,572,578
Current assets			
Inventories	7	259,215,404	268,386,835
Trade and other receivables	8	469,075,214	340,978,156
Advance, deposit and prepayments	9.2	403,570,950	453,235,578
Cash and cash equivalents	10	16,127,297	15,207,703
Total current assets		1,147,988,865	1,077,808,272
TOTAL ASSETS		3,236,432,703	3,123,380,850
EQUITY AND LIABILITIES			
Capital and reserves			
Shareholders equity			
Share capital	11	619,866,080	590,348,650
Share premium	12	542,488,192	542,488,192
Retained earnings	13	1,200,207,161	1,033,665,939
Total equity		2,362,561,433	2,166,502,781
Non-current liabilities			
Long term bond and loan	14.1	411,397,014	423,435,859
Deferred tax liability	15	44,295,321	39,644,212
Total non-current liabilities		455,692,335	463,080,071
Current liabilities			
Current portion of long term bond and loan	14.2	153,166,861	160,057,722
Short term loan	16	102,682,446	170,084,596
Accrued expenses	17	66,466,123	67,154,067
Dividend payable	18	2,595,759	2,030,869
Provision for BPP & WF	19	12,945,610	5,988,104
Trade and other payables	20	75,682,377	74,235,866
Provision for tax	21	4,639,760	14,246,775
Total current liabilities		418,178,936	493,797,999
Total liabilities		873,871,270	956,878,070
TOTAL EQUITIES AND LIABILITIES		3,236,432,703	3,123,380,850
Net Asset Value (NAV) per share	30.2	38.11	34.95

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

 Chairman
 Managing Director & CEO
 Director
 Chief Financial Officer
 Company Secretary

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

Place: Dhaka
Date: 21 August 2023
DVC: 2308270392AS140364


A.K. Gulam Kibria, FCA (#392)
Engagement Partner
G. KIBRIA & CO.
Chartered Accountants



aamra networks limited
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 June 2023

	Notes	Amount in Taka	
		Jul - Jun'23	Jul - Jun'22
Revenue	23	1,274,166,545	1,029,242,788
Cost of goods sold & services	24	(804,177,430)	(669,018,185)
Gross Profit		469,989,115	360,224,603
Operating expenses	25	(185,465,658)	(166,540,611)
Operating Profit		284,523,457	193,683,993
Financial expenses	26	(68,560,279)	(68,320,803)
Other income	27	30,744,599	386,997
Profit before BPP&WF		246,707,777	125,750,187
Beneficiaries' Profit Participation & Welfare Fund (BPP & WF)		(11,747,989)	(5,988,104)
Profit before income tax		234,959,788	119,762,083
Income tax expenses			
Current tax	28	(4,639,760)	(4,900,486)
Deferred tax	15	(4,651,109)	(5,567,493)
		(9,290,869)	(10,467,979)
Net Profit after income tax		225,668,919	109,294,103
Other comprehensive income		-	-
Total comprehensive income		225,668,919	109,294,103
Earning per share (EPS)	30.1	3.64	1.76

The annexed notes are integral part of these financial statements.

 Chairman
 Managing Director & CEO
 Director
 Chief Financial Officer
 Company Secretary

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

Place: Dhaka
Date: 21 August 2023
DVC: 2308270392AS140364


A.K. Gulam Kibria, FCA (#392)
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Chartered Accountants



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STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2023

Amount in Taka

Particulars	Ordinary Share Capital	Share Premium	Retained Earnings	Total
Balance at 01 July 2022	590,348,650	542,488,192	1,033,665,939	2,166,502,781
Dividend during the year	-	-	(59,127,698)	(59,127,698)
Addition during the year	29,517,430	-	-	29,517,430
Net profit after tax during the year	-	-	225,668,919	225,668,919
Balance at 30 June 2023	619,866,080	542,488,192	1,200,207,160	2,362,561,433

For the period ended 30 June 2022

Amount in Taka

Particulars	Ordinary Share Capital	Share Premium	Retained Earnings	Total
Balance at 01 July 2021	562,236,810	542,488,192	980,648,844	2,085,373,846
Dividend during the year	-	-	(56,277,008)	(56,277,008)
Addition during the year	28,111,840	-	-	28,111,840
Net profit after tax	-	-	109,294,103	109,294,103
Balance at 30 June 2022	590,348,650	542,488,192	1,033,665,939	2,166,502,781

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


Chairman


Managing Director & CEO


Director


Chief Financial Officer


Company Secretary

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

Place: Dhaka
Date: 21 August 2023
DVC: 2308270392AS140364


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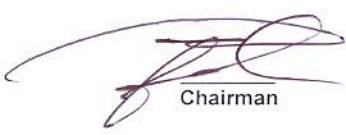
aamra networks limited

STATEMENT OF CASH FLOWS

For the year ended 30 June 2023


	Notes	Amount in Taka	
		Jul - Jun'23	Jul - Jun'22
A. Cash flows from operating activities			
Cash received from customers & others		1,146,187,952	1,044,286,941
Cash paid to suppliers and employees		(497,380,145)	(313,366,730)
Operating expenses		(170,833,215)	(140,635,706)
Finance expenses		(68,560,279)	(68,320,803)
Income tax		(27,080,353)	(19,636,981)
Net cash provided from operating activities	31	<u>382,333,961</u>	<u>502,326,721</u>
B. Cash flows from investing activities			
Acquisition of property, plant & equipment		(9,805,849)	(67,591,838)
Sales of property, plant & equipment		115,000,000	450,000
Capital work-in -progress		(371,231,283)	(511,074,422)
Net cash used in investing activities		<u>(266,037,132)</u>	<u>(578,216,260)</u>
C. Cash flows from financing activities			
Long-term loan (paid)/received		(18,929,706)	309,800,251
Short-term loan (paid)/received		(67,402,150)	(202,898,891)
Lease liabilities (paid)/received		-	(341,854)
Dividend paid		(29,045,377)	(27,858,673)
Net cash provided from financing activities		<u>(115,377,234)</u>	<u>78,700,833</u>
D. Net increase/ (decrease) in Cash and cash equivalents (A+B+C)		919,595	2,811,295
Cash and cash equivalents at the beginning of the year		15,207,703	12,396,408
Cash and cash equivalents at the end of the year	10	<u>16,127,297</u>	<u>15,207,703</u>
Net Operating Cash Flow Per Share (NOCFPS)	32	<u>6.17</u>	<u>8.10</u>


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


Chairman


Managing Director & CEO


Director


Chief Financial Officer


Company Secretary

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

Place: Dhaka

Date: 21 August 2023

DVC: 2308270392AS140364


A.K. Gulam Kibria, FCA (#392)

Engagement Partner

G. KIBRIA & CO.

Chartered Accountants



aamra networks limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

1. ABOUT THE COMPANY

1.1 Reporting entity

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

1.2 Principal activities

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

1.3 Regulatory Compliance

The Company is required to comply with the following major laws and regulations in addition to Bangladesh Companies Act 1994: Ther Securities & Exchange Ordinance 1969 & Rules 1987, Regulations of Dhaka and Chittagong Stock Exchange, Bangladesh Labor Act 2006 (Ammended 2013) and Rules 2015, Income Tax Ordinance 1984 and Rules 1984, The VAT and SD Act 2012 and Rules 2016.

2. SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation of financial statements

These financial statements of aamra networks limited have been prepared on a going concern basis under historical cost convention in accordance with International Financial Reporting Standards (IFRSs). The disclosures of information are made in accordance with the requirements of the Companies Act 1994 and the financial statements have been prepared in accordance with International Accounting Standard (IAS) -1 using the accrual basis of accounting.

In the preparation of these financial statements, management used available information to make judgments, estimate and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from those estimate.

2.2 Going concern

The Company has adequate resources to continue in operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

It is to be mentioned that, license from BTRC is being regularly renewed by them since 2001 and aamra networks limited has already got the renewed ISP license from BTRC for the period 30 June 2020 to 29 June 2025. It is expected that BTRC will continue the renewal of license in future.

2.3 Property, plant and equipment

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



2.3.1 Depreciation on property, plant and equipment

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

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

2.3.2 Right on use asset

The company has complied with International Financial Reporting standards IFRS (16): Lease and accordingly accounted for asset under appropriate head. All rental agreements entered into by the Company has terminatin clauses which allow both the lessee and the lessor to terminate the agreement without permission from the other party with no penalty and insignificangt notice period (up to 3 months). Due to the presence of these clauses, the contracts are not considered "enforceable" under the definition of IFRS 16 Paragraph B34. As a result, the contracts do not fall under the requirements of IFRS 16 and therefore does not create any Right-of-use Assets.

2.4 Intangible assets

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

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

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

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

2.5 Components of financial statements

- Statement of financial position.
- Statement of profit or loss and other comprehensive income.
- Statement of changes in equity
- Statement of cash flows.
- Notes to the financial statements

2.6 Other regulatory compliances

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

- The Income Tax Ordinance & Rules, 1984
- Value Added Tax and Supplementary Duty Act, 2012.
- Bangladesh Telecommunication Regulatory Commission Act. 2001
- Securities & Exchange Rules, 1987
- DSE & CSE Listing regulation



2.7 Valuation of inventories

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

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

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

2.8 Impairment

Non-derivative financial assets

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

Non-financial assets

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

2.9 Trade & other receivables

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

2.10 Advance, deposit & prepayments

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

2.11 Cash and cash equivalents

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

2.12 Share capital

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

2.13 Borrowings

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

2.14 Trade & other payables

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

2.15 Provision for tax

Provision for tax is made @ 22.50% on estimated taxable income in accordance with Income Tax Ordinance - 1984 and presented with IAS-12.

2.16 Deferred tax

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

The nature and amount of a change as deferred tax in an accounting estimate that has an effect in the current period or is expected to have an effect in future periods.

2.17 Revenue recognition

Revenue from goods & services

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

Revenue from other income

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

2.18 Earnings per share (EPS)

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

2.19 Number of employees

The number of employees engaged for the period who received a total salary of Taka 36,000 and above during the period was 354. None of them were receiving below Taka 3,000 per month.

2.20 Statement of cash flows

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



2.21 Risk and uncertainty for use of estimates and judgments

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRSs) requires management to make judgments, estimates and assumptions that affect the applicable of accounting policies and the reported amounts of assets, liabilities, income and expenses, and disclosure requirements for contingent assets and liabilities during and at the date of the financial statements.

Actual result may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised in any future years affected as required by IAS 8 : Accounting Policies, Changes in Accounting Estimates and Errors.

2.22 Financial instruments

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

2.23 Foreign currency

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

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

2.24 Provision, contingent liabilities and contingent assets

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

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

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

2.25 Events after the reporting period

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

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



2.26 Related party disclosures

The company carried out a number of transactions with related parties (as per IAS-24) in the normal course of business and on arm's length basis. The information as required by IAS 24. Related party disclosure have been disclosed in note-34 to the Financial Statements.

2.27 Borrowing Costs

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

3. OTHERS

3.1 Employee benefits

The company maintains the following benefit schemes for their employees:

(a) **Defined contribution plan**

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

(b) **Insurance scheme**

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

(c) **Short-term employee benefits**

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

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

The company has made a provision for Beneficiaries' Profit Participation & Welfare Fund (BPP&WF) for the year ended July'22 - June'23 Note - 19. The Company provides 5% of its net profit before tax after charging such expense as Workers' Profit Participation in accordance with "Bangladesh Labour (Amendment) Act 2013".

3.3 Reporting period

The reporting period covers 12 (twelve) months from 01 July 2022 to 30 June 2023.

3.4 Reporting currency

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

3.5 Comparative information

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

3.6 General

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



3.6.2 Figures have been rounded off to nearest taka.

3.6.3 Compliance with Financial Reporting Standards as Applicable in Bangladesh

According to Para-12 of Securities & Exchange Rule 1987, Aamra Networks Limited has prepared its financial statements in compliance with the following International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB).

IAS No.	IAS Title	Status
IAS- 1	Presentation of Financial Statements	Complied
IAS- 2	Inventories	Complied
IAS- 7	Statement of Cash Flows	Complied
IAS- 8	Accounting Policies, Changes in Acc. Estimates and Errors	Complied
IAS- 10	Events after the Reporting Period	Complied
IAS- 12	Income Taxes	Complied
IAS- 16	Property, Plant & Equipment	Complied
IAS- 19	Employee Benefits	Complied
IAS- 20	Accounting for Govt. Grants and Disclosure of Govt. Assistance	Not applicable
IAS- 21	The Effects of Changes in Foreign Exchange Rates	Complied
IAS- 23	Borrowing Cost	Complied
IAS- 24	Related Party Disclosures	Complied
IAS- 26	Accounting and Reporting by Retirement Benefit Plans	Not applicable
IAS- 27	Separate Financial Statements	Complied
IAS- 28	Investments in Associates and joint ventures	Complied
IAS- 29	Financial Reporting in Hyperinflationary Economics	Not applicable
IAS- 32	Financial Instruments: Presentation	Complied
IAS- 33	Earnings per Share	Complied
IAS- 34	Interim Financial Reporting	Complied
IAS- 36	Impairment of Assets	Complied
IAS- 37	Provisions, Contingent Liabilities and Contingent Assets	Complied
IAS- 38	Intangible Assets	Complied
IAS- 40	Investment Property	Not applicable
IAS- 41	Agriculture	Not applicable
IFRS No.	IFRS Title	Status
IFRS- 1	First-time adoption of International Financial Reporting Standards	Not applicable
IFRS- 2	Share-based Payment	Not applicable
IFRS- 3	Business Combinations	Not applicable
IFRS- 4	Insurance Contracts	Not applicable
IFRS- 5	Non-current Assets Held for Sale and Discontinued Operations	Not applicable
IFRS- 6	Exploration for and Evaluation of Mineral Resources	Not applicable
IFRS- 7	Financial Instruments: Disclosures	Complied
IFRS- 8	Operating Segments	Complied
IFRS- 9	Financial Instruments	Complied
IFRS- 10	Consolidated Financial Statements	Not applicable
IFRS- 11	Joint Arrangements	Complied
IFRS- 12	Disclosure of Interests in other Entities	Complied
IFRS- 13	Fair Value Measurement	Complied
IFRS- 14	Regulatory Deferral Accounts	Not applicable
IFRS- 15	Revenue from contracts with customers	Complied
IFRS- 16	Leases	Not applicable
IFRS- 17	Insurance Contracts	Not applicable



	Amount in Taka	
	30 June 2023	30 June 2022
4. PROPERTY, PLANT AND EQUIPMENT		
Property, plant and equipment (Except EPZ Project) (Note - 4.1)	1,515,165,703	1,472,379,096
Property, plant and equipment (EPZ Project) (Note - 4.2)	1,626,221	1,938,968
	1,516,791,924	1,474,318,063
4.1 Property, plant and equipment (Except EPZ Project)		
Land and Land Development	200,659,864	200,659,864
Furniture & fixture	3,580,830	3,978,700
Office equipment	13,689,765	16,105,605
Electric installation	351,427	428,569
Telephone installation	26,745	32,616
Computer & Computer Equipment	1,630,266	2,037,833
Data Centre	-	90,796,226
Fiber optic cable & equipment	81,064,617	101,330,771
Infrastructure & Backbone Equipments	1,140,441,741	966,619,884
Motor vehicle	5,393,988	6,742,485
Office decoration	23,956,857	28,184,538
WiFi equipment & installation	44,369,605	55,462,006
	1,515,165,703	1,472,379,096
4.2 Property, plant and equipment (EPZ Project)		
Furniture & Fixture	145,310	161,456
Office Equipments	171,974	202,323
Computer & Comp. Equipment	40,788	50,985
Infrastructure & Backbone Equipment	749,609	914,157
Office Decoration	518,540	610,048
	1,626,221	1,938,968
Details of property, plant and equipment are shown in annexure -"A".		
5. INTANGIBLE ASSETS		
Computer software	5,702,726	7,128,408
Details of intangible assets are shown in annexure -"B".		
6. CAPITAL WORK- IN -PROGRESS		
Balance as on 01 July	553,189,734	349,199,430
Add: Addition during the year	371,231,283	511,074,422
	924,421,017	860,273,852
Less: Transfer to fixed assets	370,408,203	307,084,118
Balance as on 30 June	554,012,814	553,189,734
7. INVENTORIES		
Inventories	194,541,886	187,478,574
Inventories in transit for sales	64,673,518	80,908,261
	259,215,404	268,386,835
8. TRADE AND OTHER RECEIVABLES		
Balance as on 01 July	340,978,156	355,932,840
Add: Addition during the year	1,274,166,545	1,029,242,788
	1,615,144,701	1,385,175,628
Less: Received during the year	1,146,069,487	1,044,197,472
Balance as on 30 June	469,075,214	340,978,156



	Amount in Taka	
	30 June 2023	30 June 2022
8.1 Ageing Schedule of Trade Receivable		
<u>Duration</u>		
1 - 30 days	157,483,731	97,362,762
31 - 60 days	62,876,364	58,367,451
61 - 90 days	56,177,692	48,378,047
91 - 180 days	192,537,427	136,869,896
181 - 365 days	-	-
Over 365 days	-	-
	469,075,214	340,978,156
8.2 Discloser as per Para F of Schedule XI, Part-1, The Companies Act, 1994		
Debts exceeding 6 months	-	-
Other debts less provision	469,075,214	340,978,156
	469,075,214	340,978,156
Receivable Considered good in respect of which the Company is fully secured.	-	-
Receivables considered good in respect of which the Company holds no security other than the debtor personal security.	469,075,214	340,978,156
Receivable considered doubtful or bad	-	-
Receivables due by common management	-	-
The maximum amount of receivable due by any director or other officer of the company	-	-
	469,075,214	340,978,156
9. ADVANCE, DEPOSIT & PREPAYMENTS		
Advance, deposit & prepayments - Non current (Note 9.1)	11,936,373	10,936,373
Advance, deposit & prepayments - Current (Note 9.2)	403,570,950	453,235,578
	415,507,323	464,171,951
9.1 Advance, deposit & prepayments (Non current)		
Security deposit against T & T	328,200	328,200
Security deposit against office rent	5,972,029	5,972,029
Security deposit against POP rent	1,243,963	243,963
Security deposit against bandwidth services	3,992,181	3,992,181
Security deposit against Summit Communication underground cabling services	400,000	400,000
	11,936,373	10,936,373
9.2 Advance, deposit & prepayments (Current)		
Advance against office rent	2,839,000	2,676,000
Bank guarantee margin & tender security	11,073,430	11,023,236
Advance income tax (Note 9.2.1)	103,490,450	90,656,872
Advance to suppliers & others	286,168,070	348,879,470
	403,570,950	453,235,578
All the above advance, deposit and prepayments are considered as good and secured by the company management.		
9.2.1 Advance income tax		
Balance as on 01 July	90,656,872	71,019,892
Add: Addition during the year	27,080,353	19,636,981
	117,737,225	90,656,872
Less: Adjustment during the year	14,246,775	-
Balance as on 30 June	103,490,450	90,656,872
10. CASH AND CASH EQUIVALENTS		
Cash in hand	800,000	800,000
Cash at bank (Notes-10.1)	14,157,016	13,486,384
Capital Market Stabilization Fund (Notes-10.2)	1,170,282	921,318
	16,127,297	15,207,703



	Amount in Taka	
	30 June 2023	30 June 2022
10.1 Cash at bank		
Bank Asia Limited (MCB Banani Branch) (Note - 10.1.1)	827,691	910,438
Dhaka Bank Limited (Banani Branch) (Note - 10.1.2)	867,801	172,579
Dutch Bangla Bank Limited (Banani Branch) (Note - 10.1.3)	6,547,932	5,598,876
Shahjalal Islami Bank Limited (Banani Branch) (Note - 10.1.4)	2,516,770	5,483,255
BRAC Bank Limited (Gulshan Branch) (Note - 10.1.5)	379,742	380,463
City Bank Ltd. (Gulshan Avenue Branch) (A/C No. 1102604203001)	21,502	45,537
Commercial Bank of Ceylon (Gulshan Avenue Branch) (A/C No. 1818004005)	6,350	11,820
Meghna Bank Ltd. (Gulshan Avenue Branch) (A/C No. 110113500000144)	6,318	603,063
IFIC Bank (Banani Branch) (A/C No. 0180074006001)	2,942,404	239,160
Janta Bank Limited (Banani Branch) (A/C No. 0100153836391)	40,505	41,195
	14,157,016	13,486,384
10.1.1 Bank Asia Limited (MCB Banani Branch)		
A/C No: 01236050632	375,471	630,932
A/C No: 01236050650	149,135	147,836
A/C No: 01233051466	219,031	46,927
A/C No: 01233052008	84,054	84,744
	827,691	910,438
10.1.2 Dhaka Bank Limited (Banani Branch)		
A/C No: 206.100.3584	801,334	104,801
A/C No: 206.100.3714	174	105
A/C No: 201.100.7356	60,436	61,126
A/C No: 204.100.552	5,858	6,548
	867,801	172,579
10.1.3 Dutch Bangla Bank Limited (Banani Branch)		
A/C No: 1031100016776	213,578	40,692
A/C No: 1031200000594	5,705,850	1,421,630
A/C No: 1031100016790	37,435	38,125
A/C No: 1031200001113	591,070	4,098,429
	6,547,932	5,598,876
10.1.4 Shahjalal Islami Bank Limited (Banani Branch)		
A/C No: 4013 11100005465	345,370	43,440
A/C No: 4013 11100005989	131,039	1,263,277
A/C No: 4013 13100000937	66,625	67,116
A/C No: 4013 13100000941	167,375	-
A/C No: 4013 13100000949	161,723	160,964
A/C No: 4013 13100000965	38,869	286,588
A/C No: 4013 13100000972	547,471	541,326
A/C No: 4013 13100000975	173,323	2,788,881
A/C No: 4013 13100000979	270,373	331,663
A/C No: 4013 13100000989	614,602	-
	2,516,770	5,483,255
10.1.5 BRAC Bank Limited (Gulshan Branch)		
A/C No. 1501203495396001	79,980	80,528
A/C No. 1501203495396002 (USD)	299,762	299,935
	379,742	380,463
10.2 Capital Market Stabilization Fund		
Financial year 2016-17	618,309	618,309
Financial year 2017-18	303,009	303,009
Financial year 2018-19	248,963	-
	1,170,282	921,318
11. SHARE CAPITAL		
11.1 Authorized capital		
100,000,000 ordinary shares @ Tk. 10 each	1,000,000,000	1,000,000,000
11.2 Issued, subscribed & paid -up capital		
61,986,608 ordinary shares of Tk. 10 each.	619,866,080	590,348,650



Amount in Taka	
30 June 2023	30 June 2022

11.3 The detail of shareholding positions are as follows

Name of Shareholders	30-Jun-23			30-Jun-22		
	No. of Shares	% of Holding	Amount in Taka	No. of Shares	% of Holding	Amount in Taka
Sponsors and Directors:						
aamra holdings ltd	14,724,990	23.76%	147,249,900	14,023,800	23.76%	140,238,000
aamra resources ltd	5,284,668	8.53%	52,846,680	5,033,018	8.53%	50,330,180
Syed Faruque Ahmed	116,865	0.19%	1,168,650	111,300	0.19%	1,113,000
Syed Farhad Ahmed	116,865	0.19%	1,168,650	111,300	0.19%	1,113,000
Syeda Munia Ahmed	116,865	0.19%	1,168,650	111,300	0.19%	1,113,000
Fahmida Ahmed	116,865	0.19%	1,168,650	111,300	0.19%	1,113,000
Sub-Total	20,477,118	33.03%	204,771,180	19,502,018	33.03%	195,020,180
Other than Sponsors and Directors	41,509,490	66.97%	415,094,900	39,532,847	66.97%	395,328,470
Total	61,986,608	100%	619,866,080	59,034,865	100%	590,348,650

12. SHARE PREMIUM

Balance as on 01 July	542,488,192	542,488,192
Add: Addition during the year	-	-
Less: Adjustment during the year	-	-
Balance as on 30 June	<u>542,488,192</u>	<u>542,488,192</u>

13. RETAINED EARNINGS

Balance as on 01 July	1,033,665,939	980,648,844
Add: Net Profit after tax during the year	225,668,919	109,294,103
	<u>1,259,334,858</u>	<u>1,089,942,947</u>
Less: Dividend paid during the year	59,127,698	56,277,008
Balance as on 30 June	<u>1,200,207,161</u>	<u>1,033,665,939</u>

14. LONG TERM BOND AND LOAN

Alliance Finance PLC (Lankan Alliance Finance Ltd.)	28,022,706	39,450,027
The City Bank Ltd.	132,333,468	136,753,516
Shahjalal Islami Bank Limited	280,426,863	300,468,343
Commercial Bank of Ceylon PLC	40,697,297	-
Zero Coupon Bond	83,083,541	106,821,696
	<u>564,563,875</u>	<u>583,493,581</u>

14.1 Long term bond and loan - Non-Current Portion

Lankan Alliance Finance Ltd.	20,549,984	28,930,020
The City Bank Ltd.	105,866,774	109,402,813
Shahjalal Islami Bank Limited	196,298,804	210,327,840
Commercial Bank of Ceylon PLC	30,522,973	-
Zero Coupon Bond	58,158,479	74,775,187
	<u>411,397,014</u>	<u>423,435,859</u>

14.2 Long term bond and loan - Current Portion

Lankan Alliance Finance Ltd.	7,472,721	10,520,007
The City Bank Ltd.	26,466,694	27,350,703
Shahjalal Islami Bank Limited	84,128,059	90,140,503
Commercial Bank of Ceylon PLC	10,174,324	-
Zero Coupon Bond	24,925,062	32,046,509
	<u>153,166,861</u>	<u>160,057,722</u>

Lankan Alliance Finance Ltd.

Facility:	Term Loan Facility
Facility Limit:	BDT 44,150,000
Interest:	12% per annum or as revised from time to time at LAFL's discretion
Purpose:	To procure network equipment (routers & switches)
Length:	36 monthly installments
Security:	1. 1,091,000 no of shares of Aamra Networks favouring LAFL 2. Personal Guarantee of Shareholding Directors



Amount in Taka	
30 June 2023	30 June 2022

The City Bank Limited

Facility: Term Loan Facility
Facility Limit: BDT 11.89 Crore
Interest: 9% per annum
Purpose: First time reschedule of short-term loan into 5 year term loan
Length: 5 years
Security: 1. 2,000,000 no of shares of Aamra Networks favouring LAFL
2. Personal Guarantee of Shareholding Directors

Shahjalal Islami Bank Limited

Facility: Ijara (Equipment)
Facility Limit: 35 (Thirty Five Crore Only)
Interest: 9% per annum
Purpose: To buy and lease back of freehold network equipment of value approx Tk. 7418.53 Lac only.
Length: 5 years
Security: 60 nos of post dated MICR cheque and Ijara (Equipment)

Commercial Bank of Ceylon PLC

Facility: Term Loan Facility
Facility Limit: BDT 4.03 Crore
Interest: 9% per annum
Purpose: First time reschedule of short-term loan into 4 year term loan
Length: 4 years
Security: 1. Personal Guarantee of Shareholding Directors

Zero Coupon Bond

Facility: Long-Term Bond
Maturity Value: BDT 15 Crore
Length: 5 Years
Purpose: For the implementation of a new project, loan repayment and to meet working capital requirement
Security: Un-Secured

15. DEFERRED TAX LIABILITY

Balance as on 01 July	39,644,212	34,076,719
Charged during the year	4,651,109	5,567,493
Balance as on 30 June	<u>44,295,321</u>	<u>39,644,212</u>

Details of calculation of deferred tax liability is shown in annexure -"C".

16. SHORT TERM LOAN

Commercial Bank of Ceylon (Gulshan Avenue Branch)	10,255,910	56,755,332
Shahjalal Islami Bank Limited (Banani Branch)	92,426,535	113,329,264
	<u>102,682,446</u>	<u>170,084,596</u>

17. ACCRUED EXPENSES

Accrued expenses (Note - 17.1)	46,916,469	45,727,328
Withholding tax and VAT payable (Note - 17.2)	19,549,654	21,426,739
	<u>66,466,123</u>	<u>67,154,067</u>

17.1 Accrued expenses

Salary & allowances	14,615,512	14,813,866
Office & roof rent	3,763,017	5,014,432
Utilities expenses	2,779,448	3,492,998
PF liabilities	25,213,140	21,911,687
Audit fee	281,750	253,000
Telephone & mobile bill	263,602	241,345
	<u>46,916,469</u>	<u>45,727,328</u>



	Amount in Taka	
	30 June 2023	30 June 2022
17.2 Withholding tax and VAT payable		
VAT Payable	1,831,900	1,527,766
Dividend Tax Payable	12,568,489	9,982,330
Tax payable	5,149,265	9,916,643
	19,549,654	21,426,739
18. DIVIDEND PAYABLE		
Balance as on 01 July	2,030,869	1,724,374
Add: Addition during the year	59,127,698	56,277,008
	61,158,566	58,001,382
Less: Adjustment during the year	58,562,807	55,970,513
Balance as on 30 June	2,595,759	2,030,869
Year wise break up		
Financial year 2016-17	618,309	611,300
Financial year 2017-18	303,009	302,951
Financial year 2018-19	248,963	240,930
Financial year 2019-20	493,524	548,302
Financial year 2020-21	316,564	327,386
Financial year 2021-22	615,389	-
	2,595,759	2,030,869
19. PROVISION FOR BPP & WF		
Balance as on 01 July	5,988,104	15,021,232
Add: Addition during the year	11,747,989	5,988,104
	17,736,094	21,009,336
Less: Adjustment during the year	4,790,483	15,021,232
Balance as on 30 June	12,945,610	5,988,104
20. TRADE AND OTHER PAYABLES	75,682,377	74,235,866
21. PROVISION FOR TAX		
Balance as on 01 July	14,246,775	9,346,288
Add: Addition during the year	4,639,760	4,900,486
	18,886,535	14,246,775
Less: Adjustment during the year	14,246,775	-
Balance as on 30 June	4,639,760	14,246,775
22. CONTINGENT LIABILITIES		
Bank Guarantee	167,530,294	220,464,714
Corporate Guarantee	28,395,127	28,395,127
Income tax expenses	7,753,353	7,753,353
	203,678,774	256,613,194

Detail status income tax expenses:

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

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



	Amount in Taka	
	Jul - Jun'23	Jul - Jun'22
23. REVENUE		
Internet & Wi-Fi bandwidth and equipment sales (Taxable unit) (Note-23.1)	863,401,324	753,249,931
IT support & software (Non taxable unit) (Note-23.2)	283,604,572	192,865,430
EPZ project (Non taxable unit) (Note-23.3)	127,160,649	83,127,427
	1,274,166,545	1,029,242,788
23.1 Internet & Wi-Fi bandwidth and equipment sales (Taxable unit)		
Internet & Wi-Fi bandwidth	692,300,562	594,417,535
Computer & related accessories	13,779,802	9,379,639
Equipments sale	200,143,074	190,632,126
	906,223,438	794,429,300
Less: Value added tax (VAT)	42,822,114	41,179,369
Net Revenue from Internet & Wi-Fi bandwidth and equipment sales	863,401,324	753,249,931
23.2 IT support & software (Non taxable unit)		
IT support & services	263,552,556	182,855,383
Software & website services	32,622,375	18,752,122
	296,174,932	201,607,505
Less: Value added tax (VAT)	12,570,360	8,742,075
Net Revenue from IT support & software	283,604,572	192,865,430
23.3. EPZ project (Non taxable unit)		
Internet Service	81,655,141	63,772,726
Equipments sale	12,085,198	13,118,628
IT support & services	42,773,478	8,741,919
	136,513,817	85,633,273
Less: Value added tax (VAT)	9,353,168	2,505,845
Net Revenue from EPZ project	127,160,649	83,127,427
24. COST OF GOODS SOLD & SERVICES		
Internet & Wi-Fi bandwidth and equipment sales (Taxable unit) (Note-24.1)	640,904,723	521,768,075
IT support & software (Non taxable unit) (Note-24.2)	105,761,376	103,854,891
EPZ project (Non taxable unit) (Note-24.3)	57,511,330	43,395,219
	804,177,430	669,018,185
24.1 Internet & Wi-Fi bandwidth and equipment sales (Taxable unit)		
Cost of bandwidth	88,095,167	67,004,734
Cost of equipment and Computer & related accessories	114,229,687	99,493,042
Wages, salary & other allowances	101,903,715	87,282,947
Company's contribution to provident fund (PF)	2,475,305	2,302,156
Infrastructure, optical fiber & networking equipment cost	119,222,632	69,318,732
POP expenses & roof rent	13,352,959	9,762,383
Utilities expenses	8,453,208	6,185,122
Repairs & maintenances	278,628	1,996,105
License renewal & others fee	290,905	363,552
Entertainment expenses	-	-
Communication expenses	1,888,084	1,694,342
Depreciation charges	190,714,433	176,364,959
	640,904,723	521,768,075
24.2 IT support & software (Non taxable unit)		
Wages, salary & other allowances	14,031,409	24,872,102
Company's contribution to provident fund (PF)	340,832	656,021
Cost of IT support & software	57,423,940	21,153,115
Utilities expenses	1,163,946	1,583,666
Repairs & maintenances	91,522	511,091
License renewal & others fee	95,555	93,086
Entertainment expenses	-	-
Research & development	4,668,511	7,568,950
Communication expenses	259,976	482,819
Depreciation charges	26,260,006	45,157,261
Amortization of intangible asset	1,425,682	1,776,780
	105,761,376	103,854,891



Amount in Taka	
Jul - Jun'23	Jul - Jun'22

24.3 EPZ project (Non taxable unit)

Wages, salary & other allowances	8,699,373	9,856,853
Company's contribution to provident fund (PF)	211,313	259,982
Infrastructure, optical fiber & networking equipment cost	13,974,943	13,296,292
Cost of equipment	6,447,670	8,479,881
POP expenses	687,925	675,827
Utilities expenses	721,638	634,262
Cost of bandwidth	10,326,268	9,788,614
Communication expenses	161,183	191,342
Depreciation charges	16,281,016	212,166
	57,511,330	43,395,219

25. OPERATING EXPENSES

Internet & Wi-Fi bandwidth and equipment sales (Taxable unit) (Note-25.1)	145,755,415	126,047,525
IT support & software (Non taxable unit) (Note-25.2)	32,846,753	33,916,390
EPZ project (Non taxable unit) (Note-25.3)	6,863,490	6,576,695
	185,465,658	166,540,611

25.1 Internet & Wi-Fi bandwidth and equipment sales (Taxable unit)

Salary & other allowances	65,163,513	51,143,063
Company's contribution to provident fund (PF)	1,710,478	1,435,822
Office rent	12,075,102	11,014,044
Utilities expenses	11,760,322	9,370,108
Travelling expenses	1,490,491	1,099,820
Training Expenses	-	46,177
Stationery expenses	606,556	786,843
Repair & maintenance	174,022	179,319
Telephone & mobile bills	979,393	859,107
Conveyance	8,805,368	6,592,490
Audit & professional fees	730,255	457,189
Royalty expenses *	7,212,011	8,360,512
Regulatory fees & form	1,953,222	1,405,321
Courier & postage	19,796	13,187
Business development & marketing	4,690,467	3,919,982
Vehicle expenses	8,123,513	6,108,986
Papers & Periodicals	1,428	1,576
Insurance expenses	2,394,976	1,028,205
Security & protection expenses	348,264	270,130
Annual general meeting expenses	198,315	302,537
Board meeting attendance fees	308,625	206,999
Office maintenances	1,322,679	1,178,581
Entertainment expenses	652,167	828,768
Depreciation charges	15,034,449	19,438,759
	145,755,415	126,047,525

25.2 IT support & software (Non taxable unit)

Salary & others allowances	8,972,547	14,573,700
Company's contribution to provident fund (PF)	235,521	409,151
Office rent	3,966,352	2,820,084
Utilities expenses	3,862,956	2,399,164
Travelling expenses	489,587	281,603
Training Expenses	-	11,823
Stationery expenses	83,518	213,568
Repair & maintenances	23,962	67,601
Telephone & mobile bills	134,855	246,528
Conveyance	1,212,436	1,732,428
Audit & professional fees	239,870	117,061
Royalty expenses *	2,368,956	2,140,662
Regulatory fees & form	641,582	359,824
Courier & postage	2,726	4,045
Business development & marketing	1,540,695	1,003,690
Vehicle expenses	2,668,360	1,564,172
Papers & Periodicals	469	404
Insurance expenses	786,687	263,266



	Amount in Taka	
	Jul - Jun'23	Jul - Jun'22
Security & protection expenses	114,396	69,165
Annual general meeting expenses	65,141	77,463
Board meeting attendance fees	101,375	53,001
Office maintenances	182,123	318,600
Entertainment expenses	214,220	212,201
Depreciation charges	4,938,420	4,977,186
	32,846,753	33,916,390

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

25.3 EPZ project (Non taxable unit)

Salary & others allowances	5,562,915	5,775,580
Company's contribution to provident fund (PF)	146,021	162,147
Stationery expenses	51,781	47,263
Repair & maintenances	14,856	84,702
Telephone & mobile bills	83,609	103,726
Conveyance	751,702	173,632
Courier & postage	1,690	2,610
Office maintenance	112,915	65,736
Depreciation charges	138,001	161,299
	6,863,490	6,576,695

26. FINANCIAL EXPENSES

Internet & Wi-Fi bandwidth and equipment sales (Taxable Unit)	56,056,287	54,377,073
IT Support & Software (Non Taxable Unit)	7,718,548	13,922,945
EPZ Project (Non Taxable Unit)	4,785,444	20,785
	68,560,279	68,320,803

27. OTHER INCOME

Interest on bank deposit	118,465	89,469
Gain (Loss) on sale of property plant equipment	30,626,134	297,529
	30,744,599	386,997

28. PROVISION FOR - CURRENT TAX

Net revenue (Taxable unit)	863,401,324	753,249,931
Allowable cost of service	(640,904,723)	(521,768,075)
Allowable excess depreciation	(17,555,910)	(22,430,438)
Gross Profit	204,940,691	209,051,418
Allowable operating expenses	(145,755,415)	(126,047,525)
Allowable excess depreciation	(1,504,444)	(2,466,447)
Allowable Operating Profit	57,680,832	80,537,446
Allowable finance cost	(56,056,287)	(54,377,073)
Other income	30,744,599	386,997
Allowable Profit before WPPF	32,369,144	26,547,370
Workers' Profit Participation Fund (WPPF)	(11,747,989)	(4,767,430)
Business income before Tax	20,621,155	21,779,940
Provision for Tax on business income @ 22.5%	4,639,760	4,900,486
Provision for Tax during the year	4,639,760	4,900,486

29. DISCLOSURE OF MANAGERIAL SALARY

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

Name	Designation		
Syed Farhad Ahmed	Managing Director	4,387,500	4,225,000
		4,387,500	4,225,000

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

Name	Designation		
Syed Farhad Ahmed	Managing Director	4,387,500	4,225,000
Khaled Aahamed Nur	Chief Operating Officer	2,497,500	2,122,000
Md. Anamul Haque	Chief Financial Officer	945,000	715,000
Mahbubor Rahman	General Manger	2,160,000	2,122,000
Kh. Md Moinuddin	General Manger	-	2,317,000
Syed Moniruzzaman	Company Secretary	2,160,000	2,122,000
		12,150,000	13,623,000



Amount in Taka	
Jul - Jun'23	Jul - Jun'22

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

Particulars	Nature of Payment		
Director	Salary	4,387,500	4,225,000
Managers and Above	Salary	68,764,000	61,146,000
		73,151,500	65,371,000

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

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

Salary Range (Monthly)	Number of Employee's
Below Tk. 3000	Nil
Above Tk. 3000	354

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

Amount paid to Auditor				
Name of Auditor	Purpose			
G. KIBRIA & CO. Chartered Accountants	Audit Fee		281,750	253,000

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

30.1 Earnings per share (EPS)

Particulars		
Net Profit after Tax	225,668,919	109,294,103
Weighted average number of ordinary shares	61,986,608	61,986,608
Earnings Per Share (EPS) (Restated - 2022)	3.64	1.76

Reason for significant deviation in EPS:

In comparison to the previous year, the company's revenue has improved, owing to more profitable IT Support and Software Services, as well as Internet Sales. As a result, EPS has increased significantly.

30.2 Net Asset Value per Share

Particulars		
Share Capital	619,866,080	590,348,650
Share Premium	542,488,192	542,488,192
Retained Earnings	1,200,207,161	1,033,665,939
Total Shareholders' Equity	2,362,561,433	2,166,502,781
Total Number of Ordinary Shares	61,986,608	61,986,608
Net Asset Value (NAV) per Share (Restated - 2022)	38.11	34.95

31. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES THROUGH INDIRECT METHOD

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

Profit after income tax	225,668,919	109,294,103
Add: Non-cash Items		
Depreciation charges	253,366,325	246,311,629
Amortization of Intangible Asset	1,425,682	1,776,780
	480,460,926	357,382,512
Add/(less): Changes in Working Capital		
Gain (Loss) on sale of property plant equipment	(30,626,134)	(297,529)
Inventories	9,171,432	105,006,889
Trade and other receivables	(128,097,058)	14,954,684
Advance, deposit & prepayments	48,664,629	(13,788,262)
Accrued expenses	(687,944)	16,348,895
Provision for Beneficiaries' Profit Participation & Welfare Fund (BPP&WF)	6,957,506	(9,033,128)
Trade and other payable	1,446,511	21,284,680
Provision for tax	(9,607,015)	4,900,486
Deferred tax asset/(liability)	4,651,109	5,567,493
Net cash provided from operating activities	382,333,961	502,326,721



Amount in Taka	
Jul - Jun'23	Jul - Jun'22

32. NET OPERATING CASH FLOW PER SHARE (NOCFPS)

Operating Cash Inflow at the year end	382,333,961	502,326,721
Number of Ordinary Shares	61,986,608	61,986,608
Net Operating Cash Flow Per Share (Restated - 2022)	6.17	8.10

Although the amount of cash received from customers has increased, concurrent increases in supplier payments, operating costs, and taxes have had an adverse influence on the NOCFPS as compared to the

33. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS

There is no effect of exchange rate changes on cash and cash equivalents during the year.



34. RELATED PARTY DISCLOSURES

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

SL	Name of the related parties	Relationship	Nature of Transaction	Transaction during the Year		Balance as on 30 June 2023	Balance as on 30 June 2022
				Addition	Payment / Adjustment		
1	aamra technologies limited	Sister Companies	IIG bandwidth Purchase	32,893,763	34,579,364	-	1,685,601
2	aamra holdings limited	Sister Companies	Equipment sale of Data Center	115,000,000	115,000,000	-	-
3	Syed Faruque Ahmed and Syed Farhad Ahmed	Chairman and Managing Director	Office rent (Chittagong)	1,788,660	1,341,495	745,275	298,110
4	Syed Farhad Ahmed	Managing Director	Salary	4,387,500	4,387,500	1,428,130	1,428,130
Total Related Party Transactions				154,069,923	155,308,359	2,173,405	3,411,841

Amount in Taka

35. EVENTS AFTER THE REPORTING PERIOD

35.1 The Board of Directors in its meeting held on 21 August 2023 approved the financial statements for the year ended 30 June 2023. The Board of Directors also authorized the same for issue.

35.2 The Board of Directors recommended 11% cash dividend for the shareholders subject to approval in the ensuing Annual General Meeting.

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



aamra networks limited
Schedule of Property, Plant and Equipment
As at 30 June 2023

Particulars	Cost				Depreciation				Amount in Taka		
	Balance as on 01.07.2022	Addition during the year	Disposal/Adjustment during the year	Balance as on 30.06.2023	Rate of Dep.	Balance as on 01.07.2022	Charged during the year	Disposal/Adjustment during the year	Balance as on 30.06.2023	Written Down Value as on 30.06.2022	Written Down Value as on 30.06.2023
Land and Land Development	200,659,864	-	-	200,659,864	10%	5,010,264	397,870	-	5,408,134	200,659,864	3,978,700
Furniture & Fixture	8,988,964	-	-	8,988,964	15%	40,060,669	2,415,841	-	42,476,509	3,980,830	16,105,605
Office Equipment	56,186,274	-	-	56,186,274	18%	5,282,586	77,142	-	5,359,728	13,689,785	428,569
Electric Installation	5,711,155	-	-	5,711,155	18%	2,962,915	5,871	-	2,968,786	26,745	32,616
Telephone Installation	2,995,531	-	-	2,995,531	20%	22,552,039	407,567	-	20,921,773	1,630,266	2,037,833
Computer & Computer Equipment	22,552,039	-	-	22,552,039	20%	149,351,890	950,821	-	-	-	90,796,226
Data Centre	240,148,116	9,257,549	249,405,665	-	20%	170,230,987	20,266,154	150,302,711	190,487,141	81,064,617	101,330,771
Fiber Optic Cable & Equipment	271,561,757	-	-	271,561,757	20%	738,909,840	211,863,734	(77,102,618)	1,027,876,192	1,140,441,741	996,619,884
Infrastructure & Backbone Equipments	1,705,529,723	462,788,209	-	2,168,317,932	18%	15,505,669	1,348,497	-	16,854,166	5,393,988	6,742,485
Motor Vehicle	22,248,154	-	-	22,248,154	20%	48,335,919	4,227,681	-	52,563,600	23,956,857	28,184,538
Office Decoration	76,520,457	-	-	76,520,457	15%	127,033,910	11,092,491	-	138,126,312	44,369,605	55,462,006
WiFi Equipment & Installation	182,495,916	-	-	182,495,916	20%	1,323,198,855	253,053,579	73,200,093	1,503,052,341	1,515,165,703	1,472,379,096
Sub-Total	2,795,577,951	472,045,758	249,405,665	3,018,218,044		1,330,874,148	253,366,325	73,200,093	1,511,040,380	1,516,791,924	1,474,318,063
B. Property, plant and equipment (EPZ Project)											
Particulars	Balance as on 01.07.2022	Addition during the year	Disposal/Adjustment during the year	Balance as on 30.06.2023	Rate of Dep.	Balance as on 01.07.2022	Charged during the year	Disposal/Adjustment during the year	Balance as on 30.06.2023	Written Down Value as on 30.06.2022	Written Down Value as on 30.06.2023
Furniture & Fixture	473,134	-	-	473,134	10%	311,678	16,146	-	327,824	145,310	161,456
Office Equipments	1,446,128	-	-	1,446,128	15%	1,243,805	30,348	-	1,274,154	171,974	202,323
Computer & Comp. Equipment	728,750	-	-	728,750	20%	677,765	10,197	-	687,962	40,788	50,985
Infrastructure & Backbone Equipment	4,341,850	-	-	4,341,850	18%	3,427,693	164,548	-	3,592,241	749,609	914,157
Office Decoration	2,624,388	-	-	2,624,388	15%	2,014,350	91,507	-	2,105,858	518,540	610,048
Sub-Total	9,614,260	-	-	9,614,260		7,675,292	312,746	-	7,988,039	1,626,221	1,938,968
Total as at 30 June 2023	2,805,192,211	472,045,758	249,405,665	3,027,832,304		1,330,874,148	253,366,325	73,200,093	1,511,040,380	1,516,791,924	1,474,318,063
Total as at 30 June 2022	2,431,694,834	374,633,377	1,136,000	2,805,192,211		1,085,546,047	246,311,629	983,529	1,330,874,148	1,474,318,063	1,346,148,787

Amount in Taka

Particulars	Balance as on 01.07.2022	Addition during the year	Disposal/Adjustment during the year	Balance as on 30.06.2023	Rate of Dep.	Balance as on 01.07.2022	Charged during the year	Disposal/Adjustment during the year	Balance as on 30.06.2023	Written Down Value as on 30.06.2022	Written Down Value as on 30.06.2023
Dep: Except EPZ Project	Taka	Dep: EPZ Project	Taka	Jul - Jun'22	Jul - Jun'23	Jul - Jun'22	Jul - Jun'23	Jul - Jun'22	Jul - Jun'23	Jul - Jun'22	Jul - Jun'23
Cost of goods sold & services	233,080,710	Cost of goods sold & services	174,745	233,255,455	221,734,385	233,255,455	221,734,385	233,255,455	221,734,385	233,255,455	221,734,385
Operating expenses	19,972,869	Operating expenses	138,001	20,110,871	24,577,244	20,110,871	24,577,244	20,110,871	24,577,244	20,110,871	24,577,244
	253,053,579		312,746	253,366,325	246,311,629	253,366,325	246,311,629	253,366,325	246,311,629	253,366,325	246,311,629

Amount in Taka



aamra networks limited

Schedule of Intangible Assets

As at 30 June 2023

Amount in Taka

Particulars	Cost			Amortization				Written Down Value as on 30.06.2023	Written Down Value as on 30.06.2022
	Balance as on 01.07.2022	Addition during the year	Disposal during the year	Balance as on 30.06.2023	Rate of Dep.	Charge during the year	Disposal during the year		
Computer Software	45,382,696	-	-	45,382,696	20%	1,425,682	-	39,679,969	7,128,408
Total as at 30 June 2023	45,382,696	-	-	45,382,696		1,425,682	-	39,679,969	7,128,408
Total as at 30 June 2022	45,340,117	42,579	-	45,382,696		1,776,780	-	38,254,288	8,862,609

Total Amortization has been charged as following:

Intangible assets	Amount in Taka	
	Jul - Jun'23	Jul - Jun'22
Cost of goods sold & services	1,425,682	1,776,780
	1,425,682	1,776,780



aamra networks limited
Schedule of Calculation of Deferred Tax Liability
As at 30 June 2023

Particular	Carrying Amount	Tax Base	Amount in Taka Taxable/(Deductible) temporary differences
	Tk.	Tk.	Tk.
Relevant assets			
Property, plant & equipments (Taxable unit)	1,515,165,703	1,307,615,857	207,549,846
Property, plant & equipments (Non Taxable unit)	1,626,221	1,235,461	390,761
Intangible assets	5,702,726	16,775,242	(11,072,515)
Relevant liabilities			
Total temporary differences			196,868,091
Deferred tax liability @ 22.5%			44,295,321
Deferred tax asset @ 22.5%			-
Balance as on 01 July 2022			39,644,212
Movement during the year			4,651,109
Net deferred tax (asset)/ liability			44,295,321

