

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন।”

“Investment in capital market involves a certain degree of risks. The investors are required to read the Rights Share Offer Document (ROD) and risk factors carefully, assess their own financial conditions and risk taking ability before making their investment decisions.”

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। বিনিয়োগকারীগণ রাইটস শেয়ার অফার ডকুমেন্ট (আরওডি) পড়ে এবং ঝুঁকির বিষয়গুলি সতর্কতার সাথে অনুধাবন করে নিজ নিজ আর্থিক অবস্থা ও ঝুঁকিগ্রহণ করার সক্ষমতা বিবেচনা করে বিনিয়োগ সিদ্ধান্ত গ্রহণ করবেন।”

**RIGHTS SHARE OFFER DOCUMENT
OF**



DATE: 14 FEBRUARY 2024

Rights Offer of **30,993,304** Ordinary Shares of Tk. 10.00 each at an issue price of Tk. 30 (including premium Tk. 20) totaling Tk. 929,799,120 offered on the basis of **01 (One) [R]: 02 (Two)** i.e., 01 (One) rights share against 02 (Two) existing shares held on the record date for entitlement of rights share.

| | | |
|-------------------------------|----------|----------------------|
| Record Date | : | 07 March 2024 |
| SUBSCRIPTION | | |
| Opens on | : | 24 March 2024 |
| Closes on | : | 18 April 2024 |
| (Within Banking hours) | | |

ISSUE MANAGER



UNDERWRITER/S



As per provision of the Depository Act, 1999 and regulation made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

| TABLE OF CONTENTS | | | |
|--------------------------|------------------|--|-------------|
| SL. | Rule Ref. | Title | Page |
| 1. | - | Letter to the Shareholders | 04 |
| 2. | - | Corporate Directory of the Issuer | 05 |
| 3. | - | Description of the Issuer | 06-28 |
| 4. | 8 (a) & (b) | Particulars of the Rights Offer | 29 |
| 5. | 8 (c) | Highlight of the rights offer, risk factors, and management plans for reduction of such risks | 30-41 |
| 6. | 8 (d) | Date and time of opening and closing of subscription | 42 |
| 7. | 8 (e) | Purposes of raising fund through rights share | 43 |
| 8. | 8 (f) | Name of the products manufactured or to be manufactured or services rendered or to be rendered by the issuer | 44-49 |
| 9. | 8 (g) | Justification for the Issue Price of Rights Shares | 50-51 |
| 10. | 8 (h) | Cash flows statement, profit and loss account, balance sheet, changes in equity and notes to the accounts of the issuer, together with certificate from the auditors as in Form-C | 52-84 |
| 11. | 8 (i) | Summarized cash-flows statement, profit and loss account and balance sheet, and dividend declared and paid for each of the 5 (five) years immediately preceding the issue of rights share offer document | 85-90 |
| 12. | 8 (j) | Length of time during which the issuer has carried on business | 91 |
| 13. | 8 (k) | Implementation schedule of the project | 92-94 |
| 14. | 8 (l) | Quantity of shares held by each director and persons who hold 5% or more of the paid-up share capital of the issuer | 95 |
| 15. | 8 (m) | Name, address, description, and occupation of directors; managing director, managers and company secretary of the company | 96-97 |
| 16. | 8 (n) | Name of the Public listed company under common management | 98 |
| 17. | 8 (o) | Particulars of the underwriter(s), issue manager, auditors, legal adviser and banker to the rights issue | 99-101 |
| 18. | 8 (p) | Particulars along with the terms and conditions of the material contracts | 102 |
| 19. | 8 (q) | Number of rights shares that the directors are going to subscribe | 103 |
| 20. | 8 (r) | Statement of actual utilization of fund raised by public offering of shares or rights shares, if any, prior to the proposed rights issue | 104 |
| 21. | 8 (s) | Application form for depositing the subscription money with the bankers to the issue for the rights share, with the provision for renunciation of the rights offer. | 105-109 |
| 22. | 8 (t) | Declaration about the responsibility of the issue manager, the underwriter, the auditors and the directors in Forms-A, B, C and D respectively | 110-115 |
| 23. | 8 (u) | Statement of lock-in on the rights shares of the directors (including their renounced shares) | 116 |
| 24. | 8 (v) | A declaration that the rights shares to be issued in dematerialized form | 117 |
| 25. | 8 (w) | Credit Rating Report of the issuer | 118-136 |
| 26. | - | Corporate Governance Certificate | 137-153 |
| 27. | - | Terms and Conditions of the Rights Issue | 154-155 |
| 28. | - | Other information regarding conditions to be fulfilled prior to making rights issue | 156-158 |
| Annexture-1 | | Extract of AGM | 159 |

| List of Acronyms | |
|--------------------------|---|
| Allotment | Allotment of Share |
| AGM | Annual General Meeting |
| BSEC | Bangladesh Securities and Exchange Commission |
| BO A/C | Beneficial Owner Account or Depository Account |
| CDBL | Central Depository Bangladesh Ltd. |
| Commission | Bangladesh Securities and Exchange Commission |
| Companies Act | Companies Act, 1994 (Act. No. XVIII of 1994) |
| CSE | Chittagong Stock Exchange PCL |
| DSE | Dhaka Stock Exchange PLC |
| DCCI | Dhaka Chamber of Commerce & Industry |
| EPS | Earnings Per Share |
| Exchange(s) | Dhaka Stock Exchange PLC & Chittagong Stock Exchange PLC |
| Issue | Rights Issue of aamra networks limited |
| Issue Manager | UCB Investment Limited |
| Issuer Company | aamra networks limited |
| NAV | Net Assets Value |
| Offering Price | Price of the Securities of aamra networks limited |
| Registered Office | Corporate Office of the aamra networks limited |
| RI | Rights Issue |
| Rights Issue Rule | Securities and Exchange Commission (Rights Issue) Rules, 2006 |
| ROD | Rights Offer Document |
| RJSC | Registrar of Joint Stock Companies & Firms |
| ANL | aamra networks limited |
| Securities | Shares of aamra networks limited |
| Securities Market | The Share Market of Bangladesh |
| Sponsor | The Sponsor Shareholder of aamra networks limited |
| Stockholder | Shareholder of aamra networks limited |
| The Company | aamra networks limited |
| WPPF | Workers Profit Participation Fund |

SECTION 1

LETTER TO THE SHAREHOLDERS



Safura Tower (12th Floor), 20 Kemal Ataturk Avenue, Banani C/A, Dhaka -1213, Bangladesh
Telephone: 09666715715, Fax: +88-02-9840077
E-mail: info.networks@aamra.com.bd; Website: www.aamranetworks.com

RIGHTS ISSUE OF SHARES

Date:

Dear Shareholder(s)

We are pleased to inform you that the honorable shareholders of the Company, in the 22nd Annual General Meeting, held on October 04, 2023, approved the Rights Offer of issuance of 30,993,304 Ordinary Shares of Tk. 10.00 each at an issue price of Tk. 30.00 (including premium Tk. 20), totaling Tk. 929,799,120 offered on the basis of 01 (One) [R]: 02 (Two), i.e., 01 (One) rights share against 02 (Two) existing shares held on the record date for entitlement.

The purpose of issuing Rights Shares is for BMRE (Networking system upgradation, network coverage expansion), loan repayment and issue management expenses.

Having satisfactory operation, the Company's total net profit after tax is Tk. 1,274,166,545 for the year ended on June 30, 2023. This success could not have been possible without our customers' support, the efficient direction of the Board of Directors, and the patronization and active participation of our valued shareholders.

To maintain growth and to increase the capital base of your Company, we hope you will come forward with full support and assistance to make the offer a success.

A self-explanatory Rights Offer Document (ROD) is prepared in the light of the Securities and Exchange Commission (Rights Issue) Rules, 2006, and enclosed for your kind information and evaluation.

On behalf of the Board of Directors,

Sd/-

Syed Farhad Ahmed
Managing Director & CEO

SECTION 2

CORPORATE DIRECTORY OF THE ISSUER

| | |
|---|---|
| Registered Name | : aamra networks limited |
| Nature of Business | : The company specializes in providing advanced IT communication solutions and services, including Internet access, web development and hosting, leased port internet access, total network solutions, video conferencing, IT support services, and software development and maintenance. |
| Date of Incorporation | : January 10, 2001 |
| Legal Status | : The Company was incorporated as a private limited company (Reg. No. C-42228(1587)/2001) under the Companies Act 1994 and later converted into a public limited company on May 08, 2013. |
| Date of Listing | : The company got listed on stock exchanges in 2017. |
| Authorized Capital | : Tk. 1,000,000,000/- |
| Paid up Capital | : Tk. 619,866,080/- |
| Net Asset Value per Share | : Tk. 38.11/- (As at 30 June 2023) |
| Turnover | : Tk. 1,274,166,545 (As at 30 June 2023) |
| Earnings per Share | : Tk. 3.64 (As at 30 June 2023) |
| Number of Directors in the Board | : 05 Directors including 01 Independent Director |
| Corporate Office Address | : Safura Tower (12 th Floor), 20 Kemal Ataturk Avenue, Banani C/A, Dhaka -1213, Bangladesh |
| Statutory Auditor | : K. M. Hasan & Co. , Chartered Accountants |
| Rating Agency | : Alpha Credit Rating Limited |
| Corporate Governance Auditors | : G. Kibria & Co. , Chartered Accountants |
| Manager to the Rights Issue | : UCB Investment Limited Bulus Center, (17 th Floor) Plot-CWS-(A)-1 Road No-34, Gulshan Avenue, Dhaka-1212 |
| Underwriter(s) to the Rights Issue | : Bengal Investments Limited Flat-1C, House-313, Road-4, Avenue-4, Mirpur DOHS, Dhaka-1212 |
| | : Prime Finance Capital Management Limited PFI Tower (7 th Floor), 56-57 Dilkusha C/A, Dhaka-1000 |
| | : LankaBangla Investments Limited Assurance Nazir Tower (Level 8), 65/B Kemal Ataturk Avenue, Banani, Dhaka 1213 |
| | : Sonali Investment Limited Borak Biz Center (1st & 2nd Floor), 70, Dilkusha C/A, Dhaka |
| | : Janata Capital and Investment Limited 48 Motijheel C/A, 3 rd Floor, Dhaka-1000 |
| Banker to the Rights Issue | : United Commercial Bank Limited Bulus Center, Plot-CWS-(A)-1, Road No-34, Gulshan Avenue, Dhaka-1212 |

* **K. M. Hasan & Co.**, Chartered Accountants is appointed as Statutory Auditor as on October 4, 2023.

SECTION 3

DESCRIPTION OF THE ISSUER

The Company

aamra networks limited (ANL) formerly known as Global Online Services Limited, was incorporated and commenced its business in Bangladesh under the Companies Act, 1994 on 10 January 2001, vide registration No. C- 42228(1587)/2001 as a Private Company limited by shares. The Company changed its name from Global Online Services Limited to aamra networks limited on December 31, 2007. Subsequently, the Company was converted into a Public Company limited by shares on May 08, 2013. Later, the Company went into public offering and started debut trading in both the bourses of Dhaka and Chittagong Stock Exchanges on October 2, 2017.

ANL has its registered office at Safura Tower (12th Floor), 20, Kemal Ataturk Avenue Banani, Dhaka - 1213.

Also, the Company has liaison offices in the following locations -

- SFA Tower (3rd floor) 132, Panchlaish, Chattogram - 4203, Bangladesh.
- Sheikh Jamal Software Technology Park Office, Agrabad Access Rd, Chattogram - 4100, Bangladesh.
- Dhaka Export Processing Zone (DEPZ) Office, Room No-70, 3rd Floor DEPZ Complex Bhaban DEPZ, Ganakbari, Savar Dhaka, Bangladesh.
- Adamjee Export Processing Zone (AEPZ) Office, Room No-101, Ground Floor Zone Services Complex Building, Adamjee Nagar Narayangonj, Bangladesh.
- Chittagong Export Processing Zone (CEPZ) Office, Plot-3, Sector-5/A, Chittagong, Bangladesh.
- Cumilla Export Processing Zone, Old Customs Building (Ground Floor), Cumilla EPZ, Gate No-1, Cumilla, Bangladesh.
- Uttara Export Processing Zone Office, Zone services complex building, ground floor-west side, Uttara EPZ, Shangolshi, Nilphamari, Bangladesh.
- Ishwardi Export Processing Zone Office, Zone Service complex, Ishwardi, Paksey, Pabna, Bangladesh.
- Jashore Office, Sheikh Hasina Software & Technology Park (MTB, 1st Floor), Nazir Shankarpur Road, Jashore, Bangladesh.
- Bogura Office, S.S. Complex (7th Floor), Serpur Road, Mofiz Paglar Mor Bogra Sador, Bogra, Bangladesh.
- Khulna Office, Munna Tower (5th Floor), Plot # 7, KDA Avenue, Khulna, Bangladesh.
- Mongla Office, Zone Service Complex (Ground Floor), Mongla Export Processing Zone, Mongla, Bagerhat, Bangladesh.
- Sylhet Office, Sylhet Millennium 8th Floor, Room No-804 Jallarpar Road, Zindabazar, Sylhet.
- Cox's Bazar Office, AB Garden (3rd Floor), Kolatali Zone, Block # B, Shoghonda, Cox's Bazar Sador - 4700, Cox's Bazar, Bangladesh.

aamra networks limited (ANL) stands as a premier technology company in Bangladesh, boasting a pervasive nationwide presence. With an extensive and diversified product portfolio, we cater to an impressive customer base of over 1600 clients. ANL proudly holds the distinction of being the largest B2B technology brand in the country. Our core strength lies in our ability to forge, nurture, and sustain enduring partnerships with both public and private organizations.

Product Categories & Services

aamra networks limited over the last few decades has consistently provided its customers with ISP, IOT, IT & ITES solutions. Our clients have been able to rely on our ability to provide stable and consistent connectivity solutions. Using the state-of-the-art backbone and infrastructure, we have ensured that our clients have no worries when it comes to dependability and reliability. That in turn has ensured us an enviable list of blue-chip customers. When Internet and related value-added services are critical input to business, Corporate Bangladesh has but only one obvious choice-aamra.

Followings are brief description of our products and services.

Internet and Infrastructure

Broadband Internet Access (BIA) and Direct Internet Access (DIA): We provide Broadband Internet Access (BIA) and Direct Internet Access (DIA) connectivity to our customers nationwide. We have two categories of connectivity - i) regular and ii) premium. The premium connectivity package has more customizations in terms of latency, packet delivery and security. We are purely B2B ISP, hence we have bulk of experience and specialization in the corporate and organizational space, which puts us ahead of other contemporaries. Additionally, our nationwide POP network is extremely robust and majority of them are 10G interface enabled. Riding on the core system of our sister concern, aamra technologies limited, we provide the fastest B2B connectivity in the nation.

BIA & DIA highlights:

- *aamra networks limited is the largest B2B ISP of Bangladesh*
- *We serve 1600+ customers*
- *We connect more than 20,00,000+ workstations nationwide*
- *We maintain a robust network of 73+ POPs*
- *We are ISO 9001:2015 certified*

Data Connectivity: Data connectivity means the ability to connect clients and servers, securing the swift and voluminous transfer of information between them. aamra is one of the leading data connectivity solution provider in Bangladesh, with nationwide coverage to various public and private organizations.

Multiprotocol Label Switching (MPLS) and PLC: Multiprotocol Label Switching (MPLS) is a routing technique in telecommunications networks that directs data from one node to the next based on short path labels rather than long network addresses, thus avoiding complex lookups in a routing table and speeding traffic flows. MPLS connectivity is very useful for organizations who collaborate on multiple native ERP, CRM or integrated software solutions across the globe. aamra is one of the leading MPLS solution provider of

Bangladesh, riding on its robust network infrastructure, technical superiority and widespread global footprint. Additionally, we also provide other forms of Private Leased Circuits (PLC) dedicated to customers need and requirements.

MPLS/PLC highlights:

- *We are one of the pioneers of MPLS in Bangladesh*
- *We serve leading international MPLC providers such as Orange Business Solutions & HGC Global*
- *MPLS and other forms of PLC solutions are rising opportunities in Bangladesh & we have an early mover's advantage*

Managed IT Solutions: aamra's Managed IT solutions allow businesses to delegate their IT operations to us. aamra maintains the IT services of the leading private sector organizations and MNCs, with the assistance of our amazingly talented and versatile Managed Services team. Our teams include service engineers recruited from the top engineering colleges, and majority of our service engineers are certified by top OEMs, i.e. Cisco, Microsoft, Juniper etc.

Managed IT Solution highlights:

- *Diverse solutions offered, i.e. networking, video conferencing, video surveillance, email/router/firewall/VPN configuration, configuration, remote/on-call support etc*
- *We have a team of 40+ members who provide IT solutions to the top public and private organization of Bangladesh*
- *12+ years of experience, 50+ managed IT clients*

Internet Protocol Virtual Private Network (IPVPN): Internet Protocol Virtual Private Network is separated from the public internet, travelling via a private connection to each remote site. IPVPN also provides a high level of flexibility to organizations who have worldwide global presence. aamra has been the obvious choice of many international organization, for their IPVPN solutions.

Networking Solutions

WAN/LAN/Router/Switching etc: aamra maintains a very successful portfolio in the Enterprise Network Solution. aamra specializes in the following aspects of enterprise networking - Routing, Switching, LAN, WAN, Servers & Storage, Configuration, Network Security etc. We have a team of amazing networks engineers, with certifications from leading OEMs. We work closely with global leaders of networking solutions and maintain partnership with them, i.e. Cisco, Fortinet, Sophos, Huawei, Juniper, Dell EMC, Vivanco etc.

WiFi: aamra is nation's largest WiFi solution provider. 'aamra WiFi' is available in hospitals, bus stations, railway station, restaurants, schools and metro city locations. We are closely working with Sheikh Russel Digital Lab Project and providing complimentary WiFi solutions throughout the country. Additionally, we are also providing white-label and managed WiFi solutions to major banks and MNCs. We are currently partnered with leading WiFi OEMs, i.e. Cisco Meraki, Aruba, Cambium and Huawei.

WiFi highlights:

- *With 850+ public hotspots, we have the largest public WiFi network in Bangladesh*
- *We have presence in more than 30 districts and serve more than 60 crore user sessions each year (data from 2022)*
- *We are also providing white-labelled city WiFi in Sylhet, Cumilla, Chattogram and Cox's Bazar city corporation.*

Internet of Things (IOT):

Video Conferencing (VC): Video conferencing is technology that allows organizations to connect with their employees located in various locations, in a high resolution and life-like interaction. Riding on our core solution of Internet, we have built a fairly large and extensive VC portfolio. In addition to MNCs, we maintain an extremely large footprint on national defense organizations. To add to this, we are constantly doing fabulous innovations in the collaboration space.

Video Conferencing highlights:

- *We are the largest Video Conferencing Solution provider in Bangladesh and won the reputed 'Poly South Asian Partner of the Year' three consecutive times*
- *We are combining Video Conferencing with popular software platform such as Microsoft Teams and Zoom, to enhance the video calling and collaboration experience of our clients.*

Video Surveillance & Access Control: A video surveillance system/CCTV is composed of a system of cameras, monitors/display units, and recorders which allow any organization to monitor their premises and prevent security threats. We are one of the most reputed video surveillance providers in Bangladesh. Additionally, we cater to a large number of private and public clients. We maintain high level partnership with leading providers such as HikVision, Matrix and Samsung etc.

Video Surveillance highlights:

- *10+ years' experience of handling Surveillance solutions*
- *100+ Engineers serving over 150+ companies*
- *We deployed nationwide Video Surveillance solutions in all Export Processing Zones (EPZ), in collaboration with BEPZA, making this one of the largest surveillance deployment of the country.*

Cloud Solutions: aamra was the first in Bangladesh to build local cloud, catering to the need of Bangladeshi customers. Currently we are providing a range of solutions from our cloud portfolio, such as Email as a Service, Email Security, Infrastructure as a service (IaaS), Platform as a service (PaaS) and Applications as a service (AaaS). We have our own enterprise cloud - 'aamra cloud', a large number of organizations are availing aamra cloud for its ease of use and simple implementation.

Cloud Highlights

- *We are the first to launch private cloud in Bangladesh – aamra cloud*
- *We are the top Cloud Solutions Partner of Microsoft in Bangladesh, and winner of Microsoft Country Partner of the Year 2017, 2018*
- *We have partnered with AWS, global leader of cloud solutions*

Email solution: aamra networks limited (ANL) has been a longstanding partner of Microsoft, offering top-notch M365 email solutions. In addition to its Microsoft collaboration, ANL also extends its expertise by providing Zimbra email solutions. However, recognizing the financial constraints faced by many clients, who still rely on cPanel-based email systems, ANL is embarking on an innovative venture. ANL is currently developing a comprehensive office collaboration solution encompassing email, instant messaging, file storage, and collaborative tools. Remarkably, this solution is fully customizable, allowing it to be white-labeled for businesses. Built upon the secure foundation of the Microsoft Exchange platform, this product promises impeccable security. ANL believes that this offering will be a game-changer for companies with limited IT budgets, as well as for SMEs and start-ups seeking efficient and secure office collaboration solutions.

Software Development & Service:

aamra maintains a rich portfolio of software development and services. We have strong R&D team and trained engineers, who are working relentlessly to build strong and robust enterprise software and productivity solutions. Our focus on software development aligns with our concentration on cloud-based business model. As our future business strategy revolves around cloud, we are confident our strong software development and service experience shall give us an edge in the SAAS and IAAS business model.

Internet Protocol Telephony Service Provider (IPTSP):

DID/ SIP Number: A one-stop voice communication solution to all your customers, suppliers and employees whether they are at branch office, working remotely or are mobile. Our IP Telephony Service provides secured, reliable, consistent and state of the art generation IP Telephony Service to offer superior voice quality with various in-built features.

SIP Trunk/E1 Connectivity: aamra IPTSP offers SIP trunk to connect your PBX to a public telephony network to allow you to make nationwide and international calls. aamra IPTSP also offers E1 connectivity and voice gateway to integrate traditional telephony systems to SIP Trunk. Our main focus is to provide a high-quality voice service for customer satisfaction.

SIP Trunk/E1 Connectivity Highlights

- *IP Phone to IP Phone free*
- *Lowest call tariff to other operators*
- *High quality voice*
- *Lower expansion cost*
- *Get a single or a range of DID numbers*
- *Fax supported*

Corporate IP-PBX Solution (Hosted/On Premise): An IP PBX is the basic telephonic service of any corporate office. IP PBX is the digitalization of traditional PBX systems. You could connect your multiple offices from different locations under a single roof and can communicate with each other free of tariff. The IP PBX can be installed in a desktop computer or a professional server or a virtual machine. We are here to take care of installation and maintenance of your IP PBX system.

Corporate IP-PBX Solution(Hosted/On Premise) Highlights

- *3-layer IVR*
- *Hunting Number.*
- *Call distribute according to the IVR category wise*
- *If specific extension is busy/unreachable call can be forward to another extension or mobile.*
- *Extension can receive calls and able to transfer call to another extension/user if necessary.*
- *All Extension Calls Recording Facilities or specific*
- *Extension's call recording. We will store up to 500 GB call record and also store at client server*
- *Call Conference for IP Phone Set*
- *Support for ring groups.*
- *Web-based operator panel.*
- *CDR and consumption report.*
- *Extension wise Call Details of all Extensions.*

Advanced Call Features:

- *Automated Attendant*
- *Blacklists*
- *Blind Transfer*
- *Call Detail Records*
- *Call Forward on Busy*
- *Call Forward on No Answer*
- *Call Forward Variable*
- *Call Monitoring*
- *Call Parking*
- *Call Queuing*
- *Call Recording*
- *Call Retrieval*
- *Call Routing (DID & ANI)*
- *Call Snooping*
- *Call Transfer*
- *Call Waiting*
- *Caller ID*
- *Caller ID Blocking*
- *Caller ID on Call Waiting*
- *Conference Bridging*
- *Database Store / Retrieve*
- *Dial by Name*
- *Distinctive Ring*
- *Do Not Disturb*
- *Voicemail*

Analog PBX integration with IP PBX: Analogue telephone system has revolutionized telephone systems for small to mid-sized companies, offering features seldom available in this category. Its easy ability to upgrade and reduces the cost of expansion, Caller ID increases efficiency, and voice-processing integration improves productivity. If you already existed a traditional Analogue PBX in your office, you could integrate our IP PBX in the existing solution easily using Media Gateways.

Call center Solution with IVR: aamra IPTSP provides a professional call center solution to enhance your business. You could promote your products, attend customer calls to provide service and support, and take feedback from customers.

Toll Free Service: Toll Free Service allows your consumers to communicate with you but without any tariff cost of your consumer. We are here with full support to park your Toll-free(LTFS) number including getting Toll free number approval from Bangladesh Telecommunication Regulatory Commission (BTRC) and routing it from all mobile operators.

Short Code Parking: This is a specialized number of 5 digits. We offer the quickest and cheapest single and shared short code numbers which effectively serves marketing needs. aamra IPTSP has been providing short code routing and parking service. We are here with full support to park your short code including getting short code approval from Bangladesh Telecommunication Regulatory Commission (BTRC) and routing it from all mobile operators.

CRM: IP Telephony is a telephony system that communicates on IP and CRM means Customer Relationship Management. Integration occurs when two systems come together to work as one system, effectively sharing data between them without requiring manual input or intervention from the user. This will allow you to track and manage sales leads, prospects, and customers more efficiently than ever before. It increases productivity by saving time spent entering data manually into different systems. Our CRM solution will make it easier to organize information about each client so that it's always readily available wherever you need it.

IP Phone: aamra networks limited launched its high value, reliable, robust and next generation IP Telephony Service in 2023. We offer supreme voice quality along with many other inherent features. We have very competitive Call Rates compared to other companies in this industry. We also offer free voice communication between its subscribers and all other IP Phone service providers.

| <i>IP Phone Highlights</i> | |
|--|--|
| <ul style="list-style-type: none"> • <i>Supreme Voice Quality</i> • <i>Voice mail</i> • <i>Voice to email</i> • <i>Call Divert</i> • <i>Call Forwarding</i> • <i>Music on Hold</i> • <i>3-Way Calling</i> | <ul style="list-style-type: none"> • <i>User wise call permission</i> • <i>DID</i> • <i>Dynamic Audio Conference</i> • <i>CDR Reports</i> • <i>Dynamic IVR</i> • <i>Phonebook</i> • <i>Time limits on outbound calls</i> • <i>Call Recording</i> |

Nationwide Presence
















aamra maintains a very widespread national presence in the country. This project shall further enhance the infrastructure and network presence.



Affiliation with international brands

ANL is affiliated with the majority of the international brands, spanning through different categories. This diversified affiliation and partnership enables ANL to provide seamless support and service to its customers nationwide.

| Brand | Product | Origin |
|---|---|---------|
|  | Video Conferencing Solutions | USA |
|  | International Connectivity Provider | CHINA |
|  | Video Surveillance Solutions | CHINA |
|  | E-mail Security Gateway | USA |
|  | Peering Partner | USA |
|  | Access Control Solution | USA |
|  | Collaborative Robotic Automation | DENMARK |
|  | High-frequency and fiber optic technology connector solutions | GERMANY |
|  | Cyber Security Appliance and Services | USA |
|  | Firewall Protection | UK |
|  | Innovative Robotics Solutions | ESTONIA |
|  | High-frequency and fiber optic technology connector solutions and Micro Data Center solutions | GERMANY |
|  | Routers and Wireless Products | LATVIA |
|  | Wireless Networking Equipment | USA |
|  | Online Authentication | USA |
|  | Online Authentication | USA |
|  | Enterprise Data Protection | USA |
|  | Server and Storage Solution | USA |
|  | Networking, Security and Server Solution | USA |
|  | Mail and Cloud Solution | USA |
|  | Networking and Security Solution | USA |
|  | Cloud Computing | USA |

| Brand | Product | Origin |
|---|--|-------------------|
|  HUAWEI | Networking, Security and Server Solution | CHINA |
|  vmware | Hyper Converged Solution | USA |
|  TREND MICRO | End Point Solution | AMERICAN-JAPANESE |
|  SOPHOS | Network Security Solution | ENGLAND |
|  paloalto NETWORKS | Network Security Solution | USA |
|  KASPERSKY SECURITY | End Point Solution | RUSSIA |
|  orange | Services International Circuit | FRANCE |
|  Honeywell | Software and IoT | USA |
|  f5 | Load Balance and Network Security Solution | USA |
|  COMMSCOPE | Networking Solution | USA |
|  Google | Networking Solution | USA |
|  veeAM | Backup Solution | USA |
|  COMMVault | Backup Solution | USA |
|  zoom | Video Conferencing Solution | USA |
|  zimbra A SYRACUSE PRODUCT | Email Solution | USA |

aamra's Business Principles

aamra's Business Principles articulate our values and beliefs, these act as the touchstone of efforts to maintain our higher standard for personal and business integrity. These principles are consistently preached and practiced in all SBU's and branches of aamra, by all employees. From technician to Managing Director, everyone maintains these principles religiously.

The key components of aamra's business principles are as follows.

People: The power of our 'people' is the driving factor behind our business practice. We trust in the ability, ingenuity and power of our people. All SBU's are committed to develop and harness the power of WE!

Innovation: Innovation is in the core of products and service. We are continuously investing on R&D, so that we remain ahead of our contemporaries in facilitating innovative products and solutions!

Trust: Our word is our honor; we choose them carefully and truthfully. We keep our commitments to each other and to our stakeholders.

Integrity: We do the right thing without compromise. We avoid even the appearance of impropriety.

Honesty: What we say is true and forthcoming – not just technically correct. We are open and transparent in our communications with each other and about business performance.

Commitment: Our commitments reflect who we are, and where we shall head as an organization. We are always committed to our stakeholders, colleagues and community!

Excellence: aamra strives for excellence in everything it does. It is committed to providing its customers with the best possible products and services.

Continuous improvement: aamra is always looking for ways to improve its products, services, and processes. It is committed to continuous learning and growth.

Collaboration: aamra believes that collaboration is essential for success. It is committed to working with its customers, partners, and employees to achieve common goals.

Competitiveness: aamra is committed to being a competitive player in the technology industry. It is constantly investing in new technologies and developing its expertise in order to stay ahead of the curve.

Sustainability: aamra is committed to operating in a sustainable way. It believes that it has a responsibility to the environment and to the communities in which it operates.

Respect: We treat people with dignity and value their contributions. We maintain fairness in all relationships.

Courage: We speak up for what is right. We report wrongdoing when we see it.

Responsibility: We accept the consequences of our actions. We admit our mistakes and quickly correct them. We are responsible to our clients, our colleagues, and most importantly - ourselves!

Business continuity strategy

aamra's business continuity strategy ensures corporate focus on resumption of aamra's business in the event of a business interruption. This applies to all aspects of aamra's business, all employees, all functions, including support functions and diversified business units, all locations, all subsidiaries and all acquisitions.

Business continuity management

- All aamra SBU senior management must adopt the strategy and ensure all entities within the company
- Senior management sign-off is required for all final action items, response plans, testing and remediation plans.

Business Impact Analysis

- Each SBU/team must perform a risk threat assessment and business impact analysis to identify significant risks/threats and prioritize critical functions based on financial and non-financial impact to aamra
- All functions must identify critical process dependencies which include systems, applications, people, facility, vendor/supplier, and any other necessary resources to recover the critical function.

Strategy and Plan Development

- All relevant personnel, including board of director, senior management, respective teams, within aamra must develop appropriate and actionable contingency plans that will enable management to focus on resuming aamra's most critical functions, in the event of a business disruption. The plan shall have documented recovery strategies that include workarounds for processes in which dependencies are unavailable to resume servicing the customer
- All relevant personnel, must ensure key suppliers and partners supporting critical functions have effective contingency arrangements in place.

Testing and Maintenance

- Testing for all critical functions, including penetration testing and audits, must be conducted annually
- All teams must go through comprehensive business continuity training and assessment, atleast once every year.

Monitoring and reporting to management

- Status reporting to be presented to Board of Directors periodically and as needed
- Significant gaps/deficiencies in the process will be escalated to Board of Directors and the Senior Leadership team for remediation if unresolved and poses a threat to the organization's ability to adequately recover.

Human Resources

The total strength of ANL employees stood 354 as per Audited Financial Statements for the period ended 30 June 2023. The Company believes that a strong, skilled, and dedicated workforce is the key ingredient to success. ANL has also implemented the Workers' Profit Participation Fund for its employees. The company provides 5% of profit before charging such expense to employees as Workers' Profit Participation Fund (WPPF) in accordance with the Bangladesh Labor Act 2006 (amended in 2013). Besides, the Company provides yearly increment, provident fund, group insurance and festival bonus to its employees.

Managerial Competence

All the members of the management team of the company are highly qualified, trained & skilled professionals, well experienced and extremely devoted. The management team is led by Mr. Syed Farhad Ahmed, Managing Director & CEO and acts for the best interest of the company.

The expert team of ANL, which consists of a good number of professionals from various disciplines, are seasoned and experienced enough to use the facilities for service to fulfill the demand of target customers.

Successive strong financial performance is the result of unwavering commitment of the promoters, management efficiency, employees' sincerity, use of appropriate technology, among others.

Compliance with Laws and Regulations

The Company was not involved in any activities contravening the laws and regulations of the Country. The Company ensures compliance with the provisions of all concerned regulatory authorities.

Rationale for Network Coverage Expansion

ICT Industry and Outlook:

The history of the internet in Bangladesh is a tale of rapid growth and evolution that mirrors the global development of the World Wide Web. Bangladesh made its first forays into the internet era in the early 1990s. The growth of the internet in Bangladesh has been remarkable. In just over two decades, the country has gone from having almost no internet users to having over 131.94 million users (BTRC, August 2023).

The growth of the internet has had a profound impact on all aspects of Bangladeshi society. It has boosted economic growth, created new jobs, and improved access to education and healthcare. According to a report by the World Bank, the internet economy contributed 2.5% to Bangladesh's GDP in 2021 (World Bank, 2022). The report also estimates that the internet economy will contribute 5% to Bangladesh's GDP by 2025.

The internet is also creating new jobs in Bangladesh. The number of IT professionals in Bangladesh is estimated to be around 1 million, according to a report by the Bangladesh Association of Software and Information Services (BASIS). This number is expected to grow to 2 million by 2025. The internet has helped to reduce illiteracy in Bangladesh from 71% in 2000 to 51% in 2020 (UNDP, 2021) according to a report by the United Nations Development Programme (UNDP). The report also estimates that the internet will help to reduce illiteracy to 25% by 2025.

The internet is also helping to improve access to healthcare in Bangladesh. According to a report by the World Health Organization (WHO), the internet has helped to reduce child mortality in Bangladesh from 97 deaths per 1,000 live births in 2000 to 29 deaths per 1,000 live births in 2020 (WHO, 2021). The report also estimates that the internet will help to reduce child mortality to 15 deaths per 1,000 live births by 2025. The internet has also helped to provide a platform for Bangladeshi citizens to express their views and opinions. According to a report by the International Telecommunication Union (ITU), the internet has helped to increase social media usage in Bangladesh from 14% in 2010 to 65% in 2020 (ITU, 2021). The report also estimates that social media usage in Bangladesh will reach 80% by 2025. Internet and technology have come long way in Bangladesh to truly transform lives all over Bangladesh.

The current status of the Internet, Information and Communication Technology (ICT), and Technology in Bangladesh is a testament to the country's rapid digital transformation. The ICT sector in Bangladesh has shown remarkable growth over the years. More than 120 companies export ICT products worth nearly \$2.1 billion in 2021-22 (Source: BASIS). The freelance economy in Bangladesh is worth over \$1 billion. (Source: PayPal).

The ICT sector in Bangladesh is expected to grow at a Compound Annual Growth Rate (CAGR) of 1.83% over the next five years. The sector contributed 2.5% to Bangladesh's GDP in 2021 (Source: World Bank) and expected to contribute 5% to Bangladesh's GDP by 2025. Bangladesh is home to over 1,000 startups. Bangladesh is one of the leading countries in the development of mobile financial services. Over 100 million people in Bangladesh use mobile financial services. Bangladesh is the second-largest mobile banking market in the world. (Source: GSMA)

Technology adoption in Bangladesh is also on the rise. The country started its 4G network service on February 19, 2018. Most smartphone users in Bangladesh have at least 4G connectivity on the go. From December of 2021, Teletalk started testing its 5G network. It is safe to say that within couple of years, Bangladesh shall enter the 5G era of internet. Bangladesh is making significant progress in the development of its internet, ICT, and technology sector. The sector is contributing to the country's economic growth and creating new jobs.

Key opportunities to focus

Based on our field experience and market understanding, followings are the core opportunities of business from internet expansion in Bangladesh.

Rural Broadband Expansion: Expanding high-speed internet services to rural and underserved areas of Bangladesh presents a significant opportunity for ISPs to reach new customers and bridge the digital divide.

1. Residential Connectivity: Internet access for residential users in Bangladesh is more than just a convenience; it's a necessity in today's digital age. It serves as a gateway to a world of knowledge, employment opportunities, and online services. With the growing importance of remote work, e-learning, and telemedicine, having a reliable internet connection at home has become essential for individuals and families. It bridges geographical barriers, connects communities to global information and markets, and empowers citizens to access services, stay informed, and engage in the digital economy. In essence, internet access at home has become a catalyst for personal growth, economic development, and social inclusion in Bangladesh.

However, non-metro residents in Bangladesh often face significant challenges when it comes to accessing quality internet services. While major cities have made significant strides in improving internet infrastructure, many non-metro areas continue to grapple with limited or unreliable connectivity. Factors such as underdeveloped network infrastructure, inadequate investments, and geographical constraints contribute to this digital divide. As a result, residents in these areas miss out on the opportunities that high-speed internet provides, including access to online education, remote work opportunities, digital government services, and e-commerce. Bridging this urban-rural internet gap is crucial for ensuring that all citizens, regardless of their location, can fully participate in the digital age and reap the benefits of a connected world.

2. Fiber-optic Network Deployment: Fiber-optic infrastructure, specifically in sub-urban and rural locations, can provide faster and more reliable internet connectivity. Fiber-optic networks can provide significantly higher internet speeds compared to traditional copper-based networks. This means faster downloads and uploads, smoother streaming, and reduced latency for online activities, including gaming, video conferencing, and content streaming. This improvement in internet performance can attract more

customers who demand high-speed and reliable connections. Currently non-metro locations of Bangladesh require mass-scale fiber optic connectivity which is vastly absent.

3. **Affordable Internet Packages:** Offering competitively priced internet packages can attract a larger customer base, particularly in a price-sensitive market like Bangladesh. In a country with varying income levels, providing cost-effective internet plans can tap into a vast and diverse customer base. This opportunity is particularly relevant considering that a significant portion of the population may be willing to adopt digital services if internet access is affordable. This point gets addressed significantly by 'EK DESH EK RATE'. However, the majority of the ISPs do not have the required infrastructure to deliver quality services to end-customers, under EK DESH EK RATE. This is resulting in sub-part experience of users in non-metro locations.
4. **Educational institutions:** High-speed internet is essential in educational institutions in Bangladesh for several reasons, as it significantly enhances the quality of education, research, and administrative processes. High-speed internet allows students and teachers to access a wealth of online educational resources, including video lectures, e-books, research papers, and interactive learning platforms. Educational institutes, particularly universities and colleges, rely on high-speed internet for research activities. It enables students and faculty to access global research databases, collaborate with international peers, and share large datasets seamlessly. However, the majority of the educational institutions currently are deprived of quality internet connectivity. Despite various initiatives of the government, the penetration of the internet for general students and teachers have been inadequate.
5. **Government Contracts:** The need for internet in government offices of Bangladesh is paramount in this era of digital transformation. It facilitates efficient administration, enhances public service delivery, and fosters transparency and accountability in government operations. With the advent of e-governance initiatives, internet connectivity enables citizens to access essential services online, reducing bureaucratic hurdles. Moreover, it supports interdepartmental collaboration, real-time data sharing for policy formulation, and emergency response during crises. As Bangladesh advances towards a digital future, a reliable internet connection in government offices is essential to streamline processes, engage with citizens effectively, and promote overall socio-economic development in the nation. Having said that, this major requirement has not been satisfied with efficiency in non-metro districts.
6. **Small and Medium Enterprises:** The necessity of internet access for Small and Medium Enterprises (SMEs) in non-metro districts of Bangladesh cannot be overstated. In an increasingly digital and interconnected business environment, a dependable internet connection is essential for the growth and competitiveness of these enterprises. It empowers SMEs to expand their market presence through online marketing and e-commerce, extending their reach to a broader customer base, both domestically and internationally. Internet connectivity streamlines day-to-day business operations, enabling efficient supply chain management, digital financial transactions, and access to valuable online resources. Additionally, it supports the adoption of remote work and collaboration tools, helping SMEs in non-metro districts reduce costs and stay competitive in an evolving business landscape. In essence, internet access is not merely a convenience but a crucial catalyst for SMEs to thrive and seize new opportunities for sustained growth and prosperity.

7. **Content Delivery Network (CDN) Services:** The shortage of Content Delivery Network (CDN) services in non-metro locations of Bangladesh underscores a significant digital infrastructure gap that presents a compelling opportunity for Internet Service Providers (ISPs) to capitalize on. While urban areas often have access to CDNs, many non-metro regions lack these services, resulting in slower loading times, suboptimal content delivery, and reduced online user experiences.
8. **Managed Wi-Fi Solutions:** Need for Managed Wi-Fi Solutions in non-metro locations of Bangladesh is becoming increasingly apparent as the demand for reliable and efficient internet connectivity grows. These areas often lack the technical expertise and resources required to set up and maintain complex WiFi networks, leaving residents and businesses with suboptimal connectivity. The shortage of Managed WiFi Solutions in non-metro locations exacerbates this issue, as it means there's a lack of support for addressing network issues, ensuring security, and optimizing WiFi performance. As more people rely on the internet for work, education, and various online activities, Managed WiFi Solutions can bridge the gap by offering hassle-free, professionally managed networks. ISPs and service providers should recognize this gap as an opportunity to deliver comprehensive WiFi solutions to non-metro areas, thereby improving the overall quality of internet services and contributing to digital inclusion and economic development in these regions.
9. **Online Gaming Services:** The increasing demand for Online Gaming Services in non-metro areas of Bangladesh highlights the growing popularity of gaming as a form of entertainment and social interaction. However, the shortage of high-speed internet, caching and sustainable connectivity in these regions hampers the gaming experience for enthusiasts. The lack of dedicated servers, high-speed internet, and support for multiplayer games often results in lag and disruptions.

These are some of the key opportunities in our assessment. Additionally, there are a few other opportunities that can benefit from high-speed internet and currently observing a sizable commercial vacuum.

- **Telemedicine Services:** Facilitating access to healthcare services and telemedicine.
- **Agricultural Support:** Providing farmers with information on crop management and market prices.
- **Online Marketplaces:** Creating platforms for local artisans and businesses to sell products.
- **Remote Work:** Facilitating remote work opportunities for professionals.
- **Digital Payments:** Promoting cashless transactions and digital wallets.
- **E-commerce Growth:** Supporting the growth of e-commerce in non-metro areas.
- **Skill Development:** Offering online courses and skill development programs.
- **Women Empowerment:** Empowering women with online entrepreneurship and education.
- **Art and Culture Preservation:** Preserving and promoting local art and culture online.
- **Emergency Services:** Facilitating emergency response and disaster management.
- **Youth Engagement:** Engaging young people in online community initiatives.
- **Access to Government Schemes:** Ensuring that citizens are aware of and can access government welfare schemes.
- **Local Content Creation:** Encouraging residents to create and share local content.
- **Startup Incubation:** Supporting local startups with online resources.
- **Disability Support:** Offering online resources for people with disabilities.

Needless to say, there are ample opportunities in non-metro Bangladesh with internet which awaits exploration. The common thread for all these opportunities is high speed internet.

ANL’s Strategy

Each of the business opportunities mentioned above in non-metro regions of Bangladesh is contingent on high-speed internet access for several reasons. Firstly, high-speed internet is the foundation upon which the digital world operates. Without a robust and fast internet connection, accessing online resources, e-learning platforms, or conducting remote work and telemedicine consultations becomes slow, unreliable, and frustrating. For example, accessing educational materials, participating in virtual classrooms, or utilizing e-learning platforms necessitates a seamless internet connection to ensure that students can engage in effective online learning experiences. Secondly, high-speed internet is pivotal for e-commerce growth and digital entrepreneurship. An efficient internet connection is essential for small businesses to list their products on online marketplaces, process digital payments securely, and reach a wider customer base. Slow or unstable internet can deter potential customers and hamper the growth of these businesses. Similarly, for startups and online ventures, high-speed internet is a lifeline. It enables entrepreneurs to access cloud-based resources, collaborate with remote teams, and reach a global audience through their online platforms. In essence, high-speed internet is the enabler that underpins all these business opportunities in non-metro regions of Bangladesh. It ensures that the digital infrastructure is robust and reliable, allowing individuals and businesses to tap into the full potential of the digital economy, access critical services, and participate in the global marketplace on equal footing with their urban counterparts.

To attend to the growing need of internet following is the summary strategy of ANL

| Strategy | Description |
|--|---|
| <i>Expand network infrastructure in non-metro locations</i> | <ul style="list-style-type: none"> ▪ We are desirous to enhance our networks in majority of non-metro locations if Bangladesh. ▪ This network infrastructure shall target locations which currently are not the priority of most ISPs, thus existing network infrastructure of public and private competitors shall be low. ▪ This expansion shall include all divisional cities apart from Dhaka and Chattogram, pan Bangladesh footstep. |
| <i>Build POPs strategically targeted towards potential markets</i> | <ul style="list-style-type: none"> ▪ We are planning to build 48 POPs in strategic locations of Bangladesh ▪ There shall be two categories of POPs <ul style="list-style-type: none"> ○ Category B ○ Category C ▪ The locations are as follows. <ul style="list-style-type: none"> ○ Cumilla ○ Narshindi ○ Ashuganj ○ Feni ○ Mirsarai ○ Sitakund-2 ○ Shaistaganj ○ Bhairab |

| Strategy | Description |
|---|--|
| | <ul style="list-style-type: none"> ○ Gazipur ○ Joydevpur ○ Kaliakair ○ Savar ○ Ashulia ○ Gopalganj ○ Faridpur ○ Cox's Bazar ○ Tangail ○ Sonargaon ○ Valuka ○ Mymensing ○ Jashore ○ Khulna ○ Rajshahi ○ Bogura ○ Rangpur ○ Dinajpur ○ Ishwardi ○ Barisal ○ Sylhet <p>We trust these districts have tremendous business potential in coming years, and having ready-made infrastructure in these locations shall give us end in years to come.</p> |
| <p><i>Establish widespread network presence</i></p> | <p>The proposed new POPs shall establish widespread network presence for ANL, which shall be a very potent strategy. The following are some of the short-term and long-term benefits of having a widespread network presence.</p> <p><u>Enhanced Connectivity:</u> ANL's widespread network shall ensure that residents, businesses, and institutions in non-metro cities have reliable and high-speed internet connectivity, improving their access to digital resources.</p> <p><u>Faster Customer Delivery:</u> ANL's widespread POP network shall enable our teams to deliver the links to the client's location faster than our competitors.</p> <p><u>Network Efficiency:</u> The distribution of network infrastructure across non-metro areas will lead to better network efficiency, reducing congestion, latency, and packet loss for potential users.</p> <p><u>Scalability:</u> A widespread network can accommodate a growing number of users and increasing data demands, making it easier to scale up services in response to market needs.</p> |

| Strategy | Description |
|--|--|
| | <p><u>Reliability:</u> ANL’s widespread network presence shall enhance network redundancy, reducing the risk of service disruptions and downtime due to equipment failures or maintenance. This reliability shall result in both technological advantage and also generate substantial brand value.</p> <p><u>Disaster Response:</u> A widespread network presence enhances disaster response capabilities, facilitating communication and coordination during emergencies.</p> |
| <p><i>Enter the residential internet space</i></p> | <p>ANL historically has been a B2B internet service provider. However, the projectile of internet penetration in Bangladesh demonstrates sizable residential growth opportunities in the non-metro districts all over the country. The metro city landscape for residential internet business, in our assessment is vastly proliferated. However, there is a vacant space in the non-metro locations. Not many players have entered the market, and not many ISPs have the foundation to establish their infrastructure fast enough to be able to accomplish an effective outreach. Hence, breaking the tradition of our B2B origin, ANL plans to enter the space of residential internet space.</p> <p>Some of the core factors are listed as below.</p> <p><u>High-Speed Access:</u> Users in non-metro areas can access high-speed internet, enabling faster downloads, streaming, and smooth online experiences. Although there has been substantial growth in users for ISPs over the years, the quality of the internet remains dubious. Hence, most residents in non-metro locations are dependent on mobile internet. Due to the high cost of data packages, many users cannot avail adequate volume required for their day-to-day use. ANL’s superior and fast internet solutions shall be able to fill-up this vacuum.</p> <p><u>Large Customer Base:</u> The residential market comprises a vast and diverse customer base, offering the potential for significant revenue growth and market expansion for ANL.</p> <p><u>Market Growth Potential:</u> As the demand for high-speed internet continues to grow, ANL looks forward to capitalize on the expanding residential market, especially in areas with underserved or emerging internet needs.</p> <p><u>Economies of Scale:</u> Serving a larger residential customer base can lead to economies of scale, reducing operational costs per subscriber and improving profitability.</p> <p><u>Service Diversity:</u> ANL can offer a wide range of internet service plans, including various bandwidth options and service packages, catering to the diverse needs of users in non-</p> |

| Strategy | Description |
|-----------------------------|--|
| | <p>metro areas.</p> <p><u>Business Insights:</u> By building presence in non-metro residences, ANL shall be able to gather valuable data on user behavior, usage patterns, and network performance, enabling data-driven decision-making for optimizing services and infrastructure.</p> <p><u>Alignment with government policy:</u> The government of Bangladesh has set a target of achieving 100 percent internet penetration by 2025. With our excellent brand image, we are hopeful our decision of enter the residential space shall receive adequate government support and shall be in line with government’s existing policy.</p> <p><u>Revenue Diversification:</u> Expanding into the residential market allows ANL to diversify our revenue streams beyond traditional business and enterprise services, reducing reliance on a specific customer segment.</p> |
| Future-proofing the network | <p>Technology is an ever-changing landscape, to remain ahead and relevant in this landscape, future-proofing our overall network is important.</p> <ul style="list-style-type: none"> - We trust the newly proposed POPs shall create widespread commercial presence - We shall use top-of-the-line and sustainable equipment, which shall service the test of time - All items to be used in our POPs shall be chosen considering scalability and sustainability <p>We are confident, this expansion shall future-proof our networks for many years to come and give us the necessary competitive edge.</p> |

Expected Unique Selling Points of ANL

Through our proposed expansion, we are planning to achieve the following unique selling points (USPs).

Early-mover’s advantage: ANL shall be placed in many of these locations well before the competition, giving us a competitive advantage.

Cost-effective Pricing: ANL shall be able to offer competitive and affordable internet packages, making high-speed connectivity accessible to a wide range of users, including those with varying budgets.

Local Customer Support: ANL shall provide locally based customer support that understands the unique needs and challenges of non-metro areas.

Digital Security: ANL places a strong emphasis on digital security, implementing robust

measures to protect customer data and privacy in an increasingly connected world. Our digital security offerings shall be higher than any other competition.

Managed Wi-Fi Solutions: ANL shall offer managed Wi-Fi solutions for residential and business users, simplifying network management and improving connectivity.

Content Streaming: ANL’s connectivity shall enable smooth and buffer-free content streaming, allowing users to enjoy their favorite movies, TV shows, and live events without interruption, and with better experience than others.

Reliability and Redundancy: ANL’s network is designed for reliability and redundancy, with multiple Points of Presence (POPs) ensuring minimal downtime and service interruptions.

Disaster Preparedness: ANL’s network resilience and disaster response capabilities ensure uninterrupted service during emergencies, contributing to community safety.

Rationale for Networking System Upgradation

In the realm of connectivity, communication technology and cutting-edge innovation, aamra networks limited has stood as an unwavering pillar of reliability for over a decade. With a clientele that exceeds 1600+ businesses, enterprises, MNCs, SMBs, defense and government entities, ANL has become synonymous with trusted and efficient solutions. Our resolute commitment to excellence and innovation has propelled us towards becoming a beacon of connectivity, progress, and transformative change in the digital landscape.

Bangladesh, as one of the fastest growing economies of the world, has witnessed an unprecedented surge in demand for high-speed internet, sophisticated IT solutions, and seamless IOT integration. By expanding our reach and upgrading our system, we can cater to the increasing needs of businesses, residential users, and industries, thereby solidifying our market presence. To continue our journey of excellence, we are desirous to upgrade and expand our system and networking capacity.

Our current system devices, while performing to the best of their capacity, are dated and need to be upgraded. The system upgradation shall enable us to perform better and prepare us for the future.

ANL’s Strategy for Upgradation

| Strategy | Description |
|--|---|
| <i>Implement robust and updated device</i> | <p>We are planning to deploy a number of the following devices.</p> <ul style="list-style-type: none"> ▪ Cisco ASR 9902 Router ▪ Cisco Nexus N9K-C93180YC-FX3 Switch <p>These devices are known to be market leaders in the industry. These are known for high-performance and better output.</p> |

| | |
|--------------------------------------|---|
| <i>Deployment in key locations</i> | <p>We are planning to deploy the devices in our core locations through which the majority of the customers are connected. This will enable us to serve the customers with efficiency and smoothness.</p> <p>The proposed locations are as follows.</p> <ul style="list-style-type: none"> ▪ Safura Tower (12th Floor) 20 Kemal Ataturk Avenue, Banani C/A Dhaka -1213, Bangladesh ▪ DevoTech Technology Park Ltd, Plot No, 11 Rd No 113/A, Dhaka 1212, Bangladesh ▪ Sheikh Jamal Software Technology Park Office, Agrabad Access Rd, Chattogram 4100, Bangladesh |
| <i>Ensure Carrier-Class Features</i> | <p>The selected devices include carrier-class features such as MPLS (Multiprotocol Label Switching), BGP (Border Gateway Protocol), QoS (Quality of Service), and traffic engineering. These features are essential for ANL for delivering advanced services.</p> |
| <i>Getting ready for the future</i> | <p>Considering the growing demand of internet and increased usage, ANL's system must prepare to handle increased user load in the future.</p> <p>The proposed devices are high-performance networking devices, but they serve different purposes and have distinct capabilities when it comes to handling additional user load.</p> |

Benefits of the Proposed System Upgradation

ANL aims to avail the following benefits through the system upgradation.

| Benefits | Description |
|-----------------------------------|---|
| <i>Scalability</i> | <p>The proposed devices are highly scalable, supporting various interface speeds and port densities. This scalability allows ANL to adapt to increasing bandwidth demands over time. It's important to choose a configuration that aligns with your current needs while considering potential future growth</p> |
| <i>Meet changing requirements</i> | <p>The router's modular design enables you to add or replace line cards and modules to meet changing requirements. This flexibility can help extend the router's lifespan by accommodating new technologies and interfaces as they become available.</p> |
| <i>High Performance</i> | <p>These devices are capable of delivering high-performance routing and switching, with support for high-speed interfaces such as 100Gbps and 400Gbps. It can handle the demands of data-intensive applications and services.</p> |
| <i>Energy Efficiency</i> | <p>The proposed devices are designed with energy efficiency in mind. It features power-saving technologies to help reduce operational costs and environmental impact.</p> |

| Benefits | Description |
|--------------------------------------|---|
| <i>Security</i> | These devices are known for their robust security features. The ASR 9902 includes features like access control lists (ACLs), encryption, and security protocols to protect network traffic and data. |
| <i>Management and Automation</i> | The routers are compatible with Cisco's management and automation tools, such as Cisco DNA Center and Cisco IOS XR Software. These tools make it easier to manage and automate network operations. |
| <i>Service Agility</i> | These devices can be used to provide a broad array of services, contingent to statutory approval, including collaboration, video, data, and cloud-based services. Its flexibility and performance capabilities enable service agility in a rapidly changing networking landscape. |
| <i>Low Latency</i> | These devices are known for their low-latency performance, making them ideal for data center environments where minimal delays are crucial, such as high-frequency trading or real-time applications. |
| <i>Better throughput performance</i> | The proposed router supports a range of high-speed interfaces, including 100Gbps and 400Gbps, allowing for high throughput capacity. This router is specifically designed for high-speed, high-throughput routing. |

aamra networks limited has always generated value for its investors and stakeholders. With this upgradation plan, we further look forward to continuing serving our customers with efficiency, sustainability and excellence.

Rationale for loan repayment

To support its near-term expansion and upgradation initiatives, the company has decided to issue shares. Management believes that implementing these projects will considerably enhance revenues and profitability.

Bangladesh Bank, on the other hand, has raised borrowing rates, putting the company under even more financial pressure. As a result, after the project cost has been met, management has decided to pay off about 23% of the company's loan liability using cash raised through capital issuance. This will ultimately benefit both the company and its shareholders in the long run.

SECTION 4
Rule 8 (a) & (b)

PARTICULARS OF THE RIGHTS OFFER

| SECTION CONTENTS | |
|-------------------------|--|
| (a) | Date of the rights share offer document |
| (b) | Amount of rights shares, divided into number of shares, par value and issue price of each share, and number of right share offered for each existing share |

(a) Date of the rights share offer document

The Rights Offer of aamra networks limited, amounting to Tk. 929,799,120 was approved by the Bangladesh Securities & Exchange Commission on 14 February 2024. The date of this rights share offer document is 14 February 2024.

(b) Amount of rights shares, divided into number of shares, par value and issue price of each share, and number of right share offered for each existing share

| | | |
|---|---|--|
| Amount of rights shares | : | Tk. 929,799,120 |
| Number of shares | : | 30,993,304 nos. |
| Par value | : | Tk. 10/- |
| Issue price of each share | : | Tk. 30.00 (including premium Tk. 20) |
| Number of right shares offered for each existing share | : | 1 (One) Rights Share for 2 (Two) existing Shares |

SECTION 5**Rule 8 (c)**

HIGHLIGHT OF THE RIGHTS OFFER, RISK FACTORS, AND MANAGEMENT PLANS FOR REDUCTION OF SUCH RISKS**SECTION CONTENTS**

| | |
|-----|--|
| (a) | Highlight of the rights offer |
| (b) | Risk factors, and management plans for reduction of such risks |

(a) Highlight of the rights offer**The Rights Issue**

The Board of Directors of aamra networks limited in its 136th meeting held on August 21, 2023 recommended Rights Offer of 30,993,304 Ordinary Shares of Tk. 10.00 each at an issue price of Tk. 30.00 (including premium Tk. 20) totaling Tk. 929,799,120 offered on the basis of 01 (One) [R]: 02 (Two) i.e., 01 (One) Rights Share against 02 (Two) existing shares held on the record date. The recommendation of the Board was approved in the Annual General Meeting (AGM) held on October 04, 2023. The purpose of issuing Rights Shares is for BMRE (Networking system upgradation, network coverage expansion), loan repayment and issue management expenses, etc. It is hereby stated that after the completion of the rights issue, the paid-up capital of the company will stand at Tk. 929,799,120/-.

Issue Price

The Issue Price per share has been fixed in the AGM of the Company held on October 04, 2023 at Tk. 30.00 (including premium Tk. 20) totaling Tk. 929,799,120 offered on the basis of 01 (One) [R]: 02 (Two) i.e., 01 (One) Rights Share against 02 (Two) existing shares held on the record date subject to the approval of the Bangladesh Securities and Exchange Commission.

(b) Risk factors, and management plans for reduction of such risks

The factors described below may conceivably materially affect investors' decisions as investment in equity shares involves a high degree of risk. The company is operating in a globally competitive industry involving both external and internal factors having direct as well as indirect effects on the investments. Investors should carefully consider all of the information in this prospectus, including the risk factors, both external and internal, and management perceptions enumerated hereunder before making investment decision. If any of the following risks actually occur, their business, results of operations and financial condition could suffer, the trading price of their equity share could decline, and investors may lose all or part of their investment.

I. Internal Risk Factors:**a) Credit Risk:**

The risk of loss of principal or loss of a financial reward stemming from a borrower's failure to repay a loan or otherwise meet a contractual obligation. Credit risk arises whenever a borrower is expecting to use future cash flows to pay a current debt. This is the risk of default on a debt that may arise because of default by the borrower to pay the loan. In operating any business there is always credit risk lies in the business.

Management Perception:

ANL is enjoying credit facilities from different Banks and financial institutions. However, a certain degree of credit risk lies because of this obligation but the management is well aware and efficiently manages through continuous supervision. The company is paying its credit commitments prudently, and during the COVID time, the company's collection was significantly hampered, resulting in a few loan reschedules.

b) Liquidity Risk:

The risk that a company may be unable to meet short-term financial obligation. This usually occurs due to the inability to convert its current assets to cash without a loss of capital or income. Liquidity is a common phenomenon of business.

Management Perception:

ANL diligently optimizes its working capital management to mitigate liquidity risk effectively. The company's management team has shown proficiency in managing key components of working capital, namely accounts payable, inventory, and accounts receivable. As a result of these efforts, the company currently maintains a current ratio of 2.75, which indicates that ANL possesses more than double the current assets required to meet its short-term financial obligations. This financial strength signifies the company's ability to manage liquidity risk effectively and indicates a healthy financial position.

c) Risk associated with the Issuer's interest in subsidiaries, joint ventures and associates:

Subsidiaries, joint ventures, and associates are separate legal entities, each with its own financial health and operations. If these entities face financial difficulties, such as declining profitability or significant debt obligations, it can negatively impact the issuer's financial performance.

Management Perception:

Aamra Holdings Limited (AHL), one of the sponsor shareholders, owns 23.75% of the shares of ANL. As a result, ANL becomes AHL's associate company, and directorship is shared by both companies. As a result, issuers bear some risk due to their association with other companies. AHL can lower its ownership stake and appoint separate management to oversee the whole business in order to lessen this risk.

d) Significant revenue generated from limited number of customers, losing any one or more of which would have a material adverse effect on the issuer.

The risk associated with generating a significant portion of revenue from a limited number of customers refers to the potential vulnerability of the issuer to the loss of one or more of these key customers. If one or more of these key customers reduce their business with the issuer or switch to a competitor, it can have a substantial negative impact on the issuer's revenue and financial stability.

Management Perception:

ANL generates revenue independently of the quantity of its clientele. Furthermore, ANL's management has a long-standing business connection with its clients, which will remain a safety net against any non-operational risk.

e) Dependency on a single or few suppliers of raw materials, failure of which may affect production adversely.

Dependency on a single or a few suppliers of raw materials represents a significant risk for a company, primarily due to its potential adverse impact on production and overall business operations. It exposes a company to the risk of supply disruptions, increased costs, concerns about the quality and reliability of raw materials and others.

Management Perception:

ANL often sources its bandwidth from a variety of suppliers, giving consideration to both cost and product quality. Therefore, there is no risk of a disruption in the IIG bandwidth and equipment supply. Since there are many raw material suppliers on the market, there are always other sources to turn to in the event that one supplier is unable to supply raw materials. Therefore, there's no chance of a disturbance.

f) More than 20% revenue of the issuer comes from sister concern or associate or subsidiary

If a substantial portion of the issuer's revenue is derived from a sister concern, associate, or subsidiary, the issuer becomes heavily reliant on the financial performance and stability of these related entities. If one of these entities faces financial difficulties, it can have a significant effect on the Issuer.

Management Perception:

The company doesn't generate 20% or more revenue from any of its sister concerns or associate or subsidiary. Therefore, no risk will arise.

g) Negative earnings, negative cash flows from operating activities, declining turnover or profitability, during last five years, if any.

Negative earnings and negative cash flows from operating activities indicate that the company is not generating enough revenue or profitability from its core operations to cover its expenses and investments. It also led to liquidity issues, as the company may not have sufficient cash on hand to cover day-to-day operational expenses.

Management Perception:

Negative cash flows from operating activities or negative earnings have never happened to the company. Over the past five years, the company's revenue has remained quite consistent. A deteriorating pattern in profitability has been observed despite the fact that the targeted profitability could not be achieved due to changes in revenue mix, the effects of COVID, and geopolitical difficulties. Nonetheless, the management has deliberately changed its focus to producing more profitable revenue earnings during these times, and as a result, by year's end in 2023, growing momentum in both revenue and profitability has been assured. The revenue mix that has been chosen, in the management's opinion, will maintain the growing momentum going forward. This shows that the business's financial performance has stayed steady and sustainable over this time, giving rise to confidence in its capacity to carry on with business as usual for the foreseeable future.

h) Loss making associate/subsidiary/group companies of the issuer.

The risk associated with loss-making associate, subsidiary, or group companies of the issuer relates to the potential negative impact these entities can have on the issuer's overall financial health and stability. This can reduce the consolidated profits of the issuer, affecting its overall financial performance and potentially leading to a decline in shareholder value.

Management Perception:

There are no subsidiaries or related companies of ANL. Therefore, ANL will not be directly impacted by the negative effects of any loss-making enterprises in the group.

i) Financial weakness and poor performance of the issuer or any of its subsidiary or associates

The risk associated with the financial weakness and poor performance of the issuer or any of its subsidiaries or associates pertains to the potential adverse consequences that such weaknesses can have on the overall financial health and stability of the organization.

Management Perception:

Sales is one of the most vital indicators of a company's performance; ANL has a healthy profit margin owing to increased sales growth, which is boosting profitability this year. Current and quick ratios are also in the company's favor. The debt-to-equity ratio remains below 0.5 points, which is considered standard internationally.

j) Decline in value of any investment

Management Perception:

Because the ANL did not invest last year, there is no risk of value decline.

k) Risk associated with useful economic life of plant and machinery, if purchased in second hand or reconditioned.

There is obsolescence risk relating to plant and machinery. If the machinery is purchased second hand or reconditioned, there high risk of repair and maintenance which has impact on profitability of the company.

Management Perception:

ANL relies on branded equipment for both its infrastructure and overall operation. As a result, there is a very low risk associated with these.

l) Adverse effect on future cash flow if interest free loan given to related party or such loans taken from directors may recall.

Providing interest-free loans to related parties or taking such loans from directors can indeed pose risks related to adverse effects on future cash flow. Interest-free loans tie up the company's liquidity, and if the loan is recalled, it could lead to a cash crunch. lending funds interest-free to related parties or directors, the company misses out on potential investment opportunities or interest income that could have been earned if the funds were invested elsewhere.

Management Perception:

Related party loans are given or taken on a temporary basis to run the overall business of the group smoothly. Therefore, the degree of such risk is minimal.

m) Potential conflict of interest, if the sponsors or directors of the issuer are involved with one or more ventures which are in the same line of activity or business as that of the issuer and if any supplier of raw materials or major customer is related to the same sponsors or directors.

In these cases, there is a high chance of compromise among the related companies because of conflict of Interest.

Management Perception:

There is a company under common management called ACE IT Networks Ltd. that is partially in the same area of activity or business as ANL, namely ISP. ACE IT Networks Ltd. is handled by an independent operational team, though the management is the same. ANL also offers a wider range of services and products than ACE IT. As a result, the level of risk is low.

n) Related party transactions entered into by the company those may adversely affect competitive edge.

Related party transactions of the issuer creates conflict of interest which reduces the competitive advantage of the issuer.

Management Perception:

There are a few related party transactions, including director remuneration. The management believes that the related party transaction will have no impact on the company's competitive edge.

o) Any restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement for debt or preference shares or any restrictive covenants of banks in respect of the loan/ credit limit and other banking facilities.

All information must be known to the potential investor so that investor's interest may not be hampered in future. So, any restrictive covenants, if it goes against potential investors, will put investors in jeopardy.

Management Perception:

There are no restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement relating to debt or preference shares or any restrictive covenants of Banks in respect of loan or credit limit and other banking facilities.

p) Business operations may be adversely affected by strikes, work stoppages or increase in wage demands by employees.

In such case, company's business operation will be hampered.

Management Perception:

ANL offers its staff incentives in addition to a standard pay scheme. The company has also established a peaceful atmosphere and opportunities for advancement. As a result, the company has relatively little personnel turnover. Therefore, the management thinks there's a very minimal likelihood of producing this risk that could cause an interruption in operations. Nonetheless, a balanced succession plan is in place to address any unfavorable circumstance.

q) Seasonality of the business of the issuer

It is the risk involving that company is not doing business round the year.

Management Perception:

aamra networks limited is engaged in the business of ISP services and IT enabled services which has no seasonaleffect.

r) Expiry of any revenue generating contract that may adversely affect the business

This is the risk of losing customers affecting future sales.

Management Perception:

The company are not at risk of losing any revenue-generating contract that may adversely affect the business.

s) Excessive dependence on debt financing which may adversely affect the cash flow.

Excessive dependence on debt causes a huge interest burden on the company and high risk of insolvency that may result in bankruptcy.

Management Perception:

The debt-to-equity ratio is 0.28, which is lower than the usual "One." This demonstrates efficient debt management and the ability to repay its financial obligations.

t) Excessive dependence on any key management personnel absence of whom may have adverse effect on the issuer's business performance.

Excessive dependence on key management affects the business if the management is changed in future, which will create vacuum. Besides, if the key management personnel are of bad intention, excessive dependence will also affect the business.

Management Perception:

In addition to building a robust governance culture, the company is implementing flawless HR Standards. Despite retaining an acceptable salary package, there has been a succession plan in place. As a result, any changes in senior management can be replaced with competent professionals.

u) Enforcement of contingent liabilities which may adversely affect financial condition.

It is the future burden of liabilities that the investors will take on their shoulders. Contingent liabilities reduce the assets or create an obligation to pay the liabilities.

Management Perception:

The Company does not have any contingent liabilities which may adversely affect financial condition.

v) Insurance coverage not adequately protect against certain risks of damages.

Insurance ensures and protects to deal with uncertainty of future material loss/damage. So, insurance coverage is important for the business.

Management Perception:

The company has different insurance coverage for all the related issues that are risky to operating business.

w) Absence of assurance that directors will continue its engagement with Company after expiry of lock in period.

Directors run the company with the accumulated finance from the public and other financing sources. If directors discontinue running the business, there will be negative impact on business and share price as well.

Management Perception:

The directors are involved in the business for long time and they will continue the business after expiry of lock in period.

x) Ability to pay any dividends in future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure.

Dividend payment is highly dependent on company's ability to generate profit. If the company cannot earn good amount of profit from operation, it is unlikely to pay dividend.

Management Perception:

ANL has long been a profitable organization. The company regularly pays dividends in accordance with the dividend distribution policy. This year has seen an increase in business, profitability, and dividends. Within the legally prescribed time lineup, the Company consistently declared and paid dividends. Therefore, the management anticipates that ANL will continue to distribute earnings from its profits on a regular basis in the future.

y) History of non-operation, if any and short operational history of the issuer and lack of adequate background and experience of the sponsors.

History of non-operation indicates weak operational management of the Company. Non-operation leads to negative cash flow, incurring of losses and bankruptcy in worst case scenario.

Management Perception:

The Company has no history of non-operation in the past. The Company is an independent body. It has been in operation by its Memorandum & Articles of Association and other applicable laws Implemented by the Government. Besides, the Company's financial strength is satisfactory. It has very experienced Directors and Management team to make the Company more efficient and stronger in market capturing. So, the chance of becoming non-operative of the Company is very less.

z) Risks related to engagement in new type of business, if any.

If it is new business, there is risk of viability of the new business.

Management Perception:

ANL has long been the country's leading ISP and ITES service provider, having been licensed and supervised by the BTRC. As a result, creating a fresh type of business other than one tied to IT is extremely unlikely. As a result, there is no such risk in this case.

aa) Risk in investing the securities being offered with comparison to other available investment options.

If the issue price goes down after floating, there is investment risk for the potential investors

Management Perception:

Although ANL is a revered firm that has traded in "A" category shares on the Stock Exchanges since it was listed, investing in the capital market obviously carries some risk. Before making an investment decision, potential investors should carefully examine the company's ROD and Annual Reports to understand the company's current and future business possibilities.

bb) Any penalty or action taken by any regulatory authorities for non-compliance with provisions of any law.

It creates a negative impression on the issuer.

Management Perception:

There was no such penalty or action taken by any regulatory authorities for non-compliance with provisions of any law.

cc) Litigations against the issuer for Tax and VAT related matters and other government claims, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case.

It creates a negative impression on the issuer.

Management Perception:

The applicable VAT and tax are duly deposited.

dd) Registered office or factory building or place of operation is not owned by the issuer.

Factory buildings should be owned by the company. Otherwise, there is risk of hike in factory rent in the years to come and threat of shifting the factory as well.

Management Perception:

ANL owned land in Nasirabad, Chitagong. The Company currently has no infrastructure on this land. Typically, the nature and types of business do not necessitate the presence of a factory. The company's registered office has been rented for decades in Safura Tower in Banani, Dhaka. The management believes that because there is land, it is possible to engage in manufacturing if it is strategically necessary.

ee) Lack of renewal of existing regulatory permissions/ licenses:

ANL operates its ISP business obtaining regulatory license from BTRC for a period of 5 years and thereafter renewable from year to year. If the Regulator i.e. BTRC does not renew ANL's ISP license that will be a threat for the company to continue as going concern.

Management Perception:

While the internet business still holds a major share of ANL revenue, over the last few years, through multiple projects, we have introduced value added services, IoT, ITES thereby lowering the dependency on revenue generated from Internet services. Additionally, we have a clean track record since the company's inception and over 1600 of the largest corporate houses in Bangladesh rely on our services. Hence there should not be any major threat of the license not being renewed. Therefore, going concern threat is minimal.

ff) Failure in holding AGM or declaring dividend or payment of interest by any listed securities of the issuer or any of its subsidiaries or associates

Failure in holding AGM or declaring dividend indicates the lack of compliance to the regulatory rules. Failure of payment of interest indicate the poor cash generation to the company to pay interest and debt service. The overall impression will be negative for the company.

Management Perception:

ANL holds annual general meetings on a regular basis and pays dividends within the regulatory timeline.

gg) Refusal of application for public issue of any securities of the issuer or any of its subsidiaries or associates at any time by the Commission.

If any refusal happened in the above cases, it would create negative impression to the issuer.

Management Perception:

There was no refusal of application for public issue of any securities of the issuer or any of its subsidiaries or associates at any time by the Commission.

II. External Risk Factors:**a) Interest Rate Risks:**

Interest rate risk concerned with borrowed funds of short term and long-term maturity, volatility of money market, which ultimately influences the interest rate structure of fund.

Management Perception:

The Management of the Company is always aware of interest rates. If the interest rate increases the cost of credit fund will increase. ANL has always been a cash-rich company and operates with low dependence on debt. As the company maintains very low debt equity ratio, adverse impact of interest rate fluctuation is insignificant. Moreover, the company is confident of meeting its need for future expenses from its internal sources. In addition, the company emphasizes equity based financing to reduce the dependence on bank borrowings. Therefore, the management perceives that the fluctuation of interest rate would have little impact upon the performance of the company.

ANL is currently carrying both long term and short-term loans. All the facilities are subject to revision with change of interest rates in the market. The exposure will be minimized as ANL plans to repay some portion of the debt gradually in the following years.

b) Exchange Rate Risks:

Devaluation of local currency against major international currencies i.e. USD, GBP and Euro may affect a company's income.

Management Perception:

Volatility of Taka against USD, GBP and Euro and recent trend of local currency devaluation may expose foreign currency risk. In such cases, the management of the company is confident to significantly cushion the foreign currency risk and price escalation risk through forward contracts if it is justifiable in terms of the cost benefit analysis. The company has been hedging exchange rate risk by strategic purchases of products of foreign currency.

c) Industry Risks:**(i) Market Demand Risk:**

Market risk arises mainly due to decrease in demand of the products which would harm the performance of the company. ANL like other company may face strong competition which might take place even after taking the best quality control measures.

Management Perception:

Globally the demand for IT products/solutions are increasing significantly and the trend is experiencing double digit growth over the last decade. With businesses looking for IT solutions to increase efficiency and decrease operational expenditure, the industry is still at its nascent stage in meeting expectations and current demands. It is a similar case in Bangladesh, and learning from global best practices as well as avoiding industry mistakes made especially by our neighboring countries, the IT industry in Bangladesh is actually leapfrogging with meeting local demands and creating new opportunities for export of its services.

Additionally, with Bangladesh becoming a middle-income nation, it is expected that more global brands and multinational companies will soon start their operations in Bangladesh thus increasing the demand and customer portfolio for ANL.

(ii) Market Competition Risk:

Liberalization of permission to set up new IT companies by government may result in severe competition amongst companies' causing reduction of income and profitability of the company.

Management Perception:

ANL provides comprehensive internet service solution including systems integration, IT infrastructure developments, Video conferencing system solution, switching system solution and their implementation & maintenance. Our positive attitude plays the dominant role in our success, in our ability to innovate and in our ability to serve valued clients. ANL loves to compete, because competition brings out the best in us. The Company has the finest people, the latest technology, the best spirit, and the best team in the industry. Each member of the company plays a vital role in the great chain of company's success.

Risks related to Non-availability of Electricity and Other Utilities:

Just as any other organization, ANL relies heavily on power to run in 24/7 operations and any change in availability of the natural resource or major change in price may adversely affect its business operations.

Management Perception:

We have implemented automated load balancing, monitoring and management tools that intelligently shift the usage of generators and UPSs thus increasing the life expectancy and efficient use of power.

d) Economic and Political risks:

Economic risks:

The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, commodity and energy prices and various other factors. Any significant changes may adversely affect our business and financials.

Management Perception:

Bangladesh economy is booming for last few years. Consistent industrial growth along with increased agricultural production has made the Per Capita Income higher than that of recent years. In addition, favorable government policies and industry friendly policies by other regulatory bodies have proved to be congenial to the economy of the country.

Political risks:

The performance of the company may be affected by the political and economic instability both in Bangladesh and worldwide. Any instance of political turmoil and disturbance in the country may adversely affect the economy in general.

Management Perception:

The company can prosper in a situation of political stability and a congenial business environment. Political turmoil and disturbance are bad for the economy and so also for this

sector. This is why the management of the company is always concerned about the prevailing and upcoming further changes in the global or national policy and shall respond appropriately and timely to safeguard its interest.

e) Market and Technology-related Risks:

Market Risk:

Market risk arises mainly due to decrease in demand of the products which would harm the performance of the company. ANL like other company may face strong competition which might take place even after taking the best quality control measures.

Management Perception:

Globally the demand for IT products/solutions is increasing significantly and the trend is experiencing double digit growth over the last decade. With businesses looking for IT solutions to increase efficiency and decrease operational expenditure, the industry is still at its nascent stage in meeting expectations and current demands. It is a similar case in Bangladesh and learning from global best practices as well as avoiding industry mistakes made especially by our neighboring countries, the IT industry in Bangladesh is actually leapfrogging with meeting local demands and creating new opportunities for export of its services.

Additionally, with Bangladesh becoming a middle-income nation, it is expected that more global brands and multinational companies will soon start their operations in Bangladesh thus increasing the demand and customer portfolio for ANL.

Technology-related Risks:

Technology always plays a vital role in the existence of any industrial concern. Innovation of new and cost-effective technology may obsolete existing technology, which may cause negative impact.

Management perception:

The management of ANL is aware of recent technological developments in the IT sector and keeps their employees up to date by providing necessary training. Furthermore, ANL is marketing latest technological equipment and also well equipped with latest technology.

f) Potential or existing government regulations:

The company operates under Companies ACT, 1994, taxation policy adopted by NBR, SEC rules and rules adopted by other regulatory bodies. Any abrupt changes of the policies formed by those bodies may impact the business of the company adversely.

Management perception:

Unless any adverse policy is taken, which may materially affect the industry as a whole; the business of the company will not be affected. Furthermore the government is encouraging private sector entrepreneurs in IT sector. Therefore it is expected that any new policies of this sector will be business favorable which will also be helpful for expansion of business of the company.

g) Potential or existing changes in global or national policies;

The performance of the company may be affected by the political and economic instability both in Bangladesh and worldwide. Any instance of political turmoil and disturbance in the country may adversely affect the economy in general

Management perception:

The company can prosper in a situation of political instability and a congenial business environment. Political turmoil and disturbance are bad for the economy and so also for this sector. This is why the management of the

company is always concerned about the prevailing and upcoming further changes in the global or national policy and shall response appropriately and timely to safeguard its interest.

h) Statutory clearances and approvals those are yet to be received by the issuer:**Management Perception:**

The company has collected all the statutory clearance and approval to operate the business. The necessary update and renewal are a continuous process. Hence, there is a limited degree of such risk associated with the company.

i) Competitive condition of the business:

ANL is operating in a free-market economy regime. The company might have to face stiff competition from its competitors. Easily availability of global products in the local markets adds to the competition, challenging the profitability of the business.

Management Perception:

Bangladesh is the prime source of cheapest labor in the world, gaining comparative advantages for its industries over their global competitors. Other overhead costs are also low in Bangladesh. As a result, the company has been able to maintain its cost of services most competitive. Moreover, over the last few years the company has built a trustworthy relationship with its customers, which helps the company avoid competition with others.

j) Complementary and supplementary products/services which may have an impact on business of the issuer.**Management Perception:**

The company has not faced any challenges relating to supplementary and complementary services & products.

SECTION 6Rule 8 (d)

DATE AND TIME OF OPENING AND CLOSING OF SUBSCRIPTION

The date and time of opening and closing of the subscription of this rights offer are disclosed below:

| | | |
|--------------------|----------|----------------------|
| Record Date | : | 07 March 2024 |
|--------------------|----------|----------------------|

| SUBSCRIPTION | | |
|------------------------|----------|----------------------|
| Opens on | : | 24 March 2024 |
| Closes on | : | 18 April 2024 |
| (Within Banking hours) | | |

SECTION 7**Rule 8 (e)**

PURPOSES OF RAISING FUND THROUGH RIGHTS SHARE, SPECIFYING CLEARLY THE HEADS AND AMOUNT OF THE FUND UTILISATION AND IDENTIFYING VARIOUS PROPOSED PROJECTS WITH HEADS AND AMOUNT OF EXPENDITURE FOR EACH PROJECTS, AND ALSO HIGHLIGHTS OF SUCH PROJECTS

[see rule 8(e)]

The purpose of the rights issue to raise further paid-up capital of aamra networks limited is for networking system upgradation, network coverage expansion, loan repayment and to meet up rights issue expenses.

The head wise fund utilization and implementation schedule is follows:

| Sl. | Particulars | Amount in BDT | Implementation Schedule |
|------------|-------------------------------|----------------------|---|
| 1. | Loan repayment | 210,000,000 | Immediate after receiving the right offers fund. |
| 2. | Networking system upgradation | 104,246,517 | Within 9 months from receiving the right offers fund. |
| 3. | Network coverage expansion | 604,052,603 | Within 12 months from receiving right offers fund. |
| 4. | Rights Issue expenses | 11,500,000 | Immediate after receiving the right offers fund. |
| | Total | 929,799,120 | |

Note: Any excess of funds shall be covered from internal sources of financing.

Sd/-
Syed Farhad Ahmed
Managing Director & CEO

Sd/-
Md. Anamul Haque
Chief Financial Officer

Sd/-
Syed Moniruzzaman, FCS
Company Secretary

Place: Dhaka
Dated: 11 October 2023

SECTION 8

Rule 8 (f)

NAME OF THE PRODUCTS MANUFACTURED OR TO BE MANUFACTURED OR SERVICES RENDERED OR TO BE RENDERED BY THE ISSUER TOGETHER WITH CAPACITY OR PROPOSED CAPACITY OF THE EXISTING AND PROPOSED PROJECTS VIS-A-VIS CAPACITY UTILISED BY THE EXISTING PROJECT DURING THE LAST THREE YEARS OR SUCH SHORTER PERIOD DURING WHICH THE ISSUER WAS IN COMMERCIAL OPERATION

aamra networks limited over the last few decades has consistently provided its customers with ISP, IOT, IT & ITES solutions. Our clients have been able to rely on our ability to provide stable and consistent connectivity solutions. Using the state-of-the-art backbone and infrastructure, we have ensured that our clients have no worries when it comes to dependability and reliability. That in turn has ensured us an enviable list of blue-chip customers. When Internet and related value-added services are critical input to business, Corporate Bangladesh has but only one obvious choice-aamra.

Followings are brief description of our products and services.

Internet and Infrastructure

Broadband Internet Access (BIA) and Direct Internet Access (DIA): We provide Broadband Internet Access (BIA) and Direct Internet Access (DIA) connectivity to our customers nationwide. We have two categories of connectivity - i) regular and ii) premium. The premium connectivity package has more customizations in terms of latency, packet delivery and security. We are purely B2B ISP, hence we have bulk of experience and specialization in the corporate and organizational space, which puts us ahead of other contemporaries. Additionally, our nationwide POP network is extremely robust and majority of them are 10G interface enabled. Riding on the core system of our sister concern, aamra technologies limited, we provide the fastest B2B connectivity in the nation.

BIA & DIA highlights:

- *aamra networks limited is the largest B2B ISP of Bangladesh*
- *We serve 1600+ customers*
- *We connect more than 20,00,000+ workstations nationwide*
- *We maintain a robust network of 73+ POPs*
- *We are ISO 9001:2015 certified*

Data Connectivity: Data connectivity means the ability to connect clients and servers, securing the swift and voluminous transfer of information between them. aamra is one of the leading data connectivity solution provider in Bangladesh, with nationwide coverage to various public and private organizations.

Multiprotocol Label Switching (MPLS) and PLC: Multiprotocol Label Switching (MPLS) is a routing technique in telecommunications networks that directs data from one node to the next based on short path labels rather than long network addresses, thus avoiding complex lookups in a routing table and speeding traffic flows. MPLS connectivity is very useful for organizations who collaborate on multiple native ERP, CRM or integrated software solutions across the globe. aamra is one of the leading MPLS solution provider of

Bangladesh, riding on its robust network infrastructure, technical superiority and widespread global footprint. Additionally, we also provide other forms of Private Leased Circuits (PLC) dedicated to customers need and requirements.

MPLS/PLC highlights:

- *We are one of the pioneers of MPLS in Bangladesh*
- *We serve leading international MPLC providers such as Orange Business Solutions & HGC Global*
- *MPLS and other forms of PLC solutions are rising opportunities in Bangladesh & we have an early mover's advantage*

Managed IT Solutions: aamra's Managed IT solutions allow businesses to delegate their IT operations to us. aamra maintains the IT services of the leading private sector organizations and MNCs, with the assistance of our amazingly talented and versatile Managed Services team. Our teams include service engineers recruited from the top engineering colleges, and majority of our service engineers are certified by top OEMs, i.e. Cisco, Microsoft, Juniper etc.

Managed IT Solution highlights:

- *Diverse solutions offered, i.e. networking, video conferencing, video surveillance, email/router/firewall/VPN configuration, configuration, remote/on-call support etc*
- *We have a team of 40+ members who provider IT solutions to the top public and private organization of Bangladesh*
- *12+ years of experience, 50+ managed IT clients*

Internet Protocol Virtual Private Network (IPVPN): Internet Protocol Virtual Private Network is separated from the public internet, travelling via a private connection to each remote site. IPVPN also provides a high level of flexibility to organizations who have worldwide global presence. aamra has been the obvious choice of many international organization, for their IPVPN solutions.

Networking Solutions

WAN/LAN/Router/Switching etc: aamra maintains a very successful portfolio in the Enterprise Network Solution. aamra specializes in the following aspects of enterprise networking - Routing, Switching, LAN, WAN, Servers & Storage, Configuration, Network Security etc. We have a team of amazing networks engineers, with certifications from leading OEMs. We work closely with global leaders of networking solutions and maintain partnership with them, i.e. Cisco, Fortinet, Sophos, Huawei, Juniper, Dell EMC, Vivanco etc.

WiFi: aamra is nation's largest WiFi solution provider. 'aamra WiFi' is available in hospitals, bus stations, railway station, restaurants, schools and metro city locations. We are closely working with Sheikh Russel Digital Lab Project and providing complimentary WiFi solutions throughout the country. Additionally, we are also providing white-label and managed WiFi solutions to major banks and MNCs. We are currently partnered with leading WiFi OEMs, i.e. Cisco Meraki, Aruba, Cambium and Huawei.

WiFi highlights:

- *With 850+ public hotspots, we have the largest public WiFi network in Bangladesh*
- *We have presence in more than 30 districts and serve more than 60 crore user sessions each year (data from 2022)*
- *We are also providing white-labelled city WiFi in Sylhet, Cumilla, Chattogram and Cox's Bazar city corporation.*

Internet of Things (IOT):

Video Conferencing (VC): Video conferencing is technology that allows organizations to connect with their employees located in various locations, in a high resolution and life-like interaction. Riding on our core solution of Internet, we have built a fairly large and extensive VC portfolio. In addition to MNCs, we maintain an extremely large footprint on national defense organizations. To add to this, we are constantly doing fabulous innovations in the collaboration space.

Video Conferencing highlights:

- *We are the largest Video Conferencing Solution provider in Bangladesh and won the reputed 'Poly South Asian Partner of the Year' three consecutive times*
- *We are combining Video Conferencing with popular software platform such as Microsoft Teams and Zoom, to enhance the video calling and collaboration experience of our clients.*

Video Surveillance & Access Control: A video surveillance system/CCTV is composed of a system of cameras, monitors/display units, and recorders which allow any organization to monitor their premises and prevent security threats. We are one of the most reputed video surveillance providers in Bangladesh. Additionally, we cater to a large number of private and public clients. We maintain high level partnership with leading providers such as HikVision, Matrix and Samsung etc.

Video Surveillance highlights:

- *10+ years' experience of handling Surveillance solutions*
- *100+ Engineers serving over 150+ companies*
- *We deployed nationwide Video Surveillance solutions in all Export Processing Zones (EPZ), in collaboration with BEPZA, making this one of the largest surveillance deployment of the country.*

Cloud Solutions: aamra was the first in Bangladesh to build local cloud, catering to the need of Bangladeshi customers. Currently we are providing a range of solutions from our cloud portfolio, such as Email as a Service, Email Security, Infrastructure as a service (IaaS), Platform as a service (PaaS) and Applications as a service (AaaS). We have our own enterprise cloud - 'aamra cloud', a large number of organizations are availing aamra cloud for its ease of use and simple implementation.

Cloud Highlights

- *We are the first to launch private cloud in Bangladesh – aamra cloud*
- *We are the top Cloud Solutions Partner of Microsoft in Bangladesh, and winner of Microsoft Country Partner of the Year 2017, 2018*
- *We have partnered with AWS, global leader of cloud solutions*

Email solution: aamra networks limited (ANL) has been a longstanding partner of Microsoft, offering top-notch M365 email solutions. In addition to its Microsoft collaboration, ANL also extends its expertise by providing Zimbra email solutions. However, recognizing the financial constraints faced by many clients, who still rely on cPanel-based email systems, ANL is embarking on an innovative venture. ANL is currently developing a comprehensive office collaboration solution encompassing email, instant messaging, file storage, and collaborative tools. Remarkably, this solution is fully customizable, allowing it to be white-labeled for businesses. Built upon the secure foundation of the Microsoft Exchange platform, this product promises impeccable security. ANL believes that this offering will be a game-

changer for companies with limited IT budgets, as well as for SMEs and start-ups seeking efficient and secure office collaboration solutions.

Software Development & Service:

aamra maintains a rich portfolio of software development and services. We have strong R&D team and trained engineers, who are working relentlessly to build strong and robust enterprise software and productivity solutions. Our focus on software development aligns with our concentration on cloud-based business model. As our future business strategy revolves around cloud, we are confident our strong software development and service experience shall give us an edge in the SAAS and IAAS business model.

Internet Protocol Telephony Service Provider (IPTSP):

DID/ SIP Number: A one-stop voice communication solution to all your customers, suppliers and employees whether they are at branch office, working remotely or are mobile. Our IP Telephony Service provides secured, reliable, consistent and state of the art generation IP Telephony Service to offer superior voice quality with various in-built features.

SIP Trunk/E1 Connectivity: aamra IPTSP offers SIP trunk to connect your PBX to a public telephony network to allow you to make nationwide and international calls. aamra IPTSP also offers E1 connectivity and voice gateway to integrate traditional telephony systems to SIP Trunk. Our main focus is to provide a high-quality voice service for customer satisfaction.

SIP Trunk/E1 Connectivity Highlights

- *IP Phone to IP Phone free*
- *Lowest call tariff to other operators*
- *High quality voice*
- *Lower expansion cost*
- *Get a single or a range of DID numbers*
- *Fax supported*

Corporate IP-PBX Solution (Hosted/On Premise): An IP PBX is the basic telephonic service of any corporate office. IP PBX is the digitalization of traditional PBX systems. You could connect your multiple offices from different locations under a single roof and can communicate with each other free of tariff. The IP PBX can be installed in a desktop computer or a professional server or a virtual machine. We are here to take care of installation and maintenance of your IP PBX system.

Corporate IP-PBX Solution(Hosted/On Premise) Highlights

- *3-layer IVR*
- *Hunting Number.*
- *Call distribute according to the IVR category wise*
- *If specific extension is busy/unreachable call can be forward to another extension or mobile.*
- *Extension can receive calls and able to transfer call to another extension/user if necessary.*
- *All Extension Calls Recording Facilities or specific*
- *Extension's call recording. We will store up to 500 GB call record and also store at client server*
- *Call Conference for IP Phone Set*
- *Support for ring groups.*
- *Web-based operator panel.*
- *CDR and consumption report.*

- *Extension wise Call Details of all Extensions.*

Advanced Call Features:

- *Automated Attendant*
- *Blacklists*
- *Blind Transfer*
- *Call Detail Records*
- *Call Forward on Busy*
- *Call Forward on No Answer*
- *Call Forward Variable*
- *Call Monitoring*
- *Call Parking*
- *Call Queuing*
- *Call Recording*
- *Call Retrieval*
- *Call Routing (DID & ANI)*
- *Call Snooping*
- *Call Transfer*
- *Call Waiting*
- *Caller ID*
- *Caller ID Blocking*
- *Caller ID on Call Waiting*
- *Conference Bridging*
- *Database Store / Retrieve*
- *Dial by Name*
- *Distinctive Ring*
- *Do Not Disturb*
- *Voicemail*

Analog PBX integration with IP PBX: Analogue telephone system has revolutionized telephone systems for small to mid-sized companies, offering features seldom available in this category. Its easy ability to upgrade and reduces the cost of expansion, Caller ID increases efficiency, and voice-processing integration improves productivity. If you already existed a traditional Analogue PBX in your office, you could integrate our IP PBX in the existing solution easily using Media Gateways.

Call center Solution with IVR: aamra IPTSP provides a professional call center solution to enhance your business. You could promote your products, attend customer calls to provide service and support, and take feedback from customers.

Toll Free Service: Toll Free Service allows your consumers to communicate with you but without any tariff cost of your consumer. We are here with full support to park your Toll-free(LTFS) number including getting Toll free number approval from Bangladesh Telecommunication Regulatory Commission (BTRC) and routing it from all mobile operators.

Short Code Parking: This is a specialized number of 5 digits. We offer the quickest and cheapest single and shared short code numbers which effectively serves marketing needs. aamra IPTSP has been providing short code routing and parking service. We are here with full support to park your short code including getting short code approval from Bangladesh Telecommunication Regulatory Commission (BTRC) and routing it from all mobile operators.

CRM: IP Telephony is a telephony system that communicates on IP and CRM means Customer Relationship Management. Integration occurs when two systems come together to work as one system, effectively sharing data between them without requiring manual input or intervention from the user. This will allow you to track and manage sales leads, prospects, and customers more efficiently than ever before. It increases productivity by saving time spent entering data manually into different systems. Our CRM solution will make it easier to organize information about each client so that it's always readily available wherever you need it.

IP Phone: aamra networks limited launched its high value, reliable, robust and next generation IP Telephony Service in 2023. We offer supreme voice quality along with many other inherent features. We have very competitive Call Rates compared to other companies in this industry. We also offer free voice communication between its subscribers and all other IP Phone service providers.

| IP Phone Highlights | |
|---|--|
| <ul style="list-style-type: none"> ▪ Supreme Voice Quality ▪ Voice mail ▪ Voice to email ▪ Call Divert ▪ Call Forwarding ▪ Music on Hold ▪ 3-Way Calling | <ul style="list-style-type: none"> ▪ User wise call permission ▪ DID ▪ Dynamic Audio Conference ▪ CDR Reports ▪ Dynamic IVR ▪ Phonebook ▪ Time limits on outbound calls ▪ Call Recording |

Existing & Projected service and capacity utilization

| Type of service | Existing | Projected |
|--|--|---|
| Internet Connectivity Service | Currently serving corporate clients only in major metro areas and other major cities | The expansion of network coverage through the setup of PoPs enables for the provision of residential connectivity in metro, non-metro, urban, and semi-urban areas, as well as greater access to small and medium enterprises and large foreign NGO's outside of metro and urban areas. |
| VAS/IoT (Video Conferencing, Surveillance) | -Do- | -Do- |
| Managed IT Services | -Do- | -Do- |

| Internet Service | Existing | | | Projected after execution of upgradation and expansion | | |
|------------------|----------|--------|--------|--|---------|---------|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
| Capacity in mbps | 45,000 | 50,000 | 60,000 | 300,000 | 300,000 | 300,000 |
| Utilization (%) | 86 | 90 | 87 | 35 | 42 | 40 |

SECTION 9**Rule 8 (g)**

JUSTIFICATION FOR THE ISSUE PRICE OF RIGHTS SHARES

| SECTION CONTENTS | |
|-------------------------|--|
| (i) | Net asset value per share |
| (ii) | Earning-based-value per share calculated on the basis of weighted average of net profit after tax for immediately preceding five years |
| (iii) | Average market price per share for the last six months immediately prior to the offer for rights issue |

aamra networks limited with consultation with the issue manager, has determined the Issue price of Rights Share at Tk. 30.00 (including premium Tk. 20.00) each. The rights share price at Tk. 30.00 each per share is justified as per guidelines of the Securities and Exchange Commission (Rights Issue) Rules, 2006 as given below:

| Valuation Methods | | Value |
|--------------------------|---|--------------|
| Method (i) | Net Asset Value per Share | 38.11 |
| Method (ii) | Historical Earning Based Value Per Share (Market P/E) | 39.34 |
| | Historical Earning Based Value Per Share (Sector P/E) | 87.82 |
| Method (iii) | Average Market Price for Last 6 month | 68.95 |

Method (i): Net asset value per share

| Particulars | Amount in BDT |
|----------------------------------|----------------------|
| Total Asset | 3,236,432,703 |
| Total Liabilities | 873,871,270 |
| Shareholders' Equity | 2,362,561,433 |
| No. of Ordinary Shares | 61,986,608 |
| Net Asset Value per Share | 38.11 |

Method (ii): Earnings based value per share

| Sl. | Year | No. of Shares | Net Profit after Tax (BDT) | Weight on Total Number of Shares | Weighted Average Net Profit after Tax (BDT) |
|--|--|----------------------|-----------------------------------|---|--|
| A | 30-Jun-23 | 61,986,608 | 225,668,919 | 0.22 | 48,823,597 |
| B | 30-Jun-22 | 59,034,865 | 109,294,103 | 0.21 | 22,519,848 |
| C | 30-Jun-21 | 56,223,681 | 120,392,435 | 0.20 | 23,625,370 |
| D | 30-Jun-20 | 56,223,681 | 179,445,119 | 0.20 | 35,213,653 |
| E | 30-Jun-19 | 53,041,209 | 212,030,167 | 0.19 | 39,252,852 |
| F | Total | 286,510,044 | 846,830,743 | 1.00 | 169,435,319 |
| G | Number of Shares before Rights Issue | | | | 61,986,608 |
| H | Weighted Average Earning Per Share | | | | 2.73 |
| I | Market P/E Multiple (12 Months Average) | | | | 14.39 |
| J | Sector (IT) P/E Multiple (12 Months Average) | | | | 32.13 |
| Historical Earning Based Value Per Share (Market P/E) | | | | | 39.34 |
| Historical Earning Based Value Per Share (Sector P/E) | | | | | 87.82 |

P/E Calculation

| Months | Market P/E | Sector P/E (IT) |
|----------------|--------------|-----------------|
| June-22 | 14.44 | 28.38 |
| July-22 | 13.83 | 26.95 |
| August-22 | 14.42 | 28.36 |
| September-22 | 14.91 | 32.31 |
| October-22 | 14.69 | 33.36 |
| November-22 | 14.50 | 34.53 |
| December-22 | 14.11 | 30.69 |
| January-23 | 14.40 | 33.72 |
| February-23 | 14.33 | 32.57 |
| March-23 | 14.24 | 35.09 |
| April-23 | 14.35 | 34.31 |
| May-23 | 14.50 | 35.28 |
| Average | 14.39 | 32.13 |

Source: DSE Website

Method (iii): Average Market Price per Share

| Months | Average Market Price (Close Price) |
|----------------|---------------------------------------|
| Apr-23 | 77.31 |
| May-23 | 79.13 |
| Jun-23 | 71.34 |
| Jul-23 | 65.65 |
| Aug-23 | 62.09 |
| Sep-23 | 58.17 |
| Average | 68.95 |

Source: DSE Website

Sd/
Syed Farhad Ahmed
Managing Director & CEO

Sd/
Md. Anamul Haque
Chief Financial Officer

Sd/
Syed Moniruzzaman, FCS
Company Secretary

Place: Dhaka

Dated: 11 October 2023

SECTION 10Rule 8 (h)

CASH FLOWS STATEMENT, PROFIT AND LOSS ACCOUNT, BALANCE SHEET, CHANGES IN EQUITY AND NOTES TO THE ACCOUNTS OF THE ISSUER, TOGETHER WITH CERTIFICATE FROM THE AUDITORS AS IN FORM-C

| SECTION CONTENTS | |
|-------------------------|---|
| (a) | Auditors Report along with the Audited Financial Statements for the year ended 30 June 2023 |
| (b) | Auditors Certificate - Form C |

**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 | |
| <p>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.</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 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. |
| Details of Inventory are included in Note 7.00 to the Financial Statements | |

| | |
|---|---|
| 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</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 |

| | |
|---|--|
| <p>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>understand their process of determining asset useful life.</p> <ul style="list-style-type: none"> ▶ 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 issued 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: 21st August 2023
Dhaka, Bangladesh
DVC: 2308270392AS140364

Sd/-
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.

Sd/- Chairman Sd/- Managing Director & CEO Sd/- Director Sd/- Chief Financial Officer Sd/- Company Secretary

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

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

Sd/-
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

| | <u>Notes</u> | 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.

Sd/-
Sd/-
Sd/-
Sd/-
Sd/-
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

Sd/-
A.K. Gulam Kibria, FCA (#392)
Engagement Partner
G. Kibria & Co.
Chartered Accountants

AAMRA NETWORKS LIMITED
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 integral part of these financial statements.

Sd/- **Sd/-** **Sd/-** **Sd/-** **Sd/-**
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

Sd/-
A.K. Gulam Kibria, FCA (#392)
Engagement Partner
G. Kibria & Co.
Chartered Accountants

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 | 382,333,961 | 502,326,721 |
| 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 | | (266,037,132) | (578,216,260) |
| 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 | | (115,377,234) | 78,700,833 |
| 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 | 16,127,297 | 15,207,703 |
| Net Operating Cash Flow Per Share (NOCFPS) | 32 | 6.17 | 8.10 |

The annexed notes are integral part of these financial statements.

Sd/- Chairman Sd/- Managing Director & CEO Sd/- Director Sd/- Chief Financial Officer Sd/- Company Secretary

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

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

Sd/-
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: The 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 termination clauses which allow both the lessee and the lessor to terminate the agreement without permission from the other party with no penalty and insignificant 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

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

2.6 Other regulatory compliances

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

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

2.7 Valuation of inventories

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

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

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

2.8 Impairment

Non-derivative financial assets

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

Non-financial assets

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

2.9 Trade & other receivables

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

2.10 Advance, deposit & prepayments

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

2.11 Cash and cash equivalents

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

2.12 Share capital

Ordinary shares are classified as equity. 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 settle the obligation; and
- * 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 | IFRS Title | |
| No. | | |
| 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 |
| | | <u>1,516,791,924</u> | <u>1,474,318,063</u> |
| 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 |
| | | <u>1,515,165,703</u> | <u>1,472,379,096</u> |
| 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 |
| | | <u>1,626,221</u> | <u>1,938,968</u> |
| Details of property, plant and equipment are shown in annexure -"A". | | | |
| 5. INTANGIBLE ASSETS | | | |
| Computer software | | <u>5,702,726</u> | <u>7,128,408</u> |
| 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 |
| | | <u>924,421,017</u> | <u>860,273,852</u> |
| Less: Transfer to fixed assets | | 370,408,203 | 307,084,118 |
| Balance as on 30 June | | <u>554,012,814</u> | <u>553,189,734</u> |
| 7. INVENTORIES | | | |
| Inventories | | 194,541,886 | 187,478,574 |
| Inventories in transit for sales | | 64,673,518 | 80,908,261 |
| | | <u>259,215,404</u> | <u>268,386,835</u> |
| 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 |
| | | <u>1,615,144,701</u> | <u>1,385,175,628</u> |
| Less: Received during the year | | 1,146,069,487 | 1,044,197,472 |
| Balance as on 30 June | | <u>469,075,214</u> | <u>340,978,156</u> |

8.1 Ageing Schedule of Trade Receivable

Duration

| | | |
|----------------|--------------------|--------------------|
| 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 | - | - |
| | <u>469,075,214</u> | <u>340,978,156</u> |

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 |
| | <u>469,075,214</u> | <u>340,978,156</u> |
| 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 | - | - |
| | <u>469,075,214</u> | <u>340,978,156</u> |

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 |
| | <u>415,507,323</u> | <u>464,171,951</u> |

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 |
| | <u>11,936,373</u> | <u>10,936,373</u> |

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 |
| | <u>403,570,950</u> | <u>453,235,578</u> |

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 | <u>103,490,450</u> | <u>90,656,872</u> |

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 |
| 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

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

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 |
| Shahjhal Islami Bank Limited (Banani Branch) | 92,426,535 | 113,329,264 |
| | 102,682,446 | 170,084,596 |
| 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 |
| | 66,466,123 | 67,154,067 |
| 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 |
| | 46,916,469 | 45,727,328 |
| 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 |
| | <u>203,678,774</u> | <u>256,613,194</u> |

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 |
| | <u>1,274,166,545</u> | <u>1,029,242,788</u> |
| 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 |
| | <u>906,223,438</u> | <u>794,429,300</u> |
| Less: Value added tax (VAT) | 42,822,114 | 41,179,369 |
| Net Revenue from Internet & Wi-Fi bandwidth and equipment sales | <u>863,401,324</u> | <u>753,249,931</u> |
| 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 |
| | <u>296,174,932</u> | <u>201,607,505</u> |
| Less: Value added tax (VAT) | 12,570,360 | 8,742,075 |
| Net Revenue from IT support & software | <u>283,604,572</u> | <u>192,865,430</u> |
| 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 |
| | <u>136,513,817</u> | <u>85,633,273</u> |
| Less: Value added tax (VAT) | 9,353,168 | 2,505,845 |
| Net Revenue from EPZ project | <u>127,160,649</u> | <u>83,127,427</u> |

| | | |
|---|--------------------|--------------------|
| 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 |
| | <u>804,177,430</u> | <u>669,018,185</u> |
| 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 |
| | <u>640,904,723</u> | <u>521,768,075</u> |
| 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 |
| | <u>105,761,376</u> | <u>103,854,891</u> |
| 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 |
| | <u>57,511,330</u> | <u>43,395,219</u> |
| 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 |
| | <u>185,465,658</u> | <u>166,540,611</u> |
| 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 |
| 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 :

| <u>Name</u> | <u>Designation</u> | | |
|-------------------|--------------------|------------------|------------------|
| 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:

| <u>Name</u> | <u>Designation</u> | | |
|--------------------|-------------------------|-------------------|-------------------|
| 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 |

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

| <u>Particulars</u> | <u>Nature of Payment</u> | | |
|--------------------|--------------------------|-------------------|-------------------|
| Director | Salary | 4,387,500 | 4,225,000 |
| Managers and Above | Salary | 68,764,000 | 61,146,000 |
| | | <u>73,151,500</u> | <u>65,371,000</u> |

i) No amount of money was expensed 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

| <u>Salary Range (Monthly)</u> | <u>Number of Employee's</u> |
|-------------------------------|-----------------------------|
| Below Tk. 3000 | Nil |
| Above Tk. 3000 | 354 |

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

| <u>Name of Auditor</u> | <u>Purpose</u> | <u>Amount paid to Auditor</u> | | |
|--|----------------|-------------------------------|--|---------|
| | | | | |
| 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)

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

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

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

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 |
| | <u>480,460,926</u> | <u>357,382,512</u> |
| 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 | <u>382,333,961</u> | <u>502,326,721</u> |

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) | <u>6.17</u> | <u>8.10</u> |

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 previous year.

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 | Amount in Taka | | | |
|----|------------------------------------|--------------------------------|-------------------------------|-----------------------------|--------------------|----------------------------|----------------------------|
| | | | | 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 | Chairman and Managing Director | Office rent (Chittagong) | 1,788,660 | 1,341,495 | 745,275 | 298,110 |

| | | | | | | | |
|---|----------------------|----------------------|--------|--------------------|--------------------|------------------|------------------|
| | Ahmed | | | | | | |
| 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 |

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.

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

Amount in Taka

| Particulars | Cost | | | | Depreciation | | | | | 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/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 | | |
| Land and Land Development | 200,659,864 | - | - | 200,659,864 | | - | - | - | - | 200,659,864 | 200,659,864 |
| Furniture & Fixture | 8,988,964 | - | - | 8,988,964 | 10% | 5,010,264 | 397,870 | - | 5,408,134 | 3,580,830 | 3,978,700 |
| Office Equipment | 56,166,274 | - | - | 56,166,274 | 15% | 40,060,669 | 2,415,841 | - | 42,476,509 | 13,689,765 | 16,105,605 |
| Electric Installation | 5,711,155 | - | - | 5,711,155 | 18% | 5,282,586 | 77,142 | - | 5,359,728 | 351,427 | 428,569 |
| Telephone Installation | 2,995,531 | - | - | 2,995,531 | 18% | 2,962,915 | 5,871 | - | 2,968,786 | 26,745 | 32,616 |
| Computer & Computer Equipment | 22,552,039 | - | - | 22,552,039 | 20% | 20,514,206 | 407,567 | - | 20,921,773 | 1,630,266 | 2,037,833 |
| Data Centre | 240,148,116 | 9,257,549 | 249,405,665 | - | 20% | 149,351,890 | 950,821 | 150,302,711 | - | - | 90,796,226 |
| Fiber Optic Cable & Equipment | 271,561,757 | - | - | 271,561,757 | 20% | 170,230,987 | 20,266,154 | - | 190,497,141 | 81,064,617 | 101,330,771 |
| Infrastructure & Backbone Equipments | 1,705,529,723 | 462,788,209 | - | 2,168,317,932 | 18% | 738,909,840 | 211,863,734 | (77,102,618) | 1,027,876,192 | 1,140,441,741 | 966,619,884 |
| Motor Vehicle | 22,248,154 | - | - | 22,248,154 | 20% | 15,505,669 | 1,348,497 | - | 16,854,166 | 5,393,988 | 6,742,485 |
| Office Decoration | 76,520,457 | - | - | 76,520,457 | 15% | 48,335,919 | 4,227,681 | - | 52,563,600 | 23,956,857 | 28,184,538 |
| WiFi Equipment & Installation | 182,495,916 | - | - | 182,495,916 | 20% | 127,033,910 | 11,092,401 | - | 138,126,312 | 44,369,605 | 55,462,006 |
| Sub-Total | 2,795,577,951 | 472,045,758 | 249,405,665 | 3,018,218,044 | | 1,323,198,855 | 253,053,579 | 73,200,093 | 1,503,052,341 | 1,515,165,703 | 1,472,379,096 |

B. Property, plant and equipment (EPZ Project)

| Particulars | Cost | | | | Depreciation | | | | | 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/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 | | |
| 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 | 2,624,398 | - | - | 2,624,398 | 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 | | | | | | |
|-------------------------------|--------------------|-------------------------------|----------------|--|--------------------|--------------------|
| Dep: Except EPZ Project | Taka | Dep: EPZ Project | Taka | | Jul - Jun'23 | Jul - Jun'22 |
| Cost of goods sold & services | 233,080,710 | Cost of goods sold & services | 174,745 | | 233,255,455 | 221,734,385 |
| Operating expenses | 19,972,869 | Operating expenses | 138,001 | | 20,110,871 | 24,577,244 |
| | 253,053,579 | | 312,746 | | 253,366,325 | 246,311,629 |

Annexure -"B"

AAMRA NETWORKS LIMITED
Schedule of Intangible Assets
As at 30 June 2023

| 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. | Balance as on 01.07.2022 | Charge during the year | Disposal during the year | Balance as on 30.06.2023 | | |
| Computer Software | 45,382,696 | - | - | 45,382,696 | 20% | 38,254,288 | 1,425,682 | - | 39,679,969 | 5,702,726 | 7,128,408 |
| Total as at 30 June 2023 | 45,382,696 | - | - | 45,382,696 | | 38,254,288 | 1,425,682 | - | 39,679,969 | 5,702,726 | 7,128,408 |
| Total as at 30 June 2022 | 45,340,117 | 42,579 | - | 45,382,696 | | 36,477,508 | 1,776,780 | - | 38,254,288 | 7,128,408 | 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 | 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 |

(b) **Auditors Certificate - Form C**

FORM-C

[Rule 8(h), 8(i) and 8(t)]

Auditors' report to the shareholders

We have audited the accompanying financial statements for the period from **01 July 2022 to 30 June 2023** of **aamra networks limited** in accordance with the International Standards of Auditing, as applicable in Bangladesh and we state that we have obtained all the information and explanations which we have required and after due verification thereof, we report that, in our opinion:

- (a) These financial statements have been drawn up in accordance with the requirements of the Securities and Exchange Rules, 2020, as amended, the Companies Act, 1994 and other relevant laws where applicable and the International Accounting Standards, as applicable in Bangladesh.
- (b) These financial Statements which are in agreement with the books of account of the issuer company give a true and fair view of the state of its affairs as at 30 June 2023 and of the result of its operations and cash flows for the period/year then ended.
- (c) Proper Books of Account have been kept by the company as required by the relevant laws.
- (d) The expenditure incurred was for the purposes of the issuer company's business.

We also certify that the above company has declared the following dividend for each of the following five years immediately preceding the issue of the rights share offer document under the Securities and Exchange Commission (Rights Issue) Rules, 2006 and that the company has duly paid off the following amounts of the declared dividend mentioned against respective years-

| Financial Year | Date of Dividend Declaration | Declared Dividend | | |
|----------------|------------------------------|--------------------|--------------------|---|
| | | Rate (%) | Total Amount (Tk.) | Total Paid including Bonus Shares (Tk.) |
| *2022-2023 | 04 October, 2023 | 11% Cash | 68,185,269 | - |
| 2021-2022 | 29 December, 2022 | 5% Cash & 5% Bonus | 59,034,865 | 58,419,476 |
| 2020-2021 | 28 December, 2021 | 5% Cash & 5% Bonus | 56,223,681 | 55,907,117 |
| 2019-2020 | 29 December, 2020 | 10% Cash | 56,223,681 | 55,730,157 |
| 2018-2019 | 26 December, 2019 | 6% Cash & 6% Bonus | 63,649,451 | 63,400,488 |

* The Company is required to disburse dividend within the stipulated time line prescribed by the regulators in this regard.

Sd/-

Place: Dhaka

Dated: 10 October 2023

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

G. KIBRIA & CO.

Chartered Accountants

SECTION 11Rule 8 (i)

SUMMARIZED CASH-FLOWS STATEMENT, PROFIT AND LOSS ACCOUNT AND BALANCE SHEET, AND DIVIDEND DECLARED AND PAID FOR EACH OF THE 5 (FIVE) YEARS

SECTION CONTENTS

| | |
|-----|--|
| (i) | Auditors Report in pursuance of Section-135(1) under Para-24 of part-II of the Third Schedule of the Companies Act, 1994 |
|-----|--|

Aamra Networks Limited
Auditors' Report under Section-135(I), Para 24(I), of Part-II of Schedule III to the Companies Act 1994

As per the requirement of Section-135(I), Para 24(I), of Part-II of Schedule III to the Companies Act 1994, management of Aamra Networks Limited has prepared the following statements of its Financial Position, profit or loss, and Other Comprehensive Income and cash flows for the years ended 30 June 2019, 2020, 2021, 2022, and 2023 submitted those to us for working and issuance of our confirmation thereon.

We, as the auditors of the Company, having examined the financial statements of the Company for the years ended 30 June 2019, 2020, 2021, 2022, and 2023 hereby confirm that the following information has been correctly extracted from those audited financial statements. In pursuance of section 135(1) under paragraph 24(1) of part II of the Third schedule of the Companies Act 1994 our report is as under:

| | Amount in Taka | | | | |
|---|-----------------------|----------------------|----------------------|----------------------|----------------------|
| | 30-Jun-2023 | 30-Jun-2022 | 30-Jun-2021 | 30-Jun-2020 | 30-Jun-2019 |
| 1. Statement of Financial Position | | | | | |
| Assets | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 1,516,791,924 | 1,474,318,063 | 1,346,148,787 | 1,135,085,914 | 1,013,795,561 |
| Intangible assets | 5,702,726 | 7,128,408 | 8,862,609 | 11,078,261 | 13,847,826 |
| Capital work-in-progress | 554,012,814 | 553,189,734 | 349,199,430 | 218,427,260 | - |
| Advance, deposits & prepayments | 11,936,373 | 10,936,373 | 10,840,373 | 10,837,410 | 11,755,010 |
| Non-current assets | 2,088,443,838 | 2,045,572,578 | 1,715,051,199 | 1,375,428,845 | 1,039,398,397 |
| Current assets | | | | | |
| Inventories | 259,215,404 | 268,386,835 | 373,393,724 | 352,264,959 | 340,996,779 |
| Trade and others receivables | 469,075,214 | 340,978,156 | 355,932,840 | 369,871,111 | 323,477,346 |
| Advance, deposits & prepayments | 403,570,950 | 453,235,578 | 439,543,319 | 395,284,222 | 318,142,659 |
| Cash and Cash Equivalents | 16,127,297 | 15,207,703 | 12,396,408 | 17,060,087 | 31,441,308 |
| Current assets | 1,147,988,865 | 1,077,808,272 | 1,181,266,291 | 1,134,480,380 | 1,014,058,092 |
| Total Assets | 3,236,432,703 | 3,123,380,850 | 2,896,317,490 | 2,509,909,224 | 2,053,456,489 |

Share Holders' Equity and Liabilities

| | | | | | |
|------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Share capital | 619,866,080 | 590,348,650 | 562,236,810 | 562,236,810 | 530,412,090 |
| Share premium | 542,488,192 | 542,488,192 | 542,488,192 | 542,488,192 | 542,488,192 |
| Retained earnings | 1,200,207,161 | 1,033,665,939 | 980,648,844 | 916,480,090 | 800,684,416 |
| Share Holders' Equity | 2,362,561,433 | 2,166,502,781 | 2,085,373,846 | 2,021,205,092 | 1,873,584,698 |

Non-Current Liabilities

| | | | | | |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Long term bond and loan | 411,397,014 | 423,435,859 | 193,665,908 | 82,468,889 | - |
| Deferred tax liability | 44,295,321 | 39,644,212 | 34,076,719 | 25,058,000 | 19,520,087 |
| Total non-current liabilities | 455,692,335 | 463,080,071 | 227,742,627 | 107,526,889 | 19,520,087 |

Current liabilities

| | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Current portion of long term bond and loan | 153,166,861 | 160,057,722 | 80,027,422 | 20,617,222 | - |
| Lease liabilities | - | - | 341,854 | 1,410,805 | 2,537,647 |
| Short term loan | 102,682,446 | 170,084,596 | 372,983,487 | 250,143,549 | 55,207,683 |
| Accrued expenses | 66,466,123 | 67,154,067 | 41,726,640 | 30,583,631 | 24,508,196 |
| Dividend payable | 2,595,759 | 2,030,869 | 10,802,906 | 7,834,545 | 8,543,004 |
| Provision of BPP & WF | 12,945,610 | 5,988,104 | 15,021,232 | 16,280,631 | 15,569,254 |
| Trade and other payables | 75,682,377 | 74,235,866 | 52,951,186 | 36,231,308 | 35,951,709 |
| Provision for tax | 4,639,760 | 14,246,775 | 9,346,288 | 18,075,553 | 18,034,211 |
| Current Liabilities | 418,178,936 | 493,797,999 | 583,201,013 | 381,177,244 | 160,351,704 |
| Total liabilities | 873,871,270 | 956,878,070 | 810,943,640 | 488,704,132 | 179,871,791 |
| Total Equity and Liabilities | 3,236,432,703 | 3,123,380,852 | 2,896,317,486 | 2,509,909,224 | 2,053,456,489 |
| Net Assets Value Per Share With Assets Revaluation | 38.11 | 36.70 | 37.09 | 35.95 | 35.32 |
| Net Assets Value Per Share Without Assets Revaluation | | | | | |

2. Statement of Profit or Loss and Other Comprehensive Income:

| | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Revenue | 1,274,166,545 | 1,029,242,788 | 999,450,492 | 972,139,225 | 1,132,418,024 |
| Less : Cost of goods Sold & services | 804,177,430 | 669,018,185 | 649,833,976 | 580,494,432 | 693,389,922 |
| Gross Profit | 469,989,115 | 360,224,603 | 349,616,515 | 391,644,792 | 439,028,102 |
| Operating expenses | 185,465,658 | 166,540,611 | 167,553,042 | 169,196,621 | 189,387,091 |
| Operating Profit | 284,523,457 | 193,683,993 | 182,063,473 | 222,448,171 | 249,641,010 |
| Less : Financial expense | 68,560,279 | 68,320,803 | 44,283,345 | 17,812,800 | 8,677,083 |
| Add: Other income | 30,744,599 | 386,997 | 47,787 | 708,743 | 794,235 |
| Less: Loss on fire | - | - | - | - | 3,751,668 |
| Profit Before BPP & WF | 246,707,777 | 125,750,187 | 137,827,915 | 205,344,114 | 238,006,495 |
| Less : Beneficiaries profit participation & welfare fund (BPP & WF) | 11,747,989 | 5,988,104 | 6,563,234 | 9,778,291 | 11,333,643 |
| Profit Before Income Tax | 234,959,788 | 119,762,083 | 131,264,681 | 195,565,824 | 226,672,853 |
| Income Tax Expenses: | 9,290,869 | 10,467,979 | 10,872,246 | 16,120,705 | 14,642,685 |
| Current Tax | 4,639,760 | 4,900,486 | 1,853,527 | 10,582,792 | 10,541,449 |
| Deferred Tax (Expenses)/Income | 4,651,109 | 5,567,493 | 9,018,719 | 5,537,913 | 4,101,236 |
| Profit After Income Tax | 225,668,919 | 109,294,103 | 120,392,435 | 179,445,119 | 212,030,167 |
| Other comprehensive income | - | - | - | - | - |
| Total Comprehensive Income | 225,668,919 | 109,294,103 | 120,392,435 | 179,445,119 | 212,030,167 |
| Earning per Share (EPS) Basic | 3.64 | 1.85 | 2.14 | 3.19 | 4.00 |
| Earning per Share (EPS) Diluted | - | - | - | - | - |
| Total number of outstanding shares | 61,986,608 | 59,034,865 | 56,223,681 | 56,223,681 | 53,041,209 |
| Weighted average no. of shares outstanding | 61,986,608 | 59,034,865 | 56,223,681 | 56,223,681 | 53,041,209 |

3. Dividend Declared:

| | | | | | |
|-------------|-----|----|----|-----|----|
| Cash | 11% | 5% | 5% | 10% | 6% |
| Bonus share | | 5% | 5% | | 6% |

4. Statement of Cash Flows:

A) CASH FLOWS FROM OPERATING ACTIVITIES

| | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Cash received from customers & others | 1,146,187,952 | 1,044,286,941 | 1,013,436,550 | 926,454,202 | 1,102,867,991 |
| Paid to suppliers and employee | (497,380,145) | (313,366,730) | (525,689,520) | (510,671,205) | (621,247,166) |
| Operating expenses | (170,833,215) | (140,635,706) | (134,129,573) | (137,915,188) | (257,395,740) |
| Financial expenses | (68,560,279) | (68,320,803) | (44,283,345) | (17,812,800) | (8,677,083) |
| Income tax | (27,080,353) | (19,636,981) | (17,504,188) | (16,552,870) | (17,878,657) |
| Loss due to fire (Cash in hand) | - | - | - | - | (246,222) |
| Net cash provided from operating activities | 382,333,961 | 502,326,721 | 291,829,924 | 243,502,140 | 197,423,123 |

B) CASH FLOWS FROM INVESTING ACTIVITIES

| | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Acquisition of property, plant & equipment | (9,805,849) | (67,591,838) | (186,417,059) | (303,818,051) | (224,801,663) |
| Sales of property, plant & equipment | 115,000,000 | 450,000 | - | - | - |
| Capital work-in-progress | (371,231,283) | (511,074,422) | (349,199,430) | (218,427,260) | - |
| Net cash used in investing activities | (266,037,132) | (578,216,260) | (535,616,489) | (522,245,311) | (224,801,663) |

C) CASH FLOWS FROM FINANCING ACTIVITIES

| | | | | | |
|--|----------------------|-------------------|--------------------|--------------------|---------------------|
| Long -term loan (paid)/received | (18,929,706) | 309,800,251 | 170,607,219 | 103,086,111 | - |
| Short-term loan (paid)/received | (67,402,150) | (202,898,891) | 122,839,937 | 194,935,866 | 1,750,449 |
| Lease liabilities (Paid)/received | - | (341,854) | (1,068,951) | (1,126,842) | (634,459) |
| Dividend Paid | (29,045,377) | (27,858,673) | (53,255,320) | (32,533,185) | (51,917,465) |
| Net cash provided from financing activities | (115,377,234) | 78,700,833 | 239,122,885 | 264,361,950 | (50,801,475) |

| | | | | | |
|--|-------------------|-------------------|--------------------|---------------------|---------------------|
| D) Net Increase/ (Decrease) in Cash & Cash Equivalents | <u>919,595</u> | <u>2,811,295</u> | <u>(4,663,680)</u> | <u>(14,381,221)</u> | <u>(78,180,015)</u> |
| Cash and Cash Equivalents at the beginning of the year | <u>15,207,703</u> | <u>12,396,408</u> | <u>17,060,087</u> | <u>31,441,308</u> | <u>109,621,323</u> |
| E) Cash and Cash Equivalents at the end of the year | <u>16,127,297</u> | <u>15,207,703</u> | <u>12,396,408</u> | <u>17,060,088</u> | <u>31,441,308</u> |
| Net Operating Cash Flow per Share-Reported | <u>6.17</u> | <u>8.51</u> | <u>5.19</u> | <u>4.33</u> | <u>3.72</u> |

5. The Company has no any Subsidiary or Sister Concern.

6. Figures relating to previous years have been re-arranged/ re-stated wherever considered necessary.

7. No proceeds or part of proceeds of the issue of shares were applied directly to the company in the purchase of any business as revealed from the said accounts.

8. For the year ended June 30, 2019 and 2020 the auditors were K.M. HASAN & CO. Chartered Accountants.

Place: Dhaka, Bangladesh

Date: 10 October 2023

Sd/-
A.K. Gulam Kibria, FCA,
Partner
Enrolment No.: 392
G. KIBRIA & CO.
Chartered Accountants

SECTION 12**Rule 8 (j)**

LENGTH OF TIME DURING WHICH THE ISSUER HAS CARRIED ON BUSINESS

aamra networks limited was incorporated in Bangladesh in the year 2007 under the Companies Act 1994 as a Public Limited Company. The Company started commercial operations in the same year and has successfully completed almost 25 years of operation.

The company got listed with Dhaka Stock Exchange PLC. (DSE) & Chittagong Stock Exchange PLC. (CSE) in the year 2017.

List of company's products and the time duration of the products is follows:

| Types of products/services | | | |
|---|--|---|------------------------------|
| Broader Category | Subcategory | Year (products/services initiated) | Time Duration in year |
| Internet and Infrastructure | Broadband Internet Access (BIA) and Direct Internet Access (DIA) | 2002 | 21 |
| | Data Connectivity | 2013 | 10 |
| | Multiprotocol Label Switching (MPLS) and PLC | 2015 | 8 |
| | Managed IT Solutions | 2010 | 13 |
| Networking Solutions | WAN/LAN/Routing/Switching | 2013 | 10 |
| | WiFi | 2013 | 10 |
| Internet of Things (IOT) | Video Conferencing (VC) | 2013 | 10 |
| | Video Surveillance & Access Control | 2013 | 10 |
| | Cloud Solutions | 2015 | 8 |
| | Email solution | 2015 | 8 |
| Software Development & Service | Webpage software & networking software | 2003 | 20 |
| Internet Protocol Telephony Service Provider (IPTSP) | | 2023 (got licensing) and yet to functioning | |

SECTION 13**Rule 8 (k)**

IMPLEMENTATION SCHEDULE FOR COMPLETION OF EACH SEGMENT OF THE PROJECT ALONG WITH THE PROPOSED DATES OF TRIAL AND COMMERCIAL OPERATION OF THE PROPOSED PROJECT**PURPOSE OF RIGHTS ISSUE AND IMPLEMENTATION SCHEDULE****Rule 8(k)**

The purpose of the rights issue to raise further paid-up capital of aamra networks limited is for networking system upgradation, network coverage expansion, loan repayment and to meet up rights issue expenses.

The head wise fund utilization and implementation schedule is follows:

| Sl. | Particulars | Amount in BDT | Implementation Schedule |
|------------|-------------------------------|----------------------|---|
| 1. | Loan repayment | 210,000,000 | Immediate after receiving the right offers fund. |
| 2. | Networking system upgradation | 104,246,517 | Within 9 months from receiving the right offers fund. |
| 3. | Network coverage expansion | 604,052,603 | Within 12 months from receiving right offers fund. |
| 4. | Rights Issue expenses | 11,500,000 | Immediate after receiving the right offers fund. |
| | Total | 929,799,120 | |

Note: Any excess of funds shall be covered by our own source.

BREAKDOWN OF THE EXPENSES**1. Loan Repayment**

| Sl. | Particulars | Repayment Amount |
|------------|-------------------------|-------------------------|
| 1 | Bank/FIs Loan Repayment | 210,000,000 |

2. Networking system upgradation

| Instrument name | Quantity | Unit Rate | Amount in BDT |
|---------------------------------------|-----------------|------------------|----------------------|
| Router (Cisco ASR 9902) | 2 | 31,718,595 | 63,437,189 |
| Switch (Cisco Nexus N9K-C93180YC-FX3) | 3 | 13,603,109 | 40,809,328 |
| Total | | | 104,246,517 |

3. Network coverage expansion

| Instrument name | Quantity | Unit Rate | Amount in BDT |
|--|----------|-----------|---------------|
| POP Equipment (Cat-B) (Router, Switch) | | | |
| Router (C830) | 8 | 1,820,000 | 14,560,000 |
| Switch with SFP | 8 | 800,000 | 6,400,000 |
| OLT-16 | 16 | 800,000 | 12,800,000 |
| Spare Parts 5% | | | 1,688,000 |
| POP Equipment (Cat-C) (Router, Switch) | | | |
| Router (CCR 1072) | 40 | 300,000 | 12,000,000 |
| Switch with SFP (CRS-328-4C-20S-4S+) | 40 | 50,000 | 2,000,000 |
| OLT-16 (Bdcom Gp3600-16B) | 80 | 250,000 | 20,000,000 |
| Spare Parts 5% | | | 1,700,000 |
| POP (Cat-C) Establishment Cost (Rack, ODF, Fiber Cable, UPS/Invertor) | | | |
| UPS/Rectifier | 80 | 55,000 | 4,400,000 |
| Battery | 640 | 25,000 | 16,000,000 |
| AC | 40 | 65,000 | 2,600,000 |
| Rack | 40 | 80,000 | 3,200,000 |
| Civil | 40 | 250,000 | 10,000,000 |
| ODF | 40 | 26,000 | 1,040,000 |
| Fiber (armd) Virtual | 16,000 | 450 | 7,200,000 |
| Pipe, electric, installation etc | 40 | 150,000 | 6,000,000 |
| POP (Cat-B) Establishment Cost (Rack, ODF, Fiber Cable, UPS/Invertor) | | | |
| UPS/Rectifier | 16 | 55,000 | 880,000 |
| Battery | 128 | 25,000 | 3,200,000 |
| Air Conditioner | 16 | 90,000 | 1,440,000 |
| Rack | 8 | 80,000 | 640,000 |
| Civil | 8 | 150,000 | 1,200,000 |
| ODF | 16 | 26,000 | 416,000 |
| Fiber (armd) Virtual | 4,800 | 650 | 3,120,000 |
| Pipe, electric, installation etc | 8 | 200,000 | 1,600,000 |
| Operational & Maintenance Equipment | | | |
| Fusion machine | 144 | 250,000 | 36,000,000 |
| OTDR | 96 | 180,000 | 17,280,000 |
| Power Meter | 192 | 13,000 | 2,496,000 |
| Laser Source | 192 | 9,500 | 1,824,000 |
| Tool Box | 144 | 3,500 | 504,000 |
| Safety kit | 48 | 4,500 | 216,000 |
| Labeling Kit | 48 | 14,000 | 672,000 |
| Termination kit | 48 | 30,000 | 1,440,000 |
| Other Tools | 48 | 20,000 | 960,000 |
| Backbone Overhead Cable (Per KM) | | | |
| OH Pulling Cost | 608,000 | 100 | 60,800,000 |
| Fiber (armed) | 608,000 | 220 | 133,760,000 |
| HDPE Duct | 121,600 | 110 | 13,376,000 |
| HDD | 60,800 | 350 | 21,280,000 |
| Splicing Enclosure | 1,216 | 6,000 | 7,296,000 |
| Clamp tools | 6,080 | 180 | 1,094,400 |
| Tools | 608 | 6,000 | 3,648,000 |

| | | | |
|--|-----------|--------|--------------------|
| Splitter | 1,216 | 800 | 972,800 |
| Splitter | 9,728 | 180 | 1,751,040 |
| Other Tools | 608 | 30,000 | 18,240,000 |
| Last mile Overhead Cable (Per Client) | | | |
| Fiber (Non-armed) | 5,557,913 | 15 | 83,368,688 |
| Termination Join Box | 74,106 | 50 | 3,705,275 |
| Clamp tools | 74,106 | 180 | 13,338,990 |
| ONU | 74,106 | 500 | 37,052,750 |
| Patch Cable | 74,106 | 120 | 8,892,660 |
| Total | | | 604,052,603 |

4. Rights Issue Expenses

| Sl. | Particulars | Amount in BDT |
|--------------|---|-------------------|
| 1 | BSEC Fee (application & consent) | 1,444,699 |
| 2 | Issue Management Fee | 2,300,000 |
| 3 | Underwriting Commission | 4,277,076 |
| 4 | Printing, Publication and Post-Issue expenses | 3,000,000 |
| 5 | Other expenses | 478,225 |
| Total | | 11,500,000 |

Note: Actual costs will vary if the above-mentioned estimates differ and will be adjusted accordingly. Fees include applicable VAT.

Sd/-
Syed Farhad Ahmed
 Managing Director & CEO

Sd/-
Md. Anamul Haque
 Chief Financial Officer

Sd/-
Syed Moniruzzaman, FCS
 Company Secretary

Place: Dhaka
 Dated: 11 October 2023

SECTION 14Rule 8 (l)

QUANTITY OF SHARES HELD BY EACH DIRECTOR AND PERSONS WHO HOLD 5% OR MORE OF THE PAID-UP SHARE CAPITAL OF THE ISSUER ON THE DATE OF THE RIGHTS SHARE OFFER DOCUMENT

[see rule 8(l)]

Quantity of shares held by each director on the date of the rights share offer document:

[As on 30 September 2023]

| Name of the Directors | Position | Number of Shares | Percentage (%) |
|-------------------------|---|-------------------|----------------|
| aamra resources limited | Sponsor | 5,284,668 | 8.52 |
| aamra holdings limited | Sponsor | 14,724,990 | 23.76 |
| Syed Faruque Ahmed | Director Nominated By aamra holdings limited | 116,865 | 0.189 |
| Syed Farhad Ahmed | Director Nominated By aamra resources limited | 116,865 | 0.189 |
| Syeda Munia Ahmed | Director Nominated By aamra holdings limited | 116,865 | 0.189 |
| Fahmida Ahmed | Director Nominated By aamra resources limited | 116,865 | 0.189 |
| Total | | 20,477,118 | 33.04 |

Quantity of shares held by persons who hold 5% or more:

There is no shareholder who holds 5% or more shares of the aamra networks limited.

Statement of shareholding position of the Company

[As on 30 September 2023]

| Particulars | Number of Shares | Amount in BDT | Percentage (%) |
|------------------------|-------------------|--------------------|----------------|
| Sponsor/Director | 20,477,118 | 204,771,180 | 33.04 |
| Financial Institutions | 13,598,701 | 135,987,010 | 21.94 |
| General Public | 27,910,789 | 279,107,890 | 45.03 |
| Total | 61,986,608 | 619,866,080 | 100.00 |

Sd/-
Syed Farhad Ahmed
Managing Director & CEO

Sd/-
Md. Anamul Haque
Chief Financial Officer

Sd/-
Syed Moniruzzaman, FCS
Company Secretary

Place: Dhaka

Dated: 11 October 2023

SECTION 15**Rule 8 (m)****NAME, ADDRESS, DESCRIPTION AND OCCUPATION OF DIRECTORS; MANAGING DIRECTOR, MANAGERS AND COMPANY SECRETARY OF THE COMPANY**

[see rule 8(m)]

Board of Directors

| Name of Directors | Position | Address | Educational Qualification | Occupation |
|--------------------------|--|---|----------------------------------|-------------------|
| Syed Faruque Ahmed | Chairman Nominated By aamra holdings limited | House 1/A, Road-84, Gulshan-2, Dhaka, | M.Com | Business |
| Syed Farhad Ahmed | Managing Director & CEO Nominated By aamra resources limited | House 1/A, Road-84, Gulshan-2, Dhaka, | B.Com | Business |
| Syeda Munia Ahmed | Director Nominated By aamra holdings limited | House 1/A, Road-84, Gulshan-2, Dhaka, | M.A | Business |
| Fahmida Ahmed | Director Nominated By aamra resources limited | House 1/A, Road-84, Gulshan-2, Dhaka, | B.Com | Business |
| A.K.M Nurul Alam | Independent Director | House- 397/398, Road 8, Block- H, Bashundhara R/A, Dhaka, | M.Com | Business |

Management and Executives

| Name of Employee | Position | Address | Educational Qualification | Occupation |
|-------------------------|-------------------------------|---|----------------------------------|-------------------|
| Md. Anamul Haque | Chief Financial Officer | House no. 09 (3 rd Floor), Road no. 01, Sector: 09, Uttara, Dhaka-1230 | M.Com | Service Holder |
| Syed Moniruzzaman | Company Secretary | House No.: 543, Road No.: 10, Adabor Mohammadpur, Dhaka-1207 | M.Com, MBA | Service Holder |
| Khaled Ahmed Noor | Chief Operating Officer | Ena Levant Rose, Road No. 11, House No. 37 Flat No. B-5, Dhaka Cantonment, Dhaka | B.SC in Computer Science | Service Holder |
| Md. Mahbubor Rahman | GM, Core Network | Flat: A/2, House: 117, Road: 4, Swapondana Housing, Mohammadpur | B.SC & M.SC | Service Holder |
| T.M. Mahbubur Rahman | GM, Head of Admin & Logistics | Baily Heights, Flat no. 6B, 2 Naw Ratan Colony, Baily Road, Dhaka-1217 | BSS (Hons), MSS (Social Welfare) | Service Holder |
| Md. Musfiqur Rahman | GM, Head of Internet & | House: B/351, Shanti Neer, Apt: A7, Taltola, Khilgaon, | BBA, MBA | Service Holder |

| | | | | |
|------------------|---------------------------------|------------------------------------|-----|----------------|
| | Infrastructure | Dhaka-1219 | | |
| Nanda Dulal Paul | DGM, Head of Finance & Accounts | 277 North Shahjahanpur, Dhaka-1217 | MBA | Service Holder |

Sd/-
Syed Farhad Ahmed
 Managing Director & CEO

Sd/-
Md. Anamul Haque
 Chief Financial Officer

Sd/-
Syed Moniruzzaman, FCS
 Company Secretary

Place: Dhaka
 Dated: 11 October 2023

SECTION 16Rule 8 (n)

NAME OF THE PUBLIC LISTED COMPANY UNDER COMMON MANAGEMENT**DECLARATION REGARDING PUBLIC LISTED COMPANY UNDER COMMON MANAGEMENT**

[see rule 8(n)]

As per the Securities and Exchange Commission (Rights Issue) Rules, 2006, there is no Public Listed Company under the common Management except followings:

| Name | Position | Name of the Public Listed Company | Position held in listed companies |
|--------------------|---|--|--|
| Syed Faruque Ahmed | Chairman, Nominated By aamra holdings limited | aamra technologies limited | Chairman |
| Syed Farhad Ahmed | Managing Director & CEO, Nominated By aamra resources limited | aamra technologies limited | Managing Director & CEO |
| Syeda Munia Ahmed | Director, Nominated By aamra holdings limited | aamra technologies limited | Director |
| Fahmida Ahmed | Director, Nominated By aamra resources limited | aamra technologies limited | Director |

None of our Directors except those disclosed above has any directorship in other companies listed on the exchanges.

Sd/-
Syed Farhad Ahmed
Managing Director & CEO

Sd/-
Md. Anamul Haque
Chief Financial Officer

Sd/-
Syed Moniruzzaman, FCS
Company Secretary

Place: Dhaka

Dated: 11 October 2023

SECTION 17**Rule 8 (o)****NAME AND ADDRESS OF THE UNDERWRITER(S) ALONG WITH THE NUMBER OF SHARES UNDERWRITTEN BY EACH UNDERWRITER AND ALSO THE NAME AND ADDRESS OF ISSUE MANAGER, AUDITORS, LEGAL ADVISER AND BANKER TO THE RIGHTS ISSUE**

| SECTION CONTENTS | |
|-------------------------|---|
| (a) | Name and address of the underwriter(s) along with the number of shares underwritten by each underwriter |
| (b) | Name and address of issue manager |
| (c) | Name and address of the auditor |
| (d) | Name and address of the legal adviser |
| (e) | Name and address of banker to the rights issue |

(a) Name and address of the underwriter along with the number of shares underwritten by each underwriter

| Name of Underwriter | Address | No. of Share Underwritten | Amount Underwritten (Tk.) |
|--|--|----------------------------------|----------------------------------|
| Bengal Investments Limited | Flat-1C, House-313, Road-4, Avenue-4, Mirpur DOHS, Dhaka-1212 | 16,666,667 | 500,000,010 |
| Prime Finance Capital Management Limited | PFI Tower (7th Floor), 56-57 Dilkusha C/A, Dhaka-1000 | 4,659,970 | 139,799,100 |
| LankaBangla Investments Limited | Assurance Nazir Tower (Level 8), 65/B Kemal Ataturk Avenue, Banani, Dhaka 1213 | 3,333,334 | 100,000,020 |
| Sonali Investment Limited | Borak Biz Center (1st & 2nd Floor), 70, Dilkusha C/A, Dhaka | 3,333,333 | 99,999,990 |
| Janata Capital and Investment Limited | 48 Motijheel C/A, 3rd Floor, Dhaka-1000 | 3,000,000 | 90,000,000 |
| Total | | 30,933,304 | 929,799,120 |

(b) Name and address of issue manager

| Issue Manager | Address |
|------------------------|---|
| UCB Investment Limited | Bulus Center, (17 th Floor), Plot-CWS-(A)-1, Road No-34, Gulshan Avenue, Dhaka-1212 Website: ucb-investment.com Email: info@ucbil.com.bd |

(c) Name and address of the auditor

| Auditor | Address |
|--|--|
| G. Kibria & Co. Chartered Accountants | Shadharan Bima Sadan (5th Floor), 24-25, Dilkusha C/A Dhaka- 1000, Bangladesh. Website: www.gkibriaandco.com Email: gkibria@gkibriaandco.com |

(d) Name and address of the legal adviser

| Legal Advisor | Address |
|--|--|
| Syed Ishtiaq Ahmed & Associates Law Consultants and Legal Practitioners | Concord Ovilash (1 st floor), House - 62, Road - 11A, Dhanmondi, Dhaka - 1209 |

(e) Name and address of banker to the rights issue

| Banker to the Rights Issue | Address |
|----------------------------|--|
| United Commercial Bank PLC | Bulus Center, Plot-CWS-(A)-1, Road No-34 Gulshan Avenue, Dhaka-1212 |

| Region | SL. | Branch Name | Address |
|------------|-----|--------------------------|---|
| Dhaka | 1 | Gulshan | Concord I.K. Tower (1st floor), Plot#CEN(A)-2, North Avenue, Gulshan-2, Dhaka |
| | 2 | Banani Branch | Sharif Plaza, 39 Kemal Atatürk Avenue, Banani, Dhaka 1213 |
| | 3 | Mirpur | House#1, Road#4, Block -A, Section-6, Mirpur, Dhaka |
| | 4 | Mirpur Road Branch | House No. 12, Road 5, Ward 49, Mirpur Road, Dhanmondi R/A, Dhaka |
| | 5 | Mohammadpur Branch | 14/21, Block A, Asad Avenue, Mohammadpur, Dhaka |
| | 6 | Uttara | Paradise Tower (Ground to 2nd floor), Plot#11, Sector#03, Dhaka-Mymensingh Road, DNCC, Uttara, Dhaka. |
| | 7 | Nikunja Branch | Le Meridien Hotel, Holding No. 79/A, Airport Road, Nikunja 2, Khilkhet, Dhaka |
| | 8 | Bashundhara Branch | Plot No. 6, Block A, Main Road, Bashundhara R/A, Dhaka |
| | 9 | Kawran Bazar | 11, Kawran Bazar, Titas Gas Bhaban, Kawran Bazar, Dhaka |
| | 10 | Foreign Exchange | 20, Dilkusha C/A Dhaka-1000 |
| | 11 | Banasree Branch, Rampura | Plot 320, Road 16, Block K, Main Road, South Banasree, Dhaka |
| | 12 | Khilgaon Branch | Ashirbad Bhaban, Holding No. 569/C & 915, Khilgaon, Dhaka |
| | 13 | Chashara | Badhan Community Centre (1st flr), 231/5, B.B. Road, Chashara, Narayanganj |
| | 14 | Narayanganj, Tanbazar | Padma City Plaza 1, 55/B SM Maleh Road, Tanbazar, Narayanganj 1400 |
| | 15 | Gazipur Chowrasta | Unisay Tower (1st floor) Mymensingh Road, Union- Bason, P.O - Chandana, Dist- Gazipur. |
| Mymensingh | 16 | Mymensingh | 17, Chota Bazar, Mymensingh -2200 |
| Chittagong | 17 | O.R. Nizam Road | Aerial Legend Centre, Holding-1080, CDA Avenue, East Nasirabad (GEC), PS-Panchlaish, Chittagong. |

| Region | SL. | Branch Name | Address |
|----------|-----|------------------------|--|
| | 18 | Agrabad | Atlas Rangs Plaza, Plot No.7, Sheikh Mojib Road, Agrabad C/A, Ward No.36, PS-Bandar, Chittagong City Corporation, Dist. Chittagong |
| | 19 | Jubilee Road Branch | Rifle Club Shooting Complex, Nandan Kanan, Jubilee Road, Chittagong 4000 |
| | 20 | Halishohor Branch | House No. 7, Road 2, Lane 2, Block G, Halishahar Housing Estate, Chittagong |
| | 21 | Comilla | 125/117, Raigonj (1st floor), Chatipatty, Comilla-3500 |
| | 22 | Chandpur | 37/37 Comilla Road, Paul Bazar, Chandpur |
| Rajshahi | 23 | Rajshahi | 70/71, Miah Para (1st Flr.), Shaheb Bazar, Natore Maha Sarak, Rajshahi - 6100 |
| | 24 | Bogra | 221, Jhawtola, Pashari Mansion, Bogra-5800 |
| Khulna | 25 | Khulna | 47, K.D Ghosh Road, Khulna-9000 |
| Barisal | 26 | Barisal | Hosue# 87-88, Hemayet Uddin Road, Barisal City Corporation, P.S-Barisal Sadar, Barisal. |
| Sylhet | 27 | Zindabazar | 1683/A, Zindabazar, Sylhet |
| | 28 | Sylhet uposohor Branch | Rose View Complex, Plot No. 597-598, Block D, Shahjalal Upashahar, Kotwali, Sylhet |
| Rangpur | 29 | Rangpur | Asha Centre, 624, G.L. Roy Road, Ward-24, Rangpur City Corporation, PS-Kotwali, Rangpur |

SECTION 18**Rule 8 (p)**

PARTICULARS ALONG WITH THE TERMS AND CONDITIONS OF THE MATERIAL CONTRACTS INCLUDING VENDORS' AGREEMENT, UNDERWRITING AGREEMENT, ISSUE MANAGEMENT AGREEMENT, AGREEMENT WITH THE BANKER TO THE ISSUE AND CONTRACT FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

| SECTION CONTENTS | |
|-------------------------|--|
| (a) | Particulars of Vendor's Agreement |
| (b) | Particulars of Underwriting Agreement |
| (c) | Particulars of Issue Management Agreement |
| (d) | Particulars of the Banker's to the Issue Agreement |
| (e) | Particulars of Contract for Acquisition of Property, Plant & Equipment |

(a) Particulars of Vendor's Agreement

The company did not entered into any vendor's agreement.

(b) Particulars of the Underwriting Agreement

The full amount of the Rights Offer of ANL has been underwritten by underwriter as shown in the chapter 17 of ROD. Each underwriter will be paid underwriting commission @ 0.40% of the nominal value of shares underwritten by them out of the Rights Issue. Simultaneously, with the calling upon an underwriter to subscribe and pay for any number of shares, the company will pay no additional commission to that underwriter on the nominal value of shares required to be subscribed by them.

(c) Particulars of Issue Management Agreement

UCB Investment Limited is appointed as Issue Manager for the Rights Issue of the Company. Accordingly, an agreement was made between the Issue Manager and the Company. The Company will pay a lump-sum issue management fee amounting to Tk. 20 Lac only to the Issue Manager.

(d) Particulars of the Banker's to the Issue Agreement

United Commercial Bank PLC is the Banker to the Issue who will collect the subscription money of the Rights Offer. The Bankers to the Issue will be paid commission of Tk. 500,000 (Five Lac) only on the amount of subscription collected by them. But no commission will be paid to ANL. The Rights Issue subscriptions money collected from the shareholders by the Bankers to the Issue will be remitted to the Company's Current Account Name Aamra Networks Limited- Right Issue Account and Account no. 0901101000002406 with Banani Branch.

(e) Particulars of Contract for Acquisition of Property, Plant & Equipment

After the balance sheet date as at 30 June 2023, the Company did not acquire any property or entered into any agreement for the acquisition of any property.

SECTION 19**Rule 8 (q)**

NUMBER OF RIGHTS SHARES THAT THE DIRECTORS ARE GOING TO SUBSCRIBE AND IN CASE THEY PROPOSE TO MAKE RENUNCIATION, THE REASONS AND EXTENT OF SUCH RENUNCIATION

[see rule 8(q)]

Directors' Take-up of the Rights Offer

Directors are expected to exercise in full their portion of Rights Offer is as under:

| Name of the Directors | Position | Nos. of Shares Held | No. of Rights Share Offered | No. of Rights Share to be Renounced | Reason of Renunciation |
|------------------------------|---|----------------------------|------------------------------------|--|-------------------------------|
| Syed Faruque Ahmed | Chairman, Nominated By aamra holdings limited | 116,865 | 58,433 | N/A | N/A |
| Syed Farhad Ahmed | Managing Director & CEO, Nominated By aamra resources limited | 116,865 | 58,433 | N/A | N/A |
| Syeda Munia Ahmed | Director, Nominated By aamra holdings limited | 116,865 | 58,432 | N/A | N/A |
| Fahmida Ahmed | Director, Nominated By aamra resources limited | 116,865 | 58,432 | N/A | N/A |
| aamra resources limited | Sponsor | 5,284,668 | 2,642,334 | N/A | N/A |
| aamra holdings limited | Sponsor | 14,724,990 | 7,362,495 | N/A | N/A |
| Total | | 20,477,118 | 10,238,559 | | |

Sd/-
Syed Farhad Ahmed
Managing Director & CEO

Sd/-
Md. Anamul Haque
Chief Financial Officer

Sd/-
Syed Moniruzzaman, FCS
Company Secretary

Place: Dhaka

Dated: 11 October 2023

SECTION 20Rule 8 (r)

STATEMENT OF ACTUAL UTILISATION OF FUND RAISED BY PUBLIC OFFERING OF SHARES OR RIGHTS SHARES, IF ANY, PRIOR TO THE PROPOSED RIGHTS ISSUE VIS-A-VIS PLAN THEREFOR

[see rule 8(r)]

aamra networks limited raised Tk. 562,500,000 by issuing 9,014,423 shares @ Tk. 39.00 (including premium of Tk. 29.00) and 6,026,786 shares @ Tk. 35.00 (including premium of Tk. 25.00) per share totaling 15,041,209 ordinary shares through Initial Public Offer (IPO) in the year 2017.

| UTILIZATION OF IPO PROCEEDS | | |
|--|----------------------|--------------------------|
| Particulars | Amount in BDT | Fund Utilized For |
| IPO Expenses | 29,704,173 | 29,704,173 |
| Loan Repayment | 185,921,482 | 185,921,482 |
| BMRE for infrastructure Development | 154,667,531 | 154,667,531 |
| Data Center Setup | 118,002,406 | 118,002,406 |
| Wi-Fi Hotspot setup in different locations | 74,204,408 | 74,204,408 |
| Total | 562,500,000 | 562,500,000 |

The funds were duly utilized as above and reflected in the financial statements of the Company.

Further, the Company did not raise any capital through the issuance of RPO or Rights Issue previously.

Sd/-
Syed Farhad Ahmed
Managing Director & CEO

Sd/-
Md. Anamul Haque
Chief Financial Officer

Sd/-
Syed Moniruzzaman, FCS
Company Secretary

Place: Dhaka

Dated: 11 October 2023

SECTION 21Rule 8 (s)

APPLICATION FORM FOR DEPOSITING THE SUBSCRIPTION MONEY WITH THE BANKERS TO THE ISSUE FOR THE RIGHTS SHARE, WITH THE PROVISION FOR RENUNCIATION OF THE RIGHTS OFFER

| SECTION CONTENTS | |
|-------------------------|---|
| (a) | Letter of Offer for Rights Issue to the Shareholders |
| (b) | Form of Acceptance and Application for Shares, Form-A |
| (c) | Form of Renunciation, Form-B |
| (d) | Application by Renouncee(s), Form-C |

(a) Letter of Offer for Rights Issue to the Shareholders



Safura Tower (12th Floor), 20 Kemal Ataturk Avenue, Banani C/ A, Dhaka -1213, Bangladesh
Telephone: 09666715715, Fax: +88-02-9840077
E-mail: info.networks@aamra.com.bd; Website: www.aamranetworks.com

| | | |
|---------------------|---|--|
| Folio/BO Account No | : | |
| Name | : | |
| Address | : | |

LETTER OF OFFER FOR RIGHTS ISSUE

Dear Shareholder(s)

We are pleased to inform you that the Board of Directors during the Board Meeting held on 21 August 2023 recommended to issue 30,993,304 Ordinary Shares of Tk. 10.00 each at an issue price of Tk. 30.00 (including premium Tk. 20), totaling Tk. 929,799,120 on the basis of 01[R]:02 i.e. 01 (One) Rights Shares for every 02 (Two) existing share held, which was approved by the Shareholders in the Annual General Meeting (AGM) held on October 04, 2023. As a registered Shareholder as on 07 March 2024 (Record date for entitlement), you are entitled to subscribe to your rights share.

If you wish to accept the above Rights Share in full or in part, you are required to submit a completed Application Form-A annexed hereto with necessary payments. You may, however, renounce your rights in respect of all or part of your entitlement in favor of others in which case the Renunciation Form-B and Form-C annexed here to be submitted duly filled in by you and the renouncee(s) along with necessary payments. The rights cannot be exercised for fraction of a share i.e. below the full unit of share.

All the payments for accepted shares are to be made in cash or by P.O/DD/Cheque @ Tk. 30.00 each and to be deposited with any of the branches of Bankers to the Issue during Banking hours. Any extension of time will be notified through national dailies. Payments through P.O/DD/Cheque, must be payable to "aamra networks limited" and must be drawn on a Bank in the same town where the Branch of Bankers to the Issue in which the application form has been submitted is situated. It is to be noted that all transactions above Tk. 1.00 lac must be effected through Demand Draft/Crossed Cheque/Pay Orders.

The offer will be deemed to have been declined if completed Application Form-A and/or Renunciation Form-B and Form-C with necessary payments have not been received by 18 April 2024 or by such later date as may be notified through national dailies to that effect.

A self-explanatory Rights Share Offer Document is attached for your kind information and evaluation.

On behalf of the Board of Directors,

Sd/-

Syed Farhad Ahmed
Managing Director & CEO

(b) Form of Acceptance and Application for Shares, Form-A

পঞ্জিবাজার ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন।

Application Form - A

AAMRA NETWORKS LIMITED

Safura Tower (12th Floor), 20 Kemal Ataturk Avenue, Banani C/A, Dhaka -1213, Bangladesh

Rights Offer of 30,993,304 Ordinary Shares of Tk. 10.00 each at an issue price of Tk. 30.00 (including premium Tk. 20) totaling Tk. 929,799,120 offered on the basis of 01(One) [R]:02(Two) i.e. One Rights Share against 02(Two) existing share held to the shareholders whose name appeared in the share register at the close of business on 07 March 2024.

| SUBSCRIPTION | |
|--|---------------|
| Opens on | Closes on |
| 24 March 2024 | 18 April 2024 |
| Within banking hours both days inclusive | |

FORM OF ACCEPTANCE AND APPLICATION FOR SHARES

The Managing Director & CEO
aamra networks limited
Safura Tower (12th Floor)
20 Kemal Ataturk Avenue
Banani C/A Dhaka -1213, Bangladesh

Dated:/...../.....

Application Sl. No.....
(Bank's Seal)

Dear Sir,

I/We apply for allotment of ordinary shares indicated below in response to your letter of Rights Offer and subject to the Memorandum and Articles of Association of the Company. I/We hereby agree to accept the shares as may be allotted to me/us on the terms laid down in the letter of offer and enclose the necessary remittance @Tk. 30.00 per share in cash or by Draft/Pay Order/Cheque No..... dated.....drawn on Bank Branch.

| Folio/BO Account No. | No. of Shares held at the close of business on 07 March 2024 | No. of Shares offered | No. of Shares Accepted | Total Amount Paid (Tk.) |
|----------------------|--|-----------------------|------------------------|-------------------------|
| | | | | |

Yours faithfully,

| | |
|-----------------------------|------------|
| 1. Name (in block letters): | Signature: |
| Address: | |
| 2. Name (in block letters): | Signature: |
| Address: | |

| | | | | | | | | | | | | | | | | | | | | |
|----------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| BO Account No. | | | | | | | | | | | | | | | | | | | | |
|----------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

As per provision of the Depository Act, 1999 and regulations made thereunder, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

Note: Signature must be the same as was furnished to the Company earlier. In case of incomplete application, the offer will be deemed to have been declined. A/C payee Cheque/Draft/Pay order to be issued in favor of aamra networks limited

ACKNOWLEDGEMENT RECEIPT OF SHARE MONEY

Received Tk..... (Taka.....) only from Mr./Ms..... Folio/BO Account No.....for.....No.(s) of rights shares of **aamra networks limited** in Cash/Pay order/Draft/Cheque No.....date.....of..... BankBranch.

Application Sl. No

(Bank's Seal)

Signature of Receiving Officer
Date:

(c) **Form of Renunciation, Form-B**

পুঁজিবাজার ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন।

Renunciation Form - B
Application by Renouncer

AAMRA NETWORKS LIMITED

Safura Tower (12th Floor) 20 Kemal Ataturk Avenue, Banani C/A Dhaka -1213, Bangladesh

Rights Offer of 30,993,304 Ordinary Shares of Tk. 10.00 each at an issue price of Tk. 30.00 (including premium Tk. 20) totaling Tk. 929,799,120 offered on the basis of **01(One) [R]:02(Two)** i.e. One Rights Share against 02(Two) existing share held to the shareholders whose name appeared in the share register at the close of business on 07 March 2024.

| SUBSCRIPTION | |
|--|---------------|
| Opens on | Closes on |
| 24 March 2024 | 18 April 2024 |
| Within banking hours both days inclusive | |

FORM OF RENUNCIATION

The Managing Director & CEO

aamra networks limited
Safura Tower (12th Floor)
20 Kemal Ataturk Avenue
Banani C/A Dhaka -1213, Bangladesh

Dated:/...../.....

Application Sl. No.....
(Bank's Seal)

Dear Sir,

I/We hereby renounce my/our rights to the shares offered to me/us as noted below in favor of person(s) accepting the same and signing in Application by Renouncee(s) and apply for allotment in his/her/their name(s).

| Folio/BO Account No. | No. of Shares held at the close of business on 07 March 2024 | No. of Shares offered | No. of Shares Renounced | Total Amount Paid (Tk.) |
|----------------------|--|-----------------------|-------------------------|-------------------------|
| | | | | |

Yours faithfully,

| | |
|-----------------------------|------------|
| 1. Name (in block letters): | Signature: |
| Address: | |
| 2. Name (in block letters): | Signature: |
| Address: | |

| Name(s) of Renouncee(s) | BO Account No. | | | | | | | | | | | | |
|-------------------------|----------------|--|--|--|--|--|--|--|--|--|--|--|--|
| 1. Name: | | | | | | | | | | | | | |
| 2. Name: | | | | | | | | | | | | | |

N.B. use photocopy in case of renouncement favoring more than 2 (two) persons

As per provision of the Depository Act, 1999 and regulations made thereunder, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

Note: Signature must be the same as was furnished to the Company earlier. Incomplete or incorrectly filled application will be rejected.

(d) Application by Renouncee(s), Form-C

পূঁজিবাজার ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন।

Renunciation Form - C
Application by Renouncee

AAMRA NETWORKS LIMITED

Safura Tower (12th Floor) 20 Kemal Ataturk Avenue, Banani C/A Dhaka -1213, Bangladesh

Dated:/...../.....

The Managing Director & CEO

aamra networks limited
Safura Tower (12th Floor)
20 Kemal Ataturk Avenue
Banani C/A Dhaka -1213, Bangladesh

Application Sl. No.....
(Bank's Seal)

Dear Sir,

As the shareholder(s) at pre-page has/have renounced his/her/their rights to the shares offered, in my/our favor, I/We do hereby apply for the number of shares as renounced, by making payment of Tk. being the value ofShares @ Tk. 30.00 each.

Yours faithfully,

| 1 | Signature: | 2 | Signature: |
|--------------------------|------------|--------------------------|------------|
| Name (in block letters): | | Name (in block letters): | |
| S/O. D/O. W/O.: | | S/O. D/O. W/O.: | |
| Address: | | Address: | |
| BO No. | | BO No. | |

N.B. use photocopy in case of renouncement favoring more than 2 (two) persons

| Signature of the Renouncer(s) | | | |
|-------------------------------|--|-------------|--|
| Renouncer 1 | | Renouncer 2 | |

As per provision of the Depository Act, 1999 and regulations made thereunder, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

Note: Signature must be the same as was furnished to the Company earlier. Incomplete or incorrectly filled application will be rejected.

ACKNOWLEDGEMENT RECEIPT OF SHARE MONEY

Received Tk..... (Taka.....)
only from Mr./Ms..... Folio/BO Account
No.....for.....No.(s) of rights shares of **aamra
networks limited** in Cash/Pay order/Draft/Cheque
No.....date.....of..... BankBranch.

Application Sl. No

(Bank's Seal)

Signature of Receiving Officer
Date:

SECTION 22Rule 8 (t)

DECLARATION ABOUT THE RESPONSIBILITY OF THE ISSUE MANAGER, THE UNDERWRITER, THE AUDITORS AND THE DIRECTORS IN FORMS-A, B, C AND D RESPECTIVELY

| SECTION CONTENTS | |
|-------------------------|---|
| (a) | Declaration about the responsibility of the Issue Manager, Form-A |
| (b) | Declaration about the responsibility of the Underwriter, Form-B |
| (c) | Declaration about the responsibility of the Auditor, Form-C |
| (d) | Declaration about the responsibility of the Directors, Form-D |

(a) Declaration about the responsibility of the Issue Manager, Form-A**FORM-A**
[Rule 5 and 8(t)]**Declaration (due diligence certificate) about responsibility of the issue manager in respect of the rights share offer document**

This rights share offer document has been reviewed by us and we confirm after due examination that the rights share offer document constitutes full and fair disclosures about the rights issue and the issuer and complies with the requirements of the Securities and Exchange Commission (Rights Issue) Rules, 2006; and that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006.

For **UCB Investment Limited**Place: Dhaka
Dated: 10 October 2023Sd/-
Tanzim Alamgir
Managing Director & CEO

(b) Declaration about the responsibility of the Underwriter, Form-B

BENGAL INVESTMENTS LIMITED

FORM-B

[see rule 6 and rule 8 (t)]

Declaration (due diligence certificate) about responsibility of the underwriter(s) in respect of the rights share offer document

This rights share offer document has been reviewed by us, and we confirm after due examination that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006, and also that we shall subscribe for the under-subscribed rights shares within fifteen days of calling thereof by the issuer. The issuer shall call upon us for such subscription within ten days of closure of the subscription lists for the rights issue.

For Bengal Investments Limited

Sd/-

Tahid Ahmed Chowdhury

Managing Director & CEO

Place: Dhaka

Dated: 08 October 2023

PRIME FINANCE CAPITAL MANAGEMENT LIMITED

FORM-B

[see rule 6 and rule 8 (t)]

Declaration (due diligence certificate) about responsibility of the underwriter(s) in respect of the rights share offer document

This rights share offer document has been reviewed by us, and we confirm after due examination that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006, and also that we shall subscribe for the under-subscribed rights shares within fifteen days of calling thereof by the issuer. The issuer shall call upon us for such subscription within ten days of closure of the subscription lists for the rights issue.

For Prime Finance Capital Management Limited

Sd/-

Md. Rezaul Haque

Managing Director

Place: Dhaka

Dated: 08 October 2023

JANATA CAPITAL AND INVESTMENT LIMITED

FORM-B

[see rule 6 and rule 8 (t)]

Declaration (due diligence certificate) about responsibility of the underwriter(s) in respect of the rights share offer document

This rights share offer document has been reviewed by us, and we confirm after due examination that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006, and also that we shall subscribe for the under-subscribed rights shares within fifteen days of calling thereof by the issuer. The issuer shall call upon us for such subscription within ten days of closure of the subscription lists for the rights issue.

For Janata Capital and Investment Limited

Sd/-

Shahidul Hoque, FCMA

Chief Executive

Place: Dhaka

Dated: 08 October 2023

SONALI INVESTMENT LIMITED

FORM-B

[see rule 6 and rule 8 (t)]

Declaration (due diligence certificate) about responsibility of the underwriter(s) in respect of the rights share offer document

This rights share offer document has been reviewed by us, and we confirm after due examination that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006, and also that we shall subscribe for the under-subscribed rights shares within fifteen days of calling thereof by the issuer. The issuer shall call upon us for such subscription within ten days of closure of the subscription lists for the rights issue.

For Sonali Investment Limited

Sd/-

Md. Shawkat Jahan Khan

Chief Executive Officer

Place: Dhaka

Dated: 08 October 2023

LANKABANGLA INVESTMENTS LIMITED

FORM-B

[see Rule 6 and Rule 8 (t) of the Securities and Exchange Commission (Rights Issue) Rules, 2006]

Declaration (due diligence certificate) about responsibility of the underwriter(s) in respect of the rights share offer document of aamra networks limited

This rights share offer document has been reviewed by us, and we confirm after due examination that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006, and also that we shall subscribe for the under-subscribed rights shares within fifteen days of calling thereof by the issuer. The issuer shall call upon us for such subscription within ten days of closure of the subscription lists for the rights issue.

For the Underwriter,

Sd/-

Iftekhar Alam

Chief Executive Officer

Place: Dhaka

Dated: 11 October 2023

(c) Declaration about the responsibility of the Auditor, Form-C

FORM-C
[Rule 8(h), 8(i) and 8(t)]
Auditors' report to the shareholders

We have audited the accompanying financial statements for the period from **01 July 2022 to 30 June 2023** of **aamra networks limited** in accordance with the International Standards of Auditing, as applicable in Bangladesh and we state that we have obtained all the information and explanations which we have required and after due verification thereof, we report that, in our opinion:

- (e) These financial statements have been drawn up in accordance with the requirements of the Securities and Exchange Rules, 2020, as amended, the Companies Act, 1994 and other relevant laws where applicable and the International Accounting Standards, as applicable in Bangladesh.
- (f) These financial Statements which are in agreement with the books of account of the issuer company give a true and fair view of the state of its affairs as at 30 June 2023 and of the result of its operations and cash flows for the period/year then ended.
- (g) Proper Books of Account have been kept by the company as required by the relevant laws.
- (h) The expenditure incurred was for the purposes of the issuer company's business.

We also certify that the above company has declared the following dividend for each of the following five years immediately preceding the issue of the rights share offer document under the Securities and Exchange Commission (Rights Issue) Rules, 2006 and that the company has duly paid off the following amounts of the declared dividend mentioned against respective years-

| Financial Year | Date of Dividend Declaration | Declared Dividend | | |
|----------------|------------------------------|--------------------|--------------------|---|
| | | Rate (%) | Total Amount (Tk.) | Total Paid including Bonus Shares (Tk.) |
| *2022-2023 | 04 October, 2023 | 11% Cash | 68,185,269 | - |
| 2021-2022 | 29 December, 2022 | 5% Cash & 5% Bonus | 59,034,865 | 58,419,476 |
| 2020-2021 | 28 December, 2021 | 5% Cash & 5% Bonus | 56,223,681 | 55,907,117 |
| 2019-2020 | 29 December, 2020 | 10% Cash | 56,223,681 | 55,730,157 |
| 2018-2019 | 26 December, 2019 | 6% Cash & 6% Bonus | 63,649,451 | 63,400,488 |

* The Company is required to disburse dividend within the stipulated time line prescribed by the regulators in this regard.

Place: Dhaka
Dated: 10 October 2023

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

(d) Declaration about the responsibility of the Directors, Form-D

FORM-D
Rule 8(t)

**DUE DILIGENCE CERTIFICATE BY THE DIRECTORS ABOUT THEIR PERSONAL
RESPONSIBILITY IN RESPECT OF THE RIGHTS SHARE OFFER DOCUMENT**

This rights share offer document has been prepared, seen, reviewed and approved by us and we collectively and individually accept full responsibility for the accuracy of the information given in the rights share offer document, relevant documents and financial statements submitted to the Commission and others concerned under the Securities and Exchange Commission (Rights Issue) Rules, 2006.

We confirm, after making all reasonable enquiries, that all conditions concerning this rights issue and rights share offer document have been met. We further confirm that we have not concealed any information or statement which might have any bearing on the information already made. In case of any default or failure on our part, civil, criminal or administrative action may be taken against us.

Sd/-
Syed Faruque Ahmed
Chairman
Nominee of aamra Holdings Ltd.

Sd/-
Syed Farhad Ahmed
Managing Director & CEO
Nominee of aamra Resources Ltd.

Sd/-
Syeda Munia Ahmed
Director
Nominee of aamra Holdings Ltd.

Sd/-
Fahmida Ahmed
Director
Nominee of aamra Resources Ltd.

Sd/-
A.K.M. Nurul Alam
Independent Director

Place: Dhaka
Dated: 11 October 2023

SECTION 23**Rule 8 (u)**

A STATEMENT THAT A LOCK-IN ON THE RIGHTS SHARES OF THE DIRECTORS (INCLUDING THEIR RENOUNCED SHARES) FOR A PERIOD OF THREE YEARS FROM THE DATE OF CLOSURE OF THE RIGHTS SHARE SUBSCRIPTION SHALL BE OPERATIVE

[see rule 8(u)]

Statement of Lock-In on the Rights Shares

The rights share of directors and other shareholders holding 5% or more shares shall be subject to lock-in for a period of 3 (three) years from the date of closure of the rights share subscription. In the event of renunciation of rights share by aforesaid persons, the renounced shares shall also be subject to lock-in for the same period.

| Sl. | Name of Directors/ Shareholders (5% or more) | Status | No. of Shares held at the Record Date* | Rights Share Portion | Date of Subs cription Close | Expiry Date of Lock-in |
|-----|--|---|---|----------------------------|--------------------------------------|---|
| 1 | Syed Faruque Ahmed | Chairman, Nominated By aamra holdings limited | 116,865 | 58,433 | 18 April 2024 | 3 Years from the subscription close. |
| 2 | Syed Farhad Ahmed | Managing Director & CEO, Nominated By aamra resources limited | 116,865 | 58,433 | | |
| 3 | Syeda Munia Ahmed | Director, Nominated By aamra holdings limited | 116,865 | 58,432 | | |
| 4 | Fahmida Ahmed | Director, Nominated By aamra resources limited | 116,865 | 58,432 | | |
| 5 | aamra resources limited | Sponsor | 5,284,668 | 2,642,334 | | |
| 6 | aamra holdings limited | Sponsor | 14,724,990 | 7,362,495 | | |

*There is no shareholder holds 5% or more shares other than the above mentioned.

Sd/-
Syed Farhad Ahmed
Managing Director & CEO

Sd/-
Md. Anamul Haque
Chief Financial Officer

Sd/-
Syed Moniruzzaman, FCS
Company Secretary

Place: Dhaka
Dated: 11 October 2023

SECTION 24**Rule 8 (v)**

A DECLARATION THAT THE RIGHTS SHARES TO BE ISSUED IN DEMATERIALIZED FORM AND THE SUBSCRIBING SHAREHOLDERS HAVE TO APPLY WITH RESPECTIVE DEPOSITORY ACCOUNTS**DECLARATION REGARDING THE RIGHTS SHARES TO BE ISSUED IN DEMATERIALIZED FORM AND THE SUBSCRIBING SHAREHOLDERS HAVE TO APPLY WITH RESPECTIVE DEPOSITORY ACCOUNTS**

[see rule 8 (v)]

It is hereby declared that, in accordance with the provisions of the Depository Act, 1999, and the regulations made thereunder, the rights shares of aamra networks limited shall be issued in dematerialized form. Shareholders who are entitled to acquire rights shares of aamra networks limited must submit their applications with their respective depository accounts.

Sd/-
Syed Farhad Ahmed
Managing Director & CEO

Sd/-
Md. Anamul Haque
Chief Financial Officer

Sd/-
Syed Moniruzzaman, FCS
Company Secretary

Place: Dhaka

Dated: 13 November 2023

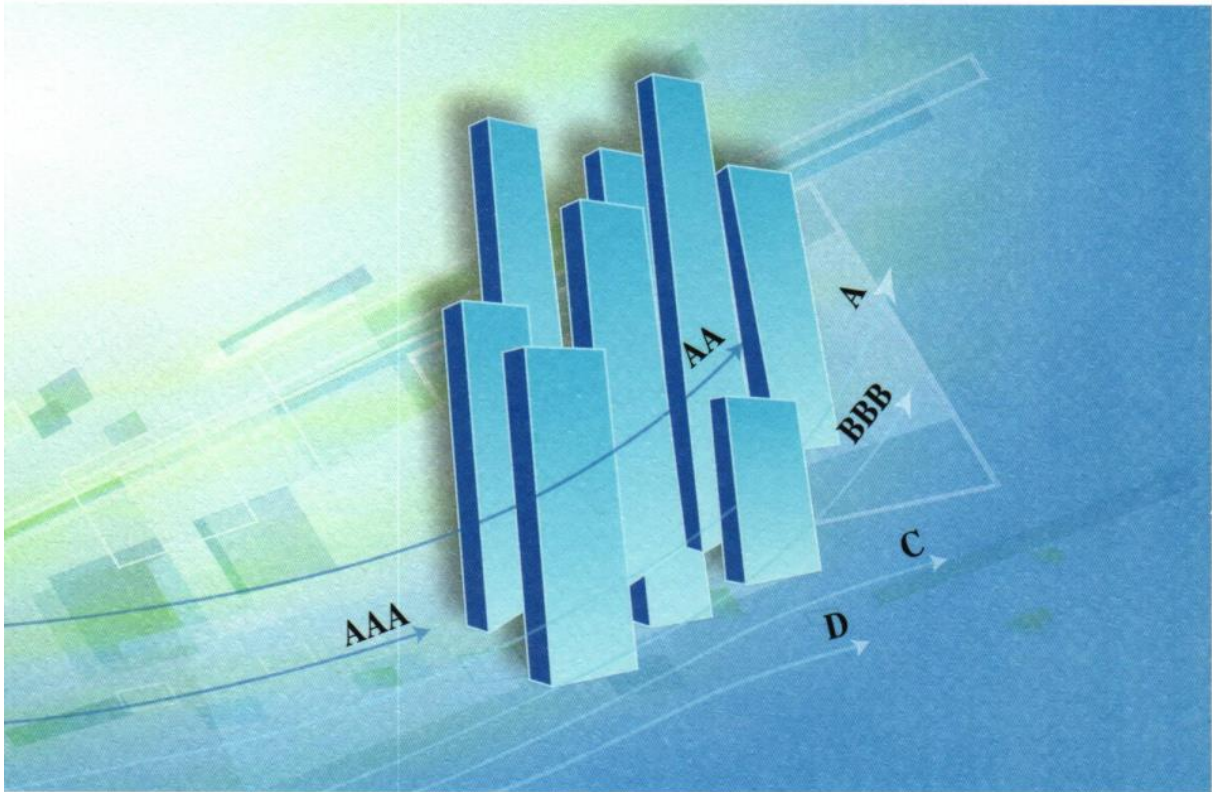
SECTION 25

CREDIT RATING REPORT OF THE ISSUER, IF THE OFFER IS AT A PREMIUM**Summary of Credit Rating Report:**

| Credit Rating Status | | |
|-----------------------------|-----------------------------|-------------------|
| | Long Term | Short Term |
| Entity Rating | A- | ST-3 |
| Outlook | Stable | |
| Date of Rating | 10 October 2023 | |
| Validity of Rating | 25 August 2024 | |
| Rating assigned by: | Alpha Credit Rating Limited | |

AlphaRating

Credit Rating Report



Alpha Credit Rating Limited

AlphaRating

AAMRA NETWORKS LIMITED

*Safura Tower (9th, 12th & 15th Floor) 20, Kemal Ataturk Avenue, Banani Commercial Area,
Dhaka-1213.*

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10 October, 2023

Managing Director

Aamra Networks Limited

Safura Tower (9th, 12th & 15th Floor) 20, Kemal Ataturk Avenue, Banani Commercial Area, Dhaka-1213.

Subject: Credit Rating of Aamra Networks Limited.

Dear Sir,

We are pleased to inform you that Alpha Credit Rating Limited (AlphaRating), vide credit rating Agreement No: 804 has assigned the following rating to **Aamra Networks Limited**.

| Date of Declaration | Valid From | Valid Till | Rating Action | Long Term Rating | Short Term Rating | Outlook |
|---------------------|-----------------|-----------------|------------------------------|------------------|-------------------|---------|
| 10 October, 2023 | 26 August, 2023 | 25 August, 2024 | 8 th Surveillance | A- | ST-3 | Stable |

The Long-Term & Short-Term rating is valid up to the earlier of 25 August, 2024 or the limit expiry date of respective credit facility. The rating may be changed or revised prior to expiry, if warranted by extraordinary circumstances in the management, operations and/or performance of the entity rated.

We, Alpha Credit Rating Limited, while assigning this rating to **Aamra Networks Limited**. Hereby solemnly declare that:

- (i) We, Alpha Credit Rating Limited as well as the analysts of the rating have examined, prepared, finalized and issued this report without compromising with the matters of our conflict of interest, if there be any; and
- (ii) We have complied with all the requirements, policy and procedures of these rules as prescribed by the Bangladesh Securities and Exchange Commission in respect of this rating.

We hope the rating will serve the intended purpose of your organization.

With Kind Regards,


Tanzina Khaled
Chief Rating Officer

This letter forms an integral part of the credit rating report.

Aamra Networks Limited Rating Type 8th Surveillance **A-** Long Term Rating **ST-3** Short Term Rating

Stable Outlook **Date of Declaration** 10 October, 2023 **Valid From** 26 August, 2023 **Valid Till** 25 August, 2024

| | | | | | | | |
|----------------------|------------------|----------------------|----------------------------|----------------------------|--------------------------|--------------------------|---------------|
| Business Risk | Liquidity | Profitability | Operating Cash Flow | Technical Expertise | Financial Support | Market Reputation | Sector |
| Medium | Fair | Good | Positive | Excellent | Sufficient | Distinguished | IT |

ANL is one of the fastest growing ISP proved themselves with their excellence and nationwide coverage.

Previous Rating

Long Term Rating: A
Short Term Rating: ST-2
Outlook: Stable
Date of Declaration: 15 December, 2022
Valid From: 26 August, 2022
Valid Till: 25 August, 2023

Contact Analysts:

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hasibur@alpharating.com.bd

Contents

| | |
|---------------------|-------|
| Rationale | 2 |
| Company Profile | 3-4 |
| Industry Overview | 5 |
| Business Risk | 6-7 |
| Financial Risk | 8-10 |
| Bank Facilities | 11-12 |
| Management Quality | 13-14 |
| Company Information | 15 |

Date of Incorporation:
10th January, 2001

Board Chairman:
Syed Faruque Ahmed

Managing Director:
Syed Farhad Ahmed

Total Asset:
BDT 3,236.43 million (As on 30 June, 2023)

Banks & FIs
Shahjalal Islami Bank Limited
The City Bank Limited
Alliance Finance PLC
Commercial Bank of Ceylon PLC

Loan/Investment Limit:
BDT 1,303.24 million

Outstanding:
BDT 728.02 million

Other Liability:
Limit: BDT 150.00 million
Outstanding: BDT 105.00 million

Rationale

Alpha Credit Rating Limited (AlphaRating) vide credit rating Agreement No: 804 downgrades long term rating to "A-" (Pronounced as "Single A Minus") from "A" (Pronounced as "Single A") and downgrades short term rating to "ST-3" from "ST-2" in favor of Aamra Networks Limited (herein after referred to as "ANL" or "the company"). The outlook for the rating is Stable.

AlphaRating considered financial performance, scale of the operation, quality of financial statements & data presentation, relationship with various stakeholders of the company with management and comparative strength of the company while assigning the rating. The above rating is based on the audited financial statements for the year ended 30 June, FY 2021-2023 and other qualitative information provided by the management.

The rating has been influenced by some positive factors such as increased revenue, sound profitability, sound liquidity position, positive CFO, low geared capital structure, adequate finance cost payment ability, improved net asset value, improved ROA & ROE, good cost control efficiency, improved cash conversion cycle, audit report and updated compliances. This improvement has become achievable because of insightful operation and long term experience of professional management team which was also considered while assigning the rating. AlphaRating observed that excellent track record, business development planning and increased demand has driven the company to retain outreach of its operation. Apart from this, good business relationship with all stakeholders was considered as one of the key strength behind the rating. In addition, quality financial reporting, positive attitude towards regulatory framework & strong corporate governance adherence has also been positively considered during the rating procedure.

However, the rating was constrained by irregular payment behavior with SMA status, overdue amount. Apart from this, increased competition & uncertain macro-economic environment has affected the rating. The Stable Outlook reflects AlphaRating's assessment on upside and downside risks to the rating which is currently well balanced.

Credit Metrics (BDT in Millions)

| | 2023 | 2022 | 2021 |
|---------------------------|--------|--------|--------|
| Cash in Hand | 16.13 | 15.21 | 12.40 |
| Total Debt | 667.73 | 753.58 | 647.02 |
| Financial Charges | 68.56 | 68.32 | 44.28 |
| Debt to Equity (%) | 0.28 | 0.35 | 0.31 |
| Current Ratio (x) | 2.75 | 2.18 | 2.03 |
| Cash Ratio (x) | 0.04 | 0.03 | 0.02 |

Operating Summary (BDT in Millions)

| | 2023 | 2022 | 2021 |
|----------------------------|----------|----------|--------|
| Sales | 1,274.17 | 1,029.24 | 999.45 |
| % Change | 23.80 | 2.98 | 2.81 |
| EBT | 234.96 | 119.76 | 131.26 |
| Net Profit | 225.67 | 109.29 | 120.39 |
| NP % of Net Sales | 17.71 | 10.62 | 12.05 |
| Operating Cash Flow | 382.33 | 502.33 | 291.83 |

Data obtained from audited financial statements of FY 2021-2023

ANL is availing external financing from Shahjalal Islami Bank Limited (Banani Branch), The City Bank Limited (Head Office Branch), Alliance Finance PLC (Gulshan Avenue Branch), Commercial Bank of Ceylon PLC. (Gulshan Avenue Branch), Dhaka. As per bank information, payment behavior of the company is irregular in Commercial Bank of Ceylon PLC & The City Bank Limited. However, the company has an overdue of BDT 47.62 million with SMA status in Commercial Bank of Ceylon PLC. As per company information overdue arise due to late payment. AlphaRating considered only above mentioned banking facilities.

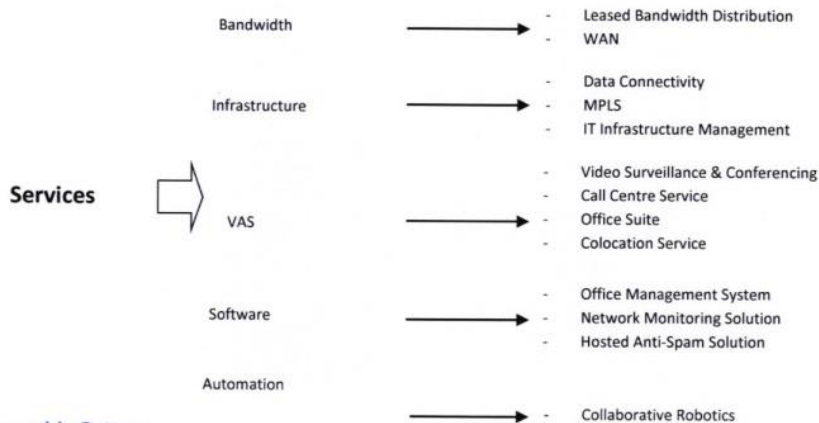

Tanzina Khaled
Chief Rating Officer
Alpha Credit Rating Limited

Company Profile

Aamra Networks Limited is a renowned brand in the IT industry of Bangladesh. Over the last decade, the company has been providing state-of-the-art IT communication solutions and services ranging from internet access to web page development to leased port internet access, total network solution and maintenance services to its customers. The company has a rich customer profile that varies from banks, Govt. organizations, hotels, embassy, high commission etc. ANL is ISO certified internet service providers in the country, upholding the certification since 2003. In addition, the company has been complying with regulatory issues consistently. Aamra Networks Limited is one of the 18 concerns of Aamra Companies. Starting its journey in 1985, group has diversified investment in ICT, Textile, and Lifestyle sectors in Bangladesh.

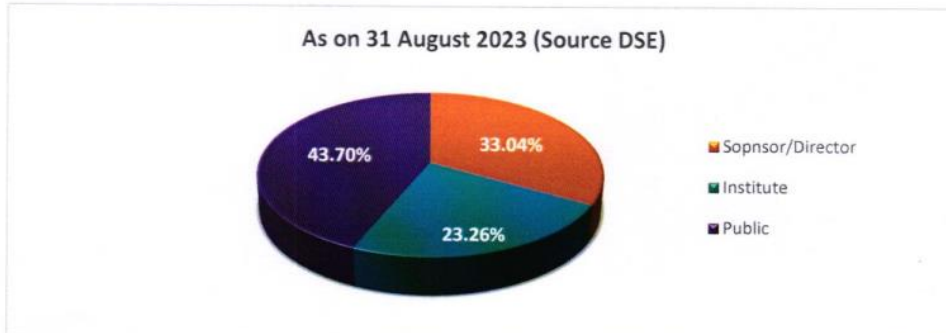
Service Offered

Being one of the industry pioneers, ANL offers following services to its clients:



Ownership Pattern

ANL was initially known as Global Online Services Limited. The company was incorporated on 10th January, 2001 as a private limited company. During 31st December 2007, the company has changed its name to Aamra Networks Limited and has been converted in to a public company limited by shares on 8th May, 2013. The company is now operating with authorized capital of BDT 1,000.00 million and paid up capital of BDT 619.87 million. The company became listed in the year of 2017 with market category 'A' and 'Y' electronic shares under Dhaka Stock Exchange and Chittagong Stock Exchange. Latest ownership of the company is pictured below:



Company Profile

Bank Facilities

Industry Overview

Management Quality

Business Risk

Company Information

Financial Risk

Optimal Revenue Mix

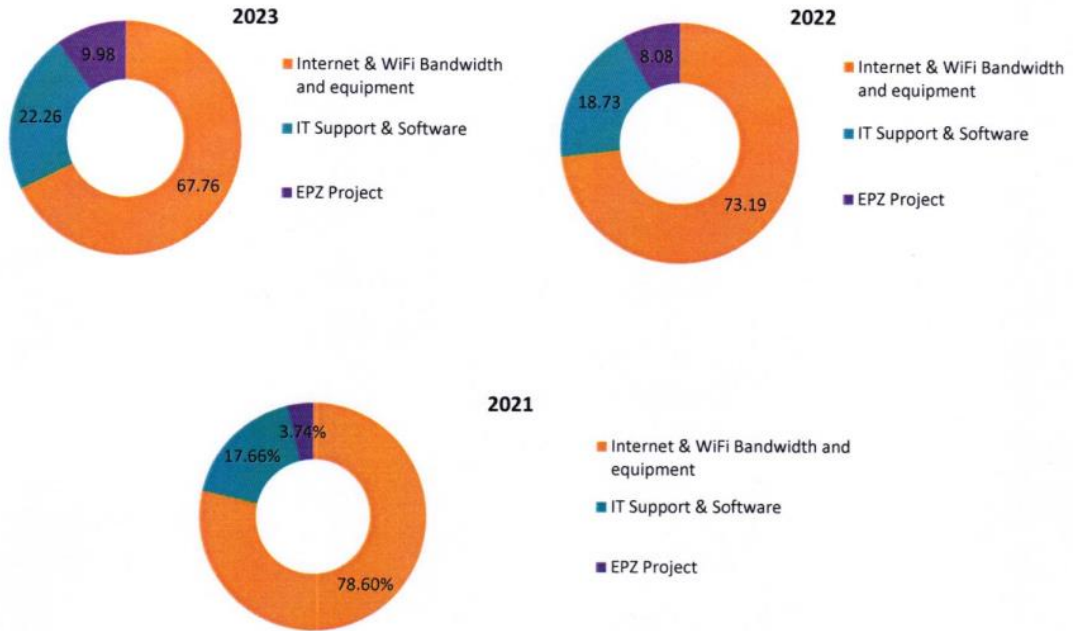


Figure: Revenue Mix in last 3 Years

Company Profile

Industry Overview

Business Risk

Financial Risk

Bank Facilities

Management Quality

Company Information

Industry Overview

IT has become an integral part of modern economies, playing a critical role in transforming various sectors and contributing to economic growth and development. Its impact on the digital economy shapes how people work, communicate, and conduct business. As technology continues to evolve and disrupt traditional industries, understanding its effects on the economy is crucial for policymakers, investors, and individuals seeking to harness its potential for growth and development.

A particularly significant impact of IT on Bangladesh's economy has been the evolution of the outsourcing industry. Bangladesh has emerged as a popular outsourcing destination, particularly for software development, data entry, and customer services. This has been due to the nation's abundant supply of skilled labour and lower labour costs. The outsourcing industry has been instrumental in creating new job opportunities, particularly for the country's youth, and has substantially contributed to Bangladesh's export earnings. Over the past ten years, Bangladesh's software industry has experienced remarkable growth, according to data from the Bangladesh Association of Software and Information Services (BASIS). The industry's export earnings have risen from \$130 million in 2010 to \$800 million in 2020, representing a growth rate of over 500 percent. The software industry is now one of the fastest-growing sectors in the country, and its influence on Bangladesh's export earnings has been steadily increasing, and this growth rate demonstrates the industry's potential for further expansion. In 2020, this sector accounted for around 2 per cent of the country's total export earnings, a considerable increase from 0.3 per cent in 2010. This shows the substantial contribution of the software industry to the nation's economy and its potential to become a powerful player in the global software market. In 2021, the software industry's export earnings increased to \$1.1 billion, representing a growth rate of around 37.5 per cent. The industry's growth expects to continue in 2022 and 2023 due to various factors, including the rising demand for digital transformation services worldwide, development of e-commerce, and increasing adoption of IT across multiple sectors.

E-commerce based business is a new opportunity in Bangladesh. The use of e-commerce has seriously influenced the country's economy, enabling businesses to reach a broader customer base and reducing transaction costs. The growth of e-commerce has led to the emergence of new companies and allowed small and medium-sized enterprises (SMEs) to access new markets. The increased use of online payment systems has also reduced the reliance on cash transactions, promoting financial inclusion and transparency in the economy. IT has enabled the development of various payment systems, including mobile banking, digital wallets, and payment gateways, making transactions faster, more secure, and more convenient, thereby promoting e-commerce and driving economic growth. The adoption of IT has played a crucial role in reforming the Bangladesh finance sector, contributing to better customer services, enhanced efficiency, and economic growth. Technologies in the finance sector have implemented various initiatives to promote digital renovation in the industry. The widespread use of IT has enabled financial institutions to provide digital banking services, such as online banking, mobile banking, and ATM services, making banking more convenient and accessible to customers in remote areas. Financial institutions in Bangladesh use technology to monitor and manage risk more effectively, which includes detecting and preventing fraud and analyzing credit risk. This has enhanced the stability and security of the financial sector and enabled financial institutions to offer better customer services.

The integration of IT has changed the education sector in Bangladesh. E-learning has made education more accessible and affordable, enabling students to access education more efficiently. The COVID-19 pandemic has forced schools and universities to shift to online learning, making IT even more crucial. Online classes using video conferencing tools and learning platforms have allowed students to continue their studies from home, ensuring the continuity of education. Digital resources such as e-books and online assessments have reduced the need for physical textbooks and enabled students to access course materials anytime and anywhere. Training for teachers on digital tools and platforms has improved the quality of teaching and made the learning process more interactive and engaging. IT has played a vital role in ensuring that the education sector in Bangladesh continues despite the challenges posed by the pandemic. Adopting online learning platforms, digital assessments, educational apps, and teacher training has facilitated the continuity of education and helped mitigate the pandemic's impact on student's academic progress.

Source : <https://thefinancialexpress.com.bd/views/reviews/it-an-indispensable-factor-in-the-economic-growth>

Business Risk Analysis

Scale of Operation

The scale of player's operations is critical in the IT industry. The larger the scale, the greater the benefits of economies of scale and also the ability to withstand profitability pressure.

Over the last decade, ANL has been providing state-of-the-art IT communication solutions and services including internet access, web page development & hosting, leased port internet access, total network solutions, video conferencing solutions etc. to more than hundreds of its corporate clients. This certainly augments company's reliability to its customers.

Revenue Mix

AlphaRating analyses various vertical and horizontal segments in which a company operates. Vertical segments are defined in terms of client industries such as manufacturing, insurance, banking etc. A diversified presence across segments provides stability to earnings. Moreover, AlphaRating also considers a company's revenue mix in terms of the nature of contracts it implements.

ANL's client base is spread from renowned MNCs to hotels, universities, banks, embassy, international organizations and many more. The company works on fixed-price contracts for a definite time period. The contracts can be renewed by the parties after the expiry of the present contract. The diversified client based and fixed time contracts ensures revenue of the company for a specific time period. However, the company requires more projects and skilled project management to uphold its growth.

Geographic Diversity

The geographic spread of revenues is an important parameter in analyzing a company's business risk. With the increasing number of internet service providers, the company has extended its service area to almost each corner of the country to sustain in the competition. ANL also invests in IT enabled services and infrastructure services to be distinct from its peers.

Client Profile

In order to sustain in the competitive industry, the industry players need to build up well established relations with large clients. This leads to repeat business and provides stability to earnings. However, dependence on a single client increases risks as any setback in the event of a loss of client could be sizeable. New client acquisitions and the quality of such clients are good indicators of a company's marketing and delivery capabilities.

AlphaRating found that ANL has observed a smart growth rate in its new client acquisition during the last three years which confirms the competitiveness of the company in serving large number of client at a time.

Funding Risk

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

As per the financial intuitions' information, it is observed that the company has been performing well and is adjusting its liabilities within the time period. However, ANL has raised its fund through private placement and intended to use a portion of that proceed in debt payment to the financial institutes. The company is further planning to go for initial public offering which may help to arrange sufficient fund to finance its growth.

Human Resource and Knowledge Management

IT company's most important assets are human resources and accumulated knowledge. The outflow of professionals to developed markets has a two-fold impact on domestic firms. These are high employee attrition rates and increasing wages. In this circumstance, considering a company's ability to attract, train, motivate and retain quality manpower as critical to its business, AlphaRating emphasize on study of a company's HR policies.

ANL refers its recruitment process as 'Talent Acquisition' for the organization. Potential candidates have to go through a number of screening tests to ensure his place in the company.

Potential or Existing Government Regulations

IT companies have to comply with The Income Tax Ordinance, 1984; The Income Tax Rules, 1984; The value Added Tax Act, 1991; The value Added Tax Rules, 1991; The Customs Act, 1969 and Bangladesh Telecommunication Regulatory Commission Act, 2001 along with the Companies Act, 1994. Any adverse change in the policies can affect the overall performance of the industry players.

Financial Risk Analysis

AlphaRating performs financial analysis by dividing the financial portion into different categories which are Profitability Analysis, Liquidity Analysis, Cash flow Analysis and Capital Structure. Detailed analysis is presented below:

Profitability Analysis

Aamra Networks Limited has been operating in Bangladesh IT sector for a long time & became one of the leading service providers in Internet communication Solution. Through the longstanding business relationship with its customer's base, ANL is now able to accurately assess constantly changing customer requirement. Moreover provision of high quality IT & IT infrastructure solution & after sales service has enabled them to become a renowned brand in the Bangladesh market along with an extensive corporate client base.

During the analysis it has been observed that, the company earned revenue from diversified sources i.e. internet & WI-FI bandwidth & equipment sales, IT support & software and EPZ projects, contributing 67.76%, 22.26% and 9.98% of total revenue respectively in FY 2023. It is observed that, revenue of the company has been shown positive trend since FY 2021 and it has increased by 23.80% and reported amounting to BDT 1,274.17 million. The revenue growth was mainly supported by growth in revenue from internet & WI-FI bandwidth & equipment sales, IT support & software and EPZ projects. On the other hand, growth of cost of goods sold has increased by a slower pace compared to that of revenue growth, which has resulted to improve in GP margin in FY 2023. At the same time, Operating Profit Margin has also increased in the same period due to the positive impact of Gross Profit Margin. There is reasonable evidence that management had proper control over the operating cost to maintain high level of operational efficiency at operational level which reflected to improve OPM by 3.51% compared to that of last FY 2021. Net profit Margin has increased mainly due to the impact of increased operating profit margin & other income compared to previous year.

| Financial year | 2023 | 2022 | 2021 |
|-----------------------------|---------|----------|--------|
| Financial year ending | June | June | June |
| Revenue (BDT in Millions) | 1274.17 | 1,029.24 | 999.45 |
| Revenue Growth (%) | 23.80 | 2.98 | 2.81 |
| Gross Profit Margin (%) | 36.89 | 35.00 | 34.96 |
| Operating Profit Margin (%) | 22.33 | 18.82 | 18.22 |
| Net Profit Margin (%) | 17.71 | 10.62 | 12.05 |
| ROA (%) | 8.95 | 6.44 | 6.74 |
| ROE (%) | 9.55 | 5.04 | 5.77 |

Data obtained from audited financial statements of 2021-2023

Return on assets (ROA) indicates that how profitable a company is relative to its total assets & Return on equity (ROE) represents the amount of net income returned as a percentage of shareholders equity. It has been observed that ROA has been increased in FY 2023. This improvement was due to increasing operating profit in FY 2023. On the other hand, Return on Equity (ROE) has been also increased in FY 2023 as a result of higher improvement in profit after tax.

Liquidity Analysis

The ability of a company to meet its current obligations with the available assets can be assessed through liquidity analysis. The higher the current ratio, the more capable the company is of paying its obligations. The liquidity position of ANL showed more or less same result over the years and current level of liquidity has been found quite satisfactory while analyzing from different parameters. In FY 2022, current ratio of the company has been reported to 2.75 times suggesting that the company is in good position to meet all kinds of short term liabilities with its adequate current assets in FY 2021. Along with this, Quick Assets Ratio of the company has been reported to 1.16 times in FY 2022 which represents that the company has good liquidity position to meet all kind of short-term liabilities by their most liquid assets.

The cash ratio is another indicator of a company's liquidity. Above table reflects that, only 1.85% of total liabilities can be met by closing cash balance in FY 2023 compared to 1.59% in FY 2022. It is observed that, the company had BDT 16.13 million cash & cash equivalent on hand at 2023 year end. Cash ratio indicates that the company has been holding low cash and does not have enough capability to pay-off its short term liability through available cash amount.

Cash conversion cycle of ANL has decreased in FY 2023 by 62 days from that of FY 2022. CCC of ANL has decreased because of fall in receivable collection period by 08 days, decreasing the level of inventory holding periods by 55 days & trade payable days increased by 01 days. Currently the company can improve the cash conversion cycle by delaying the payment of payables and maintaining an optimum balance between receivables and payable days. However care must be taken that corporate relationship is not affected.

| Financial year | 2023 | 2022 | 2021 |
|------------------------------|------|------|------|
| Financial year ending | June | June | June |
| Current Ratio (x) | 2.75 | 2.18 | 2.03 |
| Quick Ratio (x) | 2.12 | 1.64 | 1.39 |
| Cash Ratio (x) | 0.04 | 0.03 | 0.02 |
| Trade Receivables (days) | 116 | 124 | 133 |
| Trade Payables (days) | 34 | 35 | 25 |
| Inventory Turnover (days) | 120 | 175 | 204 |
| Cash Conversion Cycle (days) | 202 | 264 | 312 |

Data obtained from audited financial statements of 2021-2023

Company Profile

Industry Overview

Business Risk

Financial Risk

Bank Facilities

Management Quality

Company Information

Cash Flow Analysis

Cash flow from operation (CFO) is an important parameter for analyzing the performance of a company, as it provides information regarding the cash-generating abilities of a company from its core activities. From the table, we can easily say that ANL has been suffering high fall in CFO over last year. In FY 2023, CFO of ANL has been deteriorated due to high amount of cash paid to suppliers and employees.

The operating cash flow surplus will make the company less dependent on external finance. CFO interest coverage ratio states the company has sufficient capability to pay off its financial expenses with its available cash from operating activities. On the other hand, CFO Debt Coverage ratio reflects that the company was partially able to repay its debt by generated CFO.

| Financial year | 2023 | 2022 | 2021 |
|---------------------------------|--------|--------|--------|
| Financial year ending | | | |
| CFO (BDT in Millions) | 382.33 | 502.33 | 291.83 |
| CFO Interest Coverage Ratio (x) | 5.58 | 7.35 | 6.59 |
| CFO Debt Coverage Ratio (x) | 0.54 | 0.67 | 0.45 |

Data obtained from audited financial statements of 2021-2023

Leverage & Capital Structure Analysis

Capital structure of ANL depends both on finance introduced by the investors and short and long term loans. During FY 2023, Debt to Equity ratio of ANL has been reported 0.28 times, which is higher than previous year, but it is still stood at low geared position mainly because of increasing net asset value & decreasing short term & long term loan compared to that of last FY. On the other hand, Interest Coverage ratio shows that the company is fully able to repay its finance costs more than 4 times from operating profits.

Net Asset Value of company has been increased by BDT 196.06 million due to increase of retained earnings as well as share capital. This is a positive sign for the company as the company can use this fund as equity capital rather than availing debt finance.

| Financial year | 2023 | 2022 | 2021 |
|------------------------------|----------|----------|----------|
| Financial year ending | | | |
| | June | June | June |
| Debt to Equity (x) | 0.28 | 0.35 | 0.31 |
| Interest Coverage (x) | 4.15 | 2.83 | 4.11 |
| NAV (BDT in Millions) | 2,362.56 | 2,166.50 | 2,085.37 |

Data obtained from audited financial statements of 2021-2023

Bank Facilities & Credit History

Bank Loan:

| Banks & Fis | Mode of facility | Limit | Outstanding (BDT in Millions) | Overdue | Status |
|--|--|-----------------|----------------------------------|--------------|--------|
| | | | | | |
| Shahjalal Islami Bank Limited (As on 31.08.2023) | Murabaha Sight LC (Revolving) | 250.00 | Nil | | STD |
| | Subsequent Murabaha Post Import TR (Revolving) | (200.00) | nil | | |
| | Bank Guarantee (Revolving) | 200.00 | 59.51 | | |
| | Bank Guarantee (One-off) | 150.00 | 105.00 | | |
| | Bai-Muajjal Commercial TR (Work Order) (Revolving) | 80.00 | 82.64 | 20.10 | |
| | Bai-Muazzal (Commercial TR) (Work order) | 100.00 | 5.51 | | |
| | Ijarah (Equipment) | 350.00 | 274.11 | | |
| The City Bank Limited (As on 20.09.2023) | Term Loan | 118.86 | 125.80 | 25.00 | UC |
| Alliance Finance PLC (As on 31.08.2023) | Term Loan | 44.15 | 25.24 | | - |
| Commercial Bank of Ceylon PLC. (As on 31.07.2023) | MTL | 10.23 | 50.21 | 2.52 | SMA |
| Total | | 1,303.24 | 728.02 | 47.62 | |

ANL is availing external financing from Shahjalal Islami Bank Limited (Banani Branch), The City Bank Limited (Head Office Branch), Alliance Finance PLC (Gulshan Avenue Branch), Commercial Bank of Ceylon PIC. (Gulshan Avenue Branch), Dhaka. As per bank information, payment behavior of the company is irregular in Commercial Bank of Ceylon PLC & The City Bank Limited. However, the company has an overdue of BDT 47.62 million with SMA status in Commercial Bank of Ceylon PLC. As per company information overdue arise due to late payment. AlphaRating considered only above mentioned banking facilities.

Other Liability: Zero Coupon Bond

| Issue Manager | Loan Mode | Sponsor | Total Limit (BDT in million) | Outstanding (BDT in million) | As on |
|----------------------------------|------------------|---------------------|------------------------------|------------------------------|------------|
| Lanka Bangla Investments Limited | Zero Coupon Bond | Sonali Bank Limited | 150.00 | 105.00 | 30.09.2023 |
| Total | | | 150.00 | 105.00 | |

*as per company information

Securities

- 5.00% cash margin.
- Shipping Documents.
- One postdated MICR master cheque.
- Trust receipt.
- Hypothecation of fixed & floating Assets
- Hypothecation of stocks duly insured covering the possible risk.
- Hypothecation of stocks & receivables duly insured covering the possible risk under bank's mortgage clause.
- Hypothecation of machinery duly insured.
- Ijara agreement duly vetted by the BLA has to be executed by you.
- 60 nos of postdated MICR cheque.
- Work order assignment.
- Counter guarantee of individual users.
- Work order assignment in case of APG.
- Personal Guarantee of all the Directors of the company.
- Shipping Documents.
- Creation of Registered 1st charge on fixed and floating asset of the company with RJSC.
- Lien of 20,00,000 shares of Aamra Networks Ltd.
- Registration of vehicles
- Personal guarantee of Mr. Syed Faruque Ahmed & Mr. Syed Farhad Ahmed for BDT 212.50 million.
- Post Dated Cheque
- Lien of 20,00,000 share
- Registered 1st ranking pari passu charge
- Usual charge documents
- Registered mortgage over 0.98 acre land
- Pledge of 10,91,000 no of shares of Aamra Network Ltd.
- Cross corporate guarantee of Aamra Technologies Limited for BDT 212.50 million.
- Corporate guarantee of Aamra Technologies Ltd supported by board resolution.

Collateral (Shahjalal Islami Bank Limited)

| Particulars | Market Value (BDT in millions) | Forced Sale Value (BDT in millions) |
|--|-----------------------------------|--|
| Flat measuring 6096.79 sft including 02 car parking space located at Mouza: Gulshan Residential Model Town, District: Dhaka. | 160.04 | 128.03 |
| Total | 160.04 | 128.03 |

Company Profile

Industry Overview

Business Risk

Financial Risk

Bank Facilities

Management Quality

Company Information

Management & Other Qualitative Factors

Board of Directors

The Board of Directors of the company consists of five members including Chairman, Managing Director and Independent Director. All of them are professionally skilled and experienced in the management, law and business. Their experience, professional expertise & personal attitude enable them to execute their responsibility individually & collectively in efficient way. The board is chaired by Syed Faruque Ahmed. During FY 2023, 05 board meetings were held by the company

Senior Management

The management operates within the guidelines, limits, policies as well as the budgetary control adopted by the Board. The team is headed by the Managing Director & CEO, Syed Farhad Ahmed who is responsible for implementing the policy and procedures adopted by the board. The CEO implements the internal control system, follow-up the day to day affairs of the management and also confirms the safety and security of the company. The senior management ensures the CEO about the company's improvement with the compliance of statutory and the regulatory requirements too. The CEO must represent the company's financial & business position in each Board Meeting for the Directors understanding and guidance.

Internal Control

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

Corporate Governance

Corporate governance is the system of rules, practices and processes by which a company is directed and controlled. Corporate governance essentially involves balancing the interests of a company's many stakeholders, such as shareholders, management, customers, suppliers, finance provider, government and the community. Corporate governance facilitates the rules regulation to work in the best interest of stakeholders. As a publically listed company, ANL is committed to maintain high standard of corporate governance and it has been compiled as per notification of Bangladesh Securities Exchange Commission vide no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018. During FY 2022 the company achieved the certificate of good corporate governance from "K. M. Hasan & Co".

Audit Committee

The committee is headed by independent director A. K. M. Nurul Alam and he is assisted by two other members. It is the duty of the committee to review with the management and the external auditors the company's Annual Financial Statements & footnotes including external auditors report on the financial statements and any significant changes required by the external auditors in the statement prepared by the management. To conduct & investigate into any matters within the committee's scope of responsibilities is also done by this committee. During FY 2023, 05 meetings were held by the committee.

Nomination and Remuneration Committee

NRC committee has been formed according to the Corporate Governance Code of BSEC dated 03 June, 2018. The committee is headed by independent director A. K. M. Nurul Alam. The duty of the committee is to review the level and composition of remuneration of the company and the relation between remuneration and performance. To take initiative in formulating remuneration policy, review the policy for developing, recommending and reviewing annually the company's human resources and training. During FY 2023, 02 meeting were held by the committee.

Business Continuity & Disaster Recovery

ANL together with each of its subsidiaries and affiliates is committed to safeguarding the interest of its clients in the event of emergency. ANL has a documented corporate policy that requires developing a Business Continuity Plan. The company's Service, Support and Technical departments have the full time responsibility of coordinating the development, testing and maintenance of all ANL Business Continuity Plans. The company also manages contracts with recovery services vendors and is responsible for management reporting on all aspects of continuity. A formal process including a continuous review of internal controls enforces the corporate policy on continuity. Company's Business Continuity Plans have been developed, tested and approved by management for all ANL's business locations and IT systems & applications. The plan is claimed to be reside in a common database and are routinely updated by Application and Support staff. Database is replicated between two geographically separated sites. Recovery resources are identified in advance and are obtained from several sources including company's own capability or from vendors under contract. The company reported to have outsourced local crisis management teams who are responsible for recording and managing any potential or actual crisis.

ANL's Business Continuity Plans address the potential impact of different levels of disruptions to the company's employees, equipment's, computers and telecommunication systems. Though it is impossible to anticipate all type of disruptions that could affect the business, the company takes into account- terrorist's attacks, natural calamity, bomb threats, public transportation strikes, IT disruptions and cyber threats. The company stated maintaining back-up systems and power supplies that allow critical computer and telecommunications systems and facility functions to be maintained in case of minor disruptions. In the event of a major catastrophe, where it is not possible to conduct business from ANL's offices, the company has selected remote alternate site equipped with sufficient resources to support critical business operations. The company also stated that its networks and major business applications are replicated daily in a different geographical location, enabling it to access these systems from the remote site.

Human Resource

The company carries on its employee recruitment process following the recruitment rules guided by a set of Recruitment Policy. The recruitment policy contains a set of eligibility criteria and the qualified candidates have to go through several screening steps before getting the job. ANL stated that employees of the company have provident fund, group insurance with other admissible benefits. During FY 2023 there are total 354 employees working for the company.

Compliance Issues

| Particulars | Validity |
|------------------------|------------|
| Trade License | 2023-2024 |
| TIN | Registered |
| Income Tax Certificate | 2022-2023 |
| IRC | 30.06.2024 |
| ERC | 30.06.2024 |
| ISP License | 29.06.2025 |
| BASIS | 31.12.2023 |
| BCS | 31.12.2023 |
| MCCI | 31.12.2023 |
| ISPAB | 31.12.2023 |
| BEF | 31.12.2023 |
| VAT | Registered |
| ISO 9001:2015 | 04.11.2024 |
| Insurance | 01.10.2024 |

END OF THE REPORT

Company Information:

Board of Director

| | |
|---------------------|-------------------------|
| Syed Faruque Ahmed | Chairman |
| Syed Farhad Ahmed | Managing Director & CEO |
| Syeda Munia Ahmed | Director |
| Fahmida Ahmed | Director |
| A. K. M. Nurul Alam | Independent Director |

Auditor

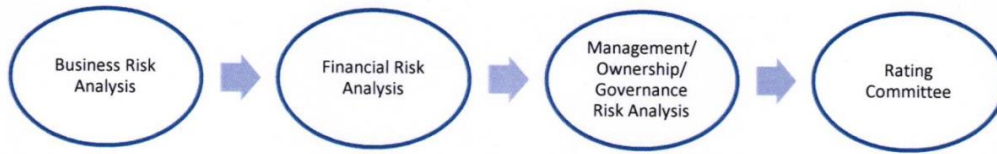
G Kibria & Co.
Chartered Accountants
Sadharan Bima Sadan (5th Floor) 24-25, Dilkusha Commercial Area, Dhaka-1000, Bangladesh

Registered Office

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

Corporate Office

Safura Tower (9th, 12th & 15th Floor) 20, Kemal Ataturk Avenue, Banani Commercial Area, Dhaka-1213



Analysis is segmented into two or three sub sectors:

- ▶ Industry Outlook
- ▶ Competitive Position
- ▶ Operational Analysis

Analysis is segmented into four sub sectors:

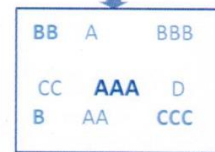
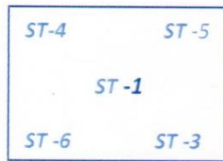
- ▶ Earnings
- ▶ Cash Flow Generating Ability & Debt Servicing Capacity
- ▶ Capital Adequacy
- ▶ Financial Flexibility

It is one of the key elements of the rating methodology since management decides what businesses to be in, what strategies should be pursued and how these activities should be financed.

Senior personnel review each company to determine the appropriate final credit rating.

- ▶ Review Modeling Assumption
- ▶ Approve Company-Specific Adjustments

Rating Outlook



| | |
|------------|--|
| POSITIVE | Rating may be raised |
| NEGATIVE | Rating may be lowered |
| STABLE | Rating is likely to remain unchanged |
| DEVELOPING | Rating may be raised, lowered or remain unchanged. |

| | |
|------|---|
| ST-1 | Strongest ability to meet Short term financial commitments |
| ST-2 | Above average ability to meet short term financial commitments |
| ST-3 | Average ability to meet Short term financial commitments |
| ST-4 | Below Average ability to meet short term financial commitments y |
| ST-5 | Well below average ability to meet short term financial commitments |
| ST-6 | Failed to meet short term financial commitments |

| | |
|--------|---|
| AAA | Strongest Credit Quality |
| AA | Very Strong Credit Quality |
| A | Above Average Credit Quality |
| BBB | Average Credit Quality |
| BB | Slightly Below Average Credit Quality |
| B | Weak Credit Quality |
| CCC | Very Weak Credit Quality |
| CC & C | Extremely Weak Credit Quality |
| D | Failed to Meet Rated Financial Commitment On Time or When Due |

Note Long term rating from AA to B may be modified by the inclusion of a plus (+) or minus (-) sign to indicate relative strength within the rating category

SECTION 26

CORPORATE GOVERNANCE

| SECTION CONTENTS | |
|-------------------------|--|
| (a) | Certificate on Compliance with Corporate Governance Code |
| (b) | Corporate Governance Compliance Status |

(a) Certificate on Compliance with Corporate Governance Code**Report to the Shareholders of Aamra Networks Limited on
Compliance on the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by Aamra Networks Limited for the year ended on 30 June 2023. This code relates to the notification no: BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of Bangladesh Securities and Exchange Commission.

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

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

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

- a) The Company has complied with the conditions of Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission except those mentioned in the Statement of compliance status;
- b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- c) Proper books and records have been kept by the company as required under the Companies Act 1994, the securities laws and other relevant laws, and
- d) The Governance of the Company is satisfactory.

Place: Dhaka
Dated: 04 September 2023

For. K. M. HASAN & CO.
Chartered Accountants

Sd/-
Hedayet Ullah FCA
Senior Partner

BSEC Code for Corporate Governance: Our Compliance Status

Status of Compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's (BSEC) through Notification No. BSEC/CMRRCD/2006-158/ 207/Admin/80 dated 03 June 2018 issued under Section 2CC of the Securities and Exchange Ordinance, 1969 is as follows (as per Annexure-C):

Report under Condition No. 9.00:

| Condition No. | Title | Compliance Status (Put \checkmark in the appropriate column) | | Remarks |
|---------------|---|---|--------------|---------|
| | | Complied | Not complied | |
| 1. | Board of Directors | | | |
| 1(1) | Size of the Board of Directors The total number of members of the Company's Board of Directors shall not be less than 5 (five) and more than 20 (twenty). | \checkmark | | |
| 1(2) | Independent Directors | | | |
| 1(2) (a) | At least one-fifth (1/5) of the total number of Directors in the Company's Board shall be Independent Directors. | \checkmark | | |
| 1(2) (b) | Independent Director means a Director - | | | |
| 1(2)(b)(i) | Who does not hold any Share in the Company or holds less than One Percent (1%) Shares of the total Paid-Up Shares of the Company; | \checkmark | | |
| 1(2)(b)(ii) | Who is not a Sponsor of the Company or is not connected with the Company's any Sponsor or Director or Nominated Director or Shareholder of the Company or any of its Associates, Sister Concerns, Subsidiaries and Parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the Company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the Company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members; | \checkmark | | |
| 1(2)(b)(iii) | Who has not been an executive of the Company in immediately preceding 2 (two) financial years; | \checkmark | | |
| 1(2)(b)(iv) | Who does not have any other relationship, whether pecuniary or otherwise, with the Company or its Subsidiary or Associated Companies. | \checkmark | | |
| 1(2)(b)(v) | Who is not a member or TREC (Trading Right Entitlement Certificate) Holder, Director or Officer of any Stock Exchange; | \checkmark | | |
| 1(2)(b)(vi) | Who is not a Shareholder, Director | \checkmark | | |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks |
|---------------|--|--|--------------|----------------|
| | | Complied | Not complied | |
| | excepting Independent Director or officer of any member or TREC Holder of Stock Exchange or an Intermediary of the Capital Market; | | | |
| 1(2)(b)(vii) | Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned Company's Statutory Audit firm or Audit Firm engaged in Internal Audit Services or audit firm conducting special Audit or Professional certifying compliance of this Code. | ✓ | | |
| 1(2)(b)(viii) | Who is not Independent Director in more than 5 (five) listed Companies. | ✓ | | |
| 1(2)(b)(ix) | Who has not been convicted by a Court of competent jurisdiction as a defaulter in payment of any loan or any advance to a Bank or a Non-Bank Financial Institution (NBFI). | ✓ | | |
| 1(2) (b) (x) | Who has not been convicted for a Criminal Offence involving moral turpitude. | ✓ | | |
| 1(2) (c) | The Independent Director (s) shall be appointed by the Board and approved by the Shareholders in the Annual General Meeting (AGM); | ✓ | | |
| 1(2) (d) | The post of Independent Director (s) cannot remain vacant for more than 90 (ninety) days; and | ✓ | | |
| 1(2)(e) | The tenure of office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only. | ✓ | | |
| 1(3) | Qualification of Independent Director | | | |
| 1(3)(a) | Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business. | ✓ | | |
| 1(3)(b) | Independent Director shall have following qualifications: | | | |
| 1(3)(b)(i) | Business Leader who is or was a Promoter or Director of an unlisted Company having minimum paid-up capital of Tk.100.00 million or any listed Company or a member of any national or international chamber of commerce or business association; or | ..... |  | Not applicable |
| 1(3)(b)(ii) | Corporate Leader who is or was a top level executive not lower than Chief Executive | ✓ | | |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks |
|---------------|--|--|--------------|--|
| | | Complied | Not complied | |
| | Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted Company having minimum paid up capital of Tk.100.00 million or of a listed Company; or | | | |
| 1(3)(b)(iii) | Former official of the Government or Statutory or Autonomous or Regulatory Body in the position not below 5th Grade of the National Pay Scale, who has at least educational background of Bachelor Degree in economics or commerce or business or law; or | ..... |  | Not applicable |
| 1(3)(b)(iv) | University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or | ..... |  | Not applicable |
| 1(3)(b)(v) | Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification; | ..... |  | Not applicable |
| 1(3)(c) | The Independent Director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b); | ✓ | | |
| 1(3)(d) | In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission. | ..... |  | None |
| 1(4) | Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer | | | |
| 1(4)(a) | The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the Company shall be filled by different individuals; | ✓ | | |
| 1(4)(b) | The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed Company shall not hold the same position in another listed Company; | | ✓ | Ministry of commerce has allowed the MD to hold similar Position for other concern |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks |
|---------------|---|--|--------------|----------------------------|
| | | Complied | Not complied | |
| 1(4)(c) | The Chairperson of the Board shall be elected from among the non-executive Directors of the Company; | ✓ | | |
| 1(4)(d) | The Board shall clearly define respective Roles and Responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer; | ✓ | | |
| 1(4)(e) | In the absence of the Chairperson of the Board, the remaining Members may elect one of themselves from non-executive Directors as Chairperson for that particular Board's Meeting; the reason of absence of the regular Chairperson shall be duly recorded in the Minutes of the Board Meeting. | ..... |  | No such event in the year. |
| 1(5) | The Directors' Report to Shareholders | | | |
| 1(5)(i) | An industry outlook and possible future developments in the industry; | ✓ | | |
| 1(5)(ii) | The segment-wise or product-wise performance; | ✓ | | |
| 1(5)(iii) | Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any; | ✓ | | |
| 1(5)(iv) | A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable; | ✓ | | |
| 1(5)(v) | A discussion on continuity of any extraordinary activities and their implications (gain or loss); | ✓ | | |
| 1(5)(vi) | A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions; | ✓ | | |
| 1(5)(vii) | A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments; | ..... |  | Not applicable |
| 1(5)(viii) | An explanation if the financial results deteriorate after the Company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.; | ..... |  | Not applicable |
| 1(5)(ix) | An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements; | ✓ | | |
| 1(5)(x) | A statement of remuneration paid to the Directors including Independent Directors; | ✓ | | |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks |
|---------------|---|--|--------------|--------------------------------|
| | | Complied | Not complied | |
| 1(5)(xi) | A statement that the financial statements prepared by the Management of the issuer Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity; | ✓ | | |
| 1(5)(xii) | A statement that proper books of account of the issuer Company have been maintained; | ✓ | | |
| 1(5)(xiii) | A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment; | ✓ | | |
| 1(5)(xiv) | A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed; | ✓ | | |
| 1(5)(xv) | A statement that the system of internal control is sound in design and has been effectively implemented and monitored; | ✓ | | |
| 1(5)(xvi) | A statement that minority Shareholders have been protected from abusive actions by, or in the interest of, controlling Shareholders acting either directly or indirectly and have effective means of redress; | ✓ | | |
| 1(5)(xvii) | A statement that there is no significant doubt upon the issuer Company's ability to continue as a going concern, if the issuer Company is not considered to be a going concern, the fact along with reasons there of shall be disclosed; | ✓ | | |
| 1(5)(xviii) | An explanation that significant deviations from the last year's operating results of the issuer Company shall be highlighted and the reasons thereof shall be explained; | ✓ | | |
| 1(5)(xix) | A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized; | ✓ | | |
| 1(5)(xx) | An explanation on the reasons if the issuer Company has not declared dividend (cash or stock) for the year; | ..... |  | 11% cash dividend has proposed |
| 1(5)(xxi) | Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend; | ✓ | | |
| 1(5)(xxii) | The total number of Board meetings held during the year and attendance by each | ✓ | | |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks |
|----------------|--|--|--------------|---------|
| | | Complied | Not complied | |
| | Director; | | | |
| 1(5)(xxiii) | A Report on the pattern of Shareholding disclosing the aggregate number of Shares (along with name-wise details where stated below) held by: | | | |
| 1(5)(xxiii)(a) | Parent or Subsidiary or Associated Companies and other related parties (name-wise details); | ✓ | | |
| 1(5)(xxiii)(b) | Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details); | ✓ | | |
| 1(5)(xxiii)(c) | Executives; and | ✓ | | |
| 1(5)(xxiii)(d) | Shareholders holding ten percent (10%) or more voting interest in the Company (name-wise details); | ✓ | | |
| 1(5)(xxiv)(a) | A brief Resume of the Director; | ✓ | | |
| 1(5)(xxiv)(b) | Nature of his or her expertise in specific functional areas; and | ✓ | | |
| 1(5)(xxiv)(c) | Names of companies in which the person also holds the Directorship and the membership of committees of the Board; | ✓ | | |
| 1(5)(xxv) | A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the Company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on: | | | |
| 1(5)(xxv)(a) | Accounting Policies and estimation for preparation of Financial Statements; | ✓ | | |
| 1(5)(xxv)(b) | Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes; | ✓ | | |
| 1(5)(xxv)(c) | Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof; | ✓ | | |
| 1(5)(xxv)(d) | Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario; | ✓ | | |
| 1(5)(xxv)(e) | Briefly explain the financial and economic scenario of the country and the globe; | ✓ | | |
| 1(5)(xxv)(f) | Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the Company; and | ✓ | | |
| 1(5)(xxv)(g) | Future Plan or Projection or forecast for Company's operation, performance and financial position, with justification thereof, i.e., actual position shall be | ✓ | | |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks |
|---------------|--|--|--------------|----------------|
| | | Complied | Not complied | |
| | explained to the Shareholders in the next AGM; | | | |
| 1(5)(xxvi) | Declaration or Certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A ; | ✓ | | |
| 1(5)(xxvii) | The Report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C . | ✓ | | |
| 1(6) | Meetings of the Board of Directors | | | |
| 1(6) | The Company shall conduct the Board Meetings and record the Minutes of the Meetings as well as keep required Books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code. | ✓ | | |
| 1(7) | | | | |
| 1(7) (a) | The Board shall lay down a Code of Conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other Board Members and Chief Executive Officer of the Company; | ✓ | | |
| 1(7)(b) | The Code of Conduct as determined by the NRC shall be posted on the website of the Company. | ✓ | | |
| 2. | | | | |
| 2(a) | Provisions relating to the composition of the Board of the holding Company shall be made applicable to the composition of the Board of the subsidiary Company; | ..... |  | Not applicable |
| 2(b) | At least 1 (one) Independent Director on the Board of the holding Company shall be a Director on the Board of the subsidiary Company; | ..... |  | Not applicable |
| 2(c) | The Minutes of the Board meeting of the subsidiary Company shall be placed for review at the following Board meeting of the Holding Company; | ..... |  | Not applicable |
| 2(d) | The Minutes of the respective Board meeting of the holding Company shall state that they have reviewed the affairs of the subsidiary Company; | ..... |  | Not applicable |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks |
|---------------|--|--|--------------|--|
| | | Complied | Not complied | |
| 2(e) | The Audit Committee of the holding Company shall also review the Financial Statements, in particular the investments made by the subsidiary Company. | ..... |  | Not applicable |
| 3. | Managing Director (MD), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS) | | | |
| 3(1) | Appointment | | | |
| 3(1)(a) | The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC); | ✓ | | |
| 3(1)(b) | The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals; | ✓ | | |
| 3(1)(c) | The MD or CEO, CS, CFO and HIAC of a listed Company shall not hold any executive position in any other Company at the same time; | | ✓ | Ministry of commerce has allowed the MD to hold similar position for other sister companies. |
| 3(1)(d) | The Board shall clearly define respective Roles, Responsibilities and Duties of the CFO, the HIAC and the CS; | ✓ | | |
| 3(1)(e) | The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and Stock Exchange (s). | -- | -- | No such event has occurred. |
| 3(2) | | | | |
| 3(2) | The MD or CEO, CS, CFO and HIAC of the Company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters. | ✓ | | |
| 3(3) | | | | |
| 3(3)(a) | The MD or CEO and CFO shall certify to the Board that they have reviewed Financial Statements for the year and that to the best of their knowledge and belief: | | | |
| 3(3)(a)(i) | Financial Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and | ✓ | | |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks |
|---------------|--|--|--------------|-----------------------------|
| | | Complied | Not complied | |
| 3(3)(a)(ii) | Financial Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws; | √ | | |
| 3(3)(b) | The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company's Board or its members; | √ | | |
| 3(3)(c) | The certification of the MD or CEO and CFO shall be disclosed in the Annual Report. | √ | | |
| 4. | | | | |
| 4(i) | Audit Committee; and | √ | | |
| 4(ii) | Nomination and Remuneration Committee. | √ | | |
| 5. | | | | |
| 5(1) | Responsibility to the Board of Directors | | | |
| 5(1)(a) | The Company shall have an Audit Committee as a Sub-Committee of the Board; | √ | | |
| 5(1)(b) | The Audit Committee shall assist the Board in ensuring that the Financial Statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business; | √ | | |
| 5(1)(c) | The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing. | √ | | |
| 5(2) | Constitution of the Audit Committee | | | |
| 5(2)(a) | The Audit Committee shall be composed of at least 3 (three) members; | √ | | |
| 5(2)(b) | The Board shall appoint members of the Audit Committee who shall be non-executive Directors of the Company excepting Chairperson of the Board and shall include at least 1 (one) Independent Director ; | √ | | |
| 5(2)(c) | All members of the Audit Committee should be 'Financially Literate' and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience; | √ | | |
| 5(2)(d) | When the term of service of any Committee member expires or there is any circumstance causing any Committee | -- | -- | No such event has occurred. |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks |
|---------------|---|--|--------------|----------------------------|
| | | Complied | Not complied | |
| | member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee; | | | |
| 5(2)(e) | The Company Secretary shall act as the secretary of the Committee; | ✓ | | |
| 5(2)(f) | The Quorum of the Audit Committee meeting shall not constitute without at least 1 (one) Independent Director. | ✓ | | |
| 5(3) | Chairperson of the Audit Committee | | | |
| 5(3)(a) | The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an Independent Director ; | ✓ | | |
| 5(3)(b) | In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the Minutes. | ..... |  | No such event in this year |
| 5(3)(c) | Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): | ✓ | | |
| 5(4) | Meeting of the Audit Committee | | | |
| 5(4)(a) | The Audit Committee shall conduct at least its four meetings in a financial year: | ✓ | | |
| 5(4)(b) | The Quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an Independent Director is a must. | ✓ | | |
| 5(5) | Role of Audit Committee | | | |
| 5(5)(a) | Oversee the financial reporting process; | ✓ | | |
| 5(5)(b) | Monitor choice of accounting policies and principles; | ✓ | | |
| 5(5)(c) | Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and | ✓ | | |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks |
|----------------|--|--|--------------|------------------|
| | | Complied | Not complied | |
| | review of the Internal Audit and Compliance Report; | | | |
| 5(5)(d) | Oversee hiring and performance of external auditors; | ✓ | | |
| 5(5)(e) | Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption; | ✓ | | |
| 5(5)(f) | Review along with the management, the annual financial statements before submission to the Board for approval; | ✓ | | |
| 5(5)(g) | Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval; | ✓ | | |
| 5(5)(h) | Review the adequacy of internal audit function; | ✓ | | |
| 5(5)(i) | Review the Management's Discussion and Analysis before disclosing in the Annual Report; | ✓ | | |
| 5(5)(j) | Review statement of all related party transactions submitted by the management; | ✓ | | |
| 5(5)(k) | Review Management Letters or Letter of Internal Control weakness issued by statutory auditors; | ✓ | | |
| 5(5)(l) | Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and | ✓ | | |
| 5(5)(m) | Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission. | ..... |  | Not applicable |
| 5(6) | | | | |
| 5(6)(a) | Reporting to the Board of Directors | | | |
| 5(6)(a)(i) | The Audit Committee shall Report on its activities to the Board. | ✓ | | |
| 5 (6)(a) (ii) | The Audit Committee shall immediately Report to the Board on the following findings, if any: | ..... |  | No such incident |
| 5(6)(a)(ii)(a) | Report on Conflicts of Interests; | ..... |  | No such incident |
| 5(6)(a)(ii)(b) | Suspected or presumed fraud or irregularity or material defect identified in the Internal Audit and compliance process | ..... |  | No such incident |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks |
|----------------|--|--|--------------|------------------|
| | | Complied | Not complied | |
| | or in the Financial Statements; | | | |
| 5(6)(a)(ii)(c) | Suspected infringement of Laws, Regulatory compliances including Securities related Laws, Rules and Regulations; and | .... |  | No such incident |
| 5(6)(a)(ii)(d) | Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately; | .... |  | No such incident |
| 5(6)(b) | Reporting to the Authorities If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the Management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall Report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier. | .... |  | No such incident |
| 5(7) | Reporting to the Shareholders and General Investors Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer Company. | ✓ | | |
| 6. | Nomination and Remuneration Committee (NRC) | | | |
| 6(1)(a) | The Company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board; | ✓ | | |
| 6(1)(b) | The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of Directors and top level executive as well as a policy for formal process of considering remuneration of Directors, top level executive; | ✓ | | |
| 6(1)(c) | The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the Condition No. 6(5) (b). | ✓ | | |
| 6(2) | Constitution of the NRC | | | |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks |
|---------------|--|--|--------------|-----------------------------|
| | | Complied | Not complied | |
| 6(2)(a) | The Committee shall comprise of at least three members including an independent director; | √ | | |
| 6(2)(b) | All members of the Committee shall be non-executive Directors; | √ | | |
| 6(2)(c) | Members of the Committee shall be nominated and appointed by the Board; | √ | | |
| 6(2)(d) | The Board shall have authority to remove and appoint any member of the Committee; | √ | | |
| 6(2)(e) | In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee; | .... | .... | No such event has occurred. |
| 6(2)(f) | The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee; | .... |  | No such event in the year |
| 6(2)(g) | The Company secretary shall act as the secretary of the Committee; | √ | | |
| 6(2)(h) | The quorum of the NRC meeting shall not constitute without attendance of at least an independent director; | √ | | |
| 6(2)(i) | No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the Company. | √ | | |
| 6(3) | Chairperson of the NRC | | | |
| 6(3)(a) | The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director; | √ | | |
| 6(3)(b) | In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes; | .... |  | No such event in the year |
| 6(3)(c) | The Chairperson of the NRC shall attend the annual general meeting (AGM) to | √ | | |

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

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks |
|---------------|--|--|--------------|---------|
| | | Complied | Not complied | |
| 6(5)(b)(iii) | Identifying persons who are qualified to become Directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board; | √ | | |
| 6(5)(b)(iv) | Formulating the criteria for evaluation of performance of Independent Directors and the Board; | √ | | |
| 6(5)(b)(v) | Identifying the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; | √ | | |
| 6(5)(b)(vi) | Developing, recommending and reviewing annually the Company's human resources and training policies; | √ | | |
| 6(5)(c) | The Company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report. | √ | | |
| 7. | External or Statutory Auditors | | | |
| 7 (1) | The issuer Company shall not engage its external or statutory auditors to perform the following services of the Company, namely: | | | |
| 7(1)(i) | Appraisal or valuation services or fairness opinions; | √ | | |
| 7(1)(ii) | Financial Information Systems design and implementation; | √ | | |
| 7(1)(iii) | Book-Keeping or other services related to the accounting records or financial statements; | √ | | |
| 7(1)(iv) | Broker-Dealer Services; | √ | | |
| 7(1)(v) | Actuarial Services; | √ | | |
| 7(1)(vi) | Internal Audit services or special audit services; | √ | | |
| 7(1)(vii) | Any service that the Audit Committee determines; | √ | | |
| 7(1)(viii) | Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and | √ | | |
| 7(1)(ix) | Any other service that creates conflict of interest. | √ | | |
| 7(2) | No partner or employees of the external audit firms shall possess any share of the Company they audit at least during the tenure of their audit assignment of that Company; his or her family members also shall not hold any shares in the said | √ | | |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks |
|---------------|---|--|--------------|---------|
| | | Complied | Not complied | |
| | Company. | | | |
| 7(3) | Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the Shareholders. | ✓ | | |
| 8. | Maintaining website by the Company | | | |
| 8(1) | The Company shall have an Official Website linked with the website of the Stock Exchanges. | ✓ | | |
| 8(2) | The Company shall keep the website functional from the date of listing. | ✓ | | |
| 8(3) | The Company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s). | ✓ | | |
| 9. | Reporting and Compliance of Corporate Governance | | | |
| 9 (1) | The Company shall obtain a Certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report. | ✓ | | |
| 9 (2) | The Professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the Shareholders in the Annual General Meeting. | ✓ | | |
| 9 (3) | The Directors of the Company shall state, in accordance with the Annexure-C attached, in the Directors' report whether the Company has complied with these conditions or not. | ✓ | | |

SECTION 27

TERMS AND CONDITIONS OF THE RIGHTS ISSUE

| SECTION CONTENTS | |
|-------------------------|---------------------------|
| (a) | Basis of the Offer |
| (b) | Entitlement |
| (c) | Acceptance of the Offer |
| (d) | Renunciation |
| (e) | General |
| (f) | Condition of Subscription |
| (g) | Payment of Share Price |
| (h) | Lock-in on Rights Share |
| (i) | Others |

(a) Basis of the Offer

The Company records its share register of members on 07 March 2024 for determining the shareholders who are eligible to receive this offer of shares on rights basis. The ordinary shares are now being offered on a rights basis to the shareholders holding shares on the record date at Tk. 30.00 each, in the ratio of 01[R]:02, i.e., 01 (One) right shares for every 02 (Two) existing shares held on the record date.

(b) Entitlement

As a shareholder of the Company on the record date on 07 March 2024 the shareholders are entitled to this Rights Offer. Only the holder(s) of a minimum of two fully paid ordinary share is entitled to receive the Rights Offer.

(c) Acceptance of the Offer

A shareholder may accept and apply for the shares hereby offered, wholly or in part by filling in Application - Form A and submitting the same along with the application money to the Bankers to the Issue on or before the Closing Date of subscription of 18 April 2024.

(d) Renunciation

A shareholder may renounce all or part of the shares he/she is entitled to in favour of any other person(s) other than an infant or person of unsound mind. He/she can renounce his/her rights/entitlement of shares by signing Renunciation Form-B. Renouncee(s) shall fill in Form-C appropriately.

(e) General

All applications should be made on the printed form provided by the Company in this Rights Share Offer Documents only and should be completed in all respects. Applications which are not completed in all respects or are made otherwise than as herein provided or are not accompanied by the proper application amount of deposit are liable to be rejected and the application money received in respect thereof shall be refunded.

All communications in connection with the application for the Rights Share should be addressed to the Company quoting the registered folio number/BO ID number in the form.

(f) Condition of Subscription

Rights Offer of 30,993,304 Ordinary Shares of Tk. 10.00 each at an issue price of Tk. 30.00, totaling Tk. 929,799,120 offered on the basis of 01 (One) [R] : 02 (Two) i.e., 01 (One) rights share against 02 (Two) existing shares held by the Shareholder(s) whose name(s) appeared in the Company's Share Register at the record date as on 07 March 2024.

(g) Payment of Share Price

Payments for the full value of Shares applied for shall be made with designated Branches of Bankers to the Issue by Cash/Pay Order/Demand Draft payable to "aamra networks limited" and crossed. The Pay Order/Demand Draft for payment of share price must be drawn on a Company in the same town to which the application form has been submitted. It is to be noted that all transactions above Tk. 1.00 lac must be affected through Demand Draft/Crossed Cheque/Pay Orders.

(h) Lock-in on Rights Share

The Rights Shares of Directors and other shareholders holding 5% or more shares shall be subject to lock-in for a period of three years from the date of closure of the rights share subscription. In the event of renunciation of rights shares by aforesaid persons, the renounced shares shall also be subject to lock-in for the same period shall be operative.

(i) Others

The application not properly filled in shall be treated as cancelled and deposited money will be refunded. For any reason, no profit/compensation will be paid on the refunded amount.

The offer will be deemed to have been declined if completed Application Form-A with necessary payments have not been received by 18 April 2024 or by such later date as may be notified through national dailies to that effect.

SECTION 28**Rule 3**

OTHER INFORMATION REGARDING CONDITIONS TO BE FULFILLED PRIOR TO MAKING RIGHTS ISSUE

| SECTION CONTENTS | |
|-------------------------|--|
| (a) | Such rights issue and price thereof have been approved by the shareholders in a general meeting |
| (b) | The proceed of previous public offering, or rights issue, has been utilized full |
| (c) | Annual general meeting has been held regularly |
| (d) | The rights issue has been fully underwritten on a firm commitment basis by the underwriter |
| (e) | The financial statements of the company is prepared as per International Accounting Standards (IAS), as applicable in Bangladesh, and audited as per International Standards of Auditing (ISA) as applicable in Bangladesh |
| (f) | The issuer or any of its directors is not a bank-defaulter |
| (g) | The issuer has been credit rated by a credit rating company, if the offer is at a premium |
| (h) | Profitability record in the immediate preceding year |

(a) Such rights issue and price thereof have been approved by the shareholders in a general meeting

The Board of Directors of aamra networks limited in its 136th meeting held on August 21, 2023 recommended Rights Offer of 30,993,304 Ordinary Shares of Tk. 10.00 each at an issue price of Tk. 30.00 (including premium Tk. 20) totaling Tk. 929,799,120 offered on the basis of 01 (One) [R]: 02 (Two) i.e., 01 (One) Rights Share against 02 (Two) existing shares held on the record date. The recommendation of the Board was approved in the Annual General Meeting (AGM) held on October 04, 2023. The extract of the minutes of the AGM regarding the approval is presented in Annexure-1.

(b) The proceed of previous public offering, or rights issue, has been utilized full

**DECLARATION REGARDING FULL UTILIZATION OF PROCEED OF PREVIOUS
PUBLIC OFFERING OR RIGHTS ISSUE**

[see rule 3(b)]

This is to certify that **aamra networks limited** raised Tk. 562,500,000 by issuing 9,014,423 shares @ Tk. 39.00 (including premium of Tk. 29.00) and 6,026,786 shares @ Tk. 35.00 (including premium of Tk. 25.00) per share totaling 15,041,209 ordinary shares through Initial Public Offer (IPO) in the year 2017.

The Company has fully utilized the fund according to the declaration in the prospectus. Additionally, the Company did not issue any Rights Share.

| | | |
|--|--|--|
| Sd/ Syed Farhad Ahmed Managing Director & CEO | Sd/- Md. Anamul Haque Chief Financial Officer | Sd/- Syed Moniruzzaman, FCS Company Secretary |
|--|--|--|

Place: Dhaka
Dated:

(c) Annual general meeting has been held regularly

**DECLARATION REGARDING ANNUAL GENERAL MEETING HAS BEEN HELD
REGULARLY**

[see rule 3(c)]

This is declared that **aamra networks limited** holds its Annual General Meeting (AGM) regularly. Information regarding last 5 years AGM is stated below:

| Year | Date of AGM | Dividend Declared (%) | | |
|------|-------------------|-----------------------|-------|-------|
| | | Cash | Stock | Total |
| 2023 | 04 October, 2023 | 11 | - | 11 |
| 2022 | 29 December, 2022 | 5 | 5 | 10 |
| 2021 | 28 December, 2021 | 5 | 5 | 10 |
| 2020 | 29 December, 2020 | 10 | - | 10 |
| 2019 | 26 December, 2019 | 6 | 6 | 12 |

| | | |
|---|--|--|
| Sd/- Syed Farhad Ahmed Managing Director & CEO | Sd/- Md. Anamul Haque Chief Financial Officer | Sd/- Syed Moniruzzaman, FCS Company Secretary |
|---|--|--|

Place: Dhaka
Dated: 11 October 2023

(d) The rights issue has been fully underwritten on a firm commitment basis by the underwriter

This rights issue has been fully underwritten on a firm commitment basis. Detail of the underwriter and declaration is presented in page no. 99 & 111-113 of this document.

(e) The financial statements of the company are prepared as per International Accounting Standards (IAS), as applicable in Bangladesh, and audited as per International Standards of Auditing (ISA) as applicable in Bangladesh

The financial statements of ANL are prepared as per International Accounting Standards (IAS), as applicable in Bangladesh, and audited as per International Standards of Auditing (ISA) as applicable in Bangladesh. The detail of compliance is disclosed in the Independent Auditor's report of this document.

(f) The issuer or any of its directors is not a bank-defaulter

The issuer and its directors are free from loan default as per Bangladesh Bank.

(g) The issuer has been credit rated by a credit rating company if the offer is at a premium

Summary of Credit Rating Report:

| Credit Rating Status | | |
|----------------------|-----------------------------|------------|
| | Long Term | Short Term |
| Entity Rating | A- | ST-3 |
| Outlook | Stable | |
| Date of Rating | 10 October 2023 | |
| Validity of Rating | 25 August 2024 | |
| Rating assigned by: | Alpha Credit Rating Limited | |

Details credit rating report has given Section: 25, Page: 118-136

(h) Profitability record in the immediate preceding year

The profitability record of ANL for the last five years is presented below-

| Particulars | 2023 | 2022 | 2021 | 2020 | 2019 |
|----------------------|-------------|-------------|-------------|-------------|-------------|
| Net Profit after Tax | 225,668,919 | 109,294,103 | 120,392,435 | 179,445,119 | 212,030,167 |

As per audited financial statements for the year ended 30 June 2019 to 30 June 2023.

Annexure-1: Extract of AGM held on 04 October 2023

October 12, 2023



CERTIFIED TRUE COPY OF EXTRACT OF MINUTES OF THE 22nd ANNUAL GENERAL MEETING OF SHAREHOLDERS OF AAMRA NETWORKS LIMITED HELD ON WEDNESDAY, OCTOBER 04, 2023 AT 10:00 A.M.

22nd Annual General Meeting of the Shareholders of aamra networks limited was held on Wednesday, October 04, 2023 at 10:00 a.m. by using digital platform. Total 129 Shareholders were logged into the meeting where among others the following directors also attended the meeting:

| | |
|--------------------|-------------------------|
| Syed Faruque Ahmed | Chairman |
| Syed Farhad Ahmed | Managing Director & CEO |
| Syeda Munia Ahmed | Director |
| Fahmida Ahmed | Director |
| A K M Nurul Alam | Independent Director |

Syed Faruque Ahmed, Chairman presided over the meeting.

Pursuant to Article 56 of the Company's Articles of Association, the meeting was duly constituted and following resolutions were passed by the Shareholders:

বিশেষ আলোচ্যসূচী-০১: রাইট শেয়ার ইস্যুর অনুমোদন।

সভাকে অবহিত করা হয় যে, ডিজিটাল বাংলাদেশে ইন্টারনেট ব্যবহারের উত্তরোত্তর প্রবৃদ্ধি কোম্পানির আলোচ্য বছরের ব্যবসায়িক পর্যালোচনাতেও প্রতিফলিত হয়েছে। এছাড়াও সম্মানিত ব্যবস্থাপনা পরিচালক মহোদয় তার পর্যালোচনাতে নেটওয়ার্ক পরিসীমা সম্প্রসারণ ও আধুনিকায়নের উপযোগিতা ও প্রয়োজনীয়তা সুন্দরভাবে ব্যাখ্যা করেছেন। ইন্টারনেট ব্যবহারের প্রবৃদ্ধির বিদ্যমান এ ধারার সাথে সঙ্গতি রেখে এবং ভবিষ্যতে কোম্পানীর ব্যবসায়িক প্রবৃদ্ধিকে গতিশীল রাখার লক্ষ্যে, পরিচালনা পর্ষদ ২১ শে আগস্ট ২০২৩ তারিখের সভায় নেটওয়ার্কিং সিস্টেমের প্রয়োজনীয় সংস্কার ও উন্নতিসাধন সেসাথে, নেটওয়ার্কিং পরিসীমাকে আরও ব্যাপ্ত করার সিদ্ধান্ত গ্রহণ করেছেন। এছাড়াও ব্যাঙ্ক ঋণের সুদ হারের উর্দ্ধমুখিতায় কোম্পানির পরিচালনা মুনাফা যাতে বাধাগ্রস্ত না হয় সেলক্ষ্যে প্রায় এক তৃতীয়াংশ ঋণ সমন্বয়ের সিদ্ধান্ত নিয়েছেন। সভাকে অবহিত করা হয় যে, বর্ণিত কার্যক্রমগুলো সম্পাদনকল্পে প্রয়োজনীয় অর্থ সংস্থানের জন্য প্রতি ২ টি বিদ্যমান শেয়ার ধারণের বিপরীতে ১ টি রাইট শেয়ার ৩০ টাকা মূল্যে (২০ টাকা প্রিমিয়াম সহ) ইস্যু করার প্রস্তাবনা করা হয়েছে, যা ইতোমধ্যে শেয়ারহোল্ডারবৃন্দকে মূল্য সংবেদনশীল তথ্য, সভার নোটিশ এবং পর্ষদের রিপোর্টের মাধ্যমে অবহিত করা হয়েছে। সভাকে আরও অবহিত করা হয় যে, আজকের সভার একমাত্র বিশেষ আলোচ্যসূচী simple majority-র ভিত্তিতে Ordinary Resolution হিসেবে অনুমোদিত হবে। শেয়ারহোল্ডারদের আরও অবহিত করা হয় যে, রাইট শেয়ার ইস্যুর মাধ্যমে সংগৃহীতব্য মোট ৯২,৯৭,৯৯,১২০ টাকার খাতওয়ারী বিভাজন রেগুলেটর কর্তৃক অনুমোদিত হওয়ার পরে রাইট অফার ডকুমেন্টস এর মাধ্যমে যথাসময়ে অবহিত করা হবে।

অতঃপর বিশেষ আলোচ্যসূচী: ১ এর প্রস্তাবিত সিদ্ধান্তে ভোট প্রদানের ফলাফল শেয়ারহোল্ডারদেরকে অবহিত করা হয়। বিশেষ আলোচ্যসূচী-১ এ সর্বমোট ৭৭ জন শেয়ারহোল্ডার ভোট প্রদান করেছেন। বিশেষ আলোচ্যসূচী ১ এর প্রস্তাবিত সিদ্ধান্ত অনুমোদনের পক্ষে ভোট পড়েছে ২,০৯,৩৪,৪৭০ টি এবং বিপক্ষে ১,২৫০ ভোট। ভোট প্রদানের ফলাফলের ভিত্তিতে (সংযুক্তি-গ) অধিকাংশ শেয়ারহোল্ডারদের সমর্থনে নিম্নোক্ত সিদ্ধান্ত গৃহীত হয়।

সিদ্ধান্ত: “প্রয়োজনীয় রেগুলেটরী অনুমোদন সাপেক্ষে, পরিচালনা পর্ষদ কর্তৃক প্রস্তাবিত প্রতি ২ টি বিদ্যমান শেয়ার ধারণের বিপরীতে ১ টি রাইট শেয়ার ৩০ টাকা মূল্যে (২০ টাকা প্রিমিয়াম সহ) মোট ৩,০৯,৯৩,৩০৪ টি রাইট শেয়ার ইস্যুর মাধ্যমে পরিশোধিত মূলধন বৃদ্ধি অধিকাংশ শেয়ারহোল্ডারদের সমর্থনে অনুমোদিত হলো।”

I do hereby certify that the above is a true copy of the minutes of the proceedings of general meeting and is in accordance with the Companies Act 1994 and Articles of Association of the Company.


Syed Moniruzzaman
Company Secretary



aamra networks limited

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Page 1 of 1