



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 32nd Annual General Meeting of the Company. We are pleased to place herewith the Directors' Report and the Auditors' Report together with the Audited Financial Statements of the Company for the year ended June 30, 2021 for your valued consideration, adoption and approval. These were approved by the Board of Directors on October 28, 2021.

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

Bangladesh Economy

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

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

country status by 2031 and achieve the high income country status by 2041.

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

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

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

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

Directors' Report continued...

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

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

Inflation rate in FY 2020-21 was 5.56 percent at national level, which was 5.65 percent in the previous fiscal year. It may be mentioned that the average inflation rate in the country is set at 5.4 percent in the FY 2020-21. Food inflation witnessed a 0.22 percentage point increase in only six months. It was 5.23% in January 2021 and increased to 5.45% in June 2021.

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

Capital Market Scenario

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

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

After the 2010-11 stock market debacle, the DGEN, the then benchmark index of the DSE, witnessed negative returns of 0.59 per cent and 25 per cent for 2010-11 and 2011-12 respectively. Later, the premier bourse posted a positive return of 0.07 per cent in 2012-13. The DSE introduced new benchmark index - the DSEX - on June 27, 2013 with a base of 4,055 points. After introduction of the DSEX, the

DSE posted a 9.16 per cent return in 2013-14, while the return was 2.30 per cent in 2014-15, and 25.49 per cent in 2016-17. The market returns were negative for 2015-16, 2017-18, 2018-19 and 2019-20, ranging from 1.65 per cent to 26.41 per cent. Finally, in June the DSEX closed at 6,036, posting the highest return of 51.31 per cent or 2,047 points since the 2010-11 debacle.

The regulatory initiatives to restore governance in the market and other reforms including removal of a floor price, re-listing of OTC companies has positively impacted the market. Introduction of SME board, corporate restructuring, development initiatives for Sukuk and bond market, new IPO allotment rules and change of circuit breaker for IPOs has positively impacted the bourse towards building a vibrant capital market. Corporate tax cut for the listed manufacturing companies in the fiscal year (FY) 2021-2022 has further strengthened the investors' optimism in this unprecedented pandemic time.

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

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

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

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

Directors' Report continued...

The Chittagong Stock Exchange (CSE) also performed well in the first half of 2021 with the CSE All Share Price Index - CASPI -soaring 2,202 points to settle at 17,795 and the Selective Categories Index - CSCX rising 1,291 points to close at 10,695. Market capitalization of the CSE also rose to Tk. 4,384 billion on June 30, rising 16.80 per cent over the same period of the previous year. The daily average turnover stood at Tk. 655 million in January-June, 2021, jumping by 121 per cent over the same period of the previous year.

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

ICT Industry

Bangladesh has maintained its progress in the ICT sector despite the Covid-19 pandemic. The country has advanced in the fields of Broadband, Internet of Things (IoT) and Artificial Intelligence (AI) in comparison with last year, according to Huawei in its Global Connectivity Index 2020.

Online meeting, virtual conference, online education, telemedicine, e-commerce and many other sectors boosted up a lot during the last one and a half year and the country did not come into a complete standstill. People has realised the thing that 'ICT' is no longer a luxurious word, rather it has become one of the basic needs during the pandemic time.

The increased demand during the Covid-19 crisis also put pressure on the country's existing mobile networks, already under strain as a result of strong growth in the mobile broadband market coupled with significant untapped potential for mobile services in general across the country. The telecommunications sector experienced its own set of challenges during this period, with mobile data usage exploding at the same time as many consumers were being forced to curb their spending in other areas. The demand on data grew so large and so rapidly that Bangladesh came close to running out of bandwidth. At the start of 2020, Bangladesh was consuming around 900Gb/s on average, well below the 2,642GB/s capacity of its submarine cables. This ballooned to over 2,300Gb/s during the pandemic.

Within a year, the subscription of internet swelled by 11.24 per cent in October 2020 compared to the corresponding period of last calendar year. The annual growth of internet users was recorded at 13.5 per cent on an average over the last five years. Out of total 110.76 million internet users till October this year, 102.11 million are using internet

through their mobile phones while 8.56 million through ISP and PSTN (public switched telephone network). Before the pandemic, total internet usage was around 1,400 gigabits per second (Gbps) in Bangladesh, which now stands at 1,750Gbps, according to International Internet Gateway (IIG) service providers.

Bangladesh's e-commerce had got a big boost as its market size has swelled by 30 times over the last five years. The suppliers' and customers' devotion to the online platform for conducting business and purchasing products have helped electronic trade expand in the country. Besides, from March 2020 to April this year, the number of broadband users jumped by 71% amid the increased use of digital platforms to conduct official tasks and meetings due to Covid-19.

According to Bangladesh Telecommunication Regulatory Commission, in the last five years till April 2021, the number of internet users jumped by 86% to 11.54 crore. In this period, mobile internet subscribers increased by 80% to 105.62 million and broadband users jumped by 205% to 9.81 million. The Bangladesh Government has also allocated enhanced budget of Tk. 1721 crore which is Tk. 690 crore higher than last year. Everything started to change in the last 10 years. Bangladesh's digital transformation has finally caught up with the rest of the world and credit must be given to the government, which has been building the foundation over the last one decade with submarine cable infrastructure, bandwidth expansion, software hub creation, startup funding for digital and technology-based businesses and continual price reductions in Mbps costs.

Progress of digitisation continues across all government-run operations including national ID and passport applications, tender submissions, registrations, car licences, utility bill payments and even COVID-19 vaccinations. Everyday life is going digital and online. The biggest impact of digitisation was felt on one-to-one communication - voice calls on mobile phones are fast declining and increasingly shifting towards apps like FB Messenger, WhatsApp, imo, Viber, LinkedIn and others for free voice interaction, free messaging and personal virtual interaction and entertainment indulgence.

Businesses and institutions are all subscribing to the internet to continue their activities. Educational institutions - schools, colleges and universities - have been booking online spaces, keeping physical classrooms aside for now.

Inter-ministerial meetings, social discussions and debates, media briefings, and daily work plans of companies are now happening online to ensure social distance. According to the e-Commerce

Directors' Report continued...

Association of Bangladesh (e-CAB), online sales of essential commodities have increased by approximately 70 percent amid the pandemic. People now go online for daily shopping, and even to order food and groceries.

Industry Outlook

The Government of Bangladesh allocated Tk 1,721 crore for the ICT Sector, which is Tk 690 crore higher than the last year. Bangladesh a country with lots of business potential where 168.367 million people have access to mobile phone and about 101.905 million, are using mobile internet. Market data shows that about 45% people own a smartphone which is around 76.5 million Bangladesh people having at least one smartphone in their pocket. And due to recent COVID situation entire dynamic of the payment industry as well as economic situation of the country changes dramatically which never experienced before.

A big part of the transformation to digital life has been the change in online purchasing behavior. While it was growing at an assured pace in the last few years at around 25%, COVID-19 has accelerated it to benefit e-commerce businesses and F-commerce operators. From daily needs and impulse buys to food deliveries and fashion, everything is going online with the estimated e-commerce segment in Bangladesh predicted to grow to US\$3 billion by 2023.

Bangladesh was looking forward to adding 7,200Gb/s capacity when the SEA-ME-WE-6 submarine cable goes into service in mid-2024, but the sudden upsurge in downloads is forcing state-run company Bangladesh Submarine Cable Company Limited (BSCCL) to scramble to find alternatives before the country's internet supply is maxed out.

As the country races to become a mini-Silicon Valley, change - from the traditional way of life to AI-dominated living - is inevitable. Investments from global venture capitalists and equity investors are tapping the potential of 166 million Bangladeshis with its big population of youths embracing the future. To meet the growing demand, the BSCCL has decided to increase the bandwidth capacity of its two submarine cables. BTRC has also come forward by amending the regulatory guidelines with the view to create more opportunities for meeting the enhanced demand. According to the amendment in the 'Regulatory and Licensing Guidelines for Invitation of Offers/Proposals for Issuing License to Build, Operate and Maintain Submarine Cable Systems and Services in Bangladesh', the number of licenses will be decided by the government in order to ensure diversity, fair competition, uninterrupted and efficient telecom services.

The government plans to introduce 5G by the end of 2021 and this will surely disrupt internet-based services across all sectors by improving the current internet speed benchmarks, which have been among the lowest in the world.

Since the outbreak of Covid-19 in the country, internet usage has increased by up to 30 percent, according to industry insiders. If the government will be able to launch 5G services in the country by this year, the demand for bandwidth will go up further. With people stuck at home during the pandemic, activities like working, learning, shopping, entertainment - and even court proceedings - have shifted online, quickly becoming the new normal for most. People are now using the internet a lot more and due to this, internet usage will continue the rise in demand.

aamra making significant contribution in Bangladesh IT Industry

This year aamra technologies limited (ATL) has made significant progress in all business verticals, starting from International Internet Gateway (IIG), Financial Services Industry (FSI) and Enterprise Solutions. Over the years, we have transitioned from being a box-seller to a solution integrator. Our customers rely on us for sophisticated and advanced integrated solutions. Rather than chasing a larger and thinly stretched-out clientele, ATL has prioritized in vertical penetration. We are very glad that we have been successful in this strategy, in all our business verticals.

This year has been the dreadful year of Covid - 19. The entire financial year was interrupted with frequent lockdowns and dreadful human tragedies. Nevertheless, we are proud to have served our customers, with efficiency and without any interruption.

We have retained our market leadership in the International Internet Gateway (IIG) business. Covid -19 spike created a sudden increase in bandwidth requirement from our Telco partners. ATL's IIG team promptly responded to this sudden uptick in demand. During the most vulnerable period of Covid and lockdown, majority of Bangladeshi citizens remained connected to their families and the rest of world via mobile internet, powered by ATL's IIG backbone. We consider this a big win for the aamra family! Additionally, ATL crossed the 400Gbps bandwidth milestone for the first time, and to our knowledge this is the first time any Bangladeshi IIG has touched this momentous milestone. Our relationship with our Telco customers has never been stronger, and we look forward to increased business in coming years.

In the Financial Services Industry, we have done remarkable progress this year. We are lucky to

have secured some amazing business and implemented some remarkable projects. Our POS based Utility Payment Solutions project has seen sizable progress this year. We have developed DPDC and DESCO utility solution for Dutch Bangla Bank Limited this year. Additionally, we have also developed DESCO utility solution for Mercantile Bank. We have developed and delivered a completely new Agent Banking Solution, entirely with ATL's in-house talents and human resources. We are also proud to have worked with Bangladesh Bank in their prestigious Interoperable Digital Transaction Platform (IDTP) project; this is a major project in our national financial ecosystem, and we are glad to be a part of it.

In terms of our Enterprise Solutions, we have made a few remarkable progresses this year. To start with, we have deployed City Bank's Oracle Exadata project. Additionally, we have also deployed Platinum Gateway project in City Bank. We have secured and implemented Pubali Bank's Weblogic software and Oracle private cloud hardware. Additionally, we have been commissioned by LankaBangla for its Oracle Database Appliance X8-2M hardware solution.

Covid has changed the grammar of business in the entire tech space, and ATL is also not beyond the changes. However, we have in place processes and protocols that insulate us from drastic market changes such as this. We are and have always been an adaptive organization, agile enough to quickly respond to market shifts and demands.

Principal Business

aamra technologies limited (ATL) has been at the forefront of technological breakthroughs of Bangladesh for over couple of decades. Our nationwide infrastructure and sturdy presence have helped us to ensure the best-in-class services for our clients. Throughout the years, we have built an impressive presence in internet services and the financial security industry. aamra technologies limited (ATL) is an IT company involved in IIG, Systems Integration, Information System Outsourcing, Core Banking Software and Storage & Networking. ATL is one of the first private sector licensed International Internet Gateway Service Provider (IIG) in Bangladesh. aamra technologies limited (ATL) is a pioneering technology company that has been dedicated towards providing the banking sector with the most advanced and revolutionary hardware, software and connectivity solutions for close to three decades.

Operating and Financial Performance of the Company

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

(BDT in million except per share data)	2020	2021
Revenue	1615.50	1724.85
Gross profit	253.54	226.78
Operating profit	158.77	138.25
Profit before tax	100.04	97.72
Tax	14.91	13.63
Profit after tax	85.11	84.08
Earnings per Share (EPS)	01.46	01.45

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 2020-21, the turnover of the Company was BDT 1724.85 mn as against BDT 1615.50 mn during FY 2019-20 registering an increase of 6.77%. The Company posted a Profit Before Tax from continuing operation of BDT 97.72 mn during the year as against BDT 100.02 mn of previous year registering a slight decrease of 2.29%. The Profit After Tax from continuing operation during FY 2020-21 is BDT 84.08 mn as against BDT 85.11 mn in FY 2019-20 registering a decrease of 1.21%.

During FY21, the gross profit is BDT 226.78 mn which was BDT 253.54 mn registering 10.55% decrease. During the year the company made provision for tax BDT 13.63 mn which was BDT 14.91 mn in 2020. The revenue growth was mainly driven by boost in IIG sales which represents 74% of total revenue and the margin of IIG is comparatively

Directors' Report continued...

lower than other sales portfolio. On the other hand during FY 21, the software sales is nil whereas it was 8% of total sales in FY20. These altogether have impacted the overall profitability of the Company.

Product or Segment wise performance

During FY20-21, the sales of Bandwidth, equipment and services the mainstream products of the company collectively generated BDT 1724.85 mn which was BDT 1615.50 mn in the previous year registering an increase of 6.76%. Out of total revenue generated this year IIG, equipment and services contributed 74.17 percent, 14.57 percent, 24.60 percent respectively. Other than software sales IIG, equipment and services sales showed an enhanced performance compared to the last year.

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

Despite devastating impact of COVID-19 aamra technologies laid the foundation for a steady growth performance in FY2021. Except NOCFPS the other key financial indicators remained steady. The reason for deviation in NOCFPS was as follows;

Though financial expenses and Operating expenses are reduced from 2020 to 2021 but payment to suppliers and others are higher than previous year. Thus, the NOCFPS has reduced significantly.

Five years data

Key operating and financial data of preceding 5 (five) years of the Company has been summarized in 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 1,135.09 million. The detailed note on acquisition of Property, Plant and Equipment is given in the notes to the financial statements.

Related party transaction

Compliant steps have been taken by the Board to avoid any conflict of interests that may arise, in transacting with related parties as per the definition of IAS. A statement of related party transactions has been presented in notes to the financial statements.

Events occurring after the reporting date

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

On October 28, 2021, aamra technologies recommended 10 percent stock dividend. Details of the recommended dividend during the financial year are disclosed in notes to the financial statements.

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

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

Appropriations of profit

Taking into account the profit available for distribution after complying with the regulatory requirements, the Board recommended 10 percent stock dividend for the year ended June 30, 2021 for approval of Shareholders in the 32nd Annual General Meeting. The Board proposed the following appropriations:

Amount in million BDT	
Net profit for the year 2021	84.08
Retained earnings at the beginning of 2021	281.02
Total profit available for appropriation	365.10
Proposed Appropriations	
Proposed stock dividend	58.13
Retained earnings	306.97

Dividend

The Company will be paying 10% stock dividend for the year ended 2021. The Board of Directors in its meeting held on 28 October 2021 recommended "10% stock" dividend for the year 2021. As per article-89, Schedule-1 of the Companies Act 1994, dividend shall be declared out of profit i.e. from current year's profit and from previous years' retained profit. During the year ended the company has registered profit of BDT 84.08 mn.

The Board while recommending stock dividend considered the Notification of BSEC in this regard and decided to retain the stock dividend amount as capital for utilizing the amount in modernization/cope up the infrastructure in line with the technological advancement (under BMRE). The Board also noted the following;

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

Directors' Report continued...

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.

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 second Annual General Meeting is given elsewhere 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;
- Approval for appointment of Independent Director;
- Appointment of Statutory Auditors and compliance auditor.

Special Business : Nil

Notice of the Annual General Meeting

Notice of the thirty second Annual General Meeting of the Company is given elsewhere of this 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 presented elsewhere of this Annual report.

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. A statement of the Directors' responsibility in relation to financial statements has been given in this Annual Report.

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, 2021.

Directors' Report continued...

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

Directors' Report continued...

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. A detailed report on corporate governance has given in this Annual Report.

Directors' meeting, attendance & remuneration

During the year ended June 30, 2021 total 06 meetings were held. During this year, all of the Directors serving on the Board attended were 100 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 Directors Report. Please note that the amount of total remuneration which has paid to the Directors including Independent Directors is given in Notes to the financial statements.

Changes in the Board of Directors

During the year 2020-21, changes in the Board of Directors have taken place due to resignation of directorship by Md. Shahidul Islam, Independent Director. The Board in its meeting held on January 27, 2021 appointed Md. Amirul Islam, FCS, FCA as Independent Director. According to BSEC Corporate Governance Notification the Independent Directors appointment is required to be approved by the shareholders in the annual general meeting. The Board places the agenda for approval of his appointment in the ensuing 32nd annual general meeting.

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 32nd Annual General Meeting and being eligible offered themselves for re-election:

- i) Mr. Syed Faruque Ahmed
- ii) Ms. Syeda Munia 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 independent director) and the names of the Company where they have interest are mentioned in this annual report.

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 directors report.

Pattern and distribution of shareholding

As on June 30, 2021 the paid up capital of the Company is Tk. 581,378,640 subdivided by 5,813,864 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 2021 is shown in Annexure-III, of this directors 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

Directors' Report continued...

as on June 30, 2021 is given in Annexure-II of this directors 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 24/7 dedicated customer care and also 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 be reappointed as the statutory auditor of the company for the FY-2021-2022. In this regard the Audit Committee scrutinized and reviewed their proposals and recommended to the Board to appoint Malek Siddiqui Wali, Chartered Accounts as the statutory auditor of the Company for the FY-2021-2022.

The Board in its meeting held on October 28, 2021 recommended the shareholders to appoint Malek Siddiqui Wali & Co., Chartered Accounts at a remuneration of Tk. 2,20,000 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 28, 2021 also recommended the shareholders to appoint G. Kibria & Co., Chartered Accounts at a remuneration of Tk. 27,500 plus VAT as the compliance auditor for the year 2021-2022.

Credit Rating

National Credit Ratings Limited reaffirms AA- (Minus) in the long term and ST-2 in the short-term rating of aamra technologies limited on the basis of Company's year-end financials of 2020. This rating is valid till October 10, 2022.

Our employees and environment

The Management of aamra technologies believes 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.

Directors' Report continued...

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 the strategic objectives and in accordance with "aamra" brand promises: ethics, professionalism, innovation, pragmatism, team spirit and integrity.

Signing of Report

The Board in its 243rd meeting held on October 28, 2021 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
October 28, 2021