

aamra networks limited

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**Financial Statements & Auditor's Report
For the year ended 30 June, 2023**



Independent Auditor's Report

To the Shareholders of Aamra Networks Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Aamra Networks Limited ("the Company"), which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including summary of significant accounting policies.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report

KEY AUDIT MATTER	How our audit addresses the Key Audit Matter
Revenue and Accounts Receivables During the year, the Company has recognized revenue of BDT 1,274,166,545 for the year ended 30 June 2023 (BDT 1,029,242,788 for the year ended 30 June 2022). The Company's revenue recognition process are not complex and does not involve high levels of judgement. However this a significant driver of Company performance and has major impact on financial statement user's decision making. Finally this account always has risk of management over-ride of internal controls.	Our audit procedures included: <ul style="list-style-type: none"> ▶ Obtain an understanding of Company's internal controls, systems and processes around revenue recognition and accounts receivable. ▶ Review invoices, delivery reports and other supporting documents such as payment support to ensure occurrence and completeness of revenue recognized. ▶ Test Subsequent receipts for receivable balances to substantiate existence, collectability and completeness of accounts receivables recognized on the books. ▶ Inspect correspondence with clients and customers to determine whether provisions are necessary.
Details of Revenue Recognition are included in Note 23.00 and Accounts Receivable are included in Note 8.00 to the Financial Statements	



Inventory	
<p>The Company's inventory balance as at 30 June 2023 was BDT 259,215,404 (BDT 268,386,835 as at 30 June 2022). This represents 8 % of Total Assets of the Company (9 % of the Company as at 30 June 2022). There is estimation performed by management in regards to obsolescence and determination of net realizable value. Based on the requirement of estimates and the fact that this is a major asset category, this was determined to be a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> ▶ Obtain an understanding of Company's internal controls, systems and processes around inventory management. ▶ Perform procedures over inventory purchase to substantiate existence, completeness and valuation of inventory ▶ Perform Physical inspection of inventory to determine the existence and valuation of inventory ▶ Perform price testing of inventory to determine inventory valuation and determine whether inventory is obsolete or not. ▶ Revenue prices received by the Company and the overall gross margin earned to determine whether the Company is able to recover the net realizable value of inventory.
<p>Details of Inventory are included in Note 7.00 to the Financial Statements</p>	

Property, Plant & Equipment (PPE)	
<p>The Company's PPE balance as at 30 June 2023 was BDT 1,516,791,924 (BDT 1,474,318,063 as at 30 June 2022). This represents 47% of Total Assets of the Company (47% of the Company as at 30 June 2022). There is estimation performed by management in regards to Asset useful life. Based on the requirement of estimates and the fact that this is a major asset category, this was determined to be a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> ▶ Obtain an understanding of Company's internal controls, systems and processes around PPE. ▶ Performed discussions with management to understand their process of determining asset useful life. ▶ We performed PPE additions procedures by obtaining supporting documentation, invoices, and delivery information as well payments support. ▶ We performed reasonability of depreciation expenses charged by management to ensure accuracy and occurrence. ▶ We performed discussions with management and performed other corroborating procedures to ensure management's assumptions around impairment were reasonable.
<p>Details of PPE are included in Note 4.00 and Annexure A to the Financial Statements</p>	

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for information other than financial statements and auditor's report. The other information comprises of the Director's Report, Corporate Governance Compliance Report and Management Discussion and Analysis. We expect to receive this other information after the date of our auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



