ANNUAL REPORT 2017-2018

NARROWING THE DIGITAL DIVIDE

AGNI SYSTEMS LIMITED

AMBIT STOCK



Table of Contents

	Page No.
Vision	01
Mission	02
Goal	03
Corporate Information	04
Introducing Directors	05
Board of Directors	06
Audit Committee	07
Management	08
Pictures of 21st AGM	09
Financial Highlights	11
Notice of the 22nd Annual General Meeting	15
Message from the Chairman	16
Message from the Managing Director	17
Directors Report to the shareholders	18
Review of Audit Committees Fucntion	25
Status of Compliance with Corporate Governance Code	28
Declaration by CEO/CFO	36
Certificate of Complance on Corporate Governance	37
Auditors Report & Audited Financial Statement	38
Proxy Form / Attendence Slip	71

AMARSTOCK



Vision

To be a market leader in providing internet services with special focus on creating values for our clients, shareholders, employees and communities.



Mission

To achieve corporate vision with special focus on creating values by:

Partnering with clients to understand and fulfill their needs considering the development of technology.

Maximizing shareholders value through strong performance and returns.

Developing and rewarding employees to effectively manage client relationships.

Diligently serving our communities with integrity and pride.



Goal

Understanding the clients' needs and to connect with them. By doing so benefit our shareholders, employees and the community where we do business.

Corporate Information

Registered Office	Navana Tower, 11th Floor, Suite - A 45 Gulshan Avenue, Gulshan-1, Dhaka-1212
Corporate Office	Navana Tower, 11th Floor, Suite - A 45 Gulshan Avenue, Gulshan-1, Dhaka-1212
Share Office	Navana Tower, 11th Floor, Suite - A 45 Gulshan Avenue, Gulshan-1, Dhaka-1212
Chittagong Office	Shahjadi Chamber, 6th Floor, 1331/B Sheikh Mujib Road, Agrabad C/A, Chittagong-4100
Date of Incorporation	November 4, 1995
Date of Commercial Operation	November 4, 1995
Auditor	Aziz Halim Khair Choudhury Chartered Accountants
Legal Adviser	Zaman & Associates Eastern Trade Center 3rd Floor: 56, Inner Circular Road, Dhaka.
Bankers	Standard Chartered Bank Bank Asia Limited HSBC BRAC Bank Limited Woori Bank Eastern Bank Limited Dhaka Bank Limited Dutch Bangla Bank Limited Sonali Bank Limited
Insurer	Green Delta Insurance Company Ltd.
Legal Status	Public Limited Company
Authorized Share Capital in Taka	1000 Million
Member of the Share Market(s)	Dhaka Stock Exchange Ltd. Chittagong Stock Exchange Ltd.
Regulatory Authority	Bangladesh Telecommunication Regulatory Commission (BTRC)
Number of Employees	250

AMARSTOCK

Introducing Directors

Mr. Javed Bukth, Chairman

Mr. Javed Bukth S/O Late Khuda Buksh is the Chairman of Agni Systems Ltd. He was born on October 6th, 1957 in Dhaka. He completed BSS Hons. and MSS in Public Administration from Dhaka University in 1982.

Established Libra Computer Aid in 1988 - The company is involved in marketing various brand of specialized printers, scanners and is the Exclusive Distributor of TallyGenicom, DASCOM, MICROPLEX,COMPUPRINT, CITIC, PANTUM, DATAPRODUCS, OKI and ACCESS in Bangladesh.

Established the first ISP named LIBRABD.NET in the northern region of Bangladesh in the district of Rajshahi in the Year 2000.

He is the Managing Director of ACME Electronics Ltd. The company is involved in manufacturing Distribution Transformer of various range, LT PFI, substation Equipments and Voltage Stabilizers and, also providing solutions relating to power with solar systems.

Mr. Mohammed Abdus Salam,
Managing Director

Mr. Mohammed Abdus Salam is the Managing Director of Agni Systems Ltd. He was born on February 01, 1966 in Dhaka. He holds a BSBA Degree in Business Administration from Northeastern University, Boston, Massachusetts, USA where he graduated Magna Cum Laude. After graduation, Mr. Salam has worked extensively as an IT Consultant. Currently, he is performing as the Chairman of Songbird Telecom Limited, an International Gateway Operator, and as the Vice Chairman of the IGW Operators Forum. In the past he has lead the ISP Association of Bangladesh as the President.

Mr. Zia Shamsi, Director

Mr. Zia Shamsi is the Director of Agni Systems Ltd. He was born on December 30, 1963 in Dhaka. He holds a Bachelor's Degree in Commerce from Dhaka University. He also holds an Associate Engineering degree from Richland College, Texas, USA. Along with the Managing Director he is directly involved in the day-to-day operations of Agni Systems Limited. He has extensive business experience in the industry. He also trained as an e-commerce professional.

Mr. Murshed Sayeed,
Nominated by South Avenue Ltd.

Mr. Murshed Sayeed is the Nominee Director of Agni Systems Limited. He was born on January 12, 1971 in Dhaka. He holds a BIA (Business & Industrial Administration), Singapore. He is a business graduate and has vast experience in business. He is also the Managing Director of South Avenue Ltd. Mr. Sayeed has been involved with his family business. His experience and leadership skill provide smart opinion adding a great value to the board and company. He is involved with various social and economic activities

Mr. Md. Atiqul Islam: Independent Director

He was born on July 01, 1961 in Dhaka. He holds a Bachelor's Degree in Commerce from Dhaka University. He is a very dynamic and resourceful person for the business sector in the country. He is a Director of Islam Garments Ltd. (A Group of Industries) since 1985. He was the President of BGMEA in the year 2013-14. He was Declared CIP by the Government of Bangladesh for the year 2002, 2003, 2008, 2010 and 2011. He was awarded as best vendor by Wal-Mart Inc. for several years. He is involved with various social and economic activities.

Board of Directors



Mr. Javed Bukth
Chairman



Mr. Mohammed Abdus Salam
Managing Director



Mr. Zia Shamsi
Director



Mr. Murshed Sayeed
Director (Nominated by South Avenue Ltd.)



Mr. Md. Atiqul Islam
Independent Director

AMARSTOCK

Audit Committee

Mr. Md. Atiqul Islam, Chairman
Mr. Zia Shamsi, Member
Mr. Murshed Sayeed, Member



Mr. Md. Atiqul Islam
Chairman



Mr. Zia Shamsi
Member



Mr. Murshed Sayeed
Member

Management of the Company

Name	Designation
1. Mr. Mohammed Abdus Salam	Managing Director
2. Mr. Zia Shamsi	Director
3. Mr. Muhammed Shariful Islam	Company Secretary
4. Mr. Saroj Biswas	Chief Financial Officer (CFO)
5. Mr. Md. Abu Jafor	Head of Internal Audit & Compliance
6. Ms. Farhana Haque	Head of Sales
7. Mr. Mozammal Hoque	Chief Technical Officer (CTO)

AMARSTOCK

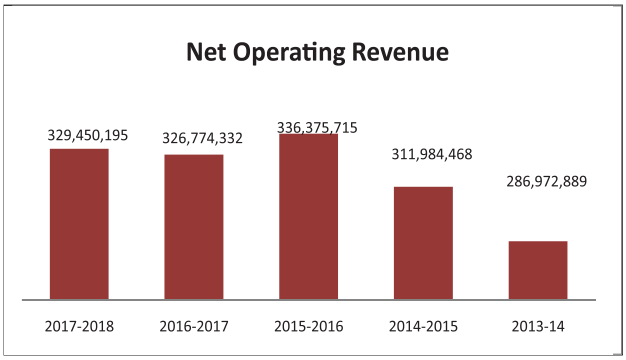
AMAR STOCK

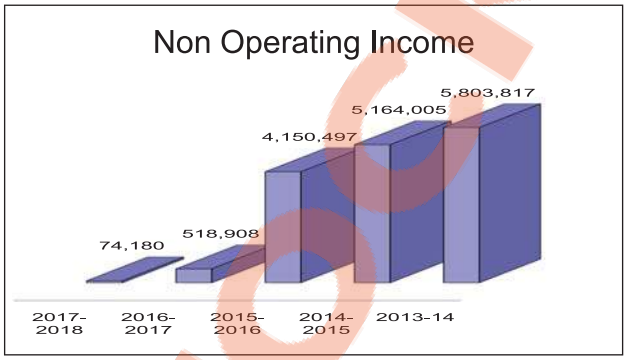
AMAR STOCK

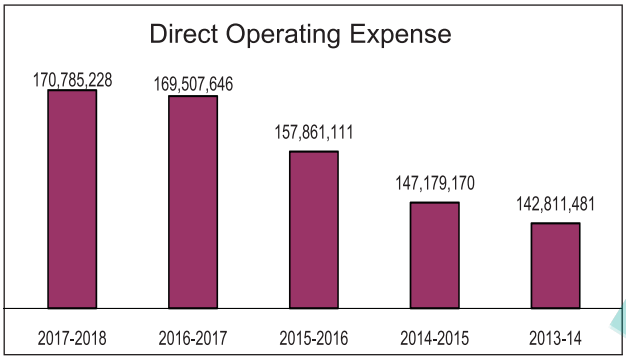
Financial highlights of past five years

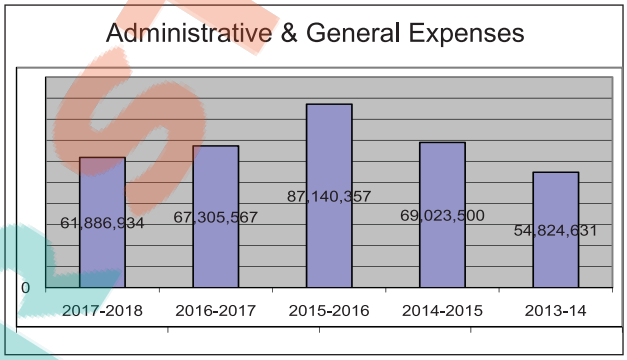
Year	2017-2018	2016-2017	2015-2016	2014-2015	2013-14
Net Operating Revenue	329,450,195	326,774,332	336,375,715	311,984,468	286,972,889
Non Operating Income	74,180	518,908	4,150,497	5,164,005	5,803,817
Direct Operating Expenses	170,785,228	169,507,646	157,861,111	147,179,170	142,811,481
Administrative & General Expenses	61,886,934	67,305,567	87,140,357	69,023,500	54,824,631
Total Fixed Assets	612,633,361	637,702,096	657,968,483	613,797,825	635,967,360
Total Current Assets	579,040,983	575,848,144	531,117,666	879,364,973	623,896,361
Total Assets	1,191,674,343	1,213,550,240	1,189,086,149	1,481,191,262	1,259,863,720
Total Current Liabilities	118,660,356	146,909,792	130,671,309	549,196,715	355,274,574
Total Net Assets	1,028,316,668	991,670,005	952,599,492	885,214,826	822,156,465
Paid up Capital	691,011,360	658,106,060	626,767,680	569,788,800	517,989,820
Gross Profit	158,664,967	157,266,686	178,514,604	164,805,298	144,161,409
Net Profit before Tax (NPBT)	83,459,917	75,121,949	78,366,032	79,424,218	62,988,457
Net Profit After Tax (NPAT)	69,551,963	67,162,653	67,384,666	63,058,361	52,388,528
Current Ratio	4.88	3.91	4.06	1.57	1.76
Return On Equity (ROE)	6.76%	6.77%	7.07%	7.12%	6.37%
Return On Assets (ROA)	5.84%	5.53%	5.67%	4.22%	4.16%
GP Margin	48.16%	48.13%	53.07%	52.82%	50.24%
NP Margin	21.11%	20.55%	20.03%	20.21%	18.25%
Dividend	69,101,136	65,810,606	62,676,768	56,978,880	51,798,980
Dividend %	10%	10%	10%	10%	10%
EPS	1.01	1.02	1.08	1.11	1.01
Net Assets Value per Shares (NAVPS)	14.88	15.07	15.20	15.54	15.87
Net Operating Cash Flow per Share (NOCFPS)	0.91	0.74	(0.43)	1.84	2.18

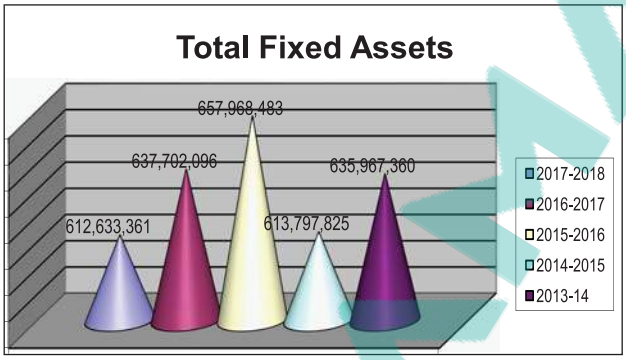
Financial highlights

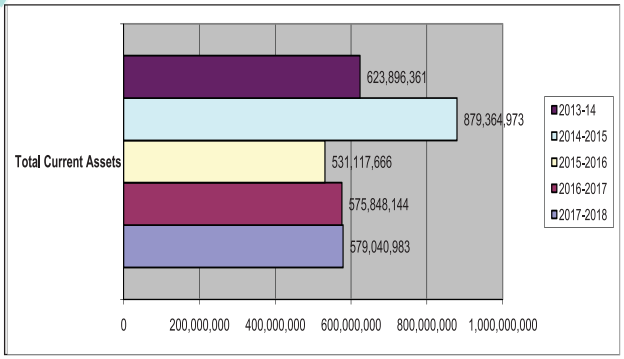


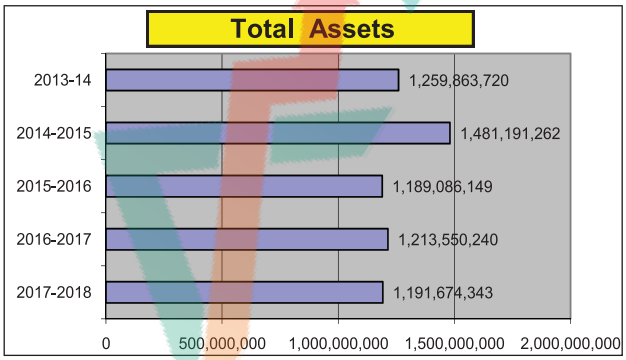


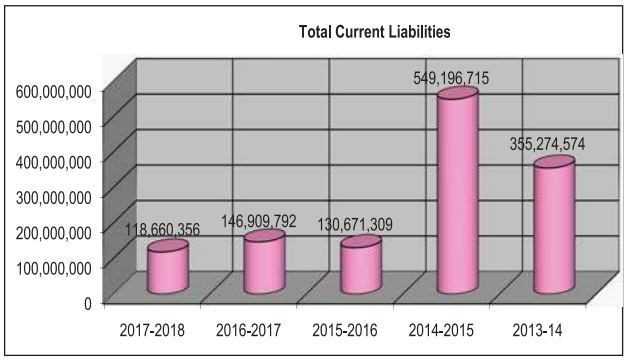




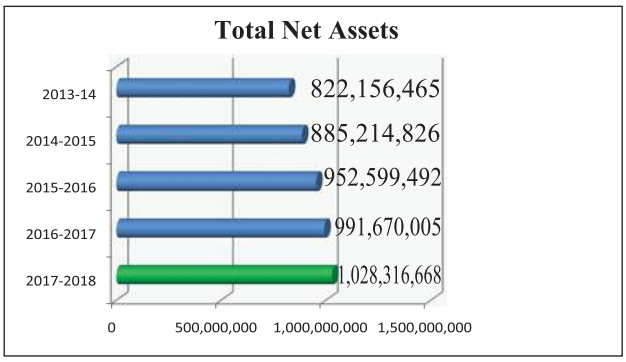


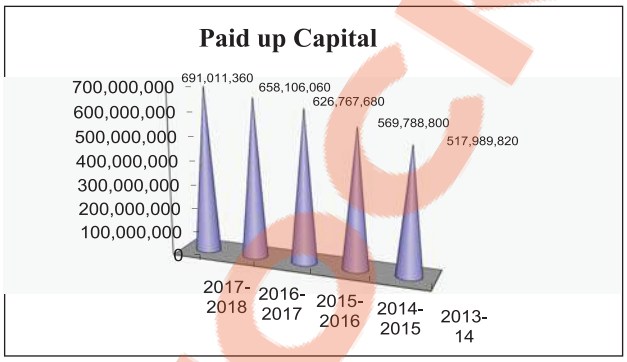


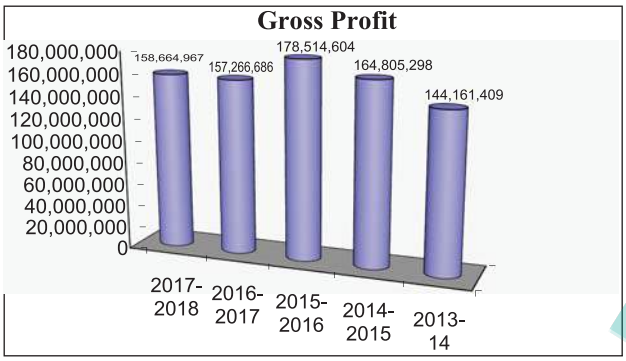


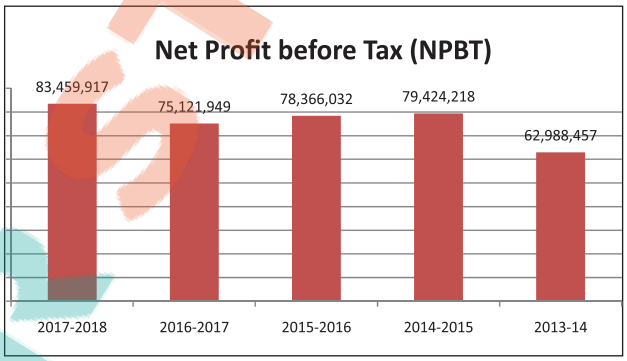


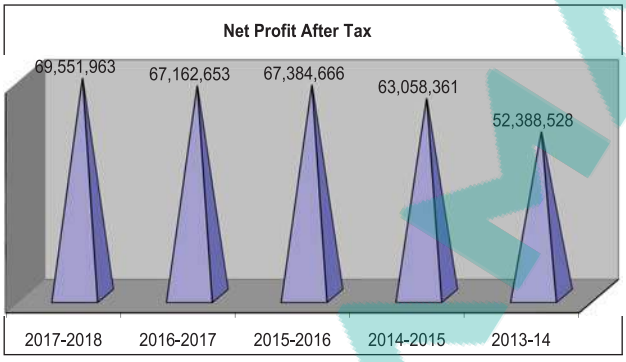
Financial highlights

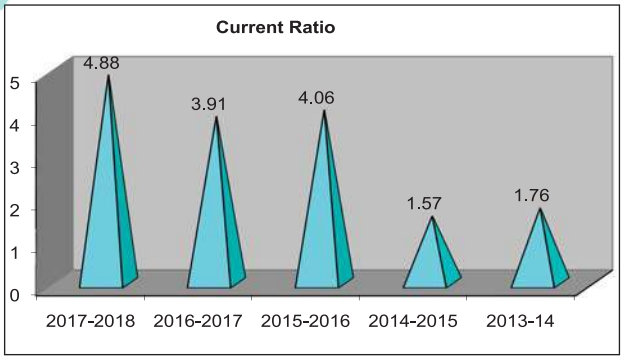


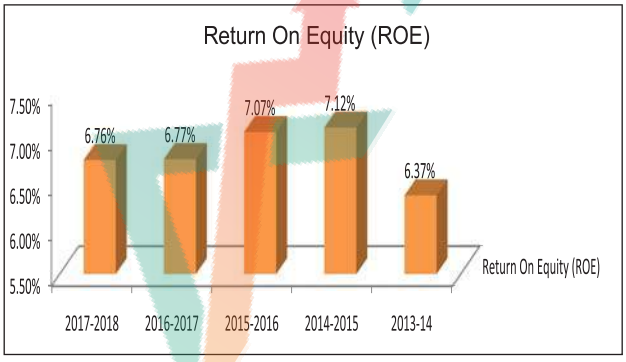


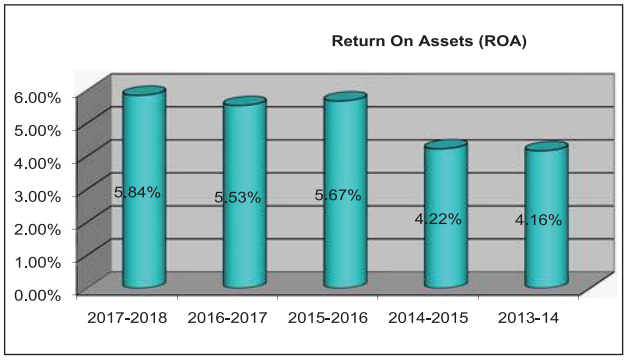




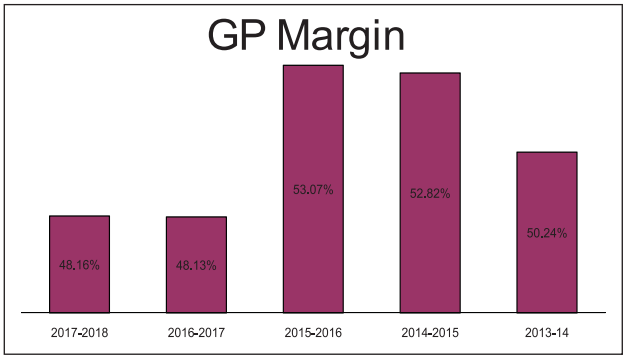


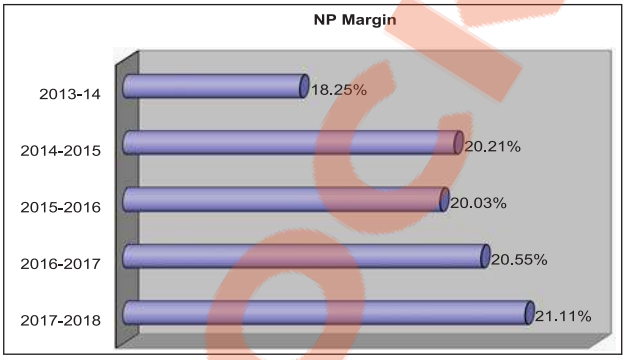


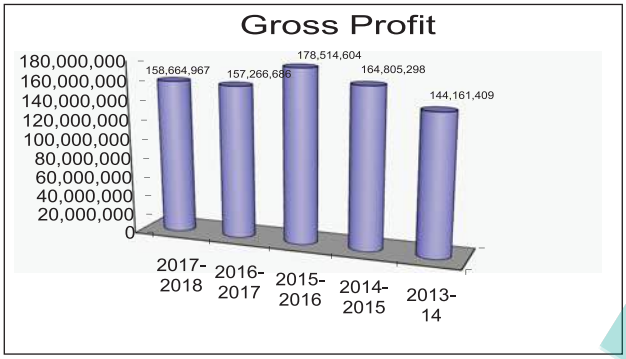


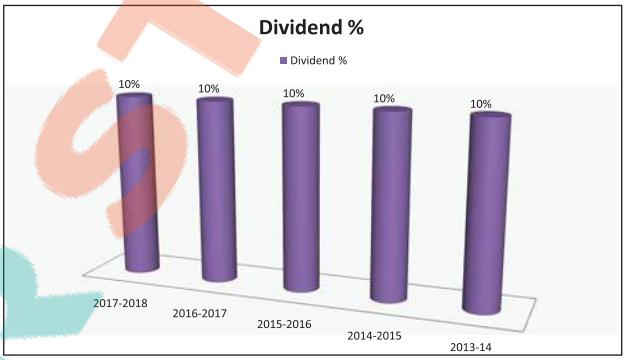


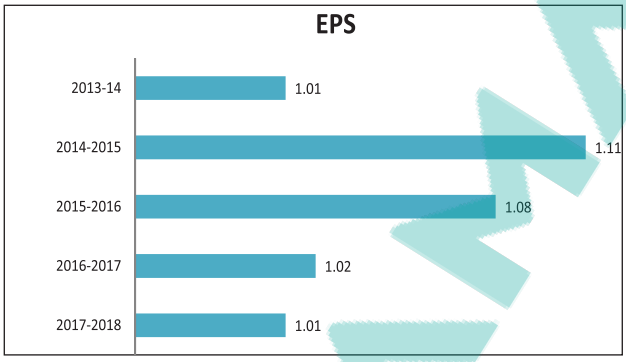
Financial highlights

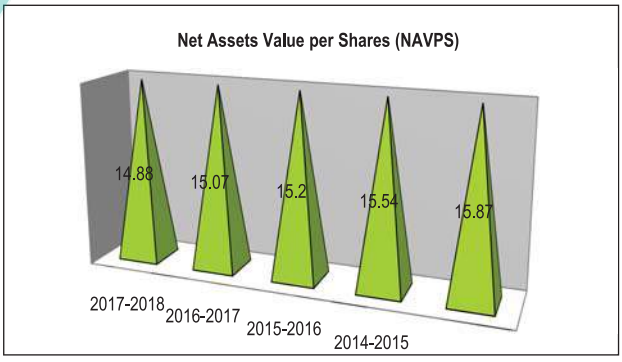


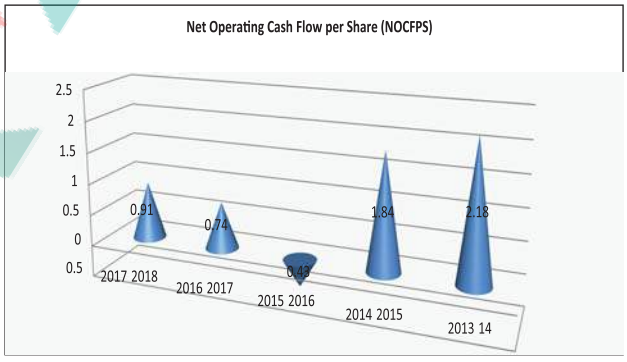












Notice of the 22nd Annual General Meeting

Notice is hereby given that the 22nd Annual General Meeting of the Shareholders of Agni Systems Limited will be held on Wednesday, 26th December 2018 at 10:00 A.M at Spectra Convention Center, House # 19, Road # 7, Gulshan 1, Dhaka 1212 to transact the following business:

1. To receive, consider and adopt the Directors' and Auditors' Report and Audited Financial Statements for the year ended June 30, 2018.
2. To approve Dividend as recommended by the Board of Directors for the year ended June 30, 2018.
3. To elect the Directors of the Company.
4. To appoint Auditor of the Company and fixation of their remuneration for the year ending June 30, 2019.
5. To appoint Professionals for certification on compliance of conditions of Corporate Governance Code of the Company.

Date: Dhaka
December 04, 2018

By order of the Board of Directors

Sd/-

Muhammed Shariful Islam
Company Secretary

Notes:

1. Record date' is November 18, 2018. The shareholders, whose name would appear in the Register of Members of the Company or Depository record on "Record date' November 18, 2018 will be eligible to attend the meeting and receive dividend.
2. A member eligible to attend at the Annual General Meeting may appoint a proxy to attend on his/her behalf. The proxy form must be affixed with requisite revenue stamp and submitted to the Registered Office of the Company not later then 48 (Forty eight) hours before the time fixed for the Annual General Meeting.
3. Admission to the meeting will be strictly on production of the attendance slip attached with the Annual Report.
4. Registration of attendance will start at 9:00 A.M. and will be closed at 10:00 A.M.
5. Shareholders and Proxies are requested to record their entry in time.

N.B: There will be no gift or entertainment arrangement for the shareholders for attending the meeting as per BSEC notification no. SEC/CMRRCD/2009-193/154 dated October 24, 2013

AMAR STOCK



Message from the Chairman

Dear Shareholders:

It is my great pleasure to welcome you to the 22nd Annual General Meeting of the Company. Agni continued its growth during the during 2017-18 too. Here is how we grew during the past three years:

Year	2017-2018	2016-2017	2015-2016
Revenue	329,450,195	326,774,332	336,375,715
NPAT	69,551,963	67,162,653	67,384,666

I express my heartfelt gratitude to all of you for the trust and confidence you have placed on us and for your continued support at all times. I would like to thank all of our employees for their dedication and hard work for the growth of the company.

I want to thank our customers, partners and shareholders for their continued trust. I also want to thank our employees for their commitment, energy and irrepressible drive to always improve our capability, as One Agni team.

Sincerely,

Javed Bukth
Chairman

TAMARSTOCK



Message from the Managing Director

Dear Shareholders,

I would like to start by wishing all our shareholders a happy and prosperous 2019 and take this opportunity to present to you our company's financial reports, auditor's report and directors'report for the year ending June 2018,

We managed to achieve a growth of almost 10% in net profit before taxes for the year 2017-18 over the previous fiscal year.

Reliable customer service continues to be at the core of everything we do. Our experienced and engaged staff are dedicated to delivering fantastic service for our customers. In a fiercely competitive market, our customer service strategy clearly differentiates us from our competitors and underpins our industry low churn levels.

Although we are primarily interested in the retail business, in 2017-18 we have identified some important wholesale business and have targeted our marketing effort to engage with these potential market. Already, our products and services geared towards these potential segment have proven popular in certain test markets.We are hopeful that these products would do very well in the coming year.

Our new data center is part of our overall strategy for the future and we will start operating it in the coming months. In addition to housing our ISP's core infrastructure, we hope to attract other operators to use our data center to house their critical server and network infrastructure. We have developed software and services that we will deliver from our data center as customers increasing move to cloud computing.

In conclusion, I would like to say that your company has continued its' revenue growth through the years and in the coming days we are poised to further improve our revenue and profit through new revenue channels and improved productivity of existing operations.

Sincerely

Mohammed Abdus Salam
Managing Director

ETHIOPIAN STOCK

Directors' Report

Report of the Board of Directors of Agni Systems Limited

Dear Shareholders,

The Board of Directors have the great pleasure to welcome you to the 22nd Annual General Meeting of the Company. We are also pleased to present Financial Statements of the Company for the year ending 30th June, 2018. The statements include Auditor's Report and reports of company's performance and other matters as per Companies Act 1994 Guidelines issued by Bangladesh Securities and Exchange Commission and Bangladesh Accounting and Financial Reporting Standards.

On behalf of the Board of Directors of Agni Systems Limited, I congratulate and welcome you as valued shareholders of the Company. We are a Technology Company - established in the year of 1995. During the last 25 years of operations of our company, we have strived hard to evolve with the changes in the industry with new and creative products and services. Because of continued focus on innovation and improvements, our products and services have enjoyed sustained popularity in the marketplace.

Agni systems Limited directly operates an ISP business, and an ICX business. We have been operating the ISP business since 1995. initially using dial-up phone lines but later switching to wireless and fiber infrastructure, we were one of the pioneers in bringing Internet to the country. Our ICX business carries inter operator voice calls and plays an important role in ensuring Government revenue from country's voice traffic. Additionally, we have significant investment in other telecom business entities namely Songbird Telecom (IGW) and Skytel (IIG).

The Company has achieved growth in revenue for the year 2017-18 over the previous fiscal year with close to 10% growth in net profitability before Taxes. We anticipate this trend to continue in the year 2018-19. Here is the comparison of 2017-18 financials against 2016-17:

Name	2017-18	2016-17	Increase/Decrease Taka	Increase/Decrease %
Net Operating Revenue	329,450,195	326,774,332	2,675,863	0.81%
Gross Profit	158,664,967	157,266,686	1,398,281	0.88%
Net Profit Before Tax	83,459,917	75,121,949	8,337,968	9.99%
Net Profit After Tax	69,551,963	67,162,653	2,389,310	3.43%
Total Current Assets	579,040,983	575,848,144	3,192,839	0.55%
Total Current Liabilities	118,660,356	146,909,792	(28,249,436)	-23.80%
Total Net Assets	1,028,316,668	991,670,005	36,646,663	3.56%

Licenses we hold

Agni Systems has and operates the following licenses(Issued by BTRC):

- ISP License
- IPTSP License
- ICX License
- 3.5 GHz Frequency allocation

Investment in other Telecom Companies:

IGW: Songbird Telecom Limited
IIG: Skytel Communications Limited

Products & Services

Core Services

• ***High speed Internet and Data Services***

A collaborated service with major transmission providers, it connects residential homes, businesses plus central and remote offices countrywide. Our customers include Major Banks, NGOs, MNCs, Garment and Buying Industries, etc.

• ***IP Telephony Service***

Our IP Telephony service works wherever there is Internet. IPTSP subscribers are now able to get telephone services anywhere in Bangladesh. Products available are SIP trunks, National number range, IP phones, and Softphones. The IP PABX solution is popular among Call Centers and corporate houses having offices in multiple locations.

• ***WiFi Solution (Residential & Commercial)***

We are experts in turning homes, offices and open spaces into WiFi Zones.

• ***Domain name registration and hosting Services***

Our people at Domain Registration and Hosting Services desk are busy all over the year. Agni's good name and reliability attracts corporate houses to renew their Domain Name and hosting on a yearly basis with us.

• ***Email Hosting Services***

Email has become the prime source of communication in the modern world. Corporate houses and individuals require their email services to be uninterrupted and flawless. Agni has earned a name for itself on being the most reliable email hosting service providers in the country. Agni has email hosting plans for personal, and big corporate houses..

• ***Web design and hosting solutions***

Website development, dynamic and static, along with Hosting Service is another area where Agni enjoys excellent market reputation. It is important for a Company to make their web presence in the most effective way possible and also make sure that the site is hosted with a reliable hosting service provider.

• ***Network design, installation and administration services***

Agni has the perfect know how for designing, sourcing and installing any size network infrastructure.

ICX Service

In addition to its core business of Internet and Data, Agni acquired an ICX license from the Telecom Regulator, The BTRC. This license allows it to take national and International voice traffic from ANS operators and terminate these calls to other ANS and IOS operators.

Directors' Report

Trade body memberships

As a premier IT company in Bangladesh, Agni is an active member of the following associations:

- *Internet Service Providers Association of Bangladesh (ISPAB)*
- *Association of ICX Operators Bangladesh (AIOB)*
- *Bangladesh Computer Samity (BCS)*
- *Bangladesh Association of Software and Information Services (BASIS)*

Risks and Concerns

Unlicensed ISPs regularly impose barriers to expand our service to various areas. These ISPs employ a number of techniques including strongman tactics to keep out licensed ISPs from operating in their area of interest

High price of transmission capacity and discriminatory pricing by the NTTN service providers pose a significant challenge in winning big tenders where NTTN providers give favorable prices to their chosen ISP.

NTTN operators are chosen over ISPs in Govt procurements of Internet services further limiting business scope of ISPs.

Technology related Risk

Proliferation of 5G services may limit the growth of ISPs in certain residential segments.

Future Outlook

Our core strategy will remain on continued investment in growing our network, our geographic footprint, our infrastructure and processes and our outstanding employees. After a successful 2017-2018 we remain convinced that Agni is extremely well positioned to capture the opportunities offered by the industry and remain in the position of a leading ISP of the country.

Corporate Social Responsibility

Agni has committed to a distance education program for the underprivileged children in remote locations. This Online School program run by Jaago Foundation for past 5 years..

Discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin

The Statement of Comprehensive Income shows that the Cost of Goods Sold for the year ended June 30, 2018 is Tk. 170.79 millions against Tk 169.51 millions for the last year. Gross Profit for the year ended June 30, 2018 is Tk. 158.66 millions against Tk. 157.26 millions for the last year. Net Profit after tax for the year ended June 30, 2018 is Tk. 69.55 millions against Tk. 67.16 millions for the last year

Continuity of any Extra-Ordinary Gain or Loss

Agni Systems limited has extra-ordinary gain as interest income Tk. 0.07 millions and loss as Share investment Tk. (1.12) millions during the financial year ended June 30, 2018.

Related Party Transaction

The company has no other related party transaction except all insurance policies with Green Delta Insurance Company Ltd. and IGW operation with Songbird Telecom Ltd. as mentioned in the note no. 2.25 (iii).

FAAR STOCK

Directors Remuneration

Only two Directors take remuneration from the company. Total remuneration expenses of the Directors have been disclosed as an expense under the head of Administrative Expenses in the notes 23.04 of the financial statements. Independent Director did not take any remuneration from the company.

Corporate and Financial Reporting

The Directors are pleased to confirm the following

- The financial statements prepared by the management of the company present fairly its statements state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books and accounts of the company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards (IAS) / Bangladesh Accounting Standards (BAS) / International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.
- The system of Internal Control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There are no significant deviations from last year in operating results but normal growth is there.
- The financial data for the last five years are enclosed.
- minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;
- No bonus share or stock dividend has been or shall be declared as interim dividend;

Board Meetings

Board Meeting and attendance during the year ended June 30, 2018:

Name of Directors	Number of Meeting held during the year ended 30.06.2018	Number of Meeting attended
Mr. Javed Bukth	6	6
Mr. Mohammed Abdus Salam	6	5
Mr. Zia Shamsi	6	6
Mr. Murshed Sayeed Represented by South Avenue Ltd.	6	6
Mr. Md. Atiqul Islam	6	6

The Board of Directors did not take attendance fees during the financial year 2017-2018.

Directors' Report

Shareholding Pattern

Shareholding patterns of the company as on June 30, 2018

Name of the Shareholders	Designation	No. of Shares	Percentage %
(a) Parent or Subsidiary or Associated Companies and other related parties (Name-wise details);		Nil	Nil
(b) Directors, Chief Chief Executive Officer Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (Name-wise details);			
Directors:			
Mr. Javed Bukth	Chairman	40,518	0.06
Mr. Mohammed Abdus Salam	Managing Director	5,067,686	7.33
South Avenue Ltd.	Director	1,387,386	2.01
Mr. Zia Shamsi	Director	1,383,744	2.00
Mr. Md. Atiqul Islam	Independent Director	Nil	Nil
CEO, CS, CFO, HIAC:			
Mr. Muhammed Shariful Islam	Company Secretary	Nil	Nil
Mr. Saroj Biswas	Chief Financial Officer	Nil	Nil
Mr. Md. Abu Jafor	Head of Internal Audit and Compliance	Nil	Nil
Spouses and minor children:		Nil	Nil
(c) Executive (Top 5 persons other than Directors/CEO/CS/CFO/HIAC:			
Ms. Farhana Haque	Head of Sales	Nil	Nil
Mr. Mozammal Hoque	CTO		
Md. Husain Kabir	Network Administrator	Nil	Nil
Mr. Masiur Rahman	Manager, Admin	Nil	Nil
Mr. Abu Obayed Md. Azrof Uzzal	Manager, Service Delivery	Nil	Nil
(d) Shareholding 10% or more voting right		Nil	Nil

Directors' Report

Directors' Appointment & Re Appointment

As per the Article of Association of the company the following Director shall retire in the 22nd Annual General Meeting and being eligible offered himself for re-election.

Mr. Mohammed Abdus Salam

Management's Discussion and Analysis

Management's discussion and Analysis has been highlighted in the Chairman and Managing Director's statement and in Director's Report.

Corporate Governance Compliance Certification

The Company has also complied with all requirements of Corporate Governance Code as required by the Bangladesh Securities & Exchange Commission. According to Bangladesh Securities and Exchange Commission's notification no BSEC Notification No. SEC/CMRRCD/ 2006-158/207/Admin/80: dated 3rd June, 2018 a Corporate Governance Compliance Report is enclosed.

Appointment for Corporate Governance Compliance Certification

M/s. Mollah Quadir Yusuf & Co., Chartered Accountants in practice had conducted the investigation work on compliance of the code of corporate governance by this company as issued by the BSEC Notification No. SEC/CMRRCD/2006-158/207/Admin/80: dated 3rd June, 2018 during the FY 2017-2018.

The Board of Directors of this Company has recommended to reappoint M/s. Mollah Quadir Yusuf & Co., Chartered Accountants in Practice for the purpose of compliance certification of the corporate governance by this company under the BSEC Code for the FY 2018-2019 and placing the matter before the Members of this company in the 22nd Annual General Meeting for its approval.

Appropriation of Profit

Considering the overall environment of IT sector and current strength of the Company, the Board of Directors has recommended for meeting the expectations and aspirations of all Shareholders, recommended 5% stock and 5% Cash dividend (i.e 5 bonus shares for every 100 shares and Tk. 0.50 per share) for the year ended June 30, 2018 against the paid up capital of Tk. 691.01 millions for the members whose name shall appear in the share register/ depository record as on 18th November 2018.

The Board therefore, recommending the dividend for the year 2017-2018.

Description	Amount in Tk.
Net profit for the year 2017-2018	69,551,963
Profit brought forward from last year	35,184,845
Profit available for appropriation	104,736,808
Proposed Dividend	69,101,136
Transfer to Retained Earnings	35,635,672

Directors' Report

Dividend and Explanation regarding recommendation of Stock Dividend:

The retained amount of 5% stock dividend for the year will be utilized for the purpose network expansion, capacity upgradation and migration to new technologies while establishing a brand new Data Center at Progoti Sharani, for which a 4000 Sq. Ft. floor has already been rented. This New Data Center will accommodate the servers and equipment of our current Data center at Navana Tower, Gulshan 1 and allow Companies to rent space for collocation, demand for which is on the rise among our corporate clients base.

Capital of the Company

The authorized capital of the Company is Tk. 1000,000,000 divided into 100,000,000 shares of Tk. 10.00 each. Existing Paid up Capital of the Company is Tk. 691.01 millions divided into 69.10 millions shares of tk. 10.00 each.

After issuance of 5% stock dividend, the Paid up Capital of the Company would increase to Tk. 725,561,920 divided into 72,556,192 ordinary shares of Tk. 10.00 each.

Appointment of Auditors

The auditors, **Aziz Halim Khair Choudhury., Chartered Accountants**, have completed the audit for the year 2017-2018. As per Bangladesh Securities and Exchange Commission (BSEC) Rules, existing auditor is eligible to appointment for performing audit of the company for next year because they can't exist more than three years.

Therefore, the Board of Directors has proposed to reappoint existing auditor **Aziz Halim Khair Choudhury., Chartered Accountants** subject to the approval by shareholders in 22nd Annual General Meeting for the year ended June 2018.

Acknowledgement

We would like to thank our employees, directors and shareholders for their dedication as well as our business partners and customers around Bangladesh for the trust they have place and continue to place in us. 2018-19 will be another exciting year for Agni.

Besides, we also appreciate the role of BTRC, Ministry of Post & Telecommunications Bangladesh Securities and Exchange Commission, Registrar of Joint Stock Companies and Firms, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited and various other government and regulatory bodies for their cooperation. Our journey continues.

Dhaka, December 2018



Javed Bukth
Chairman

Review of Audit Committee's Function

Scope of work of Audit Committee

The committee is authorized to investigate any matter within its terms of reference, access all documents and information of the company, seek information from any director or employee of the Company and co-opt any resources (including external professional assistance) it sees fit in order to fulfill its duties. However, the committee has no executive function and its primary objective is to review and challenge, rather than assume responsibility for any matters within its remit.

Review of financial statements by the Audit Committee

Audit Committee reviewed the annual financial statements for the year 2017-2018 and placed its recommendation to the Board of Directors.

Audit Committee of the Board

Audit Committee of the Board is constituted comprising three members to provide independent overview of the company's Financial Operational Report, internal control system etc. Ideally the Audit Committee should:

- Have sufficient expertise in financial, accounting, auditing and legal matters to be able to adequately oversee and evaluate the control, risk management, compliance system and the quality of financial disclosures to shareholders and other stakeholders.
- Oversee the internal audit and control function; the internal audit, auditor should report routinely to this committee of the Board as and when necessary, report any concerns regarding the quality of controls or compliance issues.
- Have sufficient resources to be able to properly perform their responsibilities.
- Have full access to and the cooperation of management.
- Have authority to investigate fully any matters within its purview.
- Have the authority for the hiring of auditor(s), including the setting of contractual provisions, review of the cost-effectiveness of the audit, approving non-audit services provided by the auditor(s), and assessing the auditor's independence.
- Meet with auditor(s) independently of management or other company interest/ interested parties periodically but at least once annually.
- Have the full authority to review the audit and financial statements, question auditor(s) regarding audit findings, including the review of the system of internal control and to determine the quality and transparency of financial reporting choices.

The Audit Committee consists of the following members:

Sl.	Name of Member	Designation	Position in Committee
1.	Mr. Md. Atiqul Islam	Independent Director	Chairman
2.	Mr. Zia Shamsi	Director	Member
3.	Mr. Murshed Sayeed, Nominated by South Avenue Limited	Director	Member
4.	Mr. Muhammed Shariful Islam	Company Secretary	Secretary

Roles and Responsibilities of Audit Committee: Following are the detail roles and responsibilities of Audit Committee:

Responsibilities of Audit Committee

1. Oversee the financial reporting process.
2. Monitor choice of accounting policies and principles.
3. Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;
4. Oversee hiring and performance of external auditors.
5. Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;
6. Review along with the management, the annual financial statements before submission to the board for approval.
7. Review along with the management, the quarterly and half-yearly financial statements before submission to the board for approval.
8. Review the adequacy of internal audit function.
9. Review the Management's Discussion and Analysis before disclosing in the Annual Report;
10. Review statement of all related party transactions submitted by the management;
11. Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;
12. Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and
13. oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission.

Internal Control:

Consider whether internal control strategies recommended by internal and external auditors have been implemented timely by the management as regards to the report relating to fraud forgery, deficiency in internal control or other similar issues detected by internal and

- external auditors and inspectors of the regulators and inform the board on a regular basis.
- To review the financial reporting process, the system of internal control and approach to manage risks, the audit process, and the Company processes for monitoring compliance with laws and regulations and its own code of business conduct.
- Evaluate whether management is adhering to the appropriate compliance culture by communicating the importance of internal control and risk management to ensure that all employees have clear understanding of their respective roles and responsibilities.
- Review the arrangements made by the management for developing and maintaining a suitable Management Information System (MIS).

Internal Audit:

- Review the Audit plan.
- Review the efficiency and effectiveness of internal audit function.
- Review the findings and recommendations made by the Internal Auditors for removing the irregularities, if any, detected are duly acted upon by the management in running the affairs of the Company.
- Review the activities and organizational structure of the internal audit function and ensure that no unjustified restrictions or limitations are made.

External Audit:

- Review the performance of auditing and the audit and management reports by the external auditors. Review the findings and recommendations made by the external auditors for removing the irregularities, if any, detected are duly acted upon by the management in running the affairs of the Company.
- Make recommendations to the Board regarding the appointment of the external auditors.

Meeting:

The Audit Committee holds meetings at least once in every three months to scrutinize matters as assigned by the Board of Directors. The Audit Committee held 4 (Four) Meetings in 2017-2018.

Based on the review and above discussion, the Audit committee is of the view that the internal control and compliance procedures are adequate to present a true and fair view of activities and financial status of the company and to ensure that its assets are safeguarded properly.

The Board Audit Committee would like to express its thanks to the Members of the Board, key Management personnel and all employees for their dedication and efforts during the year ended June 30, 2018.

Sd/-
Md. Atiqul Islam
Chairman
Audit Committee

Status of Compliance with The Corporate Governance Code

Annexure -C

[As per condition No. 1(5)(xxvii)]

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's notification no. BSEC/CMRRCD/2006-158/207/Admin/80:dated 3rdJune, 2018. issued under secton 2CC of the Securities and Exchange Ordinance 1969.

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.	**Board of Directors:**			
1.1	Board's Size: The number of the board members shall not be less than 5 (five) and more than 20 (twenty)	√		
1.2	**Independent Directors:**			
1.2 (a)	One fifth (1/5) of the total number of directors	√		
1.2(b)	**For the purpose of this clause "Independent Director" means a Director-**			
1.2(a)(i)	Does not hold any share or holds less than 1% shares of the total paid-up shares.	√		
1.2(b)(ii)	Not connected with any Sponsor/Director/ shareholder who hold 1% or more shares of the total paid-up shares on the basis of family relationship.	√		
1.2(b)(iii)	Has not an executive of the company in immediately preceding 2 financial years;	√		
1.2(b)(iv)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.	√		
1.2(b)(v)	Not a member TREC holder, director or officer of any stock exchange.	√		
1.2(b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
1.2(b)(vii)	Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any statutory audit firm.	√		
1.2(b)(viii)	Not be an independent director in more than 5 (five) listed companies.	√		
1.2(b)(ix)	Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a NBFI.	√		
1.2(b)(x)	Not been convicted for a criminal offence involving moral turpitude.	√		
1.2(c)	Nominated by the board of directors and approved by the shareholders in the AGM.	√		
1.2(d)	Not remain vacant for more than 90 (ninety) days.	√		
1.2(e)	Tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	√		
1.3	**Qualification of Independent Director (ID):**			
1.3 (a)	Knowledge of Independent Directors.	√		
1.3(b)	**Independent Directors shall have following qualifications;**	√		
1.3(b)(i)	Business leader who is or was a promoter or director of an unlisted company or any listed company or a member of any national or international chamber of commerce or business association	√		
1.3(b)(ii)	Corporate leader who is or was a top level executive or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company	√		
1.3(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th grade who has at least educational background of bachelor degree in economics or commerce or Business or law	√		
1.3(b)(iv)	University teacher who has educational background in economics or commerce or Business or law	√		
1.3(b)(v)	Professional who is or was an advocate practicing in Bangladesh Supreme Court or chartered accountant or cost and management accountant or chartered financial analyst or chartered certified accountant or certified public accountant or chartered management accountant or chartered secretary or equivalent qualification	√		

1.3(c)	At least 10 years of experiences	√		
1.3(d)	Special cases for qualifications.			N/A
1.4	**Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer;**			
1.4(a)	Different Individuals shall be filled Chairperson and CEO/ Managing Director of the Board	√		
1.4(b)	Managing Director/CEO shall not hold the same position in another listed company.	√		
1.4(c)	The Chairperson should be non-executive director of the company	√		
1.4(d)	The Board shall define respective roles and responsibilities of the Chairperson and Managing Director or CEO	√		
1.4(e)	In absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded	√		
1.5	**The Directors' Report to Shareholders :**			
1.5 (i)	Industry outlook and possible future developments in the industry.	√		
1.5 (ii)	Segment-wise or product-wise performance.	√		
1.5 (iii)	Risks and concerns.	√		
1.5 (iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	√		
1.5 (v)	Discussion on continuity of any Extra-Ordinary activities and gain or loss.	√		
1.5 (vi)	Basis for related party transactions.	√		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others.			N/A
1.5 (viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, and Direct Listing.			N/A
1.5 (ix)	Explanation about significant variance occurs between Quarterly Financial performance and Annual Financial Statements.			N/A
1.5 (x)	Remuneration to directors including Independent Directors.	√		
1.5 (xi)	Fairness of Financial Statement.	√		
1.5 (xii)	Maintenance of proper books of accounts.	√		
1.5(xiii)	Adoption of appropriate accounting policies and estimates.	√		
1.5 (xiv)	Followed IAS, BAS, IFRS and BFRS in preparation of financial statements.	√		
1.5 (xv)	Soundness of internal control system.	√		
1.5 (xvi)	Statement that minority shareholders have been protected from abusive actions and have effective means of redress			N/A
1.5 (xvii)	Ability to continue as a going concern.	√		
1.5 (xviii)	Significant deviations from the last year's.			N/A
1.5 (xix)	Key operating and financial data of at least preceding 5 (five) year.	√		
1.5 (xx)	Reasons for not declared dividend			N/A
1.5 (xxi)	Board's statement on the reason for not declared interim dividend			N/A

LATAFA STOCK

1.5 (xxii)	Number of board meetings held during the year and attendance.	√		
1.5 (xxiii)	**Pattern of shareholding:**			
1.5 (xxiii) a)	Parent/Subsidiary/Associated Companies and other related parties.	√		
1.5 (xxiii) b)	Directors, CEO, CS, CFO, HIAC and their spouses and minor children.	√		
1.5 (xxiii) c)	Executives.	√		
1.5 (xxiii) d)	10% or more voting interest.			N/A
1.5 (xxiv)	Appointment/re-appointment of director:	√		
1.5 (xxiv)a)	Resume of the director	√		
1.5 (xxiv)b)	Expertise in specific functional areas.	√		
1.5 (xxiv)c)	Holding of directorship and membership of committees of the board other then this company.	√		
1.5(xxv)	Management's discussion and analysis signed by CEO or MD focusing on:			
1.5(xxv)a)	Accounting policies and estimation for preparation of financial statements	√		
1.5(xxv)b)	Changes in accounting policies and estimation and its effects			N/A
1.5(xxv)c)	Comparative analysis of financial performance or results and financial position as well as cash flows for current year with preceding five years explaining reasons thereof	√		
1.5(xxv)d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	√		
1.5(xxv)e)	Briefly explain the financial and economic scenario of the country and the globe	√		
1.5(xxv)f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company.	√		
1.5(xxv)g)	Future plan or projection or forecast for company's operation, performance and financial position shall be explained in the next AGM	√		
1.5(xxvi)	Declaration or certification by the CEO and CFO to the Board	√		
1.5(xxvii)	The report as well as certificate regarding compliance of this code as required	√		
1.6	Meetings of the Board of Directors shall comply with applicable provisions of the relevant Bangladesh Secretarial Standards as adopted by the Institution of Chartered Secretaries of Bangladesh	√		
1.7	**Code of conduct for the Chairperson, other Board Members and Chief Executive Officer:**			
1.7 (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;			To be complied within 31 December 2018
1.7 (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.			To be complied within 31 December 2018

DMP STOCK

2.	**Governance of Board of Directors of Subsidiary Company :-**			
2 (a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			N/A
2 (b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			N/A
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;			N/A
2 (d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			N/A
2 (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			N/A
3.	**Managing Director (MD)/ CEO, CFO, Head of Internal Audit and compliance (HIAC) and CS:**			
3(1) a)	Appointed by the Board	√		
3(1) b)	Different individuals appointed for only one position of MD/CEO, CFO, HIAC and CS	√		
3(1) c)	The MD/CEO, CFO, HIAC and CS of a listed company shall not hold any executive position in any other company at the same time.	√		
3(1) d)	Defined respective roles, responsibilities and duties of MD/CEO, CFO, HIAC and CS	√		
3(1) e)	They shall not remove from their position without approval of the Board as well as immediate dissemination to the commission and stock exchange(s).	√		
3(2)	Attendance of MD, CFO, CS and HIAC at the meeting of the Board of Directors.	√		
3(3)	**Duties of MD or CEO and CFO:**	-		
3(3)a)	They shall certify to the Board that they have reviewed financial statements for the year and that to the best of our knowledge and belief:	√		
3(3)(a) i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading ;	√		
3(3)(a) ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	√		
3(3)(b)	They shall certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the code of conduct for the company's Board of Directors or its members.	√		
3(3)(c)	Certification of MD/CEO and CFO shall be disclosed in the annual report.	√		
4.	**Board of Directors Committee:**			
4(i)	Audit Committee	√		
4(ii)	Nomination and Remuneration Committee			To be complied within 31December 2018

5.	**Audit Committee :**			
5 (1)	**Responsibility to the Board of Directors.**	-		
5 (1)a)	The company shall have an Audit Committee as a sub-committee of the Board;	√		
5 (1)b)	Assistance of the Audit Committee to Board of Directors.	√		
5 (1)c)	Audit Committee shall be responsible to the Board.	√		
5(2)	**Constitution of the Audit Committee**			
5(2)a)	At least 3 (three) members.	√		
5(2)b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors excepting Chairperson of the Board and shall include at least one independent director;	√		
5(2)c)	Qualification of Audit Committee members.	√		
5(2)d)	Term of Service of Audit Committee members.	√		
5(2)e)	Secretary of the Audit Committee.	√		
5(2)f)	Quorum of the Audit Committee.	√		
5.3	**Chairperson of the Audit Committee:**			
5.3 (a)	Board of Directors shall select the Chairman.	√		
5.3 (b)	In absence of Chairperson, the remaining members may elect one of themselves as Chairperson.			No such incidence arose
5.3 (c)	Chairman of the audit committee shall remain present in the AGM.	√		
5.4	**Meeting of the Audit Committee**			
5.4(a)	At least four meetings in a financial year.	√		
5.4(b)	Quorum of the Audit Committee meeting.	√		
5.5	**Role of Audit Committee:**			
5.5 (a)	Oversee the financial reporting process.	√		
5.5 (b)	Monitor choice of accounting policies and Principles.	√		
5.5 (c)	Monitor Internal Control Risk management process.	√		
5.5 (d)	Oversee hiring and performance of external auditors.	√		
5.5 (e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the board for approval or adoption.	√		
5.5 (f)	Review the annual financial statements before submission to the board for approval.	√		
5.5 (g)	Review the quarterly and half yearly financial statements before submission to the board for approval	√		
5.5 (h)	Review the adequacy of internal audit function.	√		
5.5 (i)	Review the Management's discussion and analysis	√		
5.5(j)	Review statement of significant related party transactions.	√		

JHAVAR STOCK

5.5(k)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	√		
5.5(l)	Oversee the determination of audit fees based on scope and magnitude.	√		
5.5 (m)	Disclosure about the uses/applications of funds raised by IPO/RPO/Right issue.			N/A
5.6	**Reporting of the Audit Committee:**			
5.6.(a)	**Reporting to the Board of Directors:**			
5.6.(a) (i)	Activities of Audit Committee.	√		
5.6.(a) (ii)(a)	Conflicts of interests.			No such incidence arose
5.6.(a)(ii)(b)	Material defect in the internal control system.			No such incidence arose
5.6.(a)(ii)(c)	Infringement of laws, rules and regulations.			No such incidence arose
5.6.(a) (ii)(d)	Any other matter.			No such incidence arose
5.6.(b)	**Reporting to the Authorities.**			N/A
5.7	Reporting to the Shareholders and General Investors.	√		
6.	**Nomination and Remuneration Committee (NRC)**			
6(1)	**Responsibility to the Board of Directors:**	-		
6(1) a)	Constitution of the NRC.			To be complied within 31 December 2018
6(1) b)	Assistance of the NRC to the Board of Directors.			To be complied within 31 December 2018
6(1) c)	The Terms of Reference (ToR) of the NRC.			To be complied within 31 December 2018
6 (2)	**Constitution of NRC**			
6 (2) a)	At least three members			To be complied within 31 December 2018
6 (2) b)	All members shall be non-executive directors			To be complied within 31 December 2018
6 (2) c)	Nominated and appointed by the Board			To be complied within 31 December 2018
6 (2) d)	Board shall have authority to remove and appoint			To be complied within 31 December 2018
6 (2) e)	Board shall fill the vacancy within 180days			To be complied within 31 December 2018
6 (2) f)	The Chairperson may appoint or co-opt any external expert and /or member(s) of staff to the committee			To be complied within 31 December 2018
6 (2) g)	Secretary of the Committee.			To be complied within 31 December 2018

AMAR STOCK

6 (2) h)	Quorum of the Committee.			To be complied within 31 December 2018
6 (2) i)	No members shall receive any remuneration.			To be complied within 31 December 2018
6(3)	**Chairperson of the NRC:**			To be complied within 31 December 2018
6(3) a)	Board of Directors shall select the Chairman.			To be complied within 31 December 2018
6(3) b)	In absence of Chairperson, the remaining members may elect one of themselves as Chairperson.			To be complied within 31 December 2018
6(3) c)	Chairman of the NRC shall remain present in the AGM.			To be complied within 31 December 2018
6(4)	**Meeting of the NRC:**			To be complied within 31 December 2018
6(4) a)	At least one meeting in a financial year.			To be complied within 31 December 2018
6(4) b)	The Chairperson may convene any emergency meeting			To be complied within 31 December 2018
6(4) c)	Quorum of the NRC meeting.			To be complied within 31 December 2018
6(4) d)	Each meeting shall be duly recorded in the minutes and confirmed in the next meeting of NRC			To be complied within 31 December 2018
6(5)	**Role of the NRC:**			To be complied within 31 December 2018
6(5) a)	Shall be independent and responsible to the Board and to the shareholders.			To be complied within 31 December 2018
6(5) b)	NRC shall oversee the following matters.			To be complied within 31 December 2018
6(5) b) i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board			To be complied within 31 December 2018
6(5) b) i) a)	The level and composition of remuneration is reasonable and sufficient			To be complied within 31 December 2018
6(5) b) i) b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmark			To be complied within 31 December 2018
6(5) b) i) c)	Remuneration to directors, top level executive reflecting short and long term performance objectives appropriate to the working of the company and its goal.			To be complied within 31 December 2018
6(5)b)ii)	Devising a policy on Board's diversity.			To be complied within 31 December 2018
6(5)b)iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position			To be complied within 31 December 2018

AMAR STOCK

6(5)b)iv)	Evaluation of performance of independent directors and the Board			To be complied within 31 December 2018
6(5)b)v)	Needs for employees at different level and determine selection, transfer or replacement and promotion.			To be complied within 31 December 2018
6(5)b)vi)	Developing, recommending and reviewing annually the company's human resources and training policy			To be complied within 31 December 2018
6(5)c)	Disclose the nomination and remuneration policy and evaluation criteria and activities of NRC in the annual report.			To be complied within 31 December 2018
7	**External/Statutory Auditors:**			
7 (1)	The issuer company shall not engage its external or statutory auditors to perform the following services:-	√		
7 (1) i)	Appraisal or valuation services or Fairness opinions.	√		
7 (1) ii)	Financial information systems design and Implementation.	√		
7 (1) iii)	Book-keeping.	√		
7 (1) iv)	Broker-dealer services.	√		
7 (i) v)	Actuarial services	√		
7 (1) vi)	Internal audit services.	√		
7 (1) vii)	Services that the Audit Committee determines	√		
7 (1) viii)	Audit/certification services on compliance of corporate governance as required under clause (i) of condition no. 9(1).	√		
7 (1) ix)	Any other service that creates conflict of interest			N/A
7 (2)	Audit firms shall not hold any share of the company they audit.	√		
7 (3)	Representative of external or statutory auditors shall remain present in the AGM/EGM.	√		
8.	**Maintaining a website by the company:**			
8(1)	The company shall have an official website linked with the stock exchange	√		
8(2)	The website shall keep functional from the date of listing	√		
8(3)	Available the detailed of disclosures on website as required under the listing regulations of the concerned stock exchange (s)	√		
9.	**Reporting and Compliance of Corporate Governance:**			
9 (1)	Obtain certificate about compliance of conditions of Corporate Governance Guidelines.	√		
9 (2)	Compliance auditor shall be appointed in the AGM.	√		Will be appointed in the next AGM
9 (3)	Annexure attached in the directors' report.	√		

Agni Systems Limited

Annexure A

[Declaration under condition No. 1(5)(xxvi) of the Corporate Governance Code,

To
The Board of Directors
Agni Systems Limited

Subject: Declaration on Financial Statements for the year ended on 30 June 2018.

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEX/CMRRCD/2006-158/207/Admin/80 Dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

(1) The Financial Statements of Agni Systems Limited for the year ended on June 30, 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;

(2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;

(3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;

(4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;

(5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and

(6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

(i) We have reviewed the financial statements for the year ended on June 30, 2018 and that to the best of our knowledge and belief:

   a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b. These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Mohammed Abdus Salam
Managing Director
Date : 25/10/2018

Saroj Biswas
Chief Financial Officer
Date : 25/10/2018

MQY MOLLAH QUADIR YUSUF & CO.
CHARTERED ACCOUNTANTS

BUILDING # 01, HOUSE # 79 (2ND FLOOR)
ROAD # 12/A, DHANMONDI, DHAKA-1209
TEL: 9144902, 01979-547 366, 01720-015056
E-mail : mqy_ca@yahoo.com

[Certificate as per condition No. 1(5) (xxvii)]

Report to the Shareholders of Agni Systems Limited

On compliance on the Corporate Governance Code

We have examined the compliance of conditions of Corporate Governance Guidelines of the Bangladesh Security and Exchange Commission (BSEC) by Agni Systems Limited for the year ended 30th June 2018 This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant ; and
d) The Governance of the company is Satisfactory.

Place: Dhaka
Dated: 17 October 2018

Md. Musfiqur Rahman FCA
Partner

Independent Auditor's Report
To the Shareholders of
Agni Systems Limited

We have audited the accompanying financial statements Agni Systems Limited which comprise the statement of financial position as at 30 June 2018,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 a summary of significant accounting policies and relevant explanatory notes for the year ended 30 June 2018.

Management Responsibilities for the Financial Statements:

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) International Accounting Standards (IAS) as applicable in Bangladesh, the company Act,1994, the Financial Reporting Act 2015 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.

Auditors' Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion, the financial statements referred to above give a true and fair view of the financial position of Agni Systems Limited as at 30 June 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS)/International Accounting Standards (IAS) as applicable in Bangladesh and comply with the applicable sections of the Companies Act, 1994, the Securities and Exchange Rule 1987, the Financial Reporting Act 2015 and applicable laws and regulations.

We also report that:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) in our opinion, proper books of account as required by the law have been kept by the company so far as it appeared from our examination of those books;

c) the company's statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and

d) the expenditure incurred and payments made were for the purposes of the company's business.

28 October 2018
Dhaka

Aziz Halim Khair Choudhury
Chartered Accountants

Agni Systems Limited
Statement of Financial Position
As at 30 June 2018

Particulars	Notes	Amount in Taka	
		30 June 2018	30 June 2017
ASSETS			
Non-Current Assets:		**612,633,361**	**637,702,096**
Property, Plant and Equipment	4.00	561,755,183	583,277,289
Investment in Associates	5.00	20,025,000	20,025,000
Intangible Assets	6.00	30,853,178	34,399,807
Current Assets:		**579,040,983**	**575,848,144**
Inventories	7.00	24,537,248	23,093,576
Trade & Other Receivables	8.00	285,019,511	268,247,922
Investment in Shares	9.00	680,000	2,072,136
Advance, Deposits & Prepayments	10.0	247,676,682	244,385,064
Cash and Cash Equivalents	11.00	21,127,541	38,049,446
Total Assets		**1,191,674,343**	**1,213,550,240**
EQUITY AND LIABILITIES			
Shareholders' Equity:		**1,028,316,668**	**991,670,005**
Share Capital	12.00	691,011,360	658,106,060
Share Premium		232,568,500	232,568,500
Retained Earnings	13.00	104,736,808	100,995,445
Non-Current Liabilities:		**44,697,320**	**74,970,442**
Long Term Borrowings	14.00	32,464,609	66,065,721
Deferred Tax	15.00	12,232,711	8,904,721
Current Liabilities:		**118,660,356**	**146,909,792**
Current Portion of Long Term Borrowings	16.00	24,462,000	18,484,271
Liabilities for Services	17.00	11,431,835	38,215,074
Other Liabilities	18.00	5,701,643	15,112,040
Liabilities for Expenses and Provisions	19.00	15,430,550	24,044,043
Provision for Income Tax	27(d)	61,634,328	51,054,364
Total Liabilities		**163,357,676**	**221,880,234**
Total Equity and Liabilities		**1,191,674,343**	**1,213,550,240**

The annexed notes 01 to 40 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 28-10-2018 and were signed on its behalf by:

Chairman	Managing Director	Director	Chief Financial Officer	Company Secretary

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

28 October 2018
Dhaka

Aziz Halim Khair Choudhury
Chartered Accountants

Agni Systems Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2018

Particulars	Notes	Amount in Taka	
		2017-18	2016-17
Revenue	21.00	329,450,195	326,774,332
Direct Expenses	22.00	(170,785,228)	(169,507,646)
Gross Profit		**158,664,967**	**157,266,686**
Operating Expenses:			
Administrative & General Expenses	23.00	(61,886,934)	(67,305,567)
Profit from Operation		**96,778,033**	**89,961,119**
Financial Expenses	24.00	(7,998,926)	(12,496,421)
Net Revenue from Operation		88,779,107	77,464,698
Non-Operating Income	25.00	74,180	518,908
Investment Income/(Loss)	26.00	(1,117,232)	894,441
Profit before Provision		**87,736,055**	**78,878,047**
Provision against Investment in Shares	20.00	(103,143)	-
Profit before WPPF		**87,632,912**	**78,878,047**
Contribution to Workers' Profit Participation Fund (WPPF)		4,172,996	3,756,097
Profit before Tax		**83,459,917**	**75,121,949**
Income Tax Expenses			
Current Tax	27.00	(10,579,964)	(8,781,877)
Deferred Tax Income/(Expense)	15.00	(3,327,990)	822,581
		(13,907,954)	**(7,959,296)**
Net Profit After Tax		**69,551,963**	**67,162,653**
Other comprehensive income		-	-
Total comprehensive income		**69,551,963**	**67,162,653**
Earnings per Share (EPS)	13.02	**1.01**	**1.02**
Diluted Earnings per Share	13.2.1	-	

The annexed notes 01 to 40 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 28-10-2018 and were signed on its behalf by:

Chairman	Managing Director	Director	Chief Financial Officer	Company Secretary

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

28 October 2018
Dhaka

Aziz Halim Khair Choudhury
Chartered Accountants

Agni Systems Limited
Statement of Cash Flows
For the year ended 30 June 2018

Particulars		Amount in Taka	
		2017-18	2016-17
A)	**Cash Flow from Operating Activities:**		
	Collection from Customers	516,402,382	496,376,417
	Advance, Deposits & Prepayments	11,564,618	(10,020,359)
	Payment for Expenses & Others	(449,894,221)	(426,430,014)
	Cash Generated from Operations	**78,072,779**	**59,926,044**
	Income Tax Paid	(14,856,236)	(11,137,542)
	Net Cash from Operating Activities	**63,216,543**	**48,788,502**
B)	**Cash Flow from Investing Activities:**		
	Purchase of Property, Plant and Equipment	(2,253,238)	(10,511,116)
	Sale of Listed Securities	948,904	13,063,313
	Purchase of Listed securities	(783,143)	-
	Interest Received	74,180	518,908
	Dividend Received	6,000	217,140
	Net Cash used in Investing Activities	**(2,007,297)**	**3,288,245**
C)	**Cash Flow from Financing Activities:**		
	Payments against Long Term Borrowings	(27,623,383)	(33,906,689)
	Dividend Paid	(33,188,071)	(31,379,320)
	Proceeds from Margin Loan	(9,320,770)	9,320,770
	Financial Expenses	(7,998,927)	(12,496,422)
	Net Cash used in Financing Activities	**(78,131,151)**	**(68,461,661)**
D)	**Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)**	(16,921,905)	(16,384,914)
E)	**Cash and Cash Equivalents at Opening**	38,049,446	54,434,360
F)	**Cash and Cash Equivalents at Closing (D+E)**	**21,127,541**	**38,049,446**
Net Operating Cash Flow per Share		**0.91**	**0.74**

The annexed notes 01 to 40 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 28-10-2018 and were signed on its behalf by:

Chairman	Managing Director	Director	Chief Financial Officer	Company Secretary

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

28 October 2018
Dhaka

Aziz Halim Khair Choudhury
Chartered Accountants

Agni Systems Limited
Statement of Changes in Equity
For the year ended 30 June 2018

Amount in Taka

Particulars	Share Capital	Share Premium	Retained Earnings	Total
Balance as at 01 July 2017	658,106,060	232,568,500	100,995,445	991,670,005
Stock Dividend	32,905,300	-	(32,905,300)	-
Cash Dividend	-	-	(32,905,300)	(32,905,300)
Profit for the Year	-	-	69,551,963	69,551,963
Balance as at 30 June 2018	**691,011,360**	**232,568,500**	**104,736,808**	**1,028,316,668**

-

For the year ended 30 June 2017

Particulars	Share Capital	Share Premium	Retained Earnings	Total
Balance as at 01 July 2016	626,767,680	232,568,500	93,263,312	952,599,492
Stock Dividend	31,338,380	-	(31,338,380)	-
Cash Dividend	-		(31,338,388)	(31,338,388)
Prior Year's Adjustment	-	-	3,246,248	3,246,248
Profit for the Year	-	-	67,162,653	67,162,653
Balance as at 30 June 2017	**658,106,060**	**232,568,500**	**100,995,445**	**991,670,005**

The annexed notes 01 to 40 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 28-10-2018 and were signed on its behalf by:

Chairman	Managing Director	Director	Chief Financial Officer	Company Secretary

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

28 October 2018
Dhaka

Aziz Halim Khair Choudhury
Chartered Accountants

1.00 Reporting Entity

1.01 Legal form of the Company

Agni Systems Limited (the Company) was incorporated on 04 November 1995 as a private company limited by shares registered under the Companies Act 1994 vide registration no. 29635(923)/95. Subsequently the company was converted into a public company limited by shares on 28 August 2002 and is listed both in Dhaka Stock Exchange (DSE) & Chittagong Stock Exchange (CSE) under the symbol AGNISYSL.

1.02 Address of the Registered Office

The registered office of the company is located at Navana Tower, 11th floor, Suite-A, 45 Gulshan Avenue, Gulshan-1, Dhaka-1212.

1.03 Nature of Business Activities

The main activities of the company are to render service of electronic mail, internet access, electronic data communication, computer networking, electronic data processing, electronic data entry, software development, to provide service of consultancy, to buy, setup, install, produce, rent and deal otherwise in all types of computer, computer peripherals, fax/data modem, computer networking equipment, related accessories, archiving contentment, access network, web listing, IT support & software maintenance service, domestic and international gateways for all type of communication & computer software.

2.00 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

2.01 Statement of Compliance

The financial statements have been prepared and the disclosures of information made in accordance with the requirements of the Companies Act 1994, the Securities and Exchange Rules 1987 and IFRS & IAS's adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS).The Statement of Financial Position and the Statement of Profit or Loss and Other Comprehensive Income have been prepared according to BAS 1: **Presentation of Financial Statements** based on accrual basis following going concern assumption and Statement of Cash Flows according to BAS 7: **Statement of Cash Flows**.

2.02 Basis of Preparation

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

2.03 Functional and Presentational Currency and Level of Precision

The financial statements are prepared in Bangladeshi Taka which is the company's functional currency. All financial information presented in Taka has been rounded off to the nearest Taka.

2.04 Foreign Currency Transaction

Foreign currency transactions are translated into Bangladeshi Taka using exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currency at the Statement of Financial Position date are translated at the closing rate.

2.05 Use of Estimates and Judgments

The preparation of these financial statements in conformity with BFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from the estimates.Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in the following notes:

Note 4: Property, Plant and Equipment (Useful Life of Depreciable Assets)

Note 6: Intangible Assets (Useful Life of Assets)

Note 15: Deferred Tax (asset)/liability (manner of recovery of temporary differences for determination of deferred tax (asset)/liability)

Note 27: Current Tax Expense

Note 15: Deferred Tax (Income)/Expense

2.06 Reporting Period

The financial period of the company covers one year from 01 July to 30 June and is followed consistently.

2.07 Impact of Recently Issued Accounting Standards

There was no such impact on these financial statements as no new accounting standard was issued by the ICAB during the year under audit.

2.08 Components of the Financial Statements

According to the Bangladesh Accounting Standards (BAS) 1 **"Presentation of Financial Statements"**, the complete set of Financial Statements includes the following components:

i) Statement of Financial Position as at 30 June 2018
ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2018
iii) Statement of Cash Flows for the year ended 30 June 2018
iv) Statement of Changes in Equity for the year ended 30 June 2018
v) Notes to the financial statements (comprising summary of significant accounting policies and explanatory information).

2.09 Comparative Information

Comparative information have been disclosed in respect of the year 2016-2017 for all numerical information in the Financial Statements and also the narrative and descriptive information when it is relevant for understanding of the current period's financial statements.

2.10 Property, Plant and Equipment

i) Recognition and Measurement of Property, Plant and Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation in accordance with BAS 16: **Property, Plant and Equipment.**

Cost includes expenditure that are directly attributable to the acquisition of the property, plant and equipment. Property, plant and equipment under construction are stated at cost.

ii) Subsequent Cost

The cost of replacing or upgrading part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day to day servicing of the property, plant and equipment are recognized in the statement of comprehensive income as incurred.

iii) Depreciation

Depreciation is recognized in the statement of profit or loss and other comprehensive income using 'Reducing Balance Method' over the estimated useful lives of each fixed assets. No depreciation is charged on Land & Land Development. Depreciation is charged on additions ot fixed assets from the date when the assets are available for use. Depreciation on disposals of fixed assets, ceases at the earlier of the date that the assets are disposed. Depreciation is allocated as 60% as direct expenses and 40% as administrative expenses. The rates of depreciation being charged on different assets are given below:

Category of Fixed Assets	**Rate of Depreciation**
Land & Land Development	-
Building	2.50%
Furniture & Fixture	10%
Motor Vehicle	
Freehold	15%
Leasehold	15%
ICX Equipment	15%
Machinery and Equipment:	
a) Air Conditioner	15%
b) Power Backup Equipment	
Freehold	15%
Leasehold	15%
c) Internet Equipment	
Freehold	15%
Leasehold	15%
d) Other Equipment	15%
e) Wireless Equipment	15%
f) Telephone Installation	10%
g) Cable Fiber Optic	10%
Computer & Accessories:	
a) Computer & Accessories	15%
b) Software	15%
Work-in-Progress:	
a) Wimax Equipment	15%
Sundry Assets	10%

iv) Gains or Losses on Disposal

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amounts and are recognized net.

v) Capital Work in Progress

Capital work in progress consists of acquisition costs of network plant and machinery, capital components and related installation cost until the date placed in service. In case of import of components, capital work in progress is recognized when risks and rewards associated with such assets are transferred to the company, i.e. at the time shipment is confirmed by the supplier and installation is made.

2.11 Leased assets

Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the entity, the asset is treated as if it had been purchased outright. The amount initially recognized as an asset is the lower of the fair value of the leased property and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analyzed between capital and interest. The interest element is charged to the statement of comprehensive income over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

2.12 Intangible Assets

i) Recognition and Measurement

Intangible assets that are acquired by the company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment loss, if any. Intangible assets are recognized when all the conditions for recognition as per BAS 38: **Intangible assets** are met. The cost of an intangible asset comprises its purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use.

Assets are reviewed for impairment at each year and impairment is charged if appropriate. This year no impairment was recognized.

ii) Subsequent Costs

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit or loss as incurred.

iii) Amortization

Intangible assets are amortized on a straight line basis. Software development is amortized at a rate of 6.67% and other intangibles are amortized at a rate of 20%.

2.13 Investments in Share

Investments in share of listed companies are presented at fair value (Market Value). Any unrealized gain or loss arising from changes of fair value (market value) has accounted for through statement of profit or loss and other comprehensive income in these financial statements.

2.14 Associates

Where the company has the power to participate in the financial and operating policy decisions of another entity, it is classified as an associate. Associates are initially recognized in the consolidated statement of financial position at cost. Agni Systems Limited has representation in the board and ownership of 25% of paid up capital of Songbird Telecom Limited which has made Songbird Telecom Limited an Associate of this Company and therefore recognized accordingly.

2.15 Inventories

Inventories comprise various Modems, Media Converter, Router, Switch, Cables, Nano Station, Gipon, Vigor, IP Phone, Well Gate, Bullet and others. They are stated at the lower of cost and net realizable value in accordance with BAS 2: **Inventories**.
The cost is calculated on average method consistently. Costs comprise expenditure incurred in the normal course of business in bringing such inventories to its location and conditions.

2.16 Financial Assets

i) Cash and Cash Equivalents

For the purpose of statement of financial position and statement of cash flows, cash in hand and bank balances represent cash and cash equivalents considering the BAS 1: *Presentation of Financial Statements* and BAS 7: **Statement of Cash Flows**, which provide, that cash and cash equivalents are readily convertible to known amounts of cash and are subject to and insignificant risk of changes in value and are not restricted as to use.

ii) Trade & Other Receivables

Accounts receivable represent the amounts due from different customers for sale of internet services, software development service, software maintenance services, ICX service, network installation and other services and includes billed portion of such services at the date of statement of financial position. Accounts receivables are stated net of provision for doubtful debts.

2.17 Income Tax

Income tax comprises current and deferred tax. Income tax expense/(income) is recognized in the Statement of Profit or Loss and Other Comprehensive Income.

i) Current Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Agni Systems Limited is a publicly traded Company. As per the Income Tax Ordinance, 1984, provision for tax has been made at the existing rate of 25% in respect of business income.

ii) Deferred Tax

Deferred tax has been recognized in accordance with the provision of BAS 12: Income Taxes, based on the deductible or taxable temporary difference between the carrying amount of assets/liabilities and its tax base. Deferred tax asset or liability is the amount of income tax recoverable or payable in the future periods recognized in the current period. Deferred tax asset or liability does not create a legal recoverability or liability from or to tax authority. Related deferred tax income/expense is recognized as well in the statement of comprehensive income. Deferred tax assets and liabilities are offsetted if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each date of statement of financial position and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2.18 Financial Liabilities

The company initially recognizes financial liabilities on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial liabilities include creditors and accrued expense and provisions.

These are recognized when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits.

i) Creditors and Accrued Expenses

Liabilities are recognized for amounts to be paid in the future for goods and services received, whether or not billed by the supplier.

ii) Provisions

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation.

2.19 Revenue Recognition

Revenue are recognized as per BAS 18: **Revenue Recognition**, as follows:

i) Post-paid internet services, ICX service and web page software sales are recognized when invoices are made. Pre-paid Internet Services are recognized on receipts.

ii) Other Income are recognized at the time of receive of money from other purpose than the normal of business of the company.

iii) Revenue from Wimax operation has not yet been started.

2.20 Financial Expenses

Financial expenses comprise of interest expense on long term loan, short term loan and finance lease. All such costs are recognized in the Statement of Profit or Loss and Other Comprehensive Income except those are capitalized in accordance with BAS 23: **Borrowing Cost**.

2.21 Software Development Cost

Software development cost was incurred for development of own software of Agni Systems Limited. The cost is amortized every year @ 20% by using reducing balance method consistently. License acquisition cost is amortized every year 1/15 by using straight line method as per condition of license period.

2.22 Earnings per Share (EPS)

The company calculates Earnings per Share (EPS) in accordance with BAS 33: **Earnings per Share**, which has been shown at the bottom of the Statement of Profit or Loss and Other Comprehensive Income and the computation of EPS is stated in note # 13.02.

a) Basic Earnings per Share:

This represents earnings for the period attributable to the ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit for the period has been considered as fully attributable to ordinary shareholders. Basic earnings per share has been calculated by dividing the net profit or loss by the weighted average number of ordinary shares outstanding during the year. Computation of weighted average number of ordinary shares are required as number of shares outstanding has been changed during the year.

b) Diluted Earnings per Share:

The company has no scheme/option for dilutive potential ordinary shares. As a result, calculation and presentation of diluted EPS is not applicable for the company.

2.23 Statement of Cash Flows

Statement of Cash Flows is prepared in accordance with BAS 7: **Statement of Cash Flows** and the cash flow from the operating activities have been presented under direct method considering the provision of paragraph 19 of BAS-7 which provides that enterprises are encouraged to report cash flow from operating activities using the direct method.

2.24 Events after the Reporting Period

All material events occurring after the Statement of Financial Position date are considered and where necessary, adjusted for or disclosed in note # 35.

2.25 Related Party Disclosures

As per BAS 24: **'Related Party Disclosures'**, parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties.

(i) Directors of Agni Systems Limited (ASL) and their interest in the company (as on 30 June 2018)

Sl. No.	Name of Directors	Address	Status with ASL	Date of Appointment/ Reappointment	No. of shares held in ASL
1	Mr. Javed Bukth	99, Dhanmondi, Road No. 11/A, Dhaka	Chairman	Existing	40,518
2	Mr. Mohammed Abdus Salam	39/C, Banani, Road No. 06, Banani, Dhaka	Managing Director	Existing	5,067,686
3	Mr. Zia Shamsi	House No. 06, Road No. 19, Sector-12, Uttara, Dhaka	Director	28-12-2017 Reappointed	1,383,744
4	South Avenue Ltd	44, South Avenue, Road No. 134, Gulshan-1, Dhaka	Director	Existing	1,387,386
5	Mr. Md. Atiqul Islam	House No. 2/A, Road No. 16, Sector-4, Uttara, Dhaka	Independent Director	Existing	Nil

(ii) Particulars of Directors and their interest in other entities (as on 30 June 2018)

Sl. No.	Name of Directors	Status with ASL	Name of the firms/companies/	Status with the firms/companies/ institutions
1.	Mr. Javed Bukth	Chairman	i) Libra Computer Aid ii) ACME Electronics Ltd. iii) Pentagon Poultry and Dairies Ltd.	i) CEO ii) Managing Director iii) Chairman
2.	Mr. Mohammed Abdus Salam	Managing Director	i) Green Delta Insurance Co. Ltd. ii) Song Bird Telecom Ltd	i) Sponsor Shareholder ii) Chairman
3.	Mr. Zia Shamsi	Director	Song Bird Telecom Ltd.	Director- Representative of Agni System Ltd.
4	Murshed Sayeed	Director (Nominated by South Avenue)	South Avenue Ltd.	South Avenue Ltd, MD
5.	Mr. Md. Atiqul Islam	Independent Director	Islam Garments Ltd,	Director

(iii) Related party transaction disclosure during the year 2018 (in compliance with BAS 24)

Sl. No.	Name of Related Party	Relationship	Number of Transactions	Nature of Transaction	Transaction during the year
1.	Green Delta Insurance Company Ltd.	Common Director	14	Insurance Premium	1,580,190
2	Song Bird Telecom Ltd	Associate	-	Sales	-

(iv) Key Management Personnel Compensation

Sl	Name & Designation	Short-term employee benefits	Post-employee benefits	Other long-term benefits	Termination benefits	Share-based payment
1	Mr. Mohammed Abdus Salam Managing Director	42,65,600	N/A	150,000	N/A	N/A
2	Mr. Zia Shamsi, Director	28,13,600	N/A	150,000	N/A	N/A
3	Mr. Muhammed Shariful Islam, Company Secretary	960,000	N/A	150,000	N/A	N/A
4	Mr. Saroj Biswas, CFO.	880,000	N/A	150,000	N/A	N/A
5	Mr. Mozammal Hoque, CTO.	18,51,010	N/A	150,000	N/A	N/A

2.26 Audit Committee Disclosures

In compliance with the circular no. SEC/CMRRCD/2006-158/134/Admin/44 Dated 07 August 2012 of the Securities & Exchange Commission, an Audit Committee of Agni Systems Limited was constituted by the Board of Directors.

Sl. no.	Name	Status with ASL	Status with the committee
i)	Mr. Md. Atiqul Islam	Independent Director	Chairman
ii)	Mr. Zia Shamsi	Director	Member
iii)	Md Murshed Sayeed	Director	Member
iv)	Md Abu Jafor	Head of Internal Audit	Member

2.27 Responsibility for Preparation and Presentation of Financial Statements

The Board of Directors is responsible for the preparation and presentation of Financial Statements under Section 183 of the Companies Act 1994, the Securities and Exchange Rules 1987 and as per the provisions of the Framework for the Preparation and Presentation of Financial Statements issued by the International Accounting Standards Committee (IASC).

2.28 Approval of Financial Statements

These financial statements were approved by the Board of Directors on 28 October 2018.

2.29 Contingencies

Contingencies arising from claim, litigation assessment, fines, penalties etc. are recorded when it is probable that a liability has been incurred and the amount can reasonably be measured.

2.30 Compliance of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS)

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs). While preparing the financial statements, Agni Systems Limited applied most of BAS and BFRS as adopted by ICAB. Details are given below:

Name of Bangladesh Accounting Standards (BAS)	BAS No.	Status
Presentation of Financial Statements	1	Complied
Inventories	2	Complied
Statement of Cash Flows	7	Complied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Complied
Events after the Reporting Period	10	Complied
Construction Contracts	11	N/A
Income Taxes	12	Complied
Property, Plant and Equipment	16	Complied
Leases	17	Complied
Revenue	18	Complied
Employee Benefits	19	Complied
Accounting for Govt. Grants and Disclosure of Govt. Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	N/A
Borrowing Costs	23	Complied
Related Party Disclosures	24	Complied
Accounting & Reporting by Retirement Benefit Plans	26	N/A
Consolidated and Separate Financial Statements	27	N/A
Investments in Associates	28	Complied
Interest in Joint Ventures	31	N/A
Financial Instruments: Presentation	32	Complied
Earnings per Share	33	Complied
Interim Financial Reporting	34	Complied
Impairment of Assets	36	Complied
Provisions, Contingent Liabilities and Contingent Assets	37	Complied
Intangible Assets	38	Complied
Financial Instruments: Recognition and Measurement	39	Complied
Investment Property	40	N/A
Agriculture	41	N/A

Name of Bangladesh Financial Reporting Standards (BFRS)	BFRS No.	Status
First-time Adoption of Bangladesh Financial Reporting Standards	1	N/A
Share-Based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contracts	4	N/A
Non- Current Assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resource	6	N/A
Financial Instruments: Disclosures	7	Complied
Operating Segments	8	N/A

3.00 General

Previous year's figures have been rearranged wherever considered necessary to conform to the current year's presentation.

4.00 Property, Plant and Equipment

This is made up as follows:

Particulars	Ref. Notes	Amount in Taka	
		30 June 2018	30 June 2017
A) Cost		**869,999,308**	**867,746,070**
Opening Balance (at cost)		867,746,070	857,234,954
Add: Addition during the Year		2,253,238	10,511,116
Less: Adjusted during the year		-	-
B) Accumulated Depreciation		**308,244,125**	**284,468,781**
Opening Balance		284,468,781	257,291,230
Add: Charged during the year		23,775,344	27,177,551
Less: Adjusted during the year		-	-
Written Down Value (A-B)		**561,755,183**	**583,277,289**

Details of Property, Plant and Equipment have been shown in Annexure-1.

5.00 Investment in Associates

Investment in Share Capital	**20,025,000**	**20,025,000**
(20,02,500 Shares @ Tk. 10 each)		

5.01 This represents the amount paid to Song Bird Telecom Limited for 20,02,500 nos. shares as allotted in the name of Agni Systems Limited for Taka 2,00,25,000 which represents 25% of total paid up capital of Song Bird Telecom Ltd. No dividend/income has yet been received against above investment.

5.02 The following entity has been included in the financial statements as associate.

Name of the company	Song Bird Telecom Limited
Interest Held	25% of paid up capital and board representation
Principle place of business	Dhaka
Nature of business	IGW Operation

The financial year of the associates ends on 30 June in each calendar year. The Financial Statements of Song Bird Telecom Limited as on 30 June 2017 has been audited and Financial Statements as on 30 June 2018 has not been prepared.

The summarized financial included in the audited Financial Statements of Song Bird Telecom Ltd as follows:

	30 June 2017	30 June 2016
Non-current assets	390,700,399	254,204,095
Current assets	101,845,326	356,729,708
Non-current liabilities	24,664,147	33,640,455
Current liabilities	179,679,801	310,897,520
NAV	35.98	33.26

6.00 Intangible Assets

Software Development	6.01	853,178	1,066,473
License Acquisition Cost	6.02	30,000,000	33,333,334
Total		**30,853,178**	**34,399,807**

6.01 Software Development

This is made up as follows:

Particulars	Ref. Notes	Amount in Taka	
		30 June 2018	30 June 2017
Opening Balance		1,066,473	1,333,092
Add: Addition during the year		-	-
Less: Amortization during the year		213,295	266,619
Closing Balance		**853,178**	**1,066,473**

6.02 License Acquisition Cost

Opening Balance	33,333,333	36,666,667
Addition during the year	-	-
Less: Written off 1/15	3,333,333	3,333,333
Closing Balance	**30,000,000**	**33,333,333**

Details of Intangible Assets are shown in Annexure-2.

7.00 Inventories

Modem	1,317,565	1,067,373
Media Converter	2,028,330	1,760,920
Router	1,504,114	1,367,253
Switch	5,047,857	4,584,776
Cable	2,269,500	1,025,786
Others	1,854,844	2,387,904
Gipon	2,203,927	2,203,927
Nano Station	72,183	72,183
Vigor	529,352	529,352
IP Phone	3,459,196	3,731,402
Well Gate	333,095	333,095
Bullet	209,743	209,743
Wimax modem	3,707,541	3,819,862
Total	**24,537,248**	**23,093,576**

8.00 Trade & Other Receivables

Trade receivables	307,726,701	290,955,112
Other Receivables	-	-
	307,726,701	**290,955,112**
Less: Provision for bad & doubtful debts	22,707,190	22,707,190
Total	**285,019,511**	**268,247,922**

Trade receivables are accrued in the ordinary course of business and have been stated at their nominal value & considered good by the management. Break up of above is as under:

up to 1 month	42,701,550	40,500,180
1 to 3 months	48,915,166	49,718,022
3 to 6 months	50,122,456	49,517,567
6 to 12 months	47,916,856	43,615,714
above 1 year	95,363,483	84,896,439
Total	**285,019,511**	**268,247,922**

9.00 Investment in Shares (Net realizable value)

This is made up as follows:

Particulars	Ref. Notes	Amount in Taka	
		30 June 2018	30 June 2017
Meghna petrolium 10,340 Share @ Taka 146.136 each		-	1,511,044
Mercantile Bank 40,000 Shares @ Taka 17- each		783,143	
Unrealized Gain		-	561,092
Provision against Investment in Shares		(103,143)	-
Total		**680,000**	**2,072,136**

10.00 Advance, Deposits & Prepayments

A) Advance		**218,367,980**	**216,119,552**
Office Rent		2,534,742	1,846,242
Other Advance		13,215,251	23,330,850
Advance Tax	10.01	90,215,339	75,359,103
Advance for Purchase (Import)		-	1,463,836
Advance for land purchase		-	2,692,000
VAT		1,511,951	536,824
Advance to Song Bird Telecom Ltd.	10.02	110,890,697	110,890,697
B) Deposits		**17,471,214**	**22,699,045**
Bangladesh T & T Board		612,000	612,000
AKTEL		27,598	27,598
Grameen Phone		17,000	17,000
BTRC		1,000,300	1,000,300
Tender Submit		2,151,737	1,751,737
Deposit with Security Houses		-	1,627,831
Deposits for Bandwidth Fee		1,373,903	1,373,903
Other Deposit		5,433,276	4,433,276
IPTSP		100,000	100,000
Fiber Cable		800,000	800,000
Bank Guarantee for ICX		-	5,000,000
IIG		1,695,000	1,695,000
Telephone Installation & Deposits		4,260,400	4,260,400
C) Prepayments		**11,837,488**	**5,566,467**
Insurance		1,395,683	695,683
License & Renewal Fee- BTRC		7,470,529	2,188,708
Advertisement		1,577,010	1,587,810
Membership Fee		1,394,266	1,094,266
Total (A+B+C):		**247,676,682**	**244,385,064**

10.01 Advance Tax

This is made up as follows:

Particulars	Ref. Notes	Amount in Taka	
		30 June 2018	30 June 2017
Opening balance		75,359,103	64,221,561
Add: Paid/deducted at source during this year		14,856,236	11,137,542
		90,215,339	75,359,103
Less: Adjustment made during the year		-	-
Closing Balance		**90,215,339**	**75,359,103**

Particulars	Ref. Notes	Amount in Taka	
		30 June 2018	30 June 2017

10.02 Advance to SongBird Telecom Limited represents Tk.106,440,697 and Tk.4,450,000 given to SongBird Telecom Limited,an Associate of Agni Systems Limited from time to time as subscription money for share capital & short term loan respectively but necessary shares are yet to be allotted.

11.00 Cash and Cash Equivalents

Cash in Hand		173,399	335,024
Cash at Bank:	**A/c Type**	**20,954,142**	**37,714,422**
Standard Chartered Bank Ltd.	CA	1,348,627	6,567,893
Eastern Bank Ltd.	CD	6,803,978	15,069,115
Eastern Bank Ltd.	SND	932,649	932,649
Bank Asia Ltd.	SND	3,357,619	1,631,815
Sonali Bank Ltd.	CA	7,513	12,714
ICB Islamic Bank Ltd.	CA	12,229	12,229
Woori Bank	CD	2,025	703,865
Dhaka Bank Ltd.	CA	1,037,845	340,609
Bank Asia Ltd.	SND	433,141	425,296
Bank Asia Ltd.	SND	175,874	1,182,847
Bank Asia Ltd.	CA	2,668,202	1,700,400
Bank Asia Ltd.	CA	914,934	8,525,326
Shahjalal Islami Bank Ltd	CA	1,758,038	-
Islami Bank Ltd.	SND	1,000	1,000
Bank Asia Ltd.	SND	1,500,468	608,663
Total		**21,127,541**	**38,049,446**

AMARSTOCK

12.00 Share Capital

This is made up as follows:

Particulars	Ref. Notes	Amount in Taka	
		30 June 2018	30 June 2017
Authorized:			
100,000,000 Shares @ Taka 10 each		**1,000,000,000**	**1,000,000,000**
Issued, Subscribed & Paid-up:			
69,101,136 Shares @ Taka 10/- each fully paid-up in cash		691,011,360	658,106,060
		691,011,360	**658,106,060**

Shareholding Position was as follows:

Name of shareholders	Percentage of Shareholding		Value (Taka)	
	2017-2018	2016-2017	2017-2018	2016-2017
Promoters	11.40	11.40	78,793,340	75,041,287
Institution (Local)	20.69	10.77	142,985,600	70,896,200
Public	67.77	77.75	468,285,890	511,692,710
Non-Resident	0.14	0.07	946,530	475,863
	100.00	**100.00**	**691,011,360**	**658,106,060**

Distribution Schedule-Discloser under the Listing Regulation of Stock Exchange:

This distribution schedule showing the number of shareholders and their shareholdings in percentage have been disclosed below which is a requirement of the listing regulations of Dhaka & Chittagong Stock Exchange:

Shareholders Range in Number of Share	Number of Share Holders	% of Total Share Holdings	Number of Shares	Amount of Share Capital
Upto 500 Shares	3,135	0.75	516,700	5,167,000
500 to 5000 Shares	4,229	11.82	8,167,973	81,679,730
5001 to 10000 Shares	825	8.53	5,896,540	58,965,400
10001 to 20000 Shares	441	8.82	6,094,798	60,947,980
20001 to 30000 Shares	189	6.73	4,648,777	46,487,770
30001 to 40000 Shares	69	3.46	2,392,997	23,929,970
40001 to 50000 Shares	52	3.47	2,395,412	23,954,120
50001 to 100000 Shares	68	6.88	4,754,261	47,542,610
100001 to 1000000 Shares	67	22.09	15,261,981	152,619,810
Over 1000000 Shares	8	27.45	18,971,697	189,716,970
Total	**9,083**	**100**	**69,101,136**	**691,011,360**

13.00 Retained Earnings

Opening Balance		100,995,445	93,263,312
Prior Years' Adjustment	13.01	-	3,246,248
		100,995,445	96,509,560
Less: Cash Dividend		(32,905,300)	(31,338,388)
		68,090,145	65,171,172
Less: Stock Dividend		(32,905,300)	(31,338,380)
		35,184,845	33,832,792
Add: Profit after Tax during the Year		69,551,963	67,162,653
Total		**104,736,808**	**100,995,445**

13.01 Prior Years Adjustment

This is made up as follows:

Particulars	Ref. Notes	Amount in Taka	
		30 June 2018	30 June 2017
Total Prior Years Adjustment	20.01	-	3,302,925
Less: Other Adjustment of Previous Year		-	56,677
		-	3,246,248

13.02 Earnings per Share (EPS) Disclosure under BAS 33 "Earnings per Share"

Basic Earnings per Share

Net Profit after Tax	69,551,963	67,171,343
Less: Provision for Dividend on Preference Share	-	-
Earning Attributable to Ordinary Shareholders	69,551,963	67,171,343
Number of Outstanding Ordinary Shares	69,101,136	65,810,606
Basic EPS	**1.01**	**1.02**

13.2.1 No diluted earnings per share is required to be calculated as there was no scope for dilution during the year.

14.00 Long Term Borrowings

Car Loan from Bank Asia	1,190,560	2,416,256
Term loan From Bank Asia	29,909,007	61,575,328
Liabilities to Bay Leasing	1,365,042	2,074,137
Total	**32,464,609**	**66,065,721**

14.01 The long term loan has been taken from Bank Asia Limited at a interest @11.50% p.a. for 5 years. Term loan from Bank Asia represents the amount sanctioned by the bank to finance the import of Wimax equipments at a interest @12% p.a.

The collaterals and other securities against the above loans are as follows:

Collaterals:

1 Hypothecation of machinery, equipments and spare parts duly issued with bank's mortgage Clause for Bank Asia Ltd and ASL;

2 Registered mortgage of office space measuring 785.96 sft, situated at "Royal Court Concord" valued at Tk. 19.5 million;

3 Registered mortgage of apartment # 20/A and car parking space at basement -2 at 'Navana Shopping Complex" valued at 57.07 million;

4 Post dated cheque covering the Bank Guarantee limit.

Others:

1 Documents of title of goods;
2 Ownership of lease assets;
3 Fixed charge on all the fixed and floating assets of the company with RJSC to cover the full amount;
4 Registered irrecoverable power of attorney empowering the bank to sell the mortgage property;
5 Personal guarantee of all the directors of the company.

15.00 Deferred Tax

This has been arrived as under:

Particulars	Ref. Notes	Amount in Taka	
		30 June 2018	30 June 2017
Opening Balance		8,904,721	9,727,302
Addition/(Written back) during the Year		3,327,990	(822,581)
		12,232,711	**8,904,721**
Deferred Tax Expense/(Income)			
This has been arrived as under:			
Carrying amount of Assets			
Property, Plant and Equipment		561,755,183	583,277,289
Provision for investment as per financial statements (liability)		103,143	-
Accounts Receivables		285,019,511	268,247,922
		846,877,837	851,525,210
Tax Base			
Property, Plant and Equipment		490,220,294	524,951,216
Provision for investment as per financial statements (liability)		-	-
Accounts Receivables		307,726,701	290,955,112
		797,946,995	815,906,327
Taxable Temporary Difference		**48,930,842**	**35,618,883**
Effective Tax Rate		25%	25%
Deferred Tax (Assets)/Liability		**12,232,711**	**8,904,721**
Opening Deferred Tax		8,904,721	9,727,302
Deferred Tax Expense/(Income)		**3,327,990**	**(822,581)**

To find out the tax base value of Property, Plant and equipment depreciation rates of major portion of assets have been reduced resulting increased written down value of assets and also reduction of temporary difference..

16.00 Current Portion on Long Term Borrowings

Term Loan (Bank Asia Ltd.)	-	5,373,413
Liabilities to Lanka Bangla Finance	-	1,362,743
Car Loan To Bank Asia	712,000	93,664
Term loan From Bank Asia	22,480,000	8,433,247
Liabilities to IDLC	-	324,644
Liabilities to Bay Leasing	1,270,000	2,896,560
Total	**24,462,000**	**18,484,271**

17.00 Liabilities for Services

This has been arrived as under:

Particulars	Ref. Notes	Amount in Taka	
		30 June 2018	30 June 2017
Liabilities for Courier Bill		2,801	7,240
Provision for revenue sharing of ICX		2,902,816	16,902,816
Liabilities for Other Services		8,301,218	21,080,018
Provision for Audit Fees		225,000	225,000
Total		**11,431,835**	**38,215,074**

Particulars	Ref. Notes	Amount in Taka	
		30 June 2018	30 June 2017

18.00 Other liabilities

VAT Payable	2,885,487	2,692,343
Unclaimed Dividend	2,816,156	3,098,927
Margin Loan A/C	-	9,320,770
Total	**5,701,643**	**15,112,040**

19.00 Liabilities for Expenses and Provisions

Salary	5,828,621	5,508,644
Telephone Bill	2,301	5,248
Directors' Remuneration	926,000	416,600
Electricity Bill	151,153	163,463
Mobile Bill	48,196	43,672
Contribution to WPPF	7,274,279	16,506,416
AGM Expenses	1,200,000	1,400,000
Total	**15,430,550**	**24,044,043**

20.00 Provision against Investment in Shares

Opening Balance		-	12,355,455
Add: Provision made during the period		(103,143)	-
Less: Adjustment during the year	20.01	-	12,355,455
Total		**(103,143)**	**-**

20.01 Adjustment during the year

Loss adjusted during the year	-	9,052,530
Adjustment in respect of Previous Year	-	3,302,925
Total	**-**	**12,355,455**

Adjustment in respect of previous year represents recovered loss on shares which was provided in earlier years.

21.00 Revenue

This has been arrived as under:

Particulars	Ref. Notes	Amount in Taka	
		2017-18	2016-17
Income from Internet Service	21.01	132,279,280	162,725,527
Profit from Software	21.02	3,829,279	2,962,177
Profit on Sale of Modem	21.03	1,400,853	1,890,992
Profit on Sale of Work Station & Services	21.04	872,626	1,860,912
Other Operating Income	21.05	11,771,486	15,585,155
Income from IPTSP	21.06	10,758,235	11,748,946
Income from IT Enable Service	21.07	38,531,156	36,137,822
Other Hardware Sales	21.08	2,322,532	6,204,831
Income from ICX	21.09	126,004,559	85,778,430
Income from Networking Installation		1,680,190	1,879,540
Total		**329,450,195**	**326,774,332**

AMARSTOCK

21.01 Income from Internet Service

Income from Internet Service		152,121,172	187,134,356
Less: VAT @ 15%		19,841,892	24,408,829
Total		**132,279,280**	**162,725,527**

21.02 Profit from Software

Receipt from Software Billing		7,855,000	7,425,327
Less: Expenses against Software Unit	21.2.1	4,025,721	4,463,150
Total		**3,829,279**	**2,962,177**

21.2.1 Expenses for Software Unit

Salary & Allowance	1,598,000	2,270,000
Festival Allowance	260,000	280,000
POP Maintenance Cost	274,000	272,000
Office Rent	701,000	677,180
Electricity Bill	175,000	180,000
Printing & Publication	17,500	18,000
Office Supply	79,000	82,000
Conveyance	24,030	35,351
Repair & Maintenance	22,000	23,800
Cable Security Expense	184,896	120,500
Office Stationery	180,000	110,000
Entertainment	177,000	88,500
Advertisement & Publicity	120,000	39,299
Amortization of Research & Development	213,295	266,520
Total	**4,025,721**	**4,463,150**

21.03 Profit on sale of Modem

Sales	7,118,010	8,081,000
Less: Cost of Goods Sold	5,717,157	6,190,008
Total	**1,400,853**	**1,890,992**

21.04 Profit on Sale of Work Station & Services

This has been arrived as under:

Particulars	Ref. Notes	Amount in Taka	
		2017-18	2016-17
Sales		4,910,020	5,595,000
Less: Cost of Goods Sold		4,037,394	3,734,088
Total		**872,626**	**1,860,912**

21.05 Other Operating Income

Domain Hosting	4,117,180	3,980,000
Subscription/Admission Fee	2,218,156	3,770,155
Fax Away	2,818,000	3,880,000
Support Service	2,618,150	3,955,000
Total	**11,771,486**	**15,585,155**

21.06 Income from IPTSP

Income from IPTSP Service	14,715,600	15,032,830
Less: Expense against IPTSP Connection	3,957,365	3,283,884
Total	**10,758,235**	**11,748,946**

AMAR STOCK

21.07 Income from IT Enable Service

Income from IT enable Service		40,265,058	37,764,024
Less: VAT	4.5%	1,733,902	1,626,202
Total		**38,531,156**	**36,137,822**

21.08 Other Hardware Sales

Revenue from hardware	6,150,150	9,913,896
Less: Cost of Goods Sold	3,827,618	3,709,065
Total	**2,322,532**	**6,204,831**

21.09 Income from ICX

Revenue from ICX	286,587,286	287,172,992
Less: VAT	11,916,311	12,680,127
Net Revenue from ICX	274,670,975	274,492,865
Less: Service charge for ICX	-	614,625
Less: Revenue Sharing of ICX with BTRC	148,666,416	188,099,810
Total	**126,004,559**	**85,778,430**

22.00 Direct Expenses

This has been arrived as under:

Particulars	Ref. Notes	Amount in Taka 2017-18	Amount in Taka 2016-17
Other Direct Expenses	22.01	2,520,037	2,525,464
Salary & Allowance	22.02	41,543,858	39,311,400
Other Operating Expenses	22.03	18,985,926	24,045,289
Utility & Supplies	22.04	1,211,000	1,697,050
Office rent		9,870,000	9,680,000
Depreciation (Operating)	22.05	14,265,207	16,306,531
Repairs & Maintenance		800,000	655,000
Bandwidth Related Expenses		26,468,833	26,790,725
IPTSP Interconnection Fee		6,480,207	6,376,116
Fiber Lease		32,739,080	26,226,296
Domain Charge		1,226,896	906,888
Lease Line		7,550,000	5,598,896
IPTSP Revenue sharing		52,268	42,063
GOBB Expense		2,257,628	2,899,492
Installation Expense.		236,800	220,188
Rack charge		4,552,172	6,197,915
T & T Bill		25,316	28,333
Total		**170,785,228**	**169,507,646**

22.01 Other Direct Expenses

Courier Bill	153,000	103,188
C & F Charge	-	-
Tower Construction & Maintenance Expense	1,007,853	1,015,273
POP Maintenance Cost	1,359,184	1,407,003
Total	**2,520,037**	**2,525,464**

22.02 Salary & Allowance

Salary Staff	38,200,000	35,880,000
Festival Allowances	3,290,977	3,418,000
Over time	52,881	13,400
Total	**41,543,858**	**39,311,400**

AMARSTOCK

22.03 Other Operating Expenses

Printing & Publication	141,900	418,598
Mobile Bill	621,697	567,268
License & Renewal Fee	14,644,087	19,468,235
Other Expenses-Operating	664,706	440,476
Conveyance-Line man	408,303	444,695
Insurance Premium	1,585,550	1,938,749
Petrol, Oil & Lubricants-Generator	488,000	453,000
Tender Schedule Purchase	431,683	314,268
Total	**18,985,926**	**24,045,289**

22.04 Utility & Supplies

This has been arrived as under:

Particulars	Ref. Notes	Amount in Taka	
		2017-18	2016-17
Electricity Bill		1,200,000	1,661,050
Gas Bill		-	20,000
WASA Bill		11,000	16,000
Total		**1,211,000**	**1,697,050**

22.05 Depreciation (Operating)

60% of Current Year Depreciation	14,265,207	16,306,531
Total	**14,265,207**	**16,306,531**

23.00 Administrative & General Expenses

Salary & Allowance	23.01	22,735,051	30,909,802
Business Promotional Expenses	23.02	451,871	949,704
Utilities & Supplies	23.03	734,924	963,956
Office Rent		5,399,662	4,341,811
Repair & Maintenance		822,232	509,927
General & Administrative Expenses	23.04	22,233,056	18,759,347
Depreciation (Administrative)	23.05	9,510,138	10,871,020
Total		**61,886,934**	**67,305,567**

23.01 Salary & Allowance

Salary	21,053,845	28,693,518
Festival Allowance	1,681,206	2,216,284
Total	**22,735,051**	**30,909,802**

23.02 Business Promotional Expenses

Advertisement & Publicity	443,871	577,769
Tours & Travels	8,000	122,025
Participation in Trade Fair	-	218,228
Other Business Promotional Expenses	-	31,682
Total	**451,871**	**949,704**

23.03 Utilities & Supplies

Electric Bill	723,903	938,232
Gas Bill	-	17,727
WASA Bill	11,021	7,997
Total	**734,924**	**963,956**

AMARSTOCK

23.04 General & Administrative Expenses

This has been arrived as under:

Particulars	Ref. Notes	Amount in Taka	
		2017-18	2016-17
Directors' Remuneration		13,816,200	7,759,200
Office Tea		56,970	52,405
Photocopy		4,818	4,373
Newspaper & Periodicals		7,040	49,364
Entertainment		106,943	603,111
Office Stationary		200,266	349,865
Postage & Stamp		21,060	25,530
Petrol, Oil & Lubricants - Pool Car		753,178	857,853
Mobile Bill		178,408	190,271
Conveyance - General		287,320	290,060
Printing & Publication		126,000	192,385
Membership Fee		123,000	152,847
Audit Fee		225,000	225,000
Consulting & Accounting		-	653,750
Subscription / Donation		-	167,000
Interest on WPPF		-	889,557
Regulatory Body		329,053	720,397
T & T Line Maintenance		353,785	421,527
Conveyance - Customer Support		592,182	747,401
Amortization of License acquisition cost		3,333,333	3,333,333
AGM Expenses		968,500	1,013,308
Legal expense		750,000	60,810
Total		**22,233,056**	**18,759,347**

23.05 Depreciation (Administrative)

40% of Current Year Depreciation		9,510,138	10,871,020
Total		**9,510,138**	**10,871,020**

24.00 Financial Expenses

Interest on Bank Loan		7,224,045	9,735,087
Lease Finance		476,418	355,493
Fees & Charges on Margin Loan		-	1,818,814
Bank Charge & Commission		298,463	587,027
Total		**7,998,926**	**12,496,421**

25.00 Non-Operating Income

Interest Income		74,180	518,908
Total		**74,180**	**518,908**

26.00 Investment Income

This has been arrived as under:

Particulars	Ref. Notes	Amount in Taka	
		2017-18	2016-17
Investment Income/(Loss)		(562,140)	116,209
Unrealized Gain		(561,092)	561,092
Dividend from Listed Securities		6,000	217,140
Total		**(1,117,232)**	**894,441**

27.00 Current Year Provision for Income Tax

(a) Provision for Tax @ 25%

Net Profit before Tax	83,459,917	75,121,949
Investment (income)/Loss	1,117,232	(894,441)
Provision for loss on Investment in shares	103,143	-
Provision for doubtful debt	-	-
Income from Software	(3,829,279)	(2,962,177)
Income from IT Enable Service	(38,531,156)	(36,137,822)
Gain or Loss on Fixed Assets	-	-
Taxable Income	**42,319,857**	**35,127,509**
Provision for Tax @ 25%	**10,579,964**	**8,781,877**
Total		

(b) Provision for Tax on Non-Operating & Investment Income

	-	-

(c) Income Tax Expenses

Tax on Operating Income (a)	10,579,964	8,781,877
Tax on Non-Operating & Investment Income (b)	-	-
Total	**10,579,964**	**8,781,877**

(d) Provision for Income Tax

Opening Balance	51,054,364	42,272,487
Add: Current Year's Tax	10,579,964	8,781,877
	61,634,328	**51,054,364**
Less: Adjustment during the Year	-	-
Total Provision for Income Tax	**61,634,328**	**51,054,364**

Provision for tax on adjustment in respect of previous year has not been made.

AMAR STOCK

28.0 Finance Lease

Agni Systems Limited leases 01 (One) of its motor vehicles (net carrying value Tk. 4,780,000). These assets are classified as finance leases as the rental period amounts to the estimated useful economic life of the assets concerned and Agni Systems Limited has the right to purchase the assets outright at the end of the minimum lease term by paying a nominal amount.

Future lease payments are due as follows:

	Minimum lease payments	Interest
Not later than one year	1,270,000	191,068
Between one year and five year	1,365,042	205,366
Later than five years	-	-
Total:	**2,635,042**	**396,434**

29.0 Financial Risk Management

The management of the company has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies have been established to identify and analyze the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company has exposure to the following risks from its use of financial instruments.

*** Credit Risk**
*** Liquidity Risk**
*** Market Risk**

29.1 Credit Risk

Credit risk is the risk of a financial loss to the company if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables.

(a) Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Particulars	Amount in Taka	
	30 June 2018	30 June 2017
Financial assets (HTM)-investment in shares	20,025,000	20,025,000
Financial assets (HFT)-Investment in shares	680,000	2,072,136
Accounts receivable, net	285,019,511	268,247,922
Cash at bank balances	20,954,142	37,714,422
Total	**326,678,653**	**328,059,479**

The maximum exposure to credit risk for trade and other receivables as at the statement of financial position date by geographic regions was:

Domestic	285,019,511	268,247,922
Foreign	-	-
Total	**285,019,511**	**268,247,922**

29.2 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they falls due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

The following are the contractual maturities of financial liabilities of the company:

Particulars	Amount in Taka	
	30 June 2018	30 June 2017
Loans and borrowings	32,464,609	66,065,721
Current portion of long term loan	24,462,000	18,484,271
Liabilities for services	11,431,835	38,215,074
Income tax payable	61,634,328	51,054,364
Other payables	5,701,643	15,112,040
Total	**135,694,414**	**188,931,470**

29.3 Market risk

Market risk is the risk that any change in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. The company is not exposed to fluctuation in interest rates as it has no floating interest rate bearing financial liabilities and it did not enter into any type of derivative instrument in order to hedge interest rate risk as at 30 June 2018.

Fixed rate instruments		
Financial liabilities	56,926,609	84,549,992
Total	**56,926,609**	**84,549,992**

30 Foreign Exchange Earned and Payment

During the year under audit the company has not earned or make payment any amount in foreign currency.

31 Payment/ Perquisites to Directors and Officers

i) No compensation was allowed by the company to the Directors of the company other than directors remuneration as reported in note no. 23.04.

ii) No amount of money was expended by the company for compensating any member of the board for special services rendered.

iii) No board meeting attendance fee was paid to the directors of the company.

32 Capital Expenditure Commitment

There has been significant capital expenditure commitment of the company as per prospectus which is not yet completed.

33 Claim not Acknowledged

There was no such claim against the company as not acknowledged as debt as on 30 June 2018.

34 Commission, Brokerage or Discount against services

No commission brokerage or discount was allowed during the year under audit.

35 Events after the Reporting Period

Proposed dividend :

The board of directors in its board meeting held on 28 October 2018 has recommended 10% dividend (5% stock + 5% cash) for the year ended June 30, 2018 subject to approval of the shareholders at the ensuing Annual General Meeting (AGM).

36 Related Party Relationship and Transaction

The company has no other related party transaction except all insurance policy with Green Delta Insurance Company Ltd. and IGW operation with SongBird Telecom Ltd. as mentioned in the note no. 2.25 (iii).

37 Special Reports as per the Companies Act, 1994

(i) Number of employees and remuneration thereof as per the schedule XI of the Companies Act, 1994 the number of employees engaged for the whole year or part thereof who received a total remuneration above Taka 54,000 per annum or above Taka 4,500 per month were 242 for the year 2017-18.

(ii) There was non-resident Bangladeshi shareholder of the company during the year under audit. Percentage of shareholding of the non-resident Bangladeshis has been disclosed in note no.12.

38 Balance Confirmation letters have been sent to various parties i.e. debtors, creditors, advances etc. to confirm their balances directly to the statutory auditors but no respones has yet been received.

39 Report as per notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018

(a) Calculation of Net Assets Value (NAV) per share= Net Assets/total number of ordinary share

Net Assets = 1,028,316,668

Total number of ordinary share= 69,101,136

Calculation of Net Assets Value (NAV) per share= 1,028,316,668/69,101,136

NAV per share =Tk. 14.88

(b) i. Basic earning per share (EPS) as per note 13.02= Tk. 1.01

ii. Diluted earning per share =N/A.

(c) Calculation of net operating cash flows per share (NOCFPS)

=Net operating cash flows/total number of ordinary share

=63,216,543/69,101,136

Net operating cash flows per share (NOCFPS)= Tk. 0.91

40 Cash Flow from Operating Activities (Indirect Method) for the year ended 2018

Particulars	Amount
Net Income (Before Tax)	83,459,917
Non-cash transaction	
Depreciation and amortization	27,321,972
Provision against Investment in Shares	103,143
Investment Income/(Loss)	1,117,232
Increase /(decrease) of current assets/liabilities	
Decrease in trade receivable	(16,771,589)
Decrease in Inventory	(1,443,672)
Decreaseof advance Deposits & Prepayments	(3,291,618)
Decrease Liabilities for Service	(26,783,239)
Increase Other Liabilities	193,144
Decrease Liabilities for Expenses and Provisions	(8,613,493)
Interest Received (shown in investing activities)	(74,180)
Financial Expenses (Shown in Financial Activities)	7,998,926
Net Cash from Operating Activities	**63,216,543**

Chairman	Managing Director	Director	Chief Financial Officer	Company Secretary

AMAR STOCK

Agni Systems Limited
Schedule of Fixed Assets
As at 30 June 2018

Annexure-1

Amount in TK.

Sl. No.	Name of Assets	COST				DEPRECIATION					Written down Value as at 30 June 2018
		Opening balance as at 01 July 2017	Addition during the year	Sales/ Transfer/ Adjustment	Balance as at 30 June 2018	Rate (%)	Opening balance as at 01 July 2017	Charged during the year	Adjustment during the year	Balance as at 30 June 2018	
1	2	3	4	5	6=(3+4+5)	7	8	9	10	11=(8+9+10)	12=(6-11)
1	Land & Land Rights	132,787,867	-	-	132,787,867	-	-	-	-	-	132,787,867
2	Building	20,419,462	-	-	20,419,462	2.5	4,054,292	409,129	-	4,463,421	15,956,041
3	Furniture & Fixture	11,583,101	50,000	-	11,633,101	10	6,774,088	485,901	-	7,259,989	4,373,112
4	**Motor Vehicle:**										
	(i) Freehold	11,281,833	-	-	11,281,833	15	4,967,060	947,216	-	5,914,276	5,367,557
	(ii) Leasehold	22,380,000	-	-	22,380,000	15	11,162,042	1,682,694	-	12,844,736	9,535,264
	Sub-total:	**33,661,833**	**-**	**-**	**33,661,833**		**16,129,102**	**2,629,910**	**-**	**18,759,012**	**14,902,821**
5	**ICX Equipment**	141,394,745	-	-	141,394,745	15	70,340,634	10,658,117	-	80,998,751	60,395,994
6	**Machinery and Equipment:**										
	a) Air Conditioner	3,632,100	59,500	-	3,691,600	15	2,900,347	118,688	-	3,019,035	672,565
	b) Power Backup Equipment:							-			
	(i) Freehold	6,456,732	133,644	-	6,590,376	15	4,760,327	257,137.75	-	5,017,465	1,572,911
	(ii) Leasehold	1,600,000	-	-	1,600,000	15	1,049,805	82,529	-	1,132,334	467,666
	c) Internet Equipment:										
	(i) Freehold	114,052,786	1,710,094	-	115,762,880	15	83,698,753	4,681,362	-	88,380,115	27,382,765
	(ii) Leasehold	620,000	-	-	620,000	15	406,800	31,980	-	438,780	181,220
	d) Other Equipment	406,825	-	-	406,825	15	272,325	20,175	-	292,500	114,325
	e) Wireless Equipment	78,057,019	-	-	78,057,019	15	63,932,176	2,118,726	-	66,050,902	12,006,117
	f) Telephone Installation	2,526,544	-	-	2,526,544	10	1,952,407	57,414	-	2,009,821	516,723
	g) Cable Fiber Optic	20,718,168	-		20,718,168	10	10,539,901	1,017,827	-	11,557,728	9,160,440
	Sub-total:	**228,070,174**	**1,903,238**	**-**	**229,973,412**		**169,512,841**	**8,385,839**	**-**	**177,898,680**	**52,074,732**
7	**Computer & Accessories:**										
	a) Computer & Accessories	22,149,899	-	-	22,149,899	15	14,981,594	1,082,500	-	16,064,094	6,085,805
	b) Software	1,400,000	300,000	-	1,700,000	15	1,289,269	61,610	-	1,350,879	349,121
	Sub-total:	**23,549,899**	**300,000**	**-**	**23,849,899**		**16,270,863**	**1,144,109**	**-**	**17,414,972**	**6,434,927**
8	Sundry Assets	2,010,355	-	-	2,010,355	10	1,386,961	62,339	-	1,449,300	561,055
9	**Work-in-Progress:**										
	Wimax Equipment	274,268,634	-	-	274,268,634	-	-	-	-	-	274,268,634
Total as at 30 June 2018		**867,746,070**	**2,253,238**	**-**	**869,999,308**		**284,468,781**	**23,775,344**	**-**	**308,244,125**	**561,755,183**
Total as at 30 June 2017		**857,234,954**	**10,511,116**	**-**	**867,746,070**		**257,291,230**	**27,177,551**	**-**	**284,468,781**	**583,277,289**

Agni Systems Limited

Schedule of Intangible Assets

As at 30 June 2018

Amount in Tk

Sl. No.	Particulars	Cost				Amortization					Written Down Value as at 30 June 2018
		Opening as at 1 July 2017	Addition during the Year	Adjustment	Balance as at 30 June 2018	Rate	Opening as at 1 July 2017	Charge during the year	Adjustment	Balance as at 30 June 2018	
1	2	3	4	5	6=(3+4+5)	7	8	9	10	11=(8+9+10)	12=(6-11)
1	Next Generation Mail Server Software	2,772,300	-	-	2,772,300	20%	2,650,373	24,385	-	2,674,758	97,542
2	Agni Buy & Sell	3,460,500	-	-	3,460,500	20%	3,308,306	30,439	-	3,338,744	121,756
3	Agni Exam	1,220,400	-	-	1,220,400	20%	1,160,129	12,054	-	1,172,183	48,217
4	Network Management Software	6,548,086	-	-	6,548,086	20%	5,858,098	137,998	-	5,996,096	551,990
5	Subscriber Management Software	957,100	-	-	957,100	20%	915,006	8,419	-	923,425	33,675
6	ICX Development Cost	50,000,000	-	-	50,000,000	6.67%	16,666,666	3,333,333	-	19,999,999	30,000,001
Total as at 30 June 2018		**64,958,386**	**-**	**-**	**64,958,386**		**30,558,579**	**3,546,628**	**-**	**34,105,205**	**30,853,180**
Total as at 30 June 2017		**64,958,386**	**-**	**-**	**64,958,386**		**26,958,627**	**3,599,952**	**-**	**30,558,578**	**34,399,807**

AGNI SYSTEMS LIMITED

Revenue Stamp

Proxy Form

I/We……
of……
being a Member of Agni Systems Limited, hereby appoint
Mr./Mrs……
of……..
as my proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 22nd **Annual General Meeting** of the Company to be held on **Wednesday**, 26Th December, 2018 and at any adjournment thereof.

As witness my hand this ……Day of December 2018
Signature of Proxy ……..
Signature of Member……..
Register Folio of Member

Note: The proxy form duly completed must be deposited at the Company's Registered office, Navana Tower (11th Floor), Suite # A, 45 Gulshan Avenue, Gulshan-1, Dhaka-1212, not later than 48 hours before the time fixed for the meeting.

.....

Attendance Slip

Name of Member / Proxy……
Register Folio No. /BO ID of Member

I/We here by record my/our presence at the 22nd **Annual General Meeting of Agni Systems Limited** on Wednesday, 26th December, 2018 at 10.00 A.M. at Spectra Convention Center, House # 19, Road # 7, Gulshan 1, Dhaka – 1212

Signature of Proxy……
Signature of Member……

Note: Shareholders attending the meeting in person or by proxy are requested to deposit the attendance slip duly filled in at the entrance of the meeting hall. Seats in the auditorium are reserved only for the shareholders/proxies.