

*Auditors' Report  
Of*

**aamra technologies limited**

BTA Tower (10<sup>th</sup> Floor) -  
29 Kemal Ataturk Avenue  
Banani C/A, Dhaka

For the year ended June 30, 2012

## AUDITORS' REPORT

We have audited the accompanying financial statements of *aamra technologies limited* which comprises the statement of financial position as at June 30, 2012 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards, 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.


### **Opinion**

In our opinion, the financial statements, prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at June 30, 2012 and of the results of its operations and cash flows for the year then ended and comply with the Companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations.

We also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;
- c) The statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- d) The expenditure incurred was for the purposes of the company's business.

Dated: Dhaka  
September 30, 2012

  
(Masih Muhith Haque & Co.)  
Chartered Accountants

**aamra technologies limited**

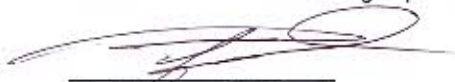
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**STATEMENT OF FINANCIAL POSITION**


As at June 30, 2012

ASSETS	Notes/Sch	30-06-2012 Amount Tk.	30-06-2011 Amount Tk.
<b>Non-Current Assets</b>			
A. Property, Plant & Equipment (At cost less accumulated depreciation)	Sch-A	224,963,468	52,430,336
B. Intangible Assets	4.00	-	82,704,070
C. Capital Work in Progress	5.00	-	113,713,777
<b>D. Current Assets:</b>			
Inventories	6.00	706,743,520	486,533,003
Inventory in Transit	7.00	77,781,837	58,371,038
Trade receivables & Others	8.00	383,204,006	259,791,542
Advances, Deposits & Prepayments	9.00	110,609,581	76,828,672
Inter Company Current Account	10.00	17,276,531	29,709,688
Deferred Tax Asset	11.00	-	1,527,687
Cash & Cash Equivalents	12.00	656,416,650	521,400
		<u>1,952,032,126</u>	<u>913,283,030</u>
<b>Total Assets</b>		<b><u>2,176,995,594</u></b>	<b><u>1,162,131,213</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>E. Equity attributable to shareholders</b>			
Authorised capital 100,000,000 shares @ Tk. 10 each		<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued, subscribed & paid up capital			
41,946,512 ordinary shares @ Tk. 10 each	13.00	419,465,120	185,222,840
Share Premium	14.00	502,608,496	230,354,158
Proposed Stock Dividend	15.00	-	18,522,280
Retained Earnings	16.00	106,890,075	71,465,184
<b>Total Equity</b>		<u>1,028,963,691</u>	<u>505,564,462</u>
<b>F. Non-current liabilities</b>			
Long-term Loan	17.00	35,884,671	41,715,894
		<u>35,884,671</u>	<u>41,715,894</u>
<b>G. Current liabilities:</b>			
Short Term Loan	18.00	952,027,532	507,914,533
Liability Against Import of Inventory	19.00	77,781,837	58,371,038
Trade Payable & Others	20.00	35,950,373	10,553,337
Advance Against Sale	21.00	21,145,212	22,398,000
Liability For Expenses	22.00	11,744,157	4,131,555
Provision for Corporate Tax	23.00	11,416,751	11,482,394
Deferred Tax liability	24.00	2,081,368	-
		<u>1,112,147,231</u>	<u>614,850,857</u>
<b>Total liabilities</b>		<u>1,148,031,902</u>	<u>656,566,751</u>
<b>Total equity and liabilities</b>		<b><u>2,176,995,594</u></b>	<b><u>1,162,131,213</u></b>

The annexed notes form integral parts of these financial statements.

  
Syed Faruque Ahmed  
Chairman

  
Zahrul Syed Bakht  
Company Secretary

  
Syed Farhad Ahmed  
Managing director

  
**Masih Muhith Haque & Co.**  
Chartered Accountants

**aamra technologies limited**

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**STATEMENT OF COMPREHENSIVE INCOME**  
For the Year ended June 30, 2012

Particulars	Notes	30-06-2012	30-06-2011
		Amount Tk.	Amount Tk.
Revenue	25.00	668,400,734	512,566,960
Less: Cost of goods sold	26.00	523,195,609	403,747,013
<b>Gross profit/(loss)</b>		145,205,125	108,819,947
Less: Administrative expenses	27.00	82,933,223	57,803,214
<b>Operating income</b>		62,271,902	51,016,733
Add: Other income	28.00	21,243,129	12,002,397
		83,515,031	63,019,130
Less : Finance costs	29.00	12,685,002	4,498,448
<b>PROFIT FOR THE YEAR</b>		70,830,029	58,520,682
<b>Other comprehensive income:</b>			
Exchange gain/(loss)	30.00	(4,818)	56,797
<b>Other comprehensive income for the year</b>		(4,818)	56,797
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		70,825,211	58,577,479
Less :Corporate tax	31.00	11,416,751	11,482,394
Add: Provision for deferred tax (asset)	11.00	-	1,527,687
Less: Provision for deferred tax (liability)	24.00	553,681	-
<b>TOTAL COMPREHENSIVE INCOME AFTER TAX</b>		58,854,779	48,622,772
<b>Earnings per share (Per Value Tk. 10.00)</b>	35.00	2.46	2.39

The annexed notes form integral parts of these financial statements.



**Syed Faruque Ahmed**  
Chairman



**Zahrul Syed Bakht**  
Company Secretary



**Syed Farhad Ahmed**  
Managing director



**Masih Muhith Haque & Co.**  
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**Statement of Changes in Equity**  
For the Year ended June 30, 2012

Particulars	Attributable to the Equity Holders of aamra technologies limited				
	Ordinary Share Capital	Share Premium	Proposed Dividend	Retained Earnings	Total
Balance at 01 July 2011	185,222,840	230,354,158	18,522,280	71,465,184	505,564,462
Issue of Share Capital	215,720,000	302,008,000	-		517,728,000
Profit/(Loss) during the year	-	-	-	58,854,779	58,854,779
Capital raising expenses	-	-	-	(29,753,662)	(29,753,662)
Expense of raising of capital adjustable with share premium	-	(29,753,662)	-	29,753,662	-
Transfer Stock dividends on ordinary shares	18,522,280	-	(18,522,280)	-	-
Cash dividends on ordinary shares				(20,374,512)	(20,374,512)
Add : Prior year adjustment- Deferred Tax liability				(3,055,375)	(3,055,375)
<b>Balance at 30 June 2012</b>	<b>419,465,120</b>	<b>502,608,496</b>	<b>-</b>	<b>106,890,076</b>	<b>1,028,963,692</b>
Balance at 01 July 2010	185,222,840	234,666,658	-	41,364,692	461,254,190
Profit/(Loss) during the year	-	-	-	48,622,772	48,622,772
Capital raising expenses	-	-	-	(4,312,500)	(4,312,500)
Expense of raising of capital adjustable with share premium	-	(4,312,500)	-	4,312,500	-
Proposed Stock dividends on ordinary shares	-	-	18,522,280	(18,522,280)	-
<b>Balance at 30 June 2011</b>	<b>185,222,840</b>	<b>230,354,158</b>	<b>18,522,280</b>	<b>71,465,184</b>	<b>505,564,462</b>

The annexed notes form integral parts of these financial statements.

  
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## aamra technologies limited

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### STATEMENT OF CASH FLOWS

For the year ended June 30, 2012

Particulars	6/30/2012 Amount (Tk.)	6/30/2011 Amount (Tk.)
<b>A. Cash flow from operating activities</b>		
Cash received from customers & other income	563,337,900	510,160,277
Cash paid to suppliers & others	(240,908,344)	(299,855,858)
Operating expenses paid	(125,694,442)	(25,735,138)
Income Tax provision	11,416,751	(16,064,007)
Finance Cost	(12,685,002)	(4,498,448)
Net cash provided by/ (used in) operating activities	<b>195,466,863</b>	<b>164,006,826</b>
<b>B. Cash flow from investing activities</b>		
Acquisition of fixed assets	(1,340,216)	(11,119,663)
Intangible assets	-	(82,704,070)
Capital Work in progress	-	(113,713,777)
Net cash used in investing activities	<b>(1,340,216)</b>	<b>(207,537,510)</b>
<b>C. Cash flow from financing activities</b>		
Paid up capital	215,720,000	-
Share Premium	272,254,338	(4,312,500)
Dividend Paid	(20,374,512)	-
Long-term Loan	(5,831,223)	(101,016,400)
Net cash provided by/ (used in) operating activities	<b>461,768,603</b>	<b>(105,328,900)</b>
<b>D. Net cash increase/ (decrease) (A+B+C)</b>	<b>655,895,250</b>	<b>(148,859,584)</b>
Cash & cash equivalent at the beginning of the year	521,400	149,380,984
Cash & cash equivalent at the end of the year	<b>656,416,650</b>	<b>521,400</b>
<b>It consists of as follows :</b>		
Cash in hand	25,661	24,430
Cash at bank	58,157,138	496,970
FDR at bank	598,233,852	-
Total	<b>656,416,650</b>	<b>521,400</b>

The annexed notes form integral parts of these financial statements.



**Syed Faruque Ahmed**  
Chairman



**Zahrul Syed Bakht**  
Company Secretary



**Syed Farhad Ahmed**  
Managing director



**Masih Muhith Haque & Co.**  
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Schedule - A

Schedule of Property, Plant & Equipment

Particulars	Cost				Rate of Dep.(%)	Depreciation				W.D.V. as on 30-06-2012
	Balance as on 01-07-11	Addition/Adjustment during the year	Disposal during the year	Balance as on 30-06-2012		Balance as on 01-07-11	Charged during the year	Disposal during the year	Balance as on 30-06-2012	
Furniture & Fixture	6,407,884	271,920	-	6,679,804	10	2,675,515	377,051	-	3,052,566	3,627,238
Office Equipment	10,855,998	70,196	-	10,926,194	15	5,459,678	764,351	-	6,224,029	4,702,165
Interior Decoration	24,803,043	600,000	-	25,403,043	10	5,132,854	1,905,500	-	7,038,354	18,364,689
Computer & Accessories	33,317,886	398,100	-	33,715,986	15	10,506,046	3,221,859	-	13,727,905	19,988,081
Motor vehicle	1,574,500	-	-	1,574,500	15	754,882	114,832	-	869,714	704,786
ERP & Inventory Software	-	116,770,329	-	116,770,329	20	-	11,201,167	-	11,201,167	105,569,162
R & D for Enterprise & Network	-	34,847,518	-	34,847,518	20	-	3,342,741	-	3,342,741	31,504,777
Data Center	-	44,800,000	-	44,800,000	20	-	4,297,430	-	4,297,430	40,502,570
<b>Total</b>	<b>76,959,311</b>	<b>197,758,063</b>	<b>-</b>	<b>274,717,374</b>		<b>24,528,975</b>	<b>25,224,931</b>	<b>-</b>	<b>49,753,906</b>	<b>224,963,468</b>
<b>Balance as on 30-06-2011</b>	<b>65,839,648</b>	<b>11,119,663</b>	<b>-</b>	<b>76,959,311</b>		<b>16,806,141</b>	<b>7,722,834</b>	<b>-</b>	<b>24,528,975</b>	<b>52,430,336</b>

Note : Total Depreciation has been apportioned at the following ratio :

Direct Expenses	75%	18,918,698
Administrative Expenses	25%	6,306,233
	<b>100%</b>	<b>25,224,931</b>

Note: Intangible assets and Capital work in progress were transferred to Property, Plant & Equipment as ERP & Inventory Software, R&D for Enterprise & Network and Data Center. The work on the system was completed during the year and hence, the combined valuation was capitalised under the respective heads in Property, Plant & Equipment.

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**Notes to the Financial Statements**

For the year ended June30, 2012

**1. ABOUT THE ORGANIZATION**

aamra technologies limited was incorporated in Bangladesh under The Companies Act, 1913 on 14 March 1990 vide registered No. C 19428 (198) / 90 as a private limited company. The company was converted to a public limited company on November 30, 2009 under The Companies Act 1994.

aamra technologies limited provides comprehensive IT solutions and services including Systems Integration, Information Systems Outsourcing, Core Banking Software & Switching Solution supply, implementation & maintenance. The registered office of the company is located at BTA Tower (10th floor), 29 Kemal Ataturk Avenue, Banani C/A, Dhaka.

The company became listed with Dhaka & Chittagong Stock Exchange during the year and subscription for IPO opened on April 04, 2012. The company's shares were officially traded from July 04, 2012.

**2.00 SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared under historical cost convention in accordance with generally accepted accounting principles as laid down in the International Accounting Standards (IASs) / International Financial Reporting Standards (IFRSs), applicable to the Company so far adopted by the Institute of Chartered Accountants of Bangladesh as Bangladesh Accounting Standards (BASs) / Bangladesh Financial Reporting Standards. 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 BAS-1/IAS-1 (presentation of financial statements) 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.

**2.01 PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment are stated at historical cost less accumulated depreciation in compliance with the requirements of BAS 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.

Depreciation is provided to write-off the cost of property, plant & equipment less any residual value, over the year of their expected useful lives, in accordance with the provisions of BAS 16: Property, Plant and Equipment. Depreciation is provided for the year in use of the assets. Acquisitions during the year are depreciated monthly basis . Depreciation is provided at the following rates on reducing balance basis:

<u>Items</u>	<u>Rate</u>
Furniture & Fixture	10%
Office Equipment	15%
Interior Decoration	10%
Computer & Accessories	15%
Motor Vehicle	15%
ERP & Inventory Software	20%
R & D for Enterprise & Network	20%
Data Center	20%



**2.02 Intangibles**

Expenditure on intangibles are capitalised provided they meet the recognition criterion specified by BAS-38. Amortisation on intangibles begin when it is evident that the asset will generate probable future economic benefits.

**2.03 Components of Financial Statements:**

- a) Statement of Financial Position.
- b) Statement of Comprehensive Income.
- c) Statement of Cash Flows.
- d) Statement of Changes in Equity
- e) Accounting policies and explanatory notes.

**2.04 Other regulatory compliances**

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

- The Income Tax Ordinance 1984
- The Income Tax Rules 1984
- The Value added Tax Act 1991
- The Value added Tax Rules 1991
- The Securities & Exchange Commission Rules 1987
- The Customs Act 1969
- The Bangladesh Telecommunication Act 2001

**2.05 VALUATION OF INVENTORIES**

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

**2.06 RELATED PARTY DISCLOSURES**

The company carried out a number of transactions with related parties in the normal course of business and on arm's length basis. The information as required by BAS 24 : Related party Disclosures have been disclosed in note-34 to the financial statements.

**2.07 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.

**2.08 PROVISION FOR CORPORATE TAX**

Provision for corporate tax is made @ 37.5%(9 months) and 27.5% (3 months as listed company) respectively on estimated taxable income in accordance with Income Tax Ordinance 1984. The corporate income tax assessment of the company is completed up to assessment year 2011-2012.

**2.09 DEFERRED TAX**

Deferred tax asset/liability is accounted for in accordance with BAS-12.

**2.10 ACCRUED EXPENSES AND OTHER PAYABLES**

Liabilities for the goods and services received have been accounted for whether paid or not for those goods & services. Payables are not interest bearing and are stated at their nominal value.

