

aamra networks limited
Safura Tower (12th Floor)
20, Kemal Ataturk Avenue
Banani Commercial Area
Dhaka-1213

aamra networks limited
FINANCIAL STATEMENTS (UN-AUDITED)
For the period ended 31 December 2020

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aamra networks limited
STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
As at 31 December 2020

	Notes	Amount in Taka	
		31 December 2020	30 June 2020
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,126,102,291	1,135,085,914
Intangible assets	5	9,970,435	11,078,261
Capital work-in-progress	6	257,862,260	218,427,260
Advance, deposit & prepayments	9.1	10,840,373	10,837,410
Total non-current assets		1,404,775,358	1,375,428,845
Current assets			
Inventories	7	376,831,660	352,264,959
Trade and other receivables	8	372,198,404	389,871,111
Advance, deposit and prepayments	9.2	511,006,793	395,284,222
Cash and cash equivalents	10	6,703,505	17,080,087
Total current assets		1,266,740,362	1,134,480,380
TOTAL ASSETS		2,671,515,720	2,509,909,224
EQUITY AND LIABILITIES			
Capital and reserves			
Shareholders equity			
Share capital	11	562,236,810	562,236,810
Share premium	12	542,488,192	542,488,192
Retained earnings	13	930,556,421	916,480,090
Total equity		2,035,281,423	2,021,205,092
Non-current liabilities			
Long term loan	14.1	80,022,081	82,468,889
Deferred tax liability	15	24,616,828	25,058,000
		104,638,909	107,526,889
Current liabilities			
Lease liabilities	16	843,856	1,410,805
Current portion of long term loan	14.2	22,863,452	20,617,222
Short term loan	17	342,807,469	250,143,549
Accrued expenses	18	32,268,866	30,583,631
Dividend payable		57,374,607	7,834,545
Provision for BPP&WF	19	12,336,971	16,280,631
Trade and other payables	20	37,304,001	36,231,308
Provision for tax	21	25,796,166	18,075,553
Total current liabilities		531,595,388	381,177,244
Total liabilities		636,234,297	488,704,133
TOTAL EQUITIES AND LIABILITIES		2,671,515,720	2,509,909,224
Net Asset Value (NAV) per share		36.20	35.95

The annexed notes form an integral part of these financial statements.



Chairman



Managing Director & CEO



Director



Chief Financial Officer



Company Secretary

Place: Dhaka

Date: 27 January 2021

aamra networks limited
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
For the period ended 31 December 2020

	Notes	Amount in Taka			
		Jul - Dec'20	Jul - Dec'19	Oct - Dec'20	Oct - Dec'19
Revenue	22	533,694,649	500,652,543	247,460,260	249,720,712
Cost of goods sold & services		(352,178,321)	(298,478,036)	(169,711,774)	(148,804,928)
Gross Profit		181,516,328	202,174,507	77,748,486	100,915,784
Operating expenses		(83,495,513)	(87,889,622)	(40,464,539)	(45,155,407)
Operating Profit		98,020,816	114,284,885	37,283,947	55,760,377
Financial expenses		(16,571,887)	(6,407,954)	(8,520,978)	(3,947,314)
Other income		9,496	13,169	9,496	13,169
Profit before BPP&WF		81,458,425	107,890,100	28,772,465	51,826,233
Beneficiaries' Profit Participation & Welfare Fund (BPP&WF)		(3,878,973)	(5,137,624)	(1,370,117)	(2,467,916)
Profit before income tax		77,579,452	102,752,476	27,402,348	49,358,317
Income tax expenses					
Current tax	23	(7,720,612)	(6,948,321)	(1,130,059)	(1,803,237)
Deferred tax	15	441,172	(844,141)	104,907	(905,531)
		(7,279,440)	(7,792,462)	(1,025,152)	(2,708,768)
Net Profit after income tax		70,300,012	94,960,015	26,377,197	46,649,549
Other comprehensive income		-	-	-	-
Total comprehensive income		70,300,012	94,960,015	26,377,197	46,649,549
Earning per share (EPS)	24	1.25	1.69	0.47	0.83

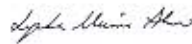
The annexed notes form an integral part of these financial statements.



Chairman



Managing Director & CEO



Director



Chief Financial Officer



Company Secretary

Place: Dhaka

Date: 27 January 2021

aamra networks limited
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
For the period ended 31 December 2020

Amount in Taka

Particulars	Ordinary Share Capital	Share Premium	Retained Earnings	Total
Balance at 01 July 2020	562,236,810	542,488,192	916,480,090	2,021,205,092
Dividend during the period	-	-	(56,223,681)	(56,223,681)
Net profit after tax during the period	-	-	70,300,012	70,300,012
Balance at 31 December 2020	562,236,810	542,488,192	930,556,420	2,035,281,423

For the period ended 31 December 2019

Amount in Taka

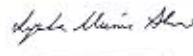
Particulars	Ordinary Share Capital	Share Premium	Retained Earnings	Total
Balance at 01 July 2019	530,412,090	542,488,192	800,684,416	1,873,584,698
Dividend paid during the period	-	-	(63,649,451)	(63,649,451)
Net profit after tax during the period	-	-	94,960,015	94,960,015
Balance at 31 December 2019	530,412,090	542,488,192	831,994,980	1,904,895,262



Chairman



Managing Director & CEO



Director



Chief Financial Officer



Company Secretary

Signed in terms of our separate report of even date annexed.

Place: Dhaka

Date: 27 January 2021

aamra networks limited
STATEMENT OF CASH FLOWS (UN-AUDITED)
For the period ended 31 December 2020

	Notes	Amount in Taka	
		Jul - Dec'20	Jul - Dec'19
A. Cash flows from operating activities			
Cash received from customers & others		531,376,853	470,380,159
Cash paid to suppliers and employees		(408,411,508)	(320,896,114)
Operating expenses		(74,581,364)	(84,202,978)
Finance expenses		(16,571,887)	(6,407,954)
Income tax		(4,838,231)	(3,945,496)
Net cash provided from operating activities	26	26,973,862	54,927,617
B. Cash flows from investing activities			
Acquisition of property, plant & equipment		(83,108,220)	(124,331,967)
Capital work-in-progress		(39,435,000)	-
Net cash used in investing activities		(122,543,220)	(124,331,967)
C. Cash flows from financing activities			
Long-term loan (paid)/received		(200,578)	56,811,463
Short-term loan (paid)/received		92,663,920	(490,849)
Lease liabilities (paid)/received		(566,949)	-
Dividend paid		(6,683,619)	-
Net cash provided from financing activities		85,212,774	56,320,614
D. Net increase/ (decrease) in Cash and cash equivalents (A+B+C)		(10,356,582)	(13,083,736)
Cash and cash equivalents at the beginning of the period		17,060,087	31,441,308
Cash and cash equivalents at the end of the period	10	6,703,505	18,357,573
Net Operating Cash Flow Per Share (NOCFPS)	27	0.48	0.98


The annexed notes form an integral part of these financial statements.




Chairman



Managing Director & CEO



Director



Chief Financial Officer



Company Secretary

Place: Dhaka

Date: 27 January 2021

aamra networks limited
Financial Information for 2nd quarter ended 31 December 2020
As per 16(B) of DSE Listing Regulations - 2015

Particulars	Jul - Dec'20	Jul - Dec'19
Earnings per share (EPS)	1.25	1.69
Net Operating Cash Flow Per Share (NOCFPS)	0.48	0.98

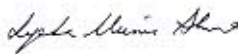
Particulars	31 December 2020	30 June 2020
Net Asset Value	2,035,281,423	2,021,205,092
Net Asset Value (NAV) per share	36.20	35.95



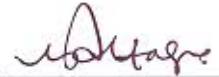
Chairman



Managing Director & CEO



Director



Chief Financial Officer



Company Secretary

aamra networks limited
NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
For the period ended 31 December 2020

1. ABOUT THE COMPANY

1.1 Reporting entity

aamra networks limited (formerly Global Online Services Limited) was incorporated in Bangladesh under The Companies Act, 1994 on 10 January 2001 vide registered No. C - 42228(1587)/2001 as a private company limited by shares. The company was converted in to a public company limited by shares on May 08, 2013 under The Companies Act 1994. The registered office of the company is situated at Safura Tower (12th floor), 20 Kemal Ataturk Avenue, Banani C/A, Dhaka - 1213.

1.2 Principal activities

Over the last decade, aamra networks limited has been consistently providing state-of-the-art IT communication solutions and services to its customers which includes Internet Access, Web Page Development and Hosting, Leased Port Internet Access, Total Network Solutions, Video Conferencing Solutions, various IT enable Support, Software Development and Maintenance Services etc.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below, which comply with International Financial Reporting Standards (IFRSs), have been applied consistently to all periods presented in these financial statements, and have been applied consistently by entities.

2.1 Basis of preparation of financial statements

These financial statements of aamra networks limited have been prepared on a going concern basis under historical cost convention in accordance with International Financial Reporting Standards (IFRSs). The disclosures of information are made in accordance with the requirements of the Companies Act 1994 and the financial statements have been prepared in accordance with International Accounting Standard (IAS) -1 using the accrual basis of accounting.

In the preparation of these financial statements, management used available information to make judgments, estimate and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from those estimate.

2.2 Going concern

The Company has adequate resources to continue in operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

ISP license of the company by BTRC is renewed regularly. Latest validity of the license has expired on 29 June 2020. The company has applied on 28 June 2020 to BTRC for renewal of the license which is under issuance process by the authority.

2.3 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation in compliance with the requirements of International Accounting Standard (IAS) -16: "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

2.3.1 Depreciation on property, plant and equipment

Depreciation has been charged to allocate the cost of property, plant and equipment, over the period of their expected useful life, in accordance with IAS 16: "Property, Plant and Equipment". Depreciation is provided for the period in use of the assets. Acquisitions during the year are depreciated for effective month. Depreciation is charged at the following rates under reducing balance method:

<u>Category of property, plant and equipment</u>	<u>Rate (%)</u>
Furniture & Fixture	10
Office Equipment	15
Electric Installation	18
Telephone Installation	18
Computer & Computer Equipment	20
Data Centre	20
Fiber Optic Cable & Equipment	20
Radio link/infrastructure & Backbone	18
Motor Vehicle	20
Office Decoration	15
Wi-Fi Equipment & Installation	20

2.3.2 Right on use asset

The company has complied with International Financial Reporting standards IFRS (16): Lease and accordingly accounted for asset under appropriate head. However upon review of company's lease rental agreement, termination clause include a clause like " Both party can cancel the agreement with 3 (three) months prior notice, which indicates that lease term is not more then 1 year. So company need not to include in Right of Use (ROU) assets".

2.4 Intangible assets

Intangible assets (IAS - 38 Para -8) that are acquired by the Company such as computer software and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses, if any.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

Intangible assets are amortized on a reducing balance method and charged in statement of profit or loss and other comprehensive income.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

2.5 Components of financial statements

- Statement of financial position.
- Statement of profit or loss and other comprehensive income.
- Statement of changes in equity
- Statement of cash flows.
- Notes to the financial statements

2.6 Other regulatory compliances

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

- The Income Tax Ordinance & Rules, 1984
- Value Added Tax and Supplementary Duty Act, 2012.
- Bangladesh Telecommunication Regulatory Commission Act. 2001
- Securities & Exchange Rules, 1987
- DSE & CSE Listing regulation

2.7 Valuation of inventories

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

The cost of inventories is based on the weighted average cost principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Net realizable value (NRV) is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

2.8 Impairment

Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, are assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Non-financial assets

The carrying amount of the non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the assets' recoverable amounts are estimated. For intangible assets that have indefinite lives, recoverable amount is estimated at each reporting date. An impairment loss is recognized if the carrying amount of an asset or its cash generating unit (CGU) exceeds its estimated recoverable amount.

2.9 Trade & other receivables

Trade & other receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition trade & other receivables are measured at amortized cost using the effective interest method, less any bad debts provision.

2.10 Advance, deposit & prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deduction, adjustment or charges to other account heads. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to Statement of Comprehensive Income.

2.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand and with banks on current and deposit accounts which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

2.12 Share capital

Ordinary shares are classified as equity. Paid up share capital represents total amount contributed by the shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

2.13 Borrowings

Interest-bearing borrowing include term loan, lease finance and short term loan. Interest-bearing borrowing are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowing are stated at amortized cost using the effective interest method.

