



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 33rd 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, 2022, for your valued consideration, adoption and approval. These were approved by the Board of Directors on November 05, 2022.

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 economic impacts of the COVID-19 pandemic are waning. Infections and deaths surged during the Delta (July to August 2021) and Omicron (January to February 2022) waves of the pandemic. However, narrow targeting of movement restrictions and wider vaccine coverage limited the impact on economic activity. Officially recorded real GDP growth rebounded to 6.9 percent in FY21 and high frequency indicators of trade, industrial activity, and credit growth pointed to a continuing expansion in the first half of FY22. However, the recovery faces new headwinds following the surge in global commodity prices in the context of the war in Ukraine.

Bangladesh entered the pandemic with strong policy buffers to mitigate the negative impacts of the

pandemic. An extensive stimulus program and accommodative macroeconomic policies protected productive capacity in the manufacturing sector and helped offset income losses. Inflation was moderate in FY21, reaching 5.6 percent by the end of the fiscal year. However, headline inflation rose to 6.2 percent in February 2022, driven by a rise in both food and non-food prices. Food inflation rose by 114 basis points to 6.2 percent, as the prices of edible oil, rice, and potato, remained elevated. Non-food inflation also accelerated, reaching 6.1 percent by February 2022. Non-food inflation was driven by higher prices for transport and communication, clothing and footwear, household equipment, and services. Transportation costs surged by more than 20 percent following the adjustment of government-administered fuel and transportation prices.

The Quantum Index for Large and Medium Scale Manufacturing rose by 14.6 percent (y-o-y) in FY21 and 27.8 percent (y-o-y) in July-October of FY22, driven by a recovery in external and domestic demand. In the service sector, retail sales, hotel, and restaurant activity rebounded as movement restrictions eased. Food production grew by 2.8 percent in FY21, reflecting a robust rice harvest.

After declining in FY20, exports grew by 9.2 percent in FY21 and 28.4 percent in H1 FY22, with recovery in global demand for readymade garments (RMG). Bangladesh gained market share in Europe and the United States, as buyers diversified global supply chains. In addition to RMG, exports of home textiles, pharmaceuticals, engineering, and agricultural products also recorded strong growth. A 55.8 percent increase in imports of consumer goods in H1 FY22 points to a strong recovery in private consumption. Public investment rose by 9 percent (y-o-y) in FY21

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as government infrastructure megaproject implementation progressed, although preliminary data from FY22 points to a slower pace of expenditure growth. A gradual acceleration in growth of credit to the private sector and a sharp increase in capital goods imports demonstrate a continued recovery of private investment as well.

BB foreign exchange interventions to defend the value of the taka, which contributed to slower NFA (net foreign assets) growth (y-o-y), resulted in a decline in reserve money growth to 6.5 percent in December 2021. The broad money (M2) growth rate consequently declined to 9.6 percent in December 2021, below the BB's target of 13.8 percent. In contrast to NFA, the growth of net domestic assets (NDA) increased on the back of rising credit to the public and private sector. Credit to the private sector recovered in FY21, as pandemic-related restrictions were lifted. As activity regained pace, demand for private credit rose in FY22, reaching a growth rate of 10.7 percent in December 2021, approaching the BB's target of 11.0 percent. However, the overall advance-to-deposit ratio (ADR) remained at 72 percent in September 2021, well below the regulatory limit of 87 percent. This largely reflected underperformance by state-owned commercial banks.

Despite a widening trade deficit, the balance of payments (BoP) surplus increased to US\$ 9.3 billion at the end of FY21, led by a 36.1 percent (y-o-y) surge in official remittance inflows. The surge in official remittance inflows in FY21 correlates with substantial disruptions in informal remittance transfer channels as the movement of people and goods was constrained by COVID-19 travel restrictions. The surplus in the financial account reflected increasing foreign direct investment (39.3 percent) and medium and long-term (MLT) loan disbursements (78.3 percent). However, these trends reversed in FY22. The current account deficit widened in H1 FY22 due to a sharp increase in import payments (52.4 percent) and a decline in official remittance inflows (-20.9 percent). Official remittance inflows declined as travel restrictions were lifted, supporting normalization of informal transfer channels. This trend was reinforced by a rising informal exchange rate premium, which reached 2.7 percent by March 2022. The financial account surplus narrowed as loan disbursements and portfolio investments slowed. As a result, the BoP deficit reached US\$ 1.8 billion in H1 FY22, compared to a surplus of US\$ 6.1 billion during the same period of FY21.

The Bangladeshi taka (BDT) remained stable against the US dollar at 84.8 BDT/US\$ throughout FY21. The exchange rate depreciated to BDT 85.8 per US\$ in December 2021 as imports surged, international travel resumed, and official remittance inflows declined. BB sold US\$2.5 billion of reserves in H1 FY22, reversing the direction of its FY21 foreign

exchange interventions. Gross foreign exchange reserves declined in H1 FY22 but remained adequate at US\$ 44.5 billion. In the context of an elevated BoP deficit, vigilance, and greater exchange rate flexibility are required to safeguard reserves.

Despite the ambitious target in the budget to expand expenditure to expedite the economic recovery and support vulnerable sectors, total nominal expenditure grew only 9.8 percent in FY21, below the average growth rate of the previous ten years (16.5 percent) and 19.3 percent below the budget target. Current expenditure rose modestly in FY21 as the government continued a policy to limit non-essential expenditure such as the purchase of vehicles, construction of office buildings, and travel of government officials. Though construction of infrastructure megaprojects progressed, overall capital expenditure grew by only 4.2 percent in FY21, reflecting deferral of smaller projects and slow implementation in the fourth quarter due to movement restrictions. In the health sector, only 59.9 percent of the FY21 budget allocation was executed, despite the ongoing pandemic response. The percentage of the Annual Development Program (ADP) executed in H1 FY22 remained below the pre-pandemic level.

The revenue target for FY21 was an aspirational 42.3 percent nominal increase over FY20 collections. Though revenue collection rose by 23.5 percent (y-o-y) based on provisional estimates, it was still 14 percent lower than the target. Nominal tax revenues increased by 16.8 percent in H1 FY22, led by growth in trade-related tax revenues (22.4 percent growth) as imports rose. Government revenues remained among the lowest in the world at 9.4 percent of GDP, with limited adoption of tax policy or structural reforms in recent years and persistent weaknesses in tax administration systems.

Bangladesh Bank (BB) adopted accommodative monetary policies in response to the COVID-19 pandemic in FY20, reducing the cash reserve ratio to 4 percent (from 5.5 percent) and the repo rate to 4.75 percent (from 6 percent) and increasing the advance-to-deposit ratio (ADR) to 87 percent (from 85 percent). These policies remained in place in FY21. As a result of accommodative monetary policy and BB foreign exchange interventions to limit the appreciation of the taka, reserve money growth increased to 22.4 percent in FY21, exceeding the 13.5 percent BB target. Consequently, broad money growth accelerated to 13.6 percent in FY21.

GDP growth is expected to remain resilient in the medium term with waning pandemic-related economic disruptions and continuation of supportive macroeconomic policies. Inflation is projected to remain above the BB's target of 5.3 percent. External and fiscal sustainability will be stressed by rising global commodity prices and increased uncertainty following the war in Ukraine. Downside risks include

continued high commodity prices that could worsen inflation dynamics and impact the external balance, weaker global demand for Bangladesh's exports, and potential new waves of COVID-19 that could require further containment measures.

Capital Market Scenario

The country's capital market passed yet another eventful year with a 25 per cent return in the core index of the main bourse despite tussles between the two regulatory bodies concerned over some policy issues. During the year 2021, the Dhaka Stock Exchange (DSE) also posted a decade-high daily turnover value along with a rise in market cap to GDP (Gross Domestic Product) ratio. The daily turnover, an important gauge, stood at Tk 14.75 billion on an average in 2021, up by 127 per cent year-on-year. The DSE witnessed the second highest-ever turnover worth above Tk 3.54 trillion.

The DSE market capitalisation to GDP ratio stood at 18.01 per cent, while the market P/E (price earnings) stood at 17.58 at the end of 2021. A consistent rally enabled the DSE broad index - DSEX - to stay above 6,700 points, as buoyancy added strength to the equity indices despite worries over virus-infused shocks to the country's economy in the first half of the year.

The market was bullish amid the investors' growing confidence - driven by the regulator's various market supportive measures, which lured the investors to park fresh funds on stocks. The regulatory initiatives to restore governance in the market and other reforms, including removal of floor price, and re-listing of OTC companies, positively impacted the market. Introduction of SME board, corporate restructuring, development initiatives for Sukuk and bond market, new initial public offering (IPO) allotment rules, and change of circuit breaker for IPOs contributed towards building a vibrant capital market.

IT Sector also performed well throughout the year and at the end of June 2022, the Sectoral P/E of IT Sector was Tk. 28.38 whereas the Market P/E was Tk. 14.44. IT Sector Market Capitalization at the end of June 2022 was Tk. 33,551.83 million representing 3.72% of total turnover. The close price and market capitalization of aamratech shares at the first trading day of July 2021 and at the last trading day of June 2022 were Tk. 27 and Tk. 1,569.72 and Tk. 32.90 and Tk. 2,008.37 respectively.

ICT Industry

International internet bandwidth usage in Bangladesh was 7.5 gigabytes per second (Gbps) in 2008 while it now stands at 3,850 Gbps. In 2008, the price of internet bandwidth per Mbps was Tk 27,000, which dropped to only Tk 285 as of June 2021. Only 0.1 percent of telecom subscribers had a smartphone in 2008 which was 48 percent as of April 2022. In 2008, the country's teledensity was 34.5 percent

while it now stands at 105.85 percent as of April 2022.

According to BTRC, the number of broadband internet connections in the country stood at 9.8 million at the end of last March. Even a year ago, the number of connections was less than 1.8 million. The country has seen 18,000 government offices equipped with high-speed internet and the 25,000-website collective of a government web portal. More than 2600 unions are connected by Info Sarkar Project. The Info Sarkar Project under the ICT division (BCC) of the Bangladesh Government is a benchmark initiative of the Bangladesh Government to make Bangladesh digital by connecting all its people, organizations, and resources of all tiers through the internet. Over 600 Unions have been Initiated by 'Connected Bangladesh' which is a project to ensure internet facilities in all schools, colleges, madrasas, growth centers, and telecom operators in remote areas.

Bangladesh is the second-largest digital workforce supplier in the world, the fifth-highest national internet user base in Asia, the seventh-largest data center in the world, ninth highest mobile phone users in the world and the ninth-highest social media user in the world. The National budget for Information and Communications Technology (ICT) has been set at over \$255 million. Apart from this, there is a budget allocation for ICT industry export which is over 1.6 billion, over \$435 million for start-up investment, over \$419 million for Hi-Tech FDI and over \$750 million for digital outsourcing. The digital market in Bangladesh has been on a constant rise, the current market size of the digital commerce industry is at \$3.1 billion and is expected to grow further. In the digital finance sector, 72 percent of digital transactions are done via Mobile Financial Services (MFS); there are over 102 million MFS users and over 10 million daily transactions and more than 15 banks integrated with over \$200 million daily transactions.

Bangladesh has been experiencing rapid financial inclusion in sync with the faster adoption of digital technology. The focus on financial inclusion by Bangladesh Bank (BB) has further increased recently as a part of its proactive response to Covid-19. Despite many challenges, the pandemic has also accelerated the digital transformation of businesses, including MSMEs benefiting widely from the pioneering moves of BB for multifaceted financial inclusion. Rapidly growing information and communication technologies (ICTs) have brought a new dynamism to access health and education services, creating new sources of income and employment. Being able to access and use ICTs has become a major factor in driving competitiveness, economic growth, and social development. Bangladesh's first geostationary communication satellite, Bangabandhu-1, has accelerated digital work. The

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satellite, which was launched in 2018, extends Bangladesh's internet coverage to its remotest regions, allowing even rural Bangladeshis to receive telemedicine support, e-learning, and e-banking.

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.

The monthly internet usage of mobile subscribers has more than doubled ever since the coronavirus pandemic began as more people are being pushed online for work and entertainment purposes. For example, the average monthly data usage of a single mobile customer was 2 gigabytes (GB) in March 2020 while it now stands at around 4.5 GB, according to Bangladesh Telecommunication Regulatory Commission (BTRC). The average monthly data usage surged 23 times from 2008 to 2022, a tremendous growth has been seen in data usage in the last decade as the average monthly usage of mobile internet was just 208 megabytes (MB) per customer in 2008.

The annual growth of internet users was recorded at 13.5 percent on average over the last five years. Out of total 110.76 million internet users till October this year, 102.11 million are using the internet through their mobile phones while 8.56 million are 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.

Recent Developments and Industry Outlook

The Executive Committee of the National Economic Council (ECNEC) approved a Taka over 58.83 billion big projects to establish broadband internet connectivity all over the country. The broadband internet connectivity will be set up across all the eight divisions, 64 districts, all Upazilas, all unions and even up to the village level to reach the government services easily and speedily to the people. The Bangladesh Telecommunication Regulatory Commission (BTRC) has set a flat price for broadband internet across the country. At the consumer level, the price of 5 Mbps (megabytes per second) speed internet has been set at Tk 500 all over the country. The cabinet earlier this month approved the Agency to Innovation (a2i) Act 2021. The overall objective of the a2i program - a foreign donor-supported project housed at the Prime Ministers' Office -- is to innovate and digitize public services.

Bangladesh's youthful population (nearly 65% are under the age of 25) is well-positioned to take advantage of Digital Bangladesh and the new types of employment it affords. Bangladesh retooled its educational system and now graduates 500,000 digital workers annually. The government has given importance to four basic orders of business to the success of Digital Bangladesh i.e. human resource development, connecting citizens, digital governance and the promotion of the ICT industry.

By the end of this year or the beginning of next year, the educational institutes will be connected to optical fiber cables. Coding will also be introduced to the students and all educational institutions will have digital labs. Apart from this, the government is aspiring that, each district will have a Hi-Tech Park which will generate more than twenty thousand employment opportunities and by 2030 Hi-Tech parks will be created all over Bangladesh. The major focus area of the government is the development of digital infrastructure.

Bangladesh was looking forward to adding 7,200 Gb/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.

The Government of Bangladesh will be providing various incentives to investors which include 10 years of corporate tax exemption on IT/ITES companies and 12 years for park developers, exemption of Income Tax on expatriate professionals for 3 years, import duty exemption of capital machinery and assets, 100 percent equity is allowed for foreign companies; no cap on FDI limits, bonded warehouse facility for the companies in the Hi-Tech parks, VAT exemption on utilities uses, easy exit option, exemption on stamp duty and registration fee for land registration, 100 percent profit repatriation and exemption on double taxation.

The ICT-based industries are still in the earliest stages. This is a sector that is showing immense potential. In the 2020-21 financial year, the IT-based industries have 1.3 billion USD of export earnings which is 0.76 percent of the country's GDP. This industry is also created 1 million jobs. The growing strength of the ICT Industry underpins

the vital pillars that will support Bangladesh's transformation into a digital economy.

According to the World Bank, Bangladesh is one of the fastest-growing economies in the world. Over the past ten years, the economy has grown at an average rate of 6.8% per year. So, while it is currently the 41st largest economy globally, Bangladesh is expected to reach the 25th spot by 2035. One of the key contributing factors to Bangladesh's rapid growth is its nationwide drive for digitalization. Mobile subscriptions have enjoyed impressive growth rates in the country, rising from 86 million subscribers in 2016 to 178 million this July 2022. According to a GSMA report, "mobile technologies and services generate more than 5% of GDP in Bangladesh," both directly and indirectly. Thus, it is inevitable that the availability of digital services via high-speed networks will be the main driver of growth.

aamra making significant contribution in Bangladesh IT Industry

aamra technologies limited (ATL) continues to be a key player in the corporate IIG market. Our market share in the IIG market is second only to Summit Communications Ltd and our strides in the fintech sector have revolutionized how customers pay their utility bills. We have expanded our reach to cover the cybersecurity and automation (network operations, security, etc.) services, two key sectors where we can leverage unparalleled advantage by bundling our services with our bandwidth services and industry-leading network monitoring tools.

As the effects of the COVID-19 pandemic subsided and businesses began to reopen, many of our orders were met with the harsh reality of supply chain bottlenecks. As a result, we were forced to postpone a large number of our orders to the next financial year. However, this did not deter our growth as ATL continues to be the partner of choice for clients availing Microsoft's full range of solutions bundled with our extensive Internet bandwidth. Our clients have been relying on our extensive bandwidth to cope with the increase in Internet and data consumption, coupled with an increased emphasis on moving operations to the clouds. This has led to a rapid increase in the adoption of cloud services among our clients. As a recognized Direct Cloud Service Partner of Microsoft Azure and a Select Partner of AWS, we have been able to offer our clients unparalleled support for this transition. Based on our extensive experience in the field of cloud computing, we realized early on that providing a box-based service will not protect our client's crucial data. Our partnership with Nexuguard has enabled us to offer services that secure clients' entire networks with enhanced threat mitigation techniques and protection against DDoS attacks, that can take down an entire website and cause massive financial damage.

In the Financial Services Industry, we have seen remarkable growth in both our POS-based Utility Payment Solution and digital security solutions. Our developed solution for Dutch Bangla Bank Ltd for paying DPDC and DESCO utility bills has been extremely popular and is making significant business growth. Based on the popularity of this product we have been able to offer a similar solution for Mercantile Bank Ltd. Currently, we are in talks with Titas Gas Distribution Co. Ltd (TGDCL) to build a similar utility payment solution for their clients. We have developed and delivered Agent Banking Solutions, entirely with ATL's in-house talents and human resources.

One of our key digital identity and digital security solutions partner NBS Technologies has been acquired by Matica Technologies (Italy) and this brings an extensive range of solutions to our portfolio; based on our existing discussion, Matica Technologies is eager to expand their foothold in South Asian market.

Our adaptive business model and long-term strategy have helped us weather the geopolitical crisis efficiently. Our carefully curated portfolio of registered and well-reputed clients has enabled us to maintain constant growth over the years.

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.

Products and Services

aamra technologies limited has been at the forefront of technological breakthroughs of Bangladesh for over a decade. 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.

A brief description of our products and services are given below:

Internet and Connectivity Services

Internet Gateway & Connectivity: We provide International Internet Gateway (IIG) services for

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some of the leading multinational companies in Bangladesh. Our extensive network and nationwide presence helped us to be the first company to leverage connectivity from SMW-4 & SMW-5. We pump about one-third of the national internet bandwidth consumption and provide connectivity services to 3 out of 4 telecoms operating in Bangladesh, aamra is the only Bangladeshi to have presence in 5 International Exchange (IX) points while simultaneously maintaining 2 international POPs (Points of Presence), namely in Singapore (Equinix) and France (Interxion). This in turn, enables us to provide the lowest latency from Bangladesh to any corner of the world.

Systems Integration and Infrastructure

Server, Storage & System Implementation: aamra technology limited (ATL) is one (1) out of only two (2) companies in Bangladesh with implementation expertise for Oracle Exadata in Bangladesh. Our extensive range of system integration tools include database solutions, storage expansion racks, cloud systems, middleware for cloud and on-premise hardware integration, customized software, operating systems and server solutions.

Bank & Financial Institution Security Systems: aamra has partnered with PricewaterhouseCoopers to build and deploy the first ever Security Operation Center (SOC) as a service in Bangladesh. Every 4 out of 5 plastic cards are secured by aamra. ATL has deployed Hardware Security Modules (HSMs) for a number of banks and financial institutions to provide end-to-end encryption and core banking solutions.

Mobile Point of Sale (mPOS): aamra 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) enabling better management of functions and automatic upgradation of their device software). Of the major banks, aamra 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.

Card Personalization: aamra has 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.

Nationwide Presence

ATL has spread its service throughout the country.

The coverage of its services is illustrated in the map of Bangladesh:



Distributor of Global Brands

aamra technologies limited is the first IIG company to establish 11 POPs throughout the country as per BTRC guideline and presently it has total 30 POPs. aamra technologies limited is the first Bangladeshi company to establish POP in Marseille, France. In addition, it has tier-1 global carriers with gtt, telia, NTT Communications, Tata Communications, Century Link, Level-3, Orange and Cogent.

ATL's presence in four major international IX;



aamra technologies limited (ATL) is actively supporting the transformation of financial industry of Bangladesh through Finacle (a leading core banking software solution), Verifone point of sales and lots of world-renowned business solutions app.



Operating and Financial Performance of the Company

The financial results of the Company for the year 2022 with a comparison of 2021 are summarized below:

(BDT in million except per share data)	2022	2021
Revenue	2,308.77	1,724.85
Gross profit	300.45	243.78
Operating profit	189.63	147.18
Profit before tax	129.48	97.72
Tax	21.04	13.63
Profit after tax	108.48	84.08
Earnings per Share (EPS)	01.78	01.38

A big part of the transformation to digital life has been the change in online purchasing behaviour. 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.

The monthly internet usage of mobile subscribers has more than doubled ever since the coronavirus pandemic began as more people are being pushed online for work and entertainment purposes. For example, the average monthly data usage of a single mobile customer was 2 gigabytes (GB) in March 2020 while it now stands at around 4.5 GB, according to Bangladesh Telecommunication Regulatory Commission (BTRC). The average monthly data usage surged 23 times from 2008 to 2022, a tremendous growth has been seen in data usage in the last decade as the average monthly usage of mobile internet was just 208 megabytes (MB) per customer in 2008.

The annual growth of internet users was recorded at 13.5 percent on average over the last five years. Out of total 110.76 million internet users till October this year, 102.11 million are using the internet through their mobile phones while 8.56 million are 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.

During 2021-22, the turnover of the Company was BDT 2,308.77 mn as against BDT 1724.85 mn during FY 2020-2021 registering an increase of 33.85%. The Company posted a Profit Before Tax from continuing operation of BDT 129.48 mn during the year as against BDT 97.72 mn in the previous year registering an increase of 23.29%. The Profit After Tax from continuing operation during FY 2021-22 is BDT 108.48 mn as against BDT 84.08 mn in FY 2020-21 registering an increase of 29%.

During FY22, the gross profit was BDT 300.45 mn which was BDT 243.78 mn registering 23.24% increase. During the year the company made provision for tax BDT 21.04 mn which was BDT 13.63 mn in 2021. The revenue growth was mainly driven by a boost in IIG sales which represents 68% of total revenue but the margin of IIG is comparatively lower than another sales portfolio. On the other hand, during FY 22, the equipment sales were almost doubled but again the margin is minimum. Hence, the net profitability was not enhanced as expected. However, the EPS has increased 29% compared to the previous year.

Product or Segment wise performance

During FY21-22, the sales of Bandwidth, equipment, and services the mainstream products of the company collectively generated BDT 2,308.77 mn which was BDT 1724.85 mn in the previous year registering an increase of 33%. Out of total revenue generated this year IIG, equipment, services and software contributed 68 percent, 17 percent, 11 percent, and 4 percent respectively. Other than services sales of IIG, equipment and software showed an enhanced performance compared to last year.

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

EPS: Compared to the prior year, the total revenue for the fiscal year that concluded on June 30, 2022, increased by 34%. However, operating and financial costs changed slightly, resulting in a considerable rise in EPS.

NOCFPS: Cash collected from clients increased considerably during the year that ended June 30, 2022, which had a positive effect on NOCFPS.

Five years data

Key operating and financial data of preceding 5 (five) years of the Company has been summarized on 10 page 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 157.65 million. The detailed note on acquisition of Property, Plant and Equipment is given under note no 4 of 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 note no. 30 on 125 page of the Annual 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 2022 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 November 05, 2022, aamra technologies recommended 6 percent cash and 6 percent stock dividend. Details of the recommended dividend during the financial year are disclosed in Note 35.2 of the Financial Report.

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Material changes after Balance Sheet date (June 30, 2022)

There have been no material changes and commitments between the end of FY22 and the date of this report, affecting the financial position of the Company.

Appropriations of profit

Considering the profit available for distribution after complying with the regulatory requirements, the Board recommended 6% Cash and 6% stock dividend for the year ended June 30, 2022, for approval of Shareholders in the 33rd Annual General Meeting. The Board proposed the following appropriations:

	Amount in million BDT
Net profit for the year 2022	108.48
Retained earnings at the beginning of 2022	306.97
Total profit available for appropriation	415.55
Proposed Appropriations	
Proposed cash dividend	36.62
Proposed stock dividend	36.62
Retained earnings	357.26

Dividend

The Company will be paying 6% cash and 6% stock dividend for the year ended 2022. The Board of Directors in its meeting held on 05 November 2022 recommended "6% cash and 6% stock" dividend for the year 2022. 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 registered profit of BDT 108.48 mn.

The Board while recommending stock dividend considered the Notification of BSEC gazette on August 31, 2021, 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;

- a) the stock dividend or bonus shares has declared from the current year's profit;
- b) the stock dividend or bonus shares has not declared
 - i) from the accumulated profit or retained earnings; and
 - ii) 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
- c) 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;

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 2022, the company contributed a total amount of BDT 21 million as Corporate Tax, BDT 48 million as TDS and BDT 84.92 million as VAT, in total BDT 153.92 million was paid to the national exchequer. aamra technologies always uphold its responsibilities to the development of the society and the country. 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 third Annual General Meeting is given on page 09 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;
- Re-appointment of managing director
- 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 third Annual General Meeting of the Company is given on page no. 09 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 presented in the page no. 34.

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 on page 53 of 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, 2022.

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,

Directors' Report continued...

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. A detailed report on corporate governance has been set out on page 58 to 69 of this Annual Report.

Directors' meeting, attendance & remuneration

During the year ended June 30, 2022 a total of four meetings were held. During this year, all of the Directors serving on the Board attended were more than 85 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 on page 56 of this Annual 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.

Reappointment of Managing Director

As per Article 109 and 111 of the Articles of Association of the Company the Board of Directors in its 247th meeting held on November 05, 2022, reappointed Syed Farhad Ahmed as Managing Director for a period of five years. The board also recommended Tk. 3,25,000 (three lacs twenty-five thousand taka) monthly salary plus other admissible benefits as per company policy in this regard. The board took the decision for reappointment based on the recommendation made by the Nomination and Remuneration Committee.

As per Section 2(m) and 110 of Companies Act 1994, the reappointment of Managing Director for the aforesaid terms and benefits shall be placed before the shareholders for their approval in 33rd annual general meeting of the company to held on December 29, 2022.

Changes in the Directorship

Md. Amirul Islam, FCS, FCA, Independent Director resigned with the view to avoid potential conflict of interest may arise for recommending appointment of K. M Hasan & Co., Chartered Accountants Firm as Statutory Auditor of the Company where he is a senior partner. The board accepted his resignation with effective from November 13, 2022, and appointed Mr. Mahbub Mustafizur Rahman former deputy managing director of Pubali bank limited as Independent Director of the company for the first term of three years subject to approval by the BSEC and shareholders.

The Board based on the recommendation made by the Nomination and Remuneration Committee took

the decision in its meeting held on November 12, 2022 and advised Company Secretary to insert this agenda for approval by the shareholders in 33rd AGM to be held on December 29, 2022.

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

As per Article 91 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 33rd Annual General Meeting and being eligible offered themselves for re-election as per Article 93 of the Articles of Association of the Company:

- 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, managing director and independent director) and the names of the Company where they have interest are mentioned in this annual report on. 25 page.

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 on page no. 56 and 58 respectively of this annual report.

Pattern and distribution of shareholding

As on June 30, 2022, the paid up capital of the Company is Tk. 610,447,570 subdivided by 61,044,757 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 2022 is shown in Annexure-II, page 56 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, 2022, is given in Annexure-II, page 56 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 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.

Directors' Report continued...

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

Upon expiry of three consecutive years as statutory auditors Malek Siddiqui Wali, Chartered Accounts have become ineligible under Corporate Governance Code of BSEC. K. M. Hasan & Co., Chartered Accountants have expressed their willingness to be appointed as the statutory auditor of the company for the FY-2022-2023. In this regard the Audit Committee scrutinized and reviewed their proposals and recommended to the Board to appoint K. M. Hasan & Co., Chartered Accountants, as the statutory auditor of the Company for FY-2022-2023.

The Board in its meeting held on November 05, 2022, recommended the shareholders to appoint K.M. Hasan & Co., Chartered Accounts at a remuneration of Tk. 2,50,000 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 November 05, 2022, also recommended the shareholders to appoint G. Kibria & Co., Chartered Accounts at a remuneration of Tk. 30,000 plus VAT as the compliance auditor for the year 2022-2023.

Credit Rating

Upon expiry on October 10, 2022, of present rating status of AA- (Minus) in the long term and ST-2 in the short-term rating of aamra technologies limited the National Credit Ratings Limited is conducting their ratings on the yearend financial statements 2021-2022.

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.

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 247th meeting held on November 05, 2022, authorized the Chairman, Mr. Syed Faruque Ahmed to sign Director's 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, November 05, 2022