

Directors' Report

Dear Shareholders,

On behalf of the Board of Directors and Management, It is indeed a great privilege for me to welcome you to the 31st Annual General Meeting of the Company. We are pleased to place herewith the Directors' Report and the Auditors' Report together with the Audited Financial Statements of the Company for the year ended June 30, 2020 for your valued consideration, adoption and approval. These were approved by the Board of Directors on October 27, 2020.

The Directors' Report has been prepared in compliance with the Section 184 of the Companies Act 1994, BSEC's Notification of 2018, the Listing Regulations of Dhaka and Chittagong Stock Exchanges, and other applicable rules and regulations. Relevant disclosures and explanations relating to certain issues have been given by the Directors, which they consider important to ensure transparency and good governance practices.

Bangladesh Economy

The average annual real GDP growth of the Bangladesh economy during the last six years was over 6%, aided by conducive macroeconomic policies, strong export growth and favorable weather. GDP growth was broad based with agriculture, industry and service sectors performing well. During H1FY20, the pace of economic activities continued its normal trend due to strong domestic demand in Q1 and Q2 of FY20. Strong remittance inflows (35.3 percent growth) and higher government investment supported domestic demand during Q2FY20. Economic activities portrayed a mixed picture in Q3FY20, amid global supply disruptions and looming economic recession originating from the global outbreak of the COVID-19.

After remaining buoyant in the first-three quarters of FY20, economic activities drastically shattered, in the fourth quarter, particularly in the industry and service sectors, disrupted by an unprecedented lockdown measures to limit the outbreak of COVID-19 pandemic. During this period, industrial production dropped significantly, driven mostly by a precipitous fall in manufacturing output, while the service sector activities stalled by the partial and often complete shutdown of transportation, trade, and hospitality industries. But the agriculture sector maintained firm growth during this period, aided by supportive government initiatives.

Nonetheless, the preliminary estimates by Bangladesh Bureau of Statistics (BBS) suggest that real GDP growth slipped to 5.24 percent in FY20 from 8.15 percent in FY19. The inflation increased to 6.02 percent in Q4FY20 from 5.48 percent in Q3FY20 amid some volatility, driven by a rise in food prices that emanated mostly from pandemic-induced global and domestic supply chain disruptions. Current account deficit widened to an eight-quarter high of USD 2439 million in Q4FY20, resulted from a sharper fall of exports than imports triggered by the pandemic. Nevertheless, the overall balance of balance of payment witnessed a surplus of USD 3310 million during this period bolstered by record high quarterly financial inflows (USD 5216 million). On the fiscal side, budget deficit rose significantly in Q4FY20 and about 70 percent of deficit financing was met from domestic sources (banks and non-bank) during the last quarter of 2020-2020.

The pandemic severely weakened global trade, consumption, services, and the labour market in both developed and emerging markets. Global trade contracted by nearly 3.5 percent (year over year) in the first quarter, reflecting weak demand, collapse in cross-border tourism, supply chain disruptions, and supply dislocations triggered by shutdowns across the world. Several policy measures taken by the government will help the economy to recuperate from lost investment and consumption and bounce back to the economic growth momentum observed in the last decade. A pragmatic agricultural and rural credit policy has been adopted by relaxing terms and conditions for inclusive loan disbursement. In view of the importance of the agriculture sector in terms of employment generation, food security, and poverty reduction in the country, the target disbursement of agricultural credit is set at BDT 262.92 billion for FY21 which is about 9 percent higher than that of FY19. It is expected that policy measures and strategy taken by the government such as easy monetary, fiscal, and financial policies shall facilitate the rapid recovery of the economy to the pre-COVID-19 level.

Capital Market Scenario

The capital market passed yet another gloomy year as the core index of the Dhaka Stock Exchange (DSE) lost 18.5 percent year-on-year in 2019, after hitting a 42-month low. After the stock market crash in 2010-2011, the government came up with some instant market supportive measures. The market even after nine years of a fragile journey, failed to get a strong foothold, as investors were discouraged by one issue after another. The market has been in the doldrums almost throughout the year 2019 amid investors' confidence crisis. Round-the-year liquidity crunch in the banking sector, gloomy



macroeconomic outlook, soaring non-performing loans, some policy changes and foreign investors' pulling funds out of the market worsened the situation. The financial sector remained volatile with liquidity crunch while soaring interest rate, huge non-performing loans and pressure on the exchange rate spilled over into the capital market.

The index was hovering between 4,390 and 5,950 points during the year. The index reached highest at 5,950 on January 24 while dipping to 42-month low to 4,390 on December 24 amid lack of institutional investor participation. Market capitalization of the prime bourse also shed 13.22 per cent in the outgoing year to Tk. 3,395 billion. The daily turnover, another important gauge, stood at Tk. 4.80 billion on an average, down by 13 per cent year-on-year, in 2019.

The port city's bourse, Chittagong Stock Exchange (CSE), also saw sharp fall in the outgoing year with its CSE All Share Price Index - CASPI -losing 2,854 points or 17.44 per cent to settle at 13,505 and the Selective Categories Index - CSCX -plunging 1,707 points or 17.25 per cent to finish the year at 8,187.

The stock market stepped into 2020 amid concern over the depressing macroeconomic outlook, lingering tussle between GP and telecom regulator over an audit claim and little hope of an immediate market recovery. Most surprising that the large-cap stocks, considered as blue chips, suffered most during the year as foreign investors' pulling funds out of the market that worsened the situation.

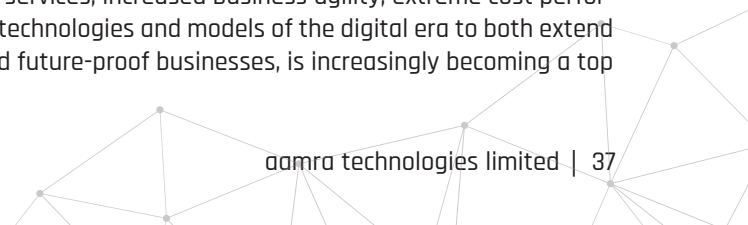
COVID-19 worsening the already worsened mood of investors. The key index of the Dhaka Stock Exchange (DSE), DSEX, fell to its lowest level since January 2013. The government announced a public holiday from March 25 that extended till May 30. Considered "Non-essential," the two stock markets were also closed down. Bangladesh remained the only country where the stock markets were closed for two months due to the coronavirus pandemic. The last two years and the current pandemic crisis has greatly hurt investors' confidence in the country's capital market. On the other hand, capital markets elsewhere stumbled a bit but reached record-high levels as investors remain hopeful for an economic recovery. The policymakers, particularly Bangladesh Securities and Exchange Commission (BSEC), should take steps to regain investors' confidence which may include developed bond market. A vibrant bond market can provide investors with a less risky asset. This can increase participation in the country's capital market. Moreover, the fixed coupon payment of bonds can increase investors' confidence in the market. On the other hand, corporations will have a low-cost alternative to banks for funding.

IT Industry

The future of the world is digital economy. Digital economy accounts for \$12 trillion industry across the globe. In China, digital economy was worth \$5 trillion until last year. Digital economy is an idea that you can literally do everything digitally. Like, we use so many apps for so many services and the combined value of these products and services makes digital economy. Bangladesh has huge potential as the country has demographic dividend. The digital economy is relatively small in the country and has a lot of scope of penetration. Digital Bangladesh is now not a dream but a reality. People are taking 150 types of services from digital centers around the country. Some 10,500 entrepreneurs provide over 6.4 million services every month while 36 million beneficiaries are availing of e-services. The government has been working to bring the country's all people under internet coverage. At the early stage of the journey of Digital Bangladesh, only 0.3 per cent people had internet connection. Now, 60 per cent people are enjoying internet facilities. The government also emphasizing in providing high speed internet facilities besides bringing all people under internet facilities.

Rise of platform economy, digitalization, automation, robotics have been reshaping the globe. Rapid technological transformation will be a key feature of the economy well into the future. At the national, regional, and global level, frontier technologies are offering promising new opportunities, but are also introducing new policy challenges. The march of technological innovation has long boosted economic performance, improved efficiency, accelerated the pace of globalization, and transformed human society in the process. The digital revolution demands renewed policy cooperation at all levels of governance. After all, the latest wave of technological change is especially broad, and it is coming fast. It is fundamentally altering how goods, services, and ideas are exchanged. And as rapidly declining costs make digital technologies even more affordable and accessible, they will continue to transform people's lives and livelihoods.

Software and computing technology is transforming businesses in every industry around the world in a profound and fundamental way. The continued reduction in the unit cost of hardware, the explosion of network bandwidth, advanced software technologies and technology-enabled services are fuelling the rapid digitization of business processes and information. The digital revolution is cascading across industries, redefining customer expectations, automating core processes and enabling software-based disruptive market offerings and business models. This disruption is characterized by personalized user experiences, innovative products and services, increased business agility, extreme cost performance and a disintermediation of the supply chain. Leveraging technologies and models of the digital era to both extend the value of existing investments and, in parallel, transform and future-proof businesses, is increasingly becoming a top strategic imperative for business leaders.



From an IT perspective, the renewal translates to re-imagining human-machine interfaces, extracting value out of digitized data, building next-generation software applications and platforms, harnessing the efficiency of distributed cloud computing, modernizing legacy technology landscapes and strengthening information security and data privacy controls. The fast pace of technology change and the need for technology professionals who are highly skilled in both traditional and digital technology areas are driving businesses to rely on third parties to realize their business transformation. Several new technology solution and service providers have emerged over the years, offering different models for clients to consume their solution and service offerings such as data analytics companies, software as a service businesses, digital design boutiques, and speciality business process management firms.

While these developments present strong market opportunities for the IT industry, there is also an imperative need for IT services and solutions companies to transition from fast-commoditizing traditional service offerings, to attract and retain quality talent, to reimagine cost structures and leverage automation for increased productivity.

The COVID-19 pandemic has disrupted demand and supply chains across industries, negatively impacting the business of companies and driving the global economy towards a recession. Governments in several countries have imposed stringent lockdown in a bid to contain the spread of the disease. This in turn has forced companies to reconfigure how their employees work and how their core business processes are supported and delivered. These events could cause companies to pause and reprioritize their spending on technology and business process outsourcing. However, it is becoming evident that companies that have previously digitized their operations have been more resilient. Consequently, in the medium to long term, it is very likely that businesses will continue to spend on technology related initiatives with a greater focus on automation, remote working, cloud-based applications, optimization of legacy technology costs, etc. Several sectors are also seeking technology-based solutions immediately to tackle the health and economic crises - notably in healthcare, life sciences, banking, telecommunications and essential retail.

The COVID-19 impact possesses a unique challenge for the IT industry as it is only in its growth stage in Bangladesh. Industry insiders expect the overall revenue for the 2020 year to decrease by 20-25 percent due to the pandemic. The COVID-19 stands to wipe out 1.1 percent of Bangladesh's gross domestic product, resulting in 894,930 jobs being lost as per a projection of the Asian Development Bank. It is highly likely that the IT and digital industry will fall into this crunch along with the RMG industry. Undeniably, it'll be impossible to not feel the impact of the pandemic in any industry but precautionary and supportive policies will ensure the tech and digital industry will not be crippled in during and post COVID-19 economy. With the challenges now apparent for the IT and digital sector, it's crucial that the government pays significant attention to its third-engine during and post COVID Bangladesh.

Bangladesh is one of the top four countries in terms of 'improvement and remarkable growth' in digital economy in the last four years. Bangladesh currently consumes about 1,600 Gbps bandwidth, up from 970 Gbps a year ago and 300 Gbps in 2016. Internet usage during COVID had shot up 15 per cent in Bangladesh as people were increasingly relying on digital life for communication, work and entertainment to escape the doom and gloom brought on by the novel virus. Like other parts of the world, more aspects of the daily lives of the people in Bangladesh have moved online. More and more people were and are working from home as a result of the pandemic. People are using more and more internet-based services, watching movies, playing video games and browsing YouTube, pushing up overall internet bandwidth consumption. Many offices also switched to virtual alternatives to ensure the safety of their staff as well as keep their operations float. With these developments, the bandwidth use by corporate houses has declined but home consumption has surged more than 30 per cent.

Industry outlook

The COVID-19 pandemic will result in ICT spending in 2020 being flat compared to 2020 and kept afloat by growth in new technologies. In 2021 through 2023, overall ICT spending will grow by at least 5% annually due to continued expansion in new technologies while traditional ICT will continue to see growth that tracks GDP. Growth in traditional hardware, software and services will be driven by cloud and mobile and will maintain a stable share of overall business and consumer spending. While some categories are declining, businesses continue to leverage traditional technologies as major components of digital strategies.

Traditional hardware was one of the hardest hit segments of the ICT market by COVID-19. Traditional software continues to represent a major contribution to productivity and drives much of the economic benefit of ICT spending, while investments in mobile and cloud hardware have created new platforms which will enable the rapid deployment of new software tools and applications. There will continue to be some cannibalization of traditional IT services (outsourcing, in particular), but cloud and mobile also create opportunities for IT and business services firms as organizations seek help with their migration to new platforms and the integration of new digital strategies with existing operations and metrics. Digital transformation is set to drive a large proportion of growth in the next 5-10 years, which will continue to ensure steady demand for professional services.

Information and communications technology (ICT) has been the driving force behind game-changing innovations and socioeconomic transformations, which are shaping our economy and society at multiple levels. New technological advancements, such as artificial intelligence, have been transforming the manufacturing and service sectors, and have ushered a plethora of innovations, which are changing the way people interact, work and live. ICT-enabled financial infrastructure, smart grids, disaster risk management, intelligent transport system and trade facilitation are just some of the examples that have become the critical backbone of our economy and society, built on the extensive, ubiquitous and seamless broadband connectivity. At another level, ICT plays a catalytic role in modernizing government services, and enhancing the quality of interactions with businesses and citizens, while enabling a whole range of socioeconomic applications and services. In this context, ICT has been increasingly recognized as an indispensable development enabler that contributes to and accelerates the achievement of the Sustainable Development Goals (SDGs).

In February 2018, the nation joined the 4G period but just 10 percent of mobile network users accepted the network up to 2019. Bangladesh Telecommunication Regulatory Commission (BTRC) has already confirmed plans for the country to introduce 5G in 2021 and will make it available in all districts by 2023. According to the GSMA, at the end of 2019 about 54 per cent of people in Bangladesh were using mobile phones, of which 25 percent had internet access. Only 6 per cent of Bangladesh's internet users will use 5G in 2025, while 4G will dominate the market with 46 percent of the total mobile users. 3G users will be 30 percent by the time and 18 per cent will only be wired to 2G.

Bangladesh currently consumes about 1,600 Gbps bandwidth, up from 970 Gbps a year ago and 300 Gbps in 2016. Of the total, BSCCL alone is supplying about 970 Gbps through its two undersea connections, while six international terrestrial cable operators are importing the rest from India. It should be noted that in most markets, especially in the emerging markets and smaller economies, retail service providers (RSPs), except incumbents, may not have the critical mass to purchase the lowest possible capacity link from transit providers. This, in turn, creates a cost imbalance between the incumbent and smaller RSPs. Reductions in infrastructure costs due to technological advances, as well as the development of broadband markets, pave the way for telecommunications market liberalization in many countries. The liberalization of international gateways is perceived as a way to enhance the quality of services while stimulating greater market efficiencies.

To support the generational shift and drive consumer engagement in the digital era, mobile operators will require hefty invest in their networks between 2020 and 2025 for 5G deployments. In Bangladesh, the 5G opportunity is longer term, largely because there is still a lot of room to grow for 4G (which is the dominant mobile technology across the country and will remain so for the foreseeable future). It is unclear whether consumers will pay more for a 5G service, particularly when 4G will meet their needs in the majority of cases. The focus for the markets is on getting 4G right and pushing advancements in areas such as identity, digital commerce and payments, and cross ecosystem collaboration to ensure 5G is launched at the right time under the right conditions to promote a sustainable and competitive industry, which is the foundation for an inclusive digital society.

Intelligent connectivity - the combination of 5G, AI, big data and IoT - is the key component of services in the new digital era. There is a huge opportunity for policymakers and the companies to work together to ensure that the economies can capture value, boost economic growth and deliver benefits to society. Developing ICT sector of the country in the current digital world needs to adopt a more agile and flexible approach to policymaking. The pandemic has provided the potential for governments to pursue greater cross-sectoral collaboration and develop interoperable regulatory frameworks for digital-data governance, e-commerce rules, taxation of digital services, cyber security, and innovative but ethical usage of AI technology.

However, related to the poor fixed-line infrastructure and very low fixed broadband penetration rate, a situation compounded by the preference among consumers to adopt mobile broadband solutions for their data needs. To address these shortcomings the Executive Committee of the National Economic Council (ECNEC) approved the revival of the NGN modernization project to be undertaken by Bangladesh Telecommunications Company Limited (BTCL). In the years to 2024 steady growth is expected to arise from these efforts.

aamra making significant contribution in Bangladesh IT Industry

aamra's contribution in the IT industry has spread from box-based solution to services encompassing a wide array of solutions. ATL continues to pump significant part of the internet bandwidth consumed in Bangladesh. 3 of the 4 telecom operators in Bangladesh avail a major part of their internet bandwidth from aamra. This in turn helps the Telcos to bring internet connectivity to the masses in rural areas of Bangladesh, hence bridging the digital divide. ATL continues to stride the Digital Bangladesh revolution envisioned by our beloved Prime Minister.

During FY 2019-2020 we have deployed Thales' 10K series hardware security module (HSM) to protect end-to-end security for bKash, EBL (Eastern Bank Ltd), AIBL (Al-Arafah Islami Bank Ltd), DBBL (Dutch Bangla Bank Limited) and their customers.

ATL has provided middleware for payment of DESCO utility bills as part of our broader roadmap to digitize and automate payment of utility services in Bangladesh. We have completed User Acceptance Testing (UAT) for a large number of banks to synchronize payment of utility bills and our POS based solutions are running at full scale transacting crores of taka every month while ensuring flexible payment options for all.

We have pursued aggressively to expand our POS terminal coverage. ATL has deployed the nation's first next-generation, contactless POS machines equipped with cloud-based estate management system for the City Bank Ltd (CBL) and Islami Bank Bangladesh Ltd (IBBL) (this enables better management of functions and automatic upgradation of their device software). Of the major banks, ATL is in due process of implementing similar solutions for Dutch Bangla Bank Ltd (DBBL), Eastern Bank Ltd (EBL) and Pubali Bank Ltd as well. By the end of December 2020, the number of POS terminals deployed by ATL during FY 2019-20 will exceed 10000 (ten thousand) in number.

ATL's dominance in the financial services industry was not just limited to POS terminal deployment as we have been offering card personalization services to the City Bank Ltd, Bangladesh's largest credit card distributor since 2009. ATL had previously updated their systems from magnetic stripe to chip based cards in 2012 and have further upgraded their system in 2020 by offering the nation's first ever fully contactless American Express credit cards. ATL has gradually upgraded contactless cards for banks offering Visa, Mastercard and China Union Pay Intl. (UPI) gateways as well.

Our businesses this year have experienced slower growth than expected from previous years to accommodate for the result of the Coronavirus pandemic that had affected businesses and operations worldwide. Our clients had to minimize their operations and many of our vendors and suppliers had to operate on a small scale. Despite the setbacks, our teams have been very vigilant and our technical teams have worked around the clock while maintaining adequate safety measures. We are confident in our ability to ensuring best-in-class solutions while maintaining our unflinching commitment to bring innovative and positive growth for our stakeholders.

Product Categories & Services

aamra technologies limited (ATL) maintains a very robust and industry-oriented portfolio of products and services. ATL's product and services can be broadly summarized in 3 categories.

i) Financial Services Industry (FSI): FSI is one of ATL's prominent portfolio. Followings are lines of business within the FSI portfolio.

- Core Banking Solution (CBS): Currently ATL is one of the most reputed service provider CBS in Bangladesh. With our partner Infosys we are implementing Finacle CBS, which is the one of the most advanced and industry-leading CBS solution in the world.
- Hardware Security Module (HSM): ATL is the current market leader of HSM in Bangladesh. With vast experience of solution architecture and implementation of world-renowned Thales HSM, aamra currently holds the majority of market share in this space.
- Point of sale (POS): ATL was the first to introduce POS in Bangladesh in 1996. We are currently implementing the global leader of POS solution - Verifone. As of now, ATL holds more than 50% of POS market share in Bangladesh.
- Card Personalization: ATL is the leading provider of Card Personalization in Bangladesh. We are leading this market, by providing solutions from our partner NBS.
- Data Security: With decades of experience in the bag, ATL is a trusted name in the data security space. Majority of the banks are our customers, and we are the leading provider of Vormetric security solution.
- Utility Payment Solution: We are the pioneer in utility payment charging and billing solutions in Bangladesh. With DPDC and DESCO, we are currently charging the pre-paid cards of customers and also accepting the billing. This project is run in conjunction with our partner banks.

ii) Enterprise Solutions: ATL provides wide range of enterprise solutions, suitable for large-scale enterprises and organization, who require customized and heavy-duty performance. Followings are the services in brief.

- Hardware and Software: ATL is a leading partner of Oracle in Bangladesh and is preferred by majority of the MNCs and Banks for Oracle related solutions.
- Routers and Switches: ATL has an expert team of engineers who specializes in the implementation of enterprise grade routers and switches. We have a moderately large portfolio of networking clients, specifically with CISCO hardware.

- ❑ Storage: We are currently a leading implementation partner of DELL EMC storage, providing support to a large number of enterprise clients.
- ❑ Virtual Machine and Cloud: We were the first in Bangladesh to build a state-of-the-art local cloud, customized for convenience of domestic customers and traffic. We have sizable footstep in the space of VM and private/public cloud.

iii) International Internet Gateway (IIG): ATL is the largest IIG of Bangladesh, approximately serving 30% of entire nation's bandwidth and more than 50% of telco bandwidth. Leading Telcos, i.e. GrameePhone, Robi, Banglalink are serving billions of customers with 4G internet, which is served from the backbone of ATL. Additionally, we are serving ISPs nationwide. ATL provides a range of IIG solutions, i.e. Bulk Bandwidth, Global VPN, CDN & Cache hosting, IPLC/MPLS/PLC, IP Transit etc.

National and International Presence

We were the first company in Bangladesh to establish an International POP, in Equinix, Singapore. We have expanded our operation globally, by establishing our second POP in Marseille, France. Additionally, we are connected with 5 International Exchanges (IXs) in Mumbai, Amsterdam, London, Singapore and Equinix. With this robust global infrastructure, we can provide our clients the fastest, smoothest and low-latency connectivity.



5 International IX
Connected with the leading global IXs

PNI
with major global OTT and content providers



2 International POPs
providing lowest latency nationwide

Tier 1 Carriers
Connected with top global tier-1 carriers

We have Private Network Interface (PNI) with major global content providers, i.e. facebook, AWS, Google, Verizon, Lime-light, Tencent etc. Additionally, we are connected to the highest number of Tier-1 global ISPs, i.e. GTT, Telia, Orange, Tata, NTT, Century link, Cogent etc. To add to this, aamra maintains an extremely robust national infrastructure, with POPs spread around in strategic locations of the nation and nationwide network of data centers.

Operating and Financial Performance of the Company

The financial results of the Company for the year 2020 with a comparison of 2019 are summarized below:

(BDT in millions except per share data)	2020	2019
Revenue	1615.50	1364.95
Gross profit	253.54	251.82
Operating profit	158.77	164.36
Profit before tax	100.02	102.75
Tax	14.91	26.36
Profit after tax	85.11	76.38
Earnings per Share (EPS)	01.46	01.31

Bangladesh is one of the top four countries in terms of 'improvement and remarkable growth' in digital economy in the last four years. Bangladesh currently consumes about 1,600 Gbps bandwidth, up from 970 Gbps a year ago and 300 Gbps in 2016. Internet usage during COVID had shot up 15 per cent as people were increasingly relying on digital life for communication, work and entertainment to escape the doom and gloom brought on by the novel virus. Like other parts of the world, more aspects of the daily lives of the people in Bangladesh have moved online. More and more people were and are working from home as a result of the pandemic. People are using more and more internet-based services, watching movies, playing video games and browsing YouTube, pushing up overall internet bandwidth consumption. Many offices also switched to virtual alternatives to ensure the safety of their staff as well as keep their operations float. With these developments, the bandwidth use by corporate houses has declined but home consumption has surged more than 30 per cent.

ATL continues to pump significant part of the internet bandwidth consumed in Bangladesh. 3 of the 4 telecom operators in Bangladesh avail a major part of their internet bandwidth from aamra. This in turn helps the Telcos to bring internet connectivity to the masses in rural areas of Bangladesh, hence bridging the digital divide.

During 2019-20, the turnover of the Company was BDT 1615.50mn as against BDT 1364.95 mn during FY 2018-19 registering an increase of 18.35%. The Company posted a Profit Before Tax from continuing operation of BDT 100.02 mn during the year as against BDT 102.75 mn of previous year registering a slight decrease of 2.67%. The Profit After Tax from continuing operation during FY 2019-20 is BDT 85.11 mn as against BDT 76.38 mn in FY 2018-19 registering an increase of 11.42%.

During FY20, the gross profit is BDT 253.54 mn which was BDT 251.82 mn registering a steady performance. During the year the company paid tax of BDT 14.91mn which was BDT 26.36 mn in 2019. The revenue growth was mainly driven by boost in IIG sales during the last quarter of the year where margin is comparatively lower than other sales portfolio impacted on the overall profitability of the Company.

Product or Segment wise performance

During FY19-20, the sales of Bandwidth, equipment, services, and software the mainstream products of the company collectively generated BDT 1615.50 mn which was BDT 1364.95mn in the previous year registering an increase of 18.35%. Out of total revenue generated this year IIG, equipment, services, and software contributed 76.60 percent, 13.90 percent, 20.33 percent, and 8 percent respectively. Despite countrywide lockdown for the last two months of this financial year for controlling the spread of deadly Coronavirus, the equipment, service, and software sales able to show a steady performance compared to the last year. As internet usage during COVID had shot up, the company observed a sharp increase in IIG sales.

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

Despite the devastating impact of COVID-19 aamra technologies limited able to conclude the year with enhanced turnover. There was no significant deviation from the last year's operating result and between quarterly and annual financial results.

Five years data

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

Capital Expenditure

The Total Capital Expenditure on acquisition of Property, plant, computer applications, software and equipment, of the Company amounted to BDT 45 million. The detailed note on acquisition of Property, Plant and Equipment is given under the note no 4 of the financial statements.

Capital Infusion

During the year, there was an equity capital infusion of 2.76crore resulted reflection of issuance of 2,768,469 equity shares at BDT 10 per share for 5% stock dividend for the year 2019. Consequent to this, the paid-up equity share capital stands increased to 58.13crore from 55.36crore.

Related party transaction

Compliant steps have been taken by the Board to avoid any conflict of interests that may arise, in transacting with related parties as per the definition of IAS. A statement of related party transactions has been presented in note no. 29 of the Financial Report.

Events occurring after the reporting date

As at the date of this report, the directors are not aware of any matter or circumstance that has arisen since the end of the year 2020 that has significantly affected or may significantly affect the operations of the Company, the results of its operations or its state of affairs, which is not already reflected in this report other than the following:

On October 27, 2020, aamra technologies recommended 10 percent cash dividend. Details of the recommended dividend during the financial year are disclosed in Note 36 of the Financial Report.

Material changes after Balance Sheet date (June 30, 2020)

There have been no material changes and commitments between the end of FY20 and the date of this report, affecting the financial position of the Company.

Appropriations of profit

Taking into account the profit available for distribution after complying with the regulatory requirements, the Board recommended 10 percent cash dividend for the year ended June 30, 2020 for approval of Shareholders in the thirty first Annual General Meeting. The Board proposed the following appropriations:

	Amount in million BDT
Net profit for the year 2019-20	85.11
Retained earnings at the beginning of 2019-20	251.28
Dividend for 2019	55.37
Total profit available for appropriation	281.02
Proposed Dividend	58.14
Retained earnings	222.89

Dividend

The Company will be paying 10% cash dividend for the year ended 2020. The Board of Directors in its meeting held on 27 October 2020 recommended "10% cash" dividend for the year 2020. As per article-89, Schedule-1 of the Companies Act 1994, dividend shall be declared out of profit i.e. from current year's profit and from previous years' retained profit. During the year ended the company has registered profit of BDT 85.11mn.

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

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

Contribution to the National exchequer and the economy

During the year 2020, the company contributed a total amount of BDT 12.40 million as Corporate Tax, BDT 13.66 million as TDS and BDT 195.15 million as VAT, in total BDT 208.81 million was paid to the national exchequer. aamra technologies always uphold its responsibilities to the development of the society and the country as a whole. We encourage our employees to participate in social and charitable programs.

Annual General Meeting

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

The notice of the Thirty First Annual General Meeting is given on page 07 of this Annual Report. A summary of the agenda is given below:

Ordinary Business :

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

Special Business : Nil

Notice of the Annual General Meeting

Notice of the Thirty First Annual General Meeting of the Company is given on page no. 07 of the Annual report.

Management Discussion and Analysis

A management discussion and analysis signed by Managing Director regarding the Companies operation and position along with a brief discussion of changes in the financial statements has attached in the page no. 26.

Directors' statement pursuant to the disclosure and transparency

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

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

Accounting policies and maintenance of books of accounts

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

Directors' responsibilities of preparation of Financial Statements

The Directors are of the view that the Annual Report and Company's financial statements have been prepared in accordance with applicable laws and regulations and as per requirement of regulatory authorities. The Board confirms that a true and fair view of the state of the affairs of the Company has been ensured while preparing the Financial Statements of the Company.

Observance of IAS, BAS, BFRS & applicable laws

The Directors have the responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable to ensure that the financial statements comply with the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws. The Directors also confirm that the financial statements have been prepared in accordance with the International Accounting Standards and other applicable rules and regulations.

Fairness of the accounts

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS) and the requirements of Companies Act, 1994. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of their profits for the year ended June 30, 2020.

Internal control

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



There are policies and procedures in place to ensure compliance with internal control and the prescribed laws and regulations. These policies and procedures are set out in the company's Standard Practice Instruction and are updated from time to time in tandem with changes to the business environment or regulatory guidelines.

Risk and concerns

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

Fundamental principles of aamra technologies risk management philosophy are:

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

Going concern

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

Directors' Responsibilities for Financial Statements

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

- the Financial Statements, prepared by the Management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- proper books of account as required by the law have been maintained;
- appropriate accounting policies have been consistently applied in preparation of the Financial Statements and that the accounting estimates are based on reasonable and prudent judgements;
- the Financial Statements prepared in accordance with IAS//IFRS;
- the Financial Statements prepared on going concern basis;
- the minority shareholders have been protected from abusive action by or in the interest of controlling shareholders acting either directly or indirectly and have effective means of redress;

Directors' Responsibility to Internal Control System

The Board of Directors are responsible to ensure that the system of internal control is sound in design and has been effectively implemented and monitored. In this regard, the board has taken proper steps and sufficient care in building a system of internal control, which is reviewed, evaluated and updated regularly. The internal audit department of the Company conducts periodic audit to provide reasonable assurance that the established policies and procedures of the Company are consistently followed. The Audit Committee consists of three members from the Board of Directors. The Chairman of the Audit Committee is an Independent Director.

Corporate governance

Fundamentally, the conduct of the Company is guided by our core values, our code of ethics and a commitment to openness and transparency. ATL's Board of Directors endeavors always to provide learned and strategic direction for the Company through applying the highest standards of corporate governance practice. To this end, we comply with all reporting regulations and requirements as defined in the Code of Corporate Governance issued by the Bangladesh Securities and Exchange Commission. Strengthening the policies and procedures by accommodating the changes in legislation and perspectives is our routine application to protect the Company from risk and introduce new policies necessary to steer the company on right and clear strategic direction. We work to ensure all governance matters are transparent to stakeholders as well as shareholders through channels such as the Annual General Meeting (AGM), quarterly financial statements and this annual report. The Board of Directors of the Company has always committed to maintain and practice an effective corporate governance structure.

Directors' meeting, attendance & remuneration

During the year ended June 30, 2020 total 13 meetings were held. During this year, all of the Directors serving on the Board attended were more than 80 percent of the aggregate of the total number of meetings of the Board of Directors. The attendance in the Board and Committee meetings by each Director is given in Annexure-I of this Annual Report.

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

As per Article 90 of the Articles of Association of the Company, one-third of the Directors of the Company are required to retire by rotation at each Annual General Meeting (AGM). The retiring Directors are eligible to stand for re-election. In this connection the following Directors will retire in the 31st Annual General Meeting and being eligible offered themselves for re-election:

- i) Syeda Munia Ahmed
- ii) Fahmida Ahmed

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

Biographies of the Directors (including retiring Directors) and the names of the Company where they have interest are mentioned in the Director's profile section.

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

In accordance with the BSEC's Notification dated June 3, 2018, the Board of Directors are required to report on the compliance of certain conditions. The notification was issued for the purpose of establishing a framework for ensuring good governance practices in the listed companies for the interest of the investors and the capital market. The overall shareholding pattern and a statement on the compliance with the BSEC's conditions is given on Annexure-II and Annexure-III of this annual report.

Pattern and distribution of shareholding

As on June 30, 2020 the paid up capital of the Company is Tk. 581,378,640 subdivided by 58,137,864 shares of Tk. 10 each where the Sponsor Shareholders holding is 30%. The overall shareholding patterns of the Company as at the end of the year 2020 is shown in Annexure-II of this Annual Report.

Substantial shareholdings

BSEC's Corporate Governance Notification dated June 3, 2018 requires a listed company to disclose in the Directors' Report, the list of shareholders holding ten percent or more voting interest in the Company. Shareholders who hold ten percent or above shares in aamra technologies including the shareholding status of all sponsors shareholders as on June 30, 2020 is given in Annexure-II of this Report.

Corporate responsibility

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

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

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

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

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

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

Business ethics

Our customer welfare comes first. We ensure understanding our client's need, extending facilities to the right clients at just terms. We care our clients to enjoy consistent continuous service wherever we operate. We have have complain box for taking care of customer complaints with highest priority. All our Board, Management and employees strictly follows regulatory guidelines, instructions and all applicable laws, rules and regulations of the country.

Audit information

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

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

Auditors

Malek Siddiqui Wali, Chartered Accounts have expressed their willingness to become the statutory auditor of the company for the FY-2020-2021. In this regard the Audit Committee scrutinized and reviewed their proposals and recommended to the Board to appoint Malek Siddiqui Wali, Chartered Accounts as the external auditor of the Company for the FY-2020-2021.

The Board in its meeting held on October 27, 2020 recommended the shareholders to reappoint Malek Siddiqui Wali & Co., Chartered Accounts at a remuneration of Tk. 2,00,000 plus VAT.

The Audit Committee scrutinized and reviewed the proposals of G. Kibria & Co., Chartered Accountants to be compliance auditor of the company and recommended to the Board for appointment.

The Board in its meeting held on October 27, 2020 also recommended the shareholders to appoint G. Kibria & Co., Chartered Accounts at a remuneration of Tk. 25,000 plus VAT as the compliance auditor for the year 2021.

Credit Rating

National Credit Ratings Limited reaffirms AA- (AA Minus) in the long term and ST-2 in the short-term rating of aamra technologies limited on the basis of Company's latest year-end financials of 2019. This rating is valid till July 21, 2020.

Our employees and environment

The Management of aamra technologies beliefs that Human Resources of any organization can make the difference in the Industry. Considering this thought aamra technologies recruits competent people, develop them as per the demand of the time and situation, and retain them with competitive and standard motivation-award and retention policies and practices.

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

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

- Avoid and discourage discrimination and provide equal opportunity and respect diversity;
- Ensure frequent interaction between employees and senior Management for constructive development in systems & procedure;
- Support employee efforts to achieve a healthy work-life balance;
- Organizing Training & Seminar for employee development
- Ensuring best HR practices

- An empowering Management style that develops employee and encourages performance;
- Aamra technologies seeks to enhance employee motivation and performance in line with Company's strategic objectives and in accordance with "aamra" brand promises: ethics, professionalism, innovation, pragmatism, team spirit and integrity.

Signing of Report

The Board in its 238th meeting held on October 27, 2020 authorized the Chairman, Mr. Syed Faruque Ahmed to sign Directors report and any addendum thereto.

Acknowledgement

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

For and on behalf of the Board,



Syed Faruque Ahmed
Chairman
Dhaka, October 27, 2020