ANNUAL REPORT | 2016-2017

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Information Services Network Ltd.

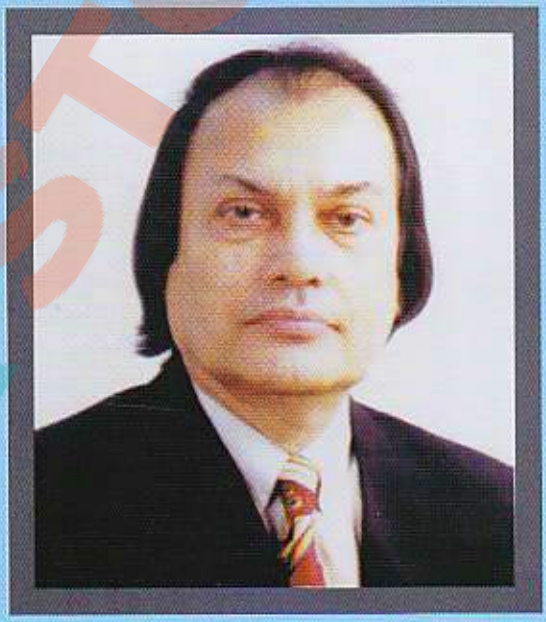
Head Office : TMC Building (4th Floor), 52 New Eskaton Road, Dhaka-1000, Bangladesh
Tel: 09602000001-3, 880 2 48322785-8, Fax : 880 2 9345460, E-mail : info@bangla.net, URL : www.bangla.net

STOCK

Our Gratitude



A Z M Enayetullah Khan
(Founder Chairman)



Dr. A. K. Sayeedul Huq, PhD
(Founder Managing Director)

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VIVAR STOCK

INFORMATION SERVICES NETWORK LIMITED (ISN)
(First Online Internet Service Provider in Bangladesh)
TMC Building (4th Floor), 52, New Eskaton Road, Dhaka-1000.
Contract No: 09602000001-3, 48322785-8, Fax: 880-2-9345460
Web: http//www.bangla.net

NOTICE OF THE 22nd ANNUAL GENERAL MEETING

Notice is hereby given that the 22nd Annual General Meeting of the Shareholders of **Information Services Network Limited** will be held on **31st December 2017 (Sunday)** at 11:00 a.m. at Bangladesh Institute of Administration and Management (BIAM) Foundation, 63 New Eskaton, Dhaka-1000, to transact the following agenda:

1) To confirm the minutes of the 21st Annual General Meeting.
2) To receive, consider and adopt the Audited Financial Statements of the Company for the period 1st July 2016 to 30th June 2017 together with the Directors' Report and the Auditors Report thereon.
3) To declare and approve no dividend for the period 1st July 2016 to 30th June 2017.
4) To elect/re-elect directors in place of those who shall retire in accordance with law/rules.
5) To confirm/approve the appointment of Independent Directors.
6) To appoint Auditors for the term until the next Annual General Meeting and fix up their remuneration.
7) To transact any other business with the permission of the Chair.

All shareholders are requested to attend the meeting on the time, date and place mentioned above.

By order of the Board
Sd/-
(Md. Mahmudul Hasan)
Company Secretary (CC

Dated, Dhaka
18th November 2017

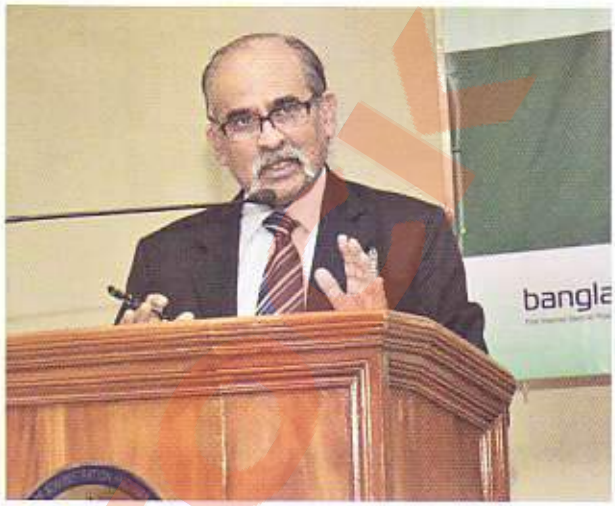
NOTES:

a) 07th December 2017 has been scheduled as Record Date. The Shareholders whose names wou appear in the Register of Shareholders of the Company or in the Depository on the "Record Da (07th December 2017) will be eligible to attend the AGM.
b) Any Shareholder of the Company entitled to attend and vote at the general meeting may appoin proxy to attend and vote on his/her behalf.
c) The instrument appointing a proxy duly signed by the Shareholder and stamped must be submitt at the Registered Office of the Company at least 48 (forty-eight) hours before the meeting.
d) For the sake of convenience, Shareholders are requested to submit their queries on the Directo Report and Audited Accounts, if any, at the Registered Office of the Company preferably 3 da before the date of the Annual General Meeting.
e) Shareholders are requested to notify change of address, if any, to the Depository Participant time.

বাংলাদেশ সিকিউরিটিজ অ্যান্ড একচেঞ্জ কমিশনের নির্দেশনা অনুযায়ী আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার উপহার/খাবার/কোন ধরনের কুপন প্রদানের ব্যবস্থা থাকবে না।

AGM 2015-2016













AGM 2015-2016













AGM 2015-2016













Management Apparatus

Board of Directors



Mr. Sayeed Hossain Chowdhury
(Chairman & Sponsor Director)



Ms. Shirin Huq
(Vice-Chairman & Sponsor Director)



Mr. Habibul Alam, *Bir Pratik*
(Managing Director & Sponsor)



Mr. Sajedur Seraj
(Shareholder Director)



Mr. Suman Celine Huq
(Sponsor Director)



Prof. Dr. Mostofa Akbar
(Independent Director)



Dr. Kaisar Ali Talukder
(Independent Director)



Mr. Md. Akhtaruzzaman
(Independent Director)



Asheq ul Islam
(Independent Director)



Mr. A. H. M. Al-Faruq
(Independent Director)

Company Secretary (CC)	:	Md. Mahmudul Hasan
Head of Finance/CFO	:	Samipon Saha
Deputy General Manager (Technical)	:	Md. Hasan Ali
Deputy General Manager (Operation)	:	Md. Jahangir Alam
In-Charge Khulna Office	:	Md. Sanaulla
In-Charge Gulshan Office	:	Md. Monzur Ahamed
In-Charge Motijheel Office	:	Md. Maniruzzaman
Corporate Auditors	:	Shafiq Basak & Co.
Bankers	:	Farmers Bank Ltd. Arab Bangladesh Bank Ltd. National Credit & Commerce Bank Ltd. Mercantile Bank Ltd. Eastern Bank Ltd. Social Islami Bank Ltd. Pubali Bank Ltd.
Insurers	:	Bangladesh General Insurance Company Ltd.
Stock Exchange	:	Dhaka Stock Exchange Ltd.
	:	Chittagong Stock Exchange Ltd.

Chairman's Address

In the name of the Almighty Allah

Honourable Shareholders,

A very warm welcome to you all at the 22nd Annual General Meeting (AGM) of your company. On behalf of your Board, I take this opportunity to express my heartfelt gratitude to you all for your continued co-operation and trust. On the occasion of this AGM, I am obliged to place before you the Annual Report along with the audited financial statement of the Company for the period 1st July 2016 to 30th June 2017.

ICT industry has seen a steady growth in Bangladesh during this period. But unscrupulous competition prevailed in the market. Operating costs of the company increased. Bandwidth price continued to fall during the period but NTTN costs did not fall. However, ISN has maintained its reputation by ensuring excellent customer service, implementing quality control in technology and process design.

The overall financial performance of ISN during the period 1st July 2016 to 30th June 2017 has slightly improved but was not enough to overcome the loss. During the year your Company incurred net loss after tax of Tk. 5,650,036.00. The loss occurred mainly due to depreciation of Tk. 27,64,932.00 on revalued amount of fixed assets; Tk. 24,36,126.00 on extra interest expense and amortization of deferred expenses of Tk. 4,65,436.00, which was beyond the control of the Company. EPS for the year was in the negative figure Tk. 0.52. As there was no retained earnings, the Board of Directors sadly could not recommend any dividend to the shareholders for the year.

Since the companies which are in 'Z' category are barred by SEC from buying/selling/transferring shares, the present Board of ISN was unable to increase and achieve total 30% shares required to be held by the Board. As the only way to achieve 30% shareholding by the Sponsors/Directors was to include new directors in the Board from the Shareholders who hold at least 5% of the total outstanding shares, the Board of Directors appointed Mr. Sajedur Seraj as a Director as he was holding 5% of the total shares. The Board of Directors of the Company is happy to negotiate with Shareholders holding 5% or more shares to enable include them in the Board as Directors to comply with BSEC's Notification No. SEC/CMRRCD/209-193/119/Admin/34, dated November 22, 2011. Kindly appreciate our position on the matter.

In conclusion, I would like to extend my gratitude to the Bangladesh Securities and Exchange Commission (BSEC), Dhaka and Chittagong Stock Exchanges, Office of the Registrar of Joint Stock Companies & Firms, National Board of Revenue (NBR) and the valued stakeholders for their support and valuable guidance.

May the Almighty Allah guide and bless us all in our future endeavours.

SAYEED

Sayeed Hossain Chowdhury
Chairman

Directors' Report

To the shareholders for the period from 1st July 2016 to 30th June 2017

Dear Shareholders,

We, on behalf of the Board of Directors, extend a very warm welcome and good wish to all on the occasion of the 22nd Annual General Meeting of Information Services Network Limited (bangle.net), the first Internet Service Provider in Bangladesh. The board has extensively gone through the Audited Financial Statements of the company and presents the audited financial statements for the period 1st July 2016 to 30th June 2017 with the Auditors Report for your kind consideration.

COMPANY OPERATION

The last year's trend continued and effect remained on the market itself. Uncertainty and business instability although reduced but remained as a major factor for market financial stability. Unhealthy competition remained to be a major factor for most ISP's. ISN Ltd. is yet to come out from the prices of bandwidth and NTTN costs. Still within ISN Ltd's limited scope of financial position played its role to remain as one of the leading internet service provider. Accordingly changes have been made within the company structure giving better and positive results. This has ensured to recover from further losses. Thus this year we will see reduction of losses and its partial recovery.

KHULNA OFFICE

Khulna office by now has been able to hold its status as one of the leading market share holder in context to cliental position. It is for quite some times now due to financial constraint resources necessary could not be mobilized for proper expansion programme. Hence, the company is deprived from the increase in revenue. However, Khulna office took the initiative and moved forward with the expansion programme towards all Upazila of Khulna, Satkhira, Jessore, Bagerhat, Patuakhali districts including Barisal City Corporation.
It is expected that the revenue from Khulna office will increase in the coming fiscal year.

GULSHAN OFFICE

Gulshan office is a standalone office of ISN and it has been serving the upper level clients to its best of ability. The newly acquired devices has helped Gulshan office move to new locations of Mohakhali, Banani, Bashundhara, Shahjadpur and Uttar Badda. To move forward installations of POP inside Badda and Bashundhara area has become essential. It is expected that within the coming months it will be established.
The competition remains as the main challenge by this office with some of the largest ISP's in this area. Revenue remained similar or little better than the previous year.

MOTIJHEEL OFFICE

A major percentage of our bandwidth sale is based with our corporate customers in Motijheel area. By now Motijheel office has upgraded to the level to satisfy its customers/clients. Motijheel office is presently proving services and facilities of internet, Data Connectivity, email solution, IP Phone, VPN etc. Although revenue should have increased but due to competition with all major

ISP's the revenue increase has become very slow.
The growth strategy that has recently been taken and curtail of office expenses made, it now seems that in the next year better revenue earning will be shown.

UTTARA OFFICE

The change of the office premises has helped this office to ensure proper overhead fiber optic cable laying and establish direct link with Gazipur office. The lack of manpower (Experienced Marketing person) remains as one of the major challenges for this office to generate more revenue .Still the price fluctuation of bandwidth remain the biggest bottleneck in generating satisfactory revenue. It is expected that the revenue from this office will increase to a satisfactory level from next year.

NARAYANGANJ OFFICE

Narayanganj office is now back to its own premises. This has helped this office to regain some of the clients that was lost. The revenue of Narayanganj is improving with the pace of time. The acquisition and establishment of Radio Link Network provided substantial benefit in increasing its revenue. The backbone problem does not exist anymore. Direct Radio Link with Dhaka and Narayanganj has made this office stronger in serving its clients.

It is through Narayanganj Radio Link ISN now have been able to establish connectivity in remote areas of Chandpur, Munshiganj, Araihazar, Keranigang, Sonargaon, Sreenagar. It is expected that in the coming year Narayanganj will be able to increase its revenue by 20-30%

GAZIPUR OFFICE

In May 2017 Gazipur office established direct link through Optical Fiber with Uttara office which increased revenue. The continuation of the expansion program Gazipur NOC connected the new area like Ashulia, damrai Savar, Norshindi. Gazipur will have to plan laying fiber optic cable as well as Radio link to remain in the competitive market. Last year we have connected our own fiber optic cable to our main valuable POP (Farr Pop, Delta Pop, Gazipur NOC) at Gazipur area for consumption high traffic. To provide better support to the valuable clients Gazipur office is always upgrading system and bandwidth. To increase number of clients a new 3 legs Tower has installed.

It is highly expected that the expansion programme (fiber optic and radio Connectivity) will increase revenue in the coming years..

CORPORATE MANAGEMENT

The Board's commitment of ensuring standard of corporate management is being followed and well understood. Mid level management has now been made accordingly to the requirement. The vacuum that was created has been fulfilled and it is expected that goals set by the Board on behalf of the share holders will be made within next year. The Board of Directors and the Management ensured maintaining compliance with all requirements of regulatory bodies.

MARKETING and BUSINESS DEVELOPMENT

ISN Ltd has taken initiative in the Marketing department and new recruits have been brought in to strengthen this department. Serious efforts have been made to focus in Gazipur and Narayanganj. It was already mentioned that ISN Narayangonj office is now in its own promises and established strong Radio Link backbone. It is through Narayangonj Radio link, now ISN have been able to establish connectivity in remote area of Narayangonj, Mushigonj, Araihazar, Keraniganj, Rupganj, Sonargaon, and Jatrabari. The acquisition and establishment of radio link network provided substantial results. It is felt now that increase of clients as well as fresh addition of revenue will be included. We also expanded our network at Satkhira, Feni and Jamalpur district.

ADMIN & HR

Admin & HR division again continues to maintain the standard required to provide better services to its clients by employing appropriate persons. Including new bloods to the company has always been in the mind of Admin & HR. The manpower of ISN for the year 2014, 2015-2016 and 2016-2017 is as follows:

Particulars	2016-17	2015-2016	2014
Number of Employees	119	120	117

SOFTWARE

It is to be understood that this company continued to work on software mainly for in house purpose. The changes that took place with software division by curtailing manpower to minimum requirement has reduced partial financial burden. However, web hosting and web designing continues to draw reasonable revenue for the company. The software financial package which is developed with the support of proper software engineer needs further tuning to put it in the market.

The database of new client list has been completed and now needs to be utilized by appropriate persons and organization. This small group has provided avenues for the marketing division to generate revenue for the company.

FINANCE

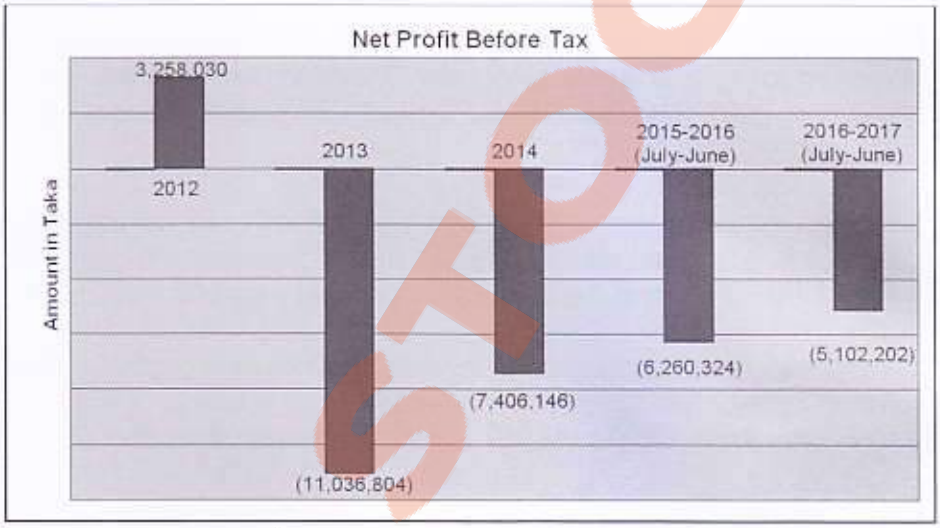
Finance division seeks the guidance of Bangladesh Securities and Exchange Commission (BSEC) and continues to comply with notification, directories and orders. It also places on record the advice and procedures suggested by the Audit Committee that has been beneficial to be more transparent in all sectors of finance. Our latest Financial Statements and all other price sensitive information are available in our website:

http://www.bangla.net/welcome/financial_information

COMPANY PERFORMANCE

The company did not perform well due to various reasons and incurred a net loss before tax of Tk. 5,102,202.00 for the period 1st July 2016 to 30th June 2017.

Year	Net Profit (in Taka)
2012	3,258,030
2013	(11,036,804)
2014	(7,406,146)
2015-2016 (July-June)	(6,260,324)
2016-2017 (July-June)	(5,102,202)



NO DECLARATION OF DIVIDEND

As the company incurred a net loss after tax of Tk. 5,650,036.00 and as there was no retained earnings, the Board of Directors proposed no dividend for the period 1st July 2016 to 30th June 2017.

Year wise dividend declaration pattern from year 2012 to 2016-17 is provided here:



FUTURE PLAN

There are problems of reaching remote areas of the country with active fiber optic cable network and Advanced quality Radio Technology service. That is why we have a plan to deploy GPON technology (passive network with less requirement of power) to connect mass of people beside of our existing "Free Radio Frequency" service. For the present market demand, we will need to increase or improve our fiber network coverage to catch up new clients. That is, we have to plan for deploy FTTH (Fiber to the home) based on GPON technology in Dhaka and Khulna location for increasing future coverage area.

It is for quite source times now due to Financial constraint resources necessary could not be mobilized for proper expansion plan. However, we look the initiative and moved forward with expansion plan towards Savar, Tangail, Jamalpur, Barisal, Satkhira, pirojpur and Jessore districts.

It is time to explore, accordingly coming year ISN Ltd will expand its IP Telephony service. We will give more focused on MNC, NGO, Industrialization office and enterprise market all over Bangladesh. ISN IP Phone department working to new call center solutions introduced for clients.

ISN Ltd has been working with security surveillance products Like CCTV Camera, IP Camera Solution Service for Corporate & home based solution. It will render a huge scope in present market effectively, where we can earn more revenue for the company.

Products & Services

As the first ISP of the Country we continued to serve the ICT sector of the country from every single point of Technology. To provide one stop solution we maintain the following Products & Services to our valued clients:

Broadband Internet : Broadband connection for high speed access to Internet is provided through optical fiber cable and Radio link to dedicated and shared users.

Virtual Private Network (VPN) Services : This system uses encryption and other security mechanisms to ensure that only authorized users can access the network and that the data cannot be intercepted. This solution is ideal for Corporate Offices who are in need of giving access to mobile workers or any other 3rd party securely.

Web Solutions : ISN develops web sites that offer a broad array of resources and services, such as email, forums, suggestions and online shopping malls. Professionals in developing corporate websites that leads towards reduced customer service cost and attract new employees to the organization. ISN also provides Domain Registration, Web Hosting and Maintenance services as per client requirements.

Networking Services : Our network solutions based on office LAN (Local Area Network) allows information sharing among all employees regardless of where information is stored. We are providing shared applications like email, calendar and task scheduling and other features to aid collaboration in the office; Customized security options and access permissions to safeguard centralized data; High-speed fiber optic network for fast and error-free data transfer etc.

Data Services : ISN Ltd specializes in data services for medium to large businesses with multiple office locations in need of inter-office collaboration and efficient data sharing. Some features of Data Communication are - Net meeting, video phone and other inter-office communication/ collaboration facilities; Shared applications like email, calendar and task scheduling and other features to aid collaboration in the office; Direct link or ISN server aided citywide robust network; Customized security options and access permissions to safeguard centralized data; Powerful high-bandwidth fiber optic network for fast and error-free data transfer in large volumes etc.

Server Co-location : ISN provides Server Co-location service clients to place their server ISN office for better security, safety, data speed in the state-of-the-art data center.

SMS Services : We provide email gateway facilities with other value added functions such as SMS services to corporate clients who can send huge amount of SMS to the targeted people.

IP Telephony : ISN announces the IP Telephony communication services, Branding 'BTEL' into Bangladesh market. Information Services Network Ltd (ISN) combines voice, data and Internet services over the same connection for maximum value and flexibility.

BTEL is a fully managed business phone system solution that provides everything a business needs - equipment, installation, maintenance, support, updates and more. It also provides a converged communication solution that combines voice services and Internet over a single IP connection utilizing a customer's existing Internet system, therefore, eliminating the expense of purchasing new equipment.

BTEL IP Phone provides advantages over any other options and one can record any call one make or receive - or one can record all calls all the time. One can play, pause and rewind recordings anytime from our website or download and store them forever on PC or server. Call recording used to be very expensive and difficult but with BTEL IP Phone we have made it extremely simple and very affordable in fact, just a few paisa per recording.

Voicemail is the digital answering machine, but unlike a normal answering machine one can get messages from almost anywhere using BTEL IP Phone, on mobile phone from the Internet and even by email. One can record personal message directly by using the pre-programmed message that we provide.

Risks and Concerns

Although IT is a flourishing sector with great potential in Bangladesh, it also has its own risk factors like all other businesses. The related risks factors for IT industry are regulatory risks, market risks, risks related to technology, political unrest, unscrupulous competition in the market, increasing govt. payments in the form of VAT, Taxes, and Fees etc.

Future Outlook

Internet Bandwidth price is the lowest in the country now. With the arrival of ITC's (International Terrestrial Cable) and IIG's (International Internet Gateway) license holders, prices are low and the market remains very much competitive. The Board of Directors always emphasized the need of reaching new customers in new geographic locations including at District and Thana level to expand the business. The board also hopes that the government will emphasize more on country wide infrastructure sharing for ISPs at a much lower cost and at the same time will look into the Tax and VAT charges which remain pretty high in context to the charges of other business sectors.

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

The Statement of Profit or Loss and Others Comprehensive Income shows that the Cost of Goods Sold for the period ended 30th June 2017 (July 2016 to June 2017) is Tk.33.31 millions against Tk.28.98 millions for the same period of last financial year. Gross Profit for the period ended 30th June 2017 (July 2016 to June 2017) is Tk.27.76 millions against Tk.26.65 millions for the same period of last financial year. Net Loss after tax for the period ended 30th June 2017 (July 2016 to June 2017) is (Tk.5.66) millions against (Tk.6.84) millions for the same period of last financial year.

Pattern of Shareholding as on 30.06.2017

Name of the Shareholder	Position/Designation	No. of Shares
1. Parent/Subsidiary/Associate companies and other related parties:		NIL
2. Directors, Sponsors, CEO, CS, CFO, HIA, Executives and their spouses and minor children:		
2 (a). Directors and sponsors:		
Mr. Sayeed Hossain Chowdhury	Chairman	892,462
Ms. Shirin Huq	Vice Chairman	220,054
Mr. Sajedur Seraj	Shareholder Director	5,46,306
Mr. Habibul Alam, BP	Managing Director	164,490
Mr. Suman Celine Huq	Sponsor Director	239,403
Dr. Kaisar Ali Talukder	Shareholder Director	4,601
Mr. Md. Akhtaruzzaman	Shareholder Director	8,318
Prof. Md. Moftofa Akbar	Shareholder Director	10,867
Mr. Asheq Ul Islam	Independent Director	3,534
Mr. A. H. M. Al-Faruq	Independent Director	0
Mr. Mirza Ali Behrouze Ispahani	Sponsor	99,717
Mr. Abdullh Hel Mostafa	Sponsor	2,668
Ms. Najma Enaytullah Khan	Sponsor	20,131
Mr. Anwar Hossain	Sponsor	151,878
2 (b). CS, CFO, HIA:		
Mr. Md. Mahmudul Hasan	Company Secretary (CC)	NIL
Mr. Samipon Saha	Chief Financial Officer	NIL
Mr. Abul Kalam Azad	Head of Internal Audit	NIL
2 (c). Executives (top 5 salaried persons other than Directors/CEO/CS/CFO/HIA:		
Mr. Md. Jahangir Alam	DGM (Operation)	NIL
Mr. Md. Hasan Ali	DGM (Technical)	NIL
Mr. Mohibur Rahman	System Administrator	NIL
Mr. Mangurl Islam (Towhid)	Sr. Manager, Network	NIL
Mr. Md. Shariful Hoque	Sr. Manager, Marketing	NIL
2 (d). Spouses and minor children		NIL
3. Shareholding 10% or more voting right		NIL

Corporate Operation Results 5 years (2012– 2017):

Particulars	2016-2017 (1st July 2016 to 30th June 2017)	2015-2016 (1st July 2015 to 30th June 2016)	2014	2013	2012
No. of Authorized Shares	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000
No. of Issued Shares	10,920,003	10,920,003	10,920,003	10,920,003	10,400,003
Paid up Capital (Tk.)	109,200,035.00	109,200,035.00	109,200,035.00	109,200,035.00	104,000,033.00
Share Holders Equity (Tk.)	155,025,612.00	160,675,648.00	170,127,870.00	177,821,465.00	189,101,459.00
Share Holders Equity as % Assets	1.53%	1.56%	1.38%	1.35%	1.30%
Total Assets (Tk.)	236,526,682.00	251,379,958.00	234,833,795.00	239,355,906.00	245,626,562.00
Total Liabilities (Tk.)	81,501,070.00	90,704,309.00	64,488,866.00	61,352,828.00	56,363,348.00
Reserve & Surplus (Tk.)	45,825,577.00	51,475,613.00	60,927,835.00	68,621,430.00	85,101,426.00
Net Sales/Net Income (Tk.)	74,369,329.00	67,172,808.00	59,606,371.00	54,709,560.00	60,099,157.00
Profit Before Tax (Tk.)	(5,102,202.00)	(6,260,324.00)	(7,406,146.00)	(11,036,804.00)	3,258,030.00
Net Profit After Tax (Tk.)	(5,650,036.00)	(6,835,037.00)	(7,693,595.00)	(11,279,994.00)	2,975,151.00
Book Value Per Share	10.00	10.00	10.00	10.00	10.00
Earnings Per Share	(0.52)	(0.63)	(0.70)	(1.03)	0.29
% of Dividend		-	-	-	5% B
Current Ratio	0.42:1.00	0.52:1.00	0.41:1.00	1.90:1.00	1.98:1.00
Operating Ratio	100.00:130.11	100.00:131.98	100.00:134.42	100.00:140.12	100.00:110.85

AMAR STOCK

Remuneration to directors

Only the Managing Director received remuneration from the company. The Directors including the Independent Directors did not receive any remuneration from the company.

Number of Board Meeting held and attendance by directors

SL. No.	Name of the Directors	Number of meetings held	Number of meetings attended
1	Mr. Sayeed Hossain Chowdhury	6	6
2	Ms. Shirin Huq	"	4
3	Mr. Sajedur Seraj	"	3
4	Mr. Habibul Alam, BP	"	6
5	Mr. Suman Celine Huq	"	6
6	Dr. Kaisar Ali Talukder	"	6
7	Mr. Md. Akhtaruzzaman	"	4
8	Mr. Asheq Ul Islam	"	5
9	Prof. Dr. Md. Mostofa Akbar	"	5
10	Mr. A. H. M. Al-Faruq	"	6

Corporate Governance

ISN believes in the practice of Corporate Governance. As a Public Listed Company, the Board of Directors of ISN is determined to meet the stakeholders' interests. The Board of Directors and the Management Team are committed to maintain effective Corporate Governance through a culture of accountability, transparency, well-understood policies and procedures. The company has complied with the conditions as mentioned in the Corporate Governance Guidelines issued on August 7, 2012 by Bangladesh Securities and Exchange Commission (BSEC).

AMAR STOCK

BRIEF PROFILE OF DIRECTORS



Mr. Sayeed Hossain Chowdhury
(Chairman & Sponsor Director)

Mr. Sayeed Hossain Chowdhury

Unlike traditional feudals, four to five generations, apart from land owning, the past generation took up business, went for College and University education and joined high Govt. posts during British regime and also pursued intellectualism (leading lawyers and Newspaper editing). The family is acknowledged as one of the well-established, respected and reputed entrepreneurs of Bangladesh.

After completing his higher education in London – UK, Mr. Sayeed H. Chowdhury joined the family business in 1981 and was based in the Sultanate of Oman until 1987, looking after its business interest in the Gulf region. Returned home to work for the family company "Karnaphuli Group" as its Director Finance and Planning. In March 1991, Mr. Chowdhury founded the HRC Group, the much acclaimed and multi faceted blue chip business house of Bangladesh. Initially starting as a shipping agency, the group is now a leading conglomerate of Bangladesh consisting of nineteen (19) member companies with diverse interest which includes but is not limited to ship owning, chartering and agency, tea estate and rubber plantation, blending and packaging of tea for local market and export, real estate, print media, manufacturing/marketing of lighting products, distribution, insurance, housing finance, merchant banking, information technology, etc. Export performance of HRC in the tea sector has earned Mr. Chowdhury the Government CIP honour for twelve (12) consecutive years. He is the Founder, Chairman and CEO of HRC family of companies. Mr. Chowdhury is also Chairman of Media New Age Limited and a Director of Holiday Publications Limited. He is the Chairman of the Editorial Board of the Bangla National daily Jaijaidin and Chairman of ONE Bank limited. He is a Sponsor Shareholder of Bangladesh General Insurance Co. Ltd. Mr. Chowdhury is the ex-president of Bangladesh Oceangoing Shipowners' Association (BOGSOA). He is also a member of the British Institute of Management.

Recognitions:

National

- Industry Business Award (2003)
- Financial Mirror Business Award (2004)
- Rafiqul Islam Foundation Banking Award (2004) – the best Bank Chairman.
- Financial Mirror Export Award (2007)
- Michael Madhusudhan Dutt Award (2007) – for Upliftment of Education and Social Welfare
- Atish Depankair Gold Medal Award (2009) – for outstanding contribution in Commerce and Industry.

International

- CPBU Business Entrepreneur of the Year 2007 – United Kingdom.
- Queen's Special Award 2007 - The Ede and Ravenscroft, United Kingdom

FELLOWSHIP

- Honorary Fellowship of the Corporation of Executives Administrators (CEA) – United Kingdom



Ms. Shirin Huq
(Vice-Chairman & Sponsor Director)

Ms. Shirin Huq

Ms. Shirin Huq obtained MA in Bangla. She has been engaged in the ICT arena for a long time. She also has ample experience as a newscaster in the mass media by being involved for more than half a decade as a newscaster in both Bangladesh Television and Bangladesh Betar. She is the Chairman of Optimax communication Ltd.



Mr. Sajedur Seraj
(Shareholder Director)

Mr. Sajedur Seraj

Mr. Sajedur Seraj joined Information Services Network Ltd. as a director in 2016. He holds a bachelor degree (Honors) from University of Manchester and HND in business and finance from Westminister University. He finished O'level and A'level at Highgate School, London. Beside this, he received Associatship Award from Chartered Institute of Bankers, UK. Currently working to get fellowship under Chartered Institute of Bankers, UK.

Mr. Seraj Joined Elite Garments Industries Ltd as Production Officer in 1994 and in the next year he promoted as a Director of Elite Group. Then he took up the position as Director of AB Bank in 1999 and in 2004 he become the vice president of AB Bank. He became the Deputy Managing Director of Octagon Fibers & Chemicals Ltd. and Elite Group of Industries in 2005. He also served as a board Director of BGIC and the purchase and Disciplinary committee of Bangladesh Cricket Control Board.

He is the Chairman of Thyrocare Bangladesh Limited and Managing Director of Imam Network Limited (ICX).



Mr. Suman Celine Huq
(Sponsor Director)

Mr. Suman Celine Huq

Mr. Suman Celine Huq obtained the MBA and BBA from Institute of Business Administration, Dhaka University and Regis University, Denver, Colorado, USA respectively. He worked as an Assistant Manager in William Hill Organization, London, UK (1998-1999) and a Merchandiser at EPIC Designers Ltd. Dhaka, Bangladesh (1996-1998).



Mr. Habibul Alam, Bir Pratik
(Managing Director & Sponsor)

Mr. Habibul Alam, *Bir Pratik*, Managing Director

Mr. Habibul Alam, Bir Pratik, is a freedom fighter who is a Graduate. He was trained on Telecommunication and Broadcasting Equipment by M/s Rohde & Schwarz GmbH & Co. Kg, Germany. He is the Director of C A H Group of Companies. He is the Chairman of BIL Consortium Limited. He is a member of FBCCI and President of Bangladesh Oil Tankers Owner's Association (BOTOA). Besides, he is involved with World Organization of Scout Movement, Geneva and now Vice President of Bangladesh Scouts. He has also published a book 'BRAVE OF HEART' in both the language English & Bangla on the Liberation War of Bangladesh during 1971.



Prof. Dr. Mostofa Akbar
(Independent Director)

Prof. Dr. Mostofa Akbar

Educated both in home and abroad Prof. Dr. Mostofa Akbar has keen interest in the ICT industries of the country and has been engaged in this ICT arena for quite a long time.

He is a Professor of CSE (Computer Science & Engineering) Department, BUET. He has completed his Ph. D. in Computer Science from University of Victoria, Canada in 2002. He has publications in 12 journals and has published 50 conference papers. He has also published 3 books on Statistics and one book on ICT for Higher Secondary and Tertiary levels. He supervised 24 Masters level students from 2002 to 2017.

Besides teaching, he has provided consultancy services for computerization in Cabinet Division, Support to ICT Task Force, Islami Bank Bangladesh Limited, DESA, Janata Bank, Agrani Bank, Mercantile Bank, Dhaka Stock Exchange (DSE), RAJUK, Bashundhara Group, Tele Barta etc. He is also involved in System Analysis, Design, Tender Vetting, Tender Evaluation, S/W Development, Testing of difference Software Projects.



Dr. Kaisar Ali Talukder
(Independent Director)

Dr. Kaisar Ali Talukder

He obtained B. Sc (Hons) and M. Sc degree in Biochemistry from the University of Dhaka, and PhD on Molecular Biology from the Institute of Medical Sciences, the University of Tokyo, Japan. He is the Professor of the Department of Biotechnology and Genetic Engineering of Mawlana Bhashani Science and Technology University, Santosh, Tangail. He was also the Ex Senior Scientist and Head of Enteric and Food microbiology Laboratory of Laboratory Science Division, ICDDRB, Mohakhali, Dhaka. He also received Post Doctorate degree from Department of Pharmacology, Robert Wood Johnson Medical School of the University of Medicine and Dentistry of New Jersey, USA. He published more than 90 scientific articles in peer reviewed several international journals. He presented several scientific papers in various international scientific conferences including Japan, UK, Europe, USA, China, North and South America etc.



Mr. Md. Akhtaruzzaman
(Independent Director)

Mr. Md. Akhtaruzzaman

Bachelor of Science – Dhaka University. Post Graduate Diploma in Applied Statistics – Dhaka University, Post Graduate Diploma in Management and Administration – UK. He is the former president ISPAB. He is director of AFA Steel Industries Ltd, HI-Tech Spares Ltd, SARM Associates Limited.



Asheq ul Islam
(Independent Director)

Asheq ul Islam

Asheq ul Islam has been associated with Information Services Network Ltd. since the last 12 years, first as a Shareholder Director then as an Independent Director. He has completed his education in Business Administration from USA and has been associated in senior management positions in various IT companies since 2001 onwards. Currently he is an independent contractual management advisor and does consultancy in terms of Finance, Strategy and Risk Assessment. He is also involved in many social organizations locally and in the International arena.



Mr. A. H. M. Al-Faruq
(Independent Director)

Mr. A. H. M. Al-Faruq

M. Com. (Accounting) from Rajshahi University. He has also a CA (CC and passed up to CA Intermediate Level) from ICAB. He has a long career of about 29 years in the finance & accounts department of various reputed organizations. He served in Eastern Pharmaceuticals Limited as Accounts Officer. He was the Deputy Controller - Finance in Karanaphuli Group. Presently he is working as the Senior General Manager in HRC Family of Companies.

ELECTION of DIRECTORS

As per article 95 and in accordance with the prospectus of the company made public in February 2002 and its subsequent development in AGMs the following Directors will retire and be eligible to offer themselves for re-election:

01. Mr. Sayeed Hossain Chowdhury

02. Mr. Suman Celine Huq

ADDITIONAL DISCLOSURES

The Directors confirm, to the best of their knowledge-

a) The financial statement prepared by the management presents the company's state of affairs, operational results and cash flow and equity changes.
b) Proper books of accounts have been maintained.
c) Appropriate accounting policies have been applied in preparation of the financial state ment and the estimates are based on reasonable judgment.
d) International Accounting Standards as applicable in Bangladesh have been followed in preparation of financial statements.
e) The system of internal control is sound in design and effectively monitored.
f) There are no significant doubts upon company's ability to continue as a going concern.

APPOINTMENT of AUDITORS

The existing auditors M/s. Shafiq Basak & Co. Chartered Accountants, shall retire in this AGM. The firm, being eligible for re-appointment, have offered their willingness to act as the auditors of the company for the year to be ended on 30th June 2018.

The Board of Directors recommended the re-appointment of M/s. Shafiq Basak & Co. as auditors for the year to be ended on 30th June 2018 at a fee to be decided in this AGM.

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MANAGEMENT APPRECIATION

The Board of Directors would like to put on record their appreciation to the esteemed share-holders of the company for their continued support. The board also thanks Government of Bangladesh, Ministry of Post and Telecommunication (MOPT), Bangladesh Telecommunication Regulatory Commission (BTRC), Registrar of Joint Stock Companies and Firms (RJSC&F), Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE), and other Government & Regulatory Agencies for their valuable guidance and continued support. The board of Directors is also grateful to the valued clients, stakeholders, business partners and public at large for their outstanding help and support.

The board of Directors also places on record their great appreciation of the commitment, sense of involvement and dedication exhibited by all the staff members towards the company and look forward to their continued support and whole-hearted co-operation for realization of the goals in the year ahead.

Thanking you with warm regards.

For and on behalf of the Board of Directors of Information Services Network Ltd.

Prof. Dr. Mostofa Akbar
Director

(Habibul Alam) Bir Pratik
Managing Director

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Annexure-I Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

Sl. No.	Title	Compliance Status (√ has been put in the		Remarks
		Complied	Not Complied	
1	**Board of Directors (BoD):**			
1.1	Board's Size (number of Board members – minimum 5 and Maximum 20)	√		ISN Ltd. Board is comprised of 10 members
1.2	**Independent Directors:**			
1.2 (i)	At least one fifth (1/5) of the total number of Directors shall be Independent Directors	√		2 (Two) Independent Directors
1.2 (ii)	**Independent Director means a director:**			
1.2 (ii) (a)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company	√		As per declaration of the IDs
1.2 (ii) (b)	who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company	√		do
1.2 (ii) (c)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	√		do
1.2 (ii) (d)	who is not a member, director or officer of any stock exchange	√		do
1.2 (ii) (e)	who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market	√		do
1.2 (ii) (f)	who is not a partner or executive or was not a partner or an executive during the preceding 3 (three) years of the company's statutory audit firm	√		do
1.2 (ii) (g)	who shall not be an independent director in more than 3 (three) listed companies	√		do
1.2 (ii) (h)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI)	√		do
1.2 (ii) (i)	who has not been convicted for a criminal offence involving moral turpitude	√		do
1.2 (iii)	Independent Director(s) shall be appointed by BoD approved by the shareholders in the Annual General Meeting (AGM)	√		

1.2 (iv)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days			Not Applicable
1.2 (v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded	√		
1.2 (vi)	The 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 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business	√		The qualification and background of the IDs justify their abilities as such
1.3 (ii)	Independent Director should be a Business Leader/Corporate leader/Bureaucrat/ University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/ professional experiences	√		do
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of Commission			Not Applicable
1.4	The Chairman of the Board and the Chief Executive Officer (CEO) shall be different individuals. The Chairman shall be elected from among the directors. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the CEO	√		
1.5	**The Director's Report shall include the following additional statements:**			
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)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	√		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	√		
1.5 (vi)	Basis for related party transactions - a statement of all related party transactions should be disclosed in the annual report	√		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any other instrument			Not Applicable

1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO)			N/A. ISN's IPO was long since ago.
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements, the management shall explain about the variance	√		
1.5 (x)	Remuneration to directors including independent directors	√		Remuneration paid to MD
1.5 (xi)	The financial statements present fairly its state of affairs, the result of its operations, cash flows and changes in equity	√		
1.5 (xii)	Proper books of account have been maintained	√		
1.5 (xiii)	Adaptation of appropriate accounting policies & estimates	√		
1.5 (xiv)	IAS/BAS/IFRS/BFRS, as applicable in Bangladesh, have been followed and adequate disclosure for any departure	√		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored	√		
1.5 (xvi)	Going Concern (ability to continue as a going concern)	√		
1.5 (xvii)	Highlight and explain significant deviations from the last year's operating results	√		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be Summarized	√		
1.5 (ix)	Reason for non-declaration of Dividend	√		
1.5 (xx)	The number of Board meetings held during the year and attendance by each director	√		
1.5 (xxi)	**Pattern of shareholding and name wise details (disclosing aggregate number of**			
1.5 (xxi) (a)	Parent/Subsidiary/Associated Companies and other related parties	√		
1.5 (xxi) (b)	Directors, Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO), Head of Internal Audit (HIA) and their spouses and minor children	√		
1.5 (xxi) (c)	Executives	√		
1.5 (xxi) (d)	Shareholders holding ten percent (10%) or more voting interest in the company	√		
1.5 (xxii)	**In case of the appointment/re-appointment of a director, disclose:**			
1.5 (xxii) (a)	a brief resume of the director	√		
1.5 (xxii) (b)	Nature of his/her expertise in specific functional areas	√		
1.5 (xxii) (c)	Names of companies in which the person also holds the directorship and the membership of committees of the board	√		

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2.1	Appointment of CFO, HIA and CS and defining their respective roles, responsibilities & duties	√		
2.2	The CFO and the CS shall attend the meetings of the Board of Directors	√		
3	**Audit Committee:**			
3 (i)	The company shall have an Audit Committee as a sub-committee of the BoD	√		
3 (ii)	The Audit Committee shall assist the BoD in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	√		
3 (iii)	The Audit Committee shall be responsible to the BoD. The duties of the Audit Committee shall be clearly set forth in writing	√		
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members	√		Audit Committee is comprised of 3 (three) members
3.1 (ii)	The BoD shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) Independent Director	√		
3.1 (iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience	√		
3.1 (iv)	Expiration of the term of service of Audit Committee members making the number lower than 3 (three) and fill up the vacancy (ies) by the Board not later than 1 (one) month from the date	√		
3.1 (v)	The Company Secretary shall act as the secretary of the Audit Committee	√		
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without atleast 1 (one) independent director	√		
3.2 (i)	The BoD shall select the Chairman of the Audit Committee, who shall be an Independent Director	√		
3.2 (ii)	Chairman of the audit committee shall remain present in the AGM	√		
3.3	**Role of Audit Committee:**			
3.3 (i)	Oversee the financial reporting process	√		
3.3 (ii)	Monitor choice of accounting policies and principles	√		
3.3 (iii)	Monitor Internal Control Risk management process	√		
3.3 (iv)	Oversee hiring and performance of external auditors	√		
3.3 (v)	Review the annual financial statements before submission to the board for approval	√		

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3.3 (vi)	Review the quarterly and half yearly financial statements before submission to the board for approval	√		
3.3 (vii)	Review the adequacy of internal audit function	√		
3.3 (viii)	Review statement of significant related party transactions submitted by the management			No related party transaction has occurred
3.3 (ix)	Review Management Letters/Letter of Internal Control weakness issued by statutory auditors	√		
3.3 (x)	Disclosure to the Audit Committee about the uses/applications of IPO funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, shall prepare a statement of funds utilized for the purposes other than those stated in the prospectus			Not Applicable
3.4.1 (i)	Reporting to BoD on the activities of the Audit Committee	√		
3.4.1 (ii) (a)	Reporting to BoD on conflicts of interests			Not Applicable
3.4.1 (ii) (b)	Reporting to BoD on any fraud or irregularity or material defect in the internal control system			Not Applicable
3.4.1 (ii) (c)	Reporting to BoD on suspected infringement of laws			Not Applicable
3.4.1 (ii) (d)	Reporting to BoD on any other matter			Not Applicable
3.4.2	Reporting to BSEC (if any material impact on the financial condition & results of operation, unreasonably ignored by the management)			Not Applicable
3.5	Reporting to the Shareholders of Audit Committee activities, which shall be signed by the Chairman and disclosed in the Annual Report	√		
4	**External / Statutory Auditors:**			
4.00 (i)	Non- engagement in appraisal or valuation services or fairness opinions	√		
4.00 (ii)	Non-engagement in designing and implementation of Financial Information System	√		
4.00 (iii)	Non-engagement in Book Keeping or other services related to the accounting records or financial statements	√		
4.00 (iv)	Non- engagement in Broker-Dealer services	√		
4.00 (v)	Non- engagement in Broker-Dealer services	√		
4.00 (vi)	Non- engagement in Internal Audit services	√		
4.00 (vii)	Non- engagement in any other services that the Audit Committee determines	√		

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4.00 (viii)	No partner or employees of the external audit firms shall possess any share of the company during the tenure of their assignment	√		
5	**Subsidiary Company:**			
5 (i)	Provisions relating to the composition of the BoD of the holding company shall be made applicable to the composition of the BoD of the subsidiary company			No BOD was formed for subsidiary company Golden Key ISN Private Ltd.
5 (ii)	At least 1 (one) Independent Director on the BoD of the holding company shall be a director on the BoD of the subsidiary company.			No BOD was formed for subsidiary company Golden Key ISN Private Ltd.
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company			No BOD was formed for subsidiary company Golden Key ISN Private Ltd.
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company			No BOD was formed for subsidiary company Golden Key ISN Private Ltd.
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company			No BOD was formed for subsidiary company Golden Key ISN Private Ltd.
6	**The CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:**			
6 (i) (a)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		
6 (i) (b)	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	√		
6 (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 violation of the company's code of conduct	√		
7 (i)	Obtaining certificate from a practicing Professional Accountant/ Secretary regarding compliance of conditions of Corporate Governance Guidelines of the BSEC and include in the Annual Report	√		
7 (ii)	Directors statement in the directors' report whether the company has complied with these conditions	√		

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KHAN WAHAB SHAFIQUE RAHMAN & CO.
CHARTERED ACCOUNTANTS

Partners:
S.M. Shafique FCA
Md. Abu Sina FCA
Md. Anisur Rahman FCA
Faruk Ahmed ACA
Sheikh Zahidul Islam FCA

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Certificate on Compliance of Conditions of Corporate Governance to The Shareholders of Information Service Network Limited

We have examined the status of compliance of conditions of corporate governance with conditions of Corporate Governance issued by Bangladesh Securities & Exchange Commission (BSEC) vide its notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 in regard to **"Information Services Network Limited"** for the year ended June 30, 2017.

The compliance with the said conditions of Corporate Governance and reporting the status thereof is the responsibility of the management of the Information Services Network Ltd. Our responsibility is to provide a certificate about whether the Company is in compliance with the said conditions of Corporate Governance based on our examination.

Our examination has been made for the purpose of issuing this certificate was limited to the procedures including implementation thereof as adopted by the Information Services Network Limited for ensuring the compliance of the conditions of Corporate Governance and correct reporting of the status of the compliance on the attached report on the basis of evidence gathered and representation received. It is neither an audit nor an expression of opinion on the financial statements of the company.

To the best of our information and according to the explanations given to us, we certify that, except **condition no. 5** of said notification of **Information Services Network Limited** has complied with the conditions of Corporate Governance stipulated in the above mentioned BSEC's notification dated 07 August, 2012.

Dhaka, Dated
December 05, 2017.

FAC
Faruk Ahmed, ACA
ICAB Enrollment No. 1591
Partner
Khan Wahab Shafique Rahman & Co.
Chartered Accountants

KHAN WAHAB SHAFIQUE RAHMAN & CO. Chartered Accountants

Branch Office:
Sabbir Chamber (3rd Floor),
60, Agrabad C/A, Chittagong.
Telephone: 2520056,
E-mail: kwsrctg@gmail.com

In Practice since 1968

Date: November 18, 2017

Certification of the MD/CEO and the CFO

The Board of Directors
Information Services Network Limited
TMC Building (4th Floor)
52 New Eskaton Road
Dhaka-1000.

Dear Sirs,

We do hereby certify the followings regarding the financial statements of the company for the period 1st July 2016 to 30th June 2017.

i) We have reviewed the financial statements for year and to the best of our knowledge and belief:

   a) these statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b) 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.

ii) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.

Thanking you,

Habibul Alam, *Bir Pratik*
Managing Director

(Samipon Saha)
Chief Financial Officer

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Report of the Audit Committee

Composition of the Audit Committee

In accordance with the currently accepted best practices and corporate governance guidelines of Bangladesh Securities and Exchange Commission (BSEC) Notification No. SEC/CMRRCD/2006-158/Admin/44, dated 07 August 2012, the board appointed audit committee comprising of the following non-executive and independent directors of the company:

Name of Members	Position in the Committee	Position in the Board
Mr. A. H. M. Al-Faruq	Chairman	Independent Director
Mr. Asheq Ul Islam	Member	Independent Director
Dr. Md. Mostofa Akbar	Member	Shareholder Director

Meetings of the Audit Committee

The Committee held 4 (four) meetings during the period 1st July 2016 to 30th June 2017 under review. The terms of reference of the audit committee clearly defines the roles and responsibilities of the audit committee. The roles and functions of the committee are regulated by the rules governing the audit committee as specified by the conditions/guidelines on corporate governance issued by the Bangladesh Securities and Exchange Commission (BSEC).

Activities of the Audit Committee

The audit committee carried out the following activities during the period:

- Reviewed the systems and procedures to ensure that all transactions are completely and accurately recorded in the books of account;
- Reviewed the accounting policies and to determine the most appropriate accounting policies after consideration of all choices available;
- Reviewed the effectiveness of the financial reporting system in place to ensure reliability of the information provided to the stakeholders;
- Reviewed and approved the Annual Financial Statements prepared for publication, prior to submission to the Board;
- Reviewed the effectiveness and independence of the statutory auditors;
- Reviewed management reports together with the management's response thereto and the audited financial statements with the external auditors.

Acknowledgement

The audit committee expressed its sincere thanks to the members of the Board, management and the Auditors for their support in carrying out its duties and responsibilities effectively and efficiently.

(A. H. M. Al-Faruq)
Chairman
Audit Committee

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF INFORMATION SERVICES NETWORK LIMITED

We have audited the accompanying separate financial statements of Information Service Network Limited ("the company") as well as the consolidated financial statements of Information Services Network Limited and Its Subsidiaries ("the group") which comprise the separate and the consolidated statement of financial position as at June 30, 2017 and statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this consolidated financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, Securities and Exchanges rules 1987 and for such internal control as management determine as necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing producers to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatements of the consolidated financial statements, whether due to fraud or error. In making those risks assessments, we consider internal control relevant to the entity's preparations and fair presentations of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity'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 presentations of the consolidated financial statements.

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

Other matter :

The financial statements of Golden Key ISN Private Limited, subsidiary of Information Services Network Limited, has been audited by us and expressed unmodified opinion on those financial statements.

Basis for Qualified Opinion

(i) Age wise analysis of debtors amounting to TK 103,575,480 was not disclosed as per companies act 1994 schedule XI, part 1 and particular of debtors have not been disclosed which is the non compliance of the companies act. During the period insignificant amount has been realized which indicates that there is objective evidence of an impairment loss on receivable which should be recognized in profit or loss. But the company didn't recognize the impairment loss on receivable ignoring the provisions as required by para 63 of BAS 39.

(ii) Investment in shares of listed companies has not been measured in accordance with para 46 as of and gain or loss has not been recognized in comprehensive income as per para 55 as of balance sheet date.

(iii) Deferred tax on the temporary difference between the carrying amount of a revalued assets and its tax base has not been calculated in accordance with paragraph 20 of BAS 12.

(iv) Balance sheet discloses some balances listed below which are carried forward since long without any movement. Long time non-movement indicates the doubtful of recovery. No provision has been made for the balances considering the impairment in accordance with para 9 of BAS 36.

Particulars	Amount (BDT)
Accrued interest	809,544
Loan to Mujibul Huq	2,500,000
Loan to GKISN	1,635,343
Total	**4,944,887**

(v) Provision for the Interest amounting to Tk. 1,832,409 on term loan taken from The Farmers Bank Limited up to June 30, 2017 has not been taken into account.

Qualified Opinion:

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the separate financial statements of the company and the consolidated financial statements of the group, prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs) give a true and fair view of the financial position of the company and of the group as of June 30, 2017 and of the results of their financial performance and their cash flows for the year then ended and comply with the Companies Act, 1994, Securities and Exchange Rules 1987 and other applicable laws & regulation.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the securities and exchanges rules 1987, we also report the following:

(i) We have obtained all the information, explanations and documents which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof.

(ii) The Company management has followed relevant provision of law and rules in manag ing the affairs of the Company and that proper books of account, records and other statutory books have been properly maintained.

(iii) The Statement of Consolidated Financial Position and Consolidated Statement of Profit or Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of account and returns; and

(iv) The expenditure incurred and payments made were for the purpose of the Company's business.

Dhaka, Bangladesh
Date: 19 November, 2017

SHAFIQ BASAK & CO.
Chartered Accountants

AMAR STOCK

INFORMATION SERVICES NETWORK LIMITED
STATEMENT OF CONSOLIDATED FINANCIAL POSITION
AS AT 30 JUNE 2017

PARTICULARS	Note	Amount (in Taka)	
		30.06.17	30.06.16
ASSETS:			
Non-Current Assets:		**117,783,680**	**119,975,821**
Property, Plant & Equipment	4(a)	117,021,975	117,954,046
Investment	5(a)	63,550	858,184
Deferred Expenditure	6	698,155	1,163,591
Current Assets:		**116,315,220**	**128,989,494**
Accounts receivable	7	103,575,480	116,410,217
Advances, deposits and prepayments	9(a)	11,420,853	10,472,947
Cash and cash equivalents	10(a)	1,318,888	2,106,330
TOTAL ASSETS:		**234,098,900**	**248,965,315**
SHARE HOLDERS EQUITY & OTHER LIABILITIES :			
Shareholders' Equity		**151,580,145**	**157,243,819**
Share capital(Paid up Capital)	12	109,200,035	109,200,035
General Reserve		2,000,000	2,000,000
Revaluation Surplus		52,533,703	55,298,635
Dividend Equalization Fund		1,000,000	1,000,000
Inflation and Currency Fluctuation Fund		1,000,000	1,000,000
Retained earnings		(12,515,294)	(9,623,235)
Minority Interest		(1,638,299)	(1,631,616)
Non-Current Liabilities:		**30,091,494**	**33,876,417**
Long Term Loan	13	29,295,584	33,256,078
Deferred Tax Liabilities	14	795,910	620,339
Current Liabilities and Provisions:		**52,427,261**	**57,845,079**
Unsecured Loan	15	1,012,686	1,012,686
Accrued expenses	16(a)	6,542,372	5,682,027
Liabilities for other finance	17	3,789,920	12,094,694
Term Loan	18	40,369,374	38,715,025
Provision for income tax	19	712,910	340,647
Total Liabilities		**82,518,755**	**91,721,496**
TOTAL SHARE HOLDERS EQUITY & OTHER LIABILITIES :		**234,098,900**	**248,965,315**

The annexed notes from 1 to 24 form an integral part of these financial statements These financial statements were approved by the Board of Directors on 18 November 2017 and were signed on its behalf by:

(Habibul Alam) Bir Pratik
Managing Director

Dr. Kaisar Ali Talukder
Director

Md. Mahmudul Hasan
Company Secretary (CC)

As per our report of same date.

Dhaka, Bangladesh
Date: 19 November 2017

SHAFIQ BASAK & CO.
Chartered Accountants

INFORMATION SERVICES NETWORK LIMITED

STATEMENT OF COSOLIDATED PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR 1ST JULY 2016 TO 30TH JUNE 2017

PARTICULARS	Note	AMOUNT (IN TAKA)			
		01-07-2016 to 30-06-2017			01-07-2015 to 30-06-2016
		I.S.N.	G.K.I.S.N.	TOTAL	
Revenue from sales and services	20	61,079,384	-	61,079,384	55,640,999
Operating Expenses	21	33,310,098	-	33,310,098	28,984,209
Gross Profit		27,769,286	-	27,769,286	26,656,790
Administrative & Other Expenses		46,161,433	13,638	46,175,071	44,463,858
Administrative Expenses	22(a)	36,977,839	13,638	36,991,477	37,561,684
Financial Expenses		8,718,158	-	8,718,158	6,282,032
Amortization of Deferred Expenses		465,436		465,436	698,154
Provision for diminution for share value		-	-	-	(78,012)
Operating Profit/(Loss)		(18,392,147)	(13,638)	(18,405,785)	(17,807,068)
Non Operating Income	23	13,289,945	-	13,289,945	11,531,809
Net profit/(Loss) before Tax for the year		(5,102,202)	(13,638)	(5,115,840)	(6,275,259)
Deferred Tax Expenses		(175,571)	-	(175,571)	(403,280)
Provision for Income tax		(372,263)	-	(372,263)	(171,433)
Net profit/(Loss) after tax for the year		(5,650,036)	(13,638)	(5,663,674)	(6,849,972)
Profit (Loss) brought forward		(7,823,022)	(3,529,829)	(11,352,851)	(4,650,984)
Balance Transferred to Statement of Consolidated Financial Position		(13,473,058)	(3,543,467)	(17,016,525)	(11,500,956)
Minority Interest		-	1,736,299	1,736,299	1,729,616
Total		(13,473,058)	(1,807,168)	(15,280,226)	(9,771,340)
Earning Per Share (EPS)	24(a)			(0.52)	(0.63)

The annexed notes from 1 to 24 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 18 November 2017 and were signed on its behalf by:

(Habibul Alam) Bir Pratik
Managing Director

Dr. Kaisar Ali Talukder
Director

Md. Mahmudul Hasan
Company Secretary (CC)

Dhaka, Bangladesh
Date: 19 November 2017

SHAFIQ BASAK & CO.
Chartered Accountants

As per our report of same date.

INFORMATION SERVICES NETWORK LIMITED

STATEMENT OF CONSOLIDATED CHANGES IN EQUITY
AS AT 30TH JUNE 2017

Particulars	Share capital	General Reserve	Revaluation Surplus	Dividend Equilization Fund	Inflation and Currency Fluctuation Fund	Retained Earnings	Minority Interest	Total Taka
As at 01st July 2016	109,200,035	2,000,000	55,298,635	1,000,000	1,000,000	(9,623,235)	(1,631,616)	157,243,819
Net profit for the period	-	-	-	-	-	(5,663,674)	-	(5,663,674)
Minority Interest	-	-	-	-	-	6,683	(6,683)	-
Depreciation on revaluation	-	-	(2,764,932)	-	-	2,764,932		-
As at 30th June 2017	**109,200,035**	**2,000,000**	**52,533,703**	**1,000,000**	**1,000,000**	**(12,515,294)**	**(1,638,299)**	**151,580,145**

STATEMENT OF CONSOLIDATED CHANGES IN EQUITY
AS AT 30TH JUNE 2016

Particulars	Share capital	General Reserve	Revaluation Surplus	Dividend Equilization	Inflation and Currency	Retained Earnings	Minority Interest	Total Taka
As at 1st January 2015	109,200,035	2,000,000	59,701,631	1,000,000	1,000,000	(4,561,845)	(1,619,930)	166,719,891
Prior Year Adjustment						(1,500,000)	-	(1,500,000)
Restated Balance as at 1st January 2015	**109,200,035**	**2,000,000**	**59,701,631**	**1,000,000**	**1,000,000**	**(6,061,845)**		**165,219,891**
Net profit for the period	-	-	-	-	-	(7,976,072)	-	**(7,976,072)**
Minority Interest	-	-	-	-	-	11,686	(11,686)	-
Depreciation on revaluation	-	-	(4,402,996)	-	-	4,402,996		-
As at 30th June 2016	**109,200,035**	**2,000,000**	**55,298,635**	**1,000,000**	**1,000,000**	**(9,623,235)**	**(1,631,616)**	**157,243,819**

The annexed notes from 1 to 24 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 18 November 2017 and were signed on its behalf by:

(Habibul Alam) Bir Pratik
Managing Director

Dr. Kaisar Ali Talukder
Director

Md. Mahmudul Hasan
Company Secretary (CC)

SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS

AMAR STOCK

INFORMATION SERVICES NETWORK LIMITED
STATEMENT OF CONSOLIDATED CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE, 2017

PARTICULARS	Amount (In Taka)	
	01-07-2016 to 30-06-2017	01-07-2015 to 30-06-2016
A. Cash flows from operating activities:		
Collection from turnover and other income	81,015,639	63,293,097
Payment for cost and expenses	(68,335,668)	(69,194,259)
Advance and deposit	(1,402,940)	(89,596)
Total cash flow from operating activities	**11,277,031**	**(5,990,758)**
B. Cash flows from investing activities:		
Acquisition of fixed assets	(10,638,242)	(19,672,753)
Invesment in share	739,000	(600,000)
Total cash flow from investing activities	**(9,899,242)**	**(20,272,753)**
C. Cash flows from financing activities:		
Dividend	-	(17,300)
Earnest money deposite/(refund)	140,914	155,640
Short term loan from bank	(2,306,145)	26,037,012
Total cash flow from financing activities	**(2,165,231)**	**26,175,352**
Net cash inflow/(outflow) for the year (A + B + C)	**(787,442)**	**(88,159)**
Opening cash and bank balances	2,106,330	2,194,489
Closing cash and bank balance	**1,318,888**	**2,106,330**

The annexed notes from 1 to 24 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 18 November 2017 and were signed on its behalf by:

(Habibul Alam) Bir Pratik	**Dr. Kaisar Ali Talukder**	**Md. Mahmudul Hasan**
Managing Director	Director	Company Secretary (CC)

INFORMATION SERVICES NETWORK LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2017

PARTICULARS	NOTES	Amount (In Taka)	
		30.06.17	30.06.16
ASSETS:			
Non-current assets:		**117,836,726**	**120,020,229**
Property, Plant & Equipment	4	116,973,021	117,896,454
Investment	5	165,550	960,184
Deferred Expenditure	6	698,155	1,163,591
Current assets:		**118,689,956**	**131,359,729**
Accounts receivable	7	103,575,480	116,410,217
Accrued interest	8	809,544	809,544
Advances, deposits and prepayments	9	13,046,196	12,098,290
Cash and cash equivalents	10	1,258,736	2,041,678
TOTAL ASSETS:		**236,526,682**	**251,379,958**
Shareholders' equity		**155,025,612**	**160,675,648**
Share capital (Paid up Capital)	12	109,200,035	109,200,035
General reserve		2,000,000	2,000,000
Revaluation Surplus		52,533,703	55,298,635
Dividend equalization fund		1,000,000	1,000,000
Inflation and currency fluctuation fund		1,000,000	1,000,000
Retained earnings		(10,708,126)	(7,823,022)
Non-current liabilities:		**30,091,494**	**33,876,417**
Long Term Loan	13	29,295,584	33,256,078
Deferred tax liabilities	14	795,910	620,339
Current liabilities:		**51,409,576**	**56,827,893**
Accrued expenses	16	6,537,372	5,677,527
Liabilities for other finance	17	3,789,920	12,094,694
Short Term loan	18	40,369,374	38,715,025
Provision for income tax	19	712,910	340,647
Total Liabilities		**81,501,070**	**90,704,309**
TOTAL SHARE HOLDERS EQUITY & OTHER LIABILITIES :		**236,526,682**	**251,379,958**

The annexed notes from 1 to 24 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 18 November 2017 and were signed on its behalf by:

(Habibul Alam) Bir Pratik
Managing Director

Dr. Kaisar Ali Talukder
Director

Md. Mahmudul Hasan
Company Secretary (CC)

Dhaka, Bangladesh
Date: 19 November 2017

As per our report of same date.

SHAFIQ BASAK & CO.
Chartered Accountants

INFORMATION SERVICES NETWORK LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR 1ST JULY 2016 TO 30TH JUNE 2017

Particulars	Note	Amount (in Taka)			
		01-07-2016 to 30-06-2017			01-07-2015 to 30-06-2016
		Unit-1 ISP	Unit-2 IPTSP	TOTAL	
Revenue from sales and services	20	57,401,799	3,677,585	61,079,384	55,640,999
Operating Expenses	21	30,513,158	2,796,940	33,310,098	28,984,209
Gross Profit		**26,888,641**	**880,645**	**27,769,286**	**26,656,790**
Administrative & Other Expenses		**44,671,459**	**1,489,974**	**46,161,433**	**44,448,923**
Administrative Expenses	22	35,837,337	1,140,502	36,977,839	37,546,749
Financial Expenses		8,718,158	-	8,718,158	6,282,032
Amortization of Deferred Expenses		115,964	349,472	465,436	465,436
Provision for diminution of share		-	-	-	154,706
Operating Profit/(Loss)		(17,782,818)	(609,329)	(18,392,147)	(17,792,133)
Non Operating Income	23	13,289,945	-	13,289,945	11,531,809
Net profit/(Loss) before Tax for the year		**(4,492,873)**	**(609,329)**	**(5,102,202)**	**(6,260,324)**
Deferred Tax Expenses		(175,571)	-	(175,571)	(403,280)
Provision for Income tax		(372,263)	-	(372,263)	(171,433)
Net profit/(Loss) after tax for the year		**(5,040,707)**	**(609,329)**	**(5,650,036)**	**(6,835,037)**
Profit / (Loss) brought forward		(7,410,494)	(412,528)	(7,823,022)	(3,890,981)
Balance transferred to Statement of Financial Position		(12,451,201)	(1,021,857)	(13,473,058)	(10,726,018)
Earnings per share (per value Tk. 10/-)	24			(0.52)	(0.63)

The annexed notes from 1 to 24 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 18 November 2017 and were signed on its behalf by:

(Habibul Alam) Bir Pratik
Managing Director

Dr. Kaisar Ali Talukder
Director

Md. Mahmudul Hasan
Company Secretary (CC)

As per our report of same date.

Dhaka, Bangladesh
Date: 19 November 2017

SHAFIQ BASAK & CO.
Chartered Accountants

INFORMATION SERVICES NETWORK LIMITED
STATEMENT OF CHANGES IN EQUITY
AS AT 30TH JUNE 2017

Particulars	Share capital	General Reserve	Revaluation Surplus	Dividend Equilization Fund	Inflation and Currency Fluctuation Fund	Retained Earnings	Total Taka
As at 01 July 2016	109,200,035	2,000,000	55,298,635	1,000,000	1,000,000	(7,823,022)	160,675,648
Net profit for 1st July 2016 to 30th June 2017	-	-	-	-	-	(5,650,036)	(5,650,036)
Depreciation on revaluation	-	-	(2,764,932)	-	-	2,764,932	-
As at 30th June 2017	**109,200,035**	**2,000,000**	**52,533,703**	**1,000,000**	**1,000,000**	**(10,708,126)**	**155,025,612**

STATEMENT OF CHANGES IN EQUITY
AS AT 30TH JUNE 2016

Particulars	Share capital	General Reserve	Revaluation Surplus	Dividend Equilization	Inflation and Currency	Retained Earnings	Total Taka
As at 1 January 2015	109,200,035	2,000,000	59,701,631	1,000,000	1,000,000	(2,773,796)	170,127,870
Prior Year Adjustment	-	-	-	-	-	(1,500,000)	(1,500,000)
Restated Balance as at 1st January 2015	**109,200,035**	**2,000,000**	**59,701,631**	**1,000,000**	**1,000,000**	**(4,273,796)**	**168,627,870**
Net profit for 1st January 2015 to 30th June 2016	-	-	-	-	-	(7,952,222)	(7,952,222)
Depreciation on revaluation	-	-	(4,402,996)	-	-	4,402,996	-
As at 30th June 2016	**109,200,035**	**2,000,000**	**55,298,635**	**1,000,000**	**1,000,000**	**(7,823,022)**	**160,675,648**

The annexed notes from 1 to 24 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 18 November 2017 and were signed on its behalf by:

(Habibul Alam) Bir Pratik
Managing Director

Dr. Kaisar Ali Talukder
Director

Md. Mahmudul Hasan
Company Secretary (CC)

SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS

AMAR STOCK

INFORMATION SERVICES NETWORK LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30TH JUNE, 2017

PARTICULARS	Amount (In Taka)	
	01-07-2016 to 30-06-2017	01-07-2015 to 30-06-2016
A. Cash flows from operating activities:		
Collection from turnover and other income	81,015,639	63,293,097
Payment for cost and expenses	(68,331,168)	(69,189,259)
Advance and deposit	(1,402,940)	(89,596)
Total cash flow from operating activities	**11,281,531**	**(5,985,758)**
B. Cash flows from investing activities:		
Acquisition of fixed assets	(10,638,242)	(19,672,753)
Invesment in share	739,000	(600,000)
Total cash flow from investing activities	**(9,899,242)**	**(20,272,753)**
C. Cash flows from financing activities:		
Dividend	-	(17,300)
Earnest money deposite/(refund)	140,914	155,640
Short term loan from bank/(refund)	(2,306,145)	26,037,012
Total cash flow from financing activities	**(2,165,231)**	**26,175,352**
Net cash inflow/(outflow) for the year (A + B + C)	**(782,942)**	**(83,159)**
Opening cash and bank balances	2,041,678	2,124,837
Closing cash and bank balance	**1,258,736**	**2,041,678**

The annexed notes from 1 to 24 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 18 November 2017 and were

(Habibul Alam) Bir Pratik
Managing Director

Dr. Kaisar Ali Talukder
Director

Md. Mahmudul Hasan
Company Secretary (CC)

CHARTERED ACCOUNTANTS
SHAFIQ BASAK & CO.

INFORMATION SERVICES NETWORK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 30TH JUNE, 2017
"Forming an Integral Part of the Financial Statements"

1.00 Legal status and Nature of the company - Disclosure under BAS 1 "Presentation of Financial Statements":

1.01 Legal form of the Company:

Information Services Network Limited was incorporated in Bangladesh on August 16, 1995 as a Public Limited Company under the Companies Act, 1994. The shares of this Company are listed in the stock exchange of Dhaka and Chittagong.

1.02 Nature of Business Activities:

The main objective of the Company, interalia, is to carry on all its offices in and outside of Bangladesh for providing connectivity with the World's Information super highway and disseminate knowledge and information in electronic form and to develop, deliver and maintain computer based system and to publish IT based magazines. It has gone into commercial operation from 6th August, 1996.

2.00 SIGNIFICANT ACCOUNTING POLICIES:

2.01 Compliance with Bangladesh Financial Reporting Standards (BFRSs):

The financial Statements have been prepared in compliance with requirements of BFRSs as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

2.02 Compliance with local Laws:

The financial statements have been prepared in compliance with requirements of the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other relevant local laws and rules.

2.03 Measurement Bases used in Preparing the Financial Statements:

The elements of financial statements have been measured on "Historical Cost" Basis, which is one of the most commonly adopted base as provided in " the frame-work for the preparation and presentation of financial statements" Issued by the International Accounting Standards Committee (IASC).

2.04 Components of the Financial Statements :

According to the International Accounting standard (IAS)-1 as adopted by ICAB as BAS 1 "Presentation of Financial Statements" the complete set of Financial Statements includes the following components:

(i) Statement of Consolidated and Separate Financial Position as at 30th June 2017.
(ii) Statement of Consolidated and Separate Profit or Loss and Other Comprehensive Income for the year ended 30th June 2017.
(iii) Statement of Consolidated and Separate Changes in Equity for the year ended 30th June 2017.

(iv) Statements of Consolidated Cash Flows for the year ended 30th June 2017.
(v) Notes, comprising significant accounting policies and other explanatory information to the Consolidated and Separate Financial Statements.

2.05 Specific accounting policies selected and applied for significant transactions and events.

Recognition of Property, Plant and Equipment and Depreciation.

Property, Internet and Office Equipment are stated at their cost less accumulated depreciation in accordance with BAS 16 *"Property, Plant and Equipment"*. Depreciation on addition has been calculated since available for use. Depreciation on all other fixed assets is computed using the diminishing balance method in amounts sufficient to write off depreciable assets over their estimated useful economic lives. Expenditure of maintenance and repairs are expensed; major replacements, renewals and betterment are capitalized.

The depreciation rates applicable to the principal categories are:

Internet and Office Equipment	10-15%
Office Equipment	15%
Furniture and Fixtures	10%-15%
Transport and Vehicles	15%
Building	5%
Other Assets	10 -15%

Different between re-valued asset and carrying amount of asset resulting in revaluation surplus (Building Flat) was not recognised as income in the last years income statement and the surplus was directly credited to equity as "Revaluation Reserve". The depreciation on the re-valued asset has also been charged to profit & Loss Statement and adjusted to equity resulting in decrease in "Revaluation Reserve".

2.06 Cash and Cash Equivalents:

According to BAS 7 "Cash Flow Statement" cash comprises cash in hand and demand deposit and, cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. BAS 1"Presentation of Financial Statements" also provides that cash and cash equivalents are those which has no restriction in use considering the provision of IAS 7 and IAS 1. Cash in hand and bank balances have been considered as cash and cash equivalents.

SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS

AMARSTOCK

2.07 **Statement of Cash Flows:**

Cash Flow Statement is prepared principally in accordance with BAS 7 "Cash Flow Statement" and the cash flow from the operating activities have been presented under direct method as prescribed by the Securities and Exchange Rules, 1987 and considering the provision of paragraph 19 of BAS 7 which provides an "enterprises are encouraged to report cash flow from operating activities using the direct method".

2.08 **Taxation:**

Tax provision has been made as per Law.

2.09 **Proposed Dividend:**

This may be considered as "Liability" in accordance with the provisions of the Companies Act, 1994, the Securities and Exchanges Rules, 1987 (Sch.1-10b11). BAS 10" Events After the Reporting Period "however provides that "dividend proposed" or declared after the balance sheet date should not recognize as a liability at the Balance Sheet date but to disclose it in note to the financial Statements".

2.10 **Revenue Recognition:**

Post-Paid Internet Services and Web Page Software sales are recognized when invoices are made. Pre-Paid Internet Services are recognized on receipts and after satisfying all the conditions for revenue recognition as provided in BAS 18 *"Revenue Recognition"*.

2.11 **Foreign currency translation:**

Transactions denominated in foreign currencies are translated into Bangladesh Taka and recorded at rates of exchange ruling on the date of transaction in accordance with BAS 21 " *The Effects of Changes in Foreign Currency Rates*".

2.12 **Earning Per Share (EPS):**

The company calculates Earnings Per Share (EPS) in accordance with BAS 33 "Earnings Per Share" which has shown on the face of Profit and Loss Account and the computation of EPS is stated in Note-24.

Basic Earnings:

This represents earnings for the year/period attributable to ordinary shareholders. As there was no preference dividend, minority interest to extra ordinary items, the net profit for the year has been considered as fully attributable to the ordinary shareholders.

CHARTERED ACCOUNTANTS
SHAFIQ BASAK & CO.

Basic Earnings Per Share:

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year/period.

Diluted Earnings Per Share:

No diluted EPS is required do be calculated for the year/period as there was no scope for dilution during the year under review.

2.13 Assets of the Company:

As all assets of the company shown in the financial statement within the scope of BAS-36 are in physical existence and valued no more than their recoverable amount following International Accounting Standards adopted in Bangladesh, disclosures with regard to "Impairment of Assets" as per BAS-36 have not been considered necessary.

2.14 Employee Benefit Obligations:

The Company operates a contributory provident fund for its permanent employees. Provident fund is administrated by a Board of Trustees and is funded by contributions partly from the employees and partly from the Company at pre-determined rates. These contributions are invested separately from the Company's assets.

2.15 Reporting Period:

The financial period of the company cover the period from 01 July 2016 to 30th June 2017 in accordance with the requirements of the notification no BSEC/SRMIC/2011/1240/445 dated April 27, 2016 of Bangladesh Securities and Exchange Commission (BSEC) and sub- section 35 of section 2 of Income Tax Ordinance for uniform income year from 1st day of July to 30th day of June as amended by the provision of section 9 of the finance act 2015. For this reason amount presented in the financial statements are not entirely comparable.

2.16 Acknowledgement of Claims:

There was no claim against the company not acknowledged as debt as on 30th June 2017.

2.17 Transactions with Related Parties/Associated Undertaking:

The company carried a number of transactions with related parties in the normal course of business and on arms length basis. The nature of transactions and their total value has been disclosed in Note - 5.01, 8 & 9.

2.18 Reporting Currency and level of Precision:

The figures in the financial statements represent Bangladesh currency (Taka), which have been rounded off to the nearest Taka.

SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS

2.19 **Comparative Information :**

Relevant comparative information has been presented in the financial statement. Previous years figures have been re-arranged wherever necessary to conform to current years Presentation.

2.20 **ADDITIONAL INFORMATION :**

(a) **Responsibility for preparation and presentation for Financial Statements:**

The board of directors is responsible for the preparation and presentation of Financial Statements under Section 183 of the Companies Act, 1994 and as per the provision of "the framework for the preparation and presentation of financial statements" issued by the International Accounting Standards Committee (IASC).

(b) **Risk and uncertainties for use of estimates in preparation of Financial Statements**

The preparation of financial statements in conformity with the International Accounting Standards requires management to make estimates and assumptions that affect the report, amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenses during the period reported. Actual results could differ from those estimates. Estimates are used for accounting of certain terms such as long term contracts, provision for doubtful accounts, depreciation and amortization, employees, benefit plans, taxes reserves and contingencies.

(c) **Operating Revenue :**

The operating revenue has been shown net of VAT.

(d) **Commission:**

No commission has been paid to sales agents during the year/period under audit as there was no such agents.

(e) **Brokerage or Discount:**

The company did not pay any brokerage or discount other than the conventional trade discount against sales.

(f) **Donation & Subscription :**

The amount of donation and subscription does not exceeding Tk. 50,000 to any charities.

(g) **Miscellaneous Expenses:**

Miscellaneous Expenses does not include any item exceeding 1% of total revenue.

SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS

(h) **Audit Fees:**

As per decision taken in the 21st Annual General Meeting of the company held on 15th December, 2016 the auditors' remuneration of Tk 40,000.00 has been provided in the accounts which is the only sum to be paid to auditors' as remuneration.

(i) **Board Meeting & Members:**

There were 10 members in the Board of Directors of the Company and 6 Board Meeting were held in the year under review.

(j) **Credit Facility:**

Bank Loan Facilities available to the company under the contract with The Farmers Bank, Gulshan Corporate Br. which is shown note no.13 &18 and trade creditors also available in the ordinary course of business as on 30th June 2017.

3.00 RATIO AND LIQUIDITY:

3.01 **Gross Profit:**

The gross profit earned during the Year is 45.62% of operating revenue as against the gross profit earning at 47.91% during the preceding period.

AMAR STOCK

		Amount (In Taka)	
		30.06.17	30.06.16
3.02	**Liquidity:**		
	Liquid Assets (Current assets less accounts receivable more than one year)	21,350,440	29,317,878
	Current Liabilities and Provisions	51,409,576	56,286,802
	Net Liquid Assets	(30,059,136)	(26,968,924)
	Net Current Assets	67,280,380	75,072,927
3.03	**Current Ratio:**		
	Current Assets less Accounts Receivable more than one year	21,350,440	29,317,878
	Current Liabilities and Provisions	51,409,576	56,286,802
	Ratio	0.42:1.00	0.52:1.00
	Standard Ratio	2.00:1.00	2.00:1.00
3.04	**Operating Ratio**		
	Operating Revenue	**61,079,384**	**55,640,999**
	Operating Expenses	33,310,098	28,984,209
	Add: Other Expenses	46,161,433	44,448,923
		79,471,531	**73,433,132**
	Ratio	**100.00: 130.11**	**100.00:131.98**
4.00	**Property, Plant & Equipment: Tk.116,973,021**		
	The above amount is made up as follows:		
	Opening Balance at Cost	270,755,819	263,901,418
	Add: Re-valuation surplus	-	-
	Add : Addition during the year	10,639,342	6,854,401
	Less : Adjustment during the year	-	-
	Closing Balance	**281,395,161**	**270,755,819**
	Less: Accumulated depreciation up to 30-06-2017	164,422,140	152,859,365
	Written down value as on 30-06-2017	**116,973,021**	**117,896,454**
	Details have been shown in "**Annexure-1** and **Annexure -2**"		
4.(a)	**Property, Plant & Equipment Tk. 117,021,975**		
	ISN	116,973,021	117,896,454
	GKISN	48,954	57,592
	Balance as on 30-06-2017	**117,021,975**	**117,954,046**

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5.00 **Investment : Tk. 165,550**

The above amount is made up as follows:

Sl. No.	Particulars	30.06.2017			30.06.2016
		No. of Share	Acquisition Price	Market Price	Acquisition Price
1	Golden Key ISN Pvt. Ltd. **(Note-5.01)**	1,020	102,000	102,000	102,000
2	One Bank Ltd.				-
3	Keya Cosmetics				-
4	Grameen Phone Ltd.				14,000
5	BD Finance	65	4,573	1,398	4,573
6	Continental Insurance Ltd.	375	24,375	7,612	153,270
7	Exim Bank	30	329	363	329
8	Phoenix Finance	216	19,816	5,767	111,556
9	Premier leasing & Finance Ltd.	100	3,747	1,920	3,747
10	Summit Power Ltd.	93	8,184	3,841	8,184
11	City Bank	24	1,044	898	1,044
12	Pubali Bank	12	506	298	506
13	UCBL	5	262	107	262
14	Uttara Bank	11	714	267	714
15	AB Bank Ltd.				157,000
16	Prime Finance				403,000
	Total:		**165,550**	**124,471**	**960,184**

5.01 **Shares Of Golden Key ISN Private Ltd.: Tk. 102,000**

The above balance represents investment in 1,020 fully paid ordinary shares of Tk. 100 each in Golden Key ISN Private Ltd. (GKISN Pvt. Ltd.). Golden Key ISN Ltd. was incorporated on 28-12-1999 as a private company limited by shares to provide total computerized solution for large entities and corporate bodies particularly in the banking sector. The total paid up capital of that company is Tk. 200,000 consisting of 2,000 ordinary shares of Tk. 100 each. The ISN Ltd. has made the investment in shares of GKISN Pvt. Ltd. at the time of incorporation of the said company. The ISN Ltd. therefore holds 51% of the shares of GKISN Pvt. Ltd. which has become a subsidiary to Information Service Network Limited.

5.02 Provision has been made against Loss on Investment in shares at Tk. 99,072.00

	Amount (In Taka)	
	30.06.17	30.06.16
5.(a) Investment (at cost): Tk. 63,550		
ISN	165,550	960,184
Less: Inter Company Transaction	102,000	102,000
	63,550	**858,184**

6.00 **Deferred expenditure : Tk. 698,155**

The above amount is made up as follows

IPTSP **(Note 6.01)**	524,207	873,679
Share Issue Expenditure**(Note 6.02)**	173,948	289,912
	698,155	**1,163,591**

SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS

6.01 **IPTSP : Tk. 524,207**

	Amount (In Taka)	
	30.06.17	30.06.16
This is arrived at as under:		
Balance as on 01-07-2016	873,679	1,048,415
Add: Addition	-	-
	873,679	**1,048,415**
Less : Amortization during the year	349,472	174,736
Balance as on 30-06-2017	**524,207**	**873,679**

6.02 **Share Issue Expenditure: Tk.173,948**

This is arrived at as under:		
Balance as on 01-07-2017	289,912	347,894
Add: Addition	-	-
	289,912	**347,894**
Less : Amortization during the year	115,964	57,982
Balance as on 30-06-2017	**173,948**	**289,912**

7.00 **Accounts receivable: Tk. 103,575,480**

This is arrived at as under:		
Balance as on 01-07-2016	116,410,217	112,703,936
Add: Addition during the year	6,235,964	8,210,087
	122,646,181	**120,914,023**
Less : Received/adjust during the year	15,576,301	4,503,806
Balance as on 30-06-2017	**107,069,880**	**116,410,217**
Less: Bad & Doubtfull Debt	**3,494,400**	-
	103,575,480	**116,410,217**

Details of the above the amount have been shown as under :

Particulars	Amount (In Taka)			
	30.06.17		30.06.16	
	Below six months	Over six months	Below six months	Over six months
Internet Bill (DSL)	4,468,557	24,975,777	4,620,168	22,375,261
Internet Bill (D/U)		17,362,114	342,940	17,019,174
Software Sales	319,500	21,256,238	2,348,143	21,133,295
Networking & IT Solutions	228,760	15,496,756	1,675,756	15,081,800
IP Phone Bill	685,451	3,349,548	975,496	2,492,367
Data Service Bill	453,076	7,553,589	1,967,871	5,732,478
Fax Bill	-	107,470	-	107,470
Web Hosting & Development	80,620	10,732,424	1,252,021	10,955,837
VAT from party	-	-	1,185,971	7,144,169
	6,235,964	**100,833,916**	**14,368,366**	**102,041,851**
Less: Bad & Doubtfull Debt	-	3,494,400		
	6,235,964	**97,339,516**	**14,368,366**	**102,041,851**

No amount was due from the Managing Director, Managing Agent, Directors, Managers and Officers of the company and any of them severally or jointly with any other person.

SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS

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8.00 Accrued interest: Tk. 809,544

This is as per last account. No interest is charged during the period. This interest amount is receivable from GKISN Pvt. Ltd. a sister concern of the company.

	Amount (In Taka)	
8.(a) Accrued interest: Tk. Nil	**30.06.17**	**30.06.16**
ISN	809,544	809,544
Less: Inter Company Transaction	809,544	809,544
Balance as on 30.06.2017	-	-

9.00 Advances, deposits and prepayments: Tk. 13,046,196

This is made up as follows :

Loan to GKISN (**Note 9.01**)	1,635,343	1,635,343
Loan to Mr. Mujibul Huq	2,500,000	2,500,000
Other Advance and Prepayments **(Note 9.02)**	8,910,853	7,962,947
Total	**13,046,196**	**12,098,290**

Related party disclosure

An amount of Tk. 1,635,343 was given loan to its subsidiary Golden Key ISN Private Limited during the periods. Loan to Mr. Mujibul Huq has subsiquently been realised.

9.01 Loan A/C (GKISN): Tk. 1,635,343

This is made up as follows :

Opening Balance	1,635,343	1,635,343
Add : Additional during the period	-	-
Closing Balance	**1,635,343**	**1,635,343**

9.02 Other advances and Prepayments: Tk. 8,910,853

This is made up as follows

Balance as on 01-07-2016	7,962,947	8,494,482
Add : Addition during the period	1,483,940	664,000
	9,446,887	**9,158,482**
Less : Recovered during the period	536,034	1,195,535
Balance as on 30-06-2017	**8,910,853**	**7,962,947**

SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS

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The break-up of the amount of Tk. 8,910,853 is as follows:

Sl. No.	Particulars	Name of the Party	Amount (In Taka)	
			30.06.17	30.06.16
A.	Advance & Prepayments:		3,761,120	2,842,258
		Seba House	302,858	107,258
		Azmeri Builders	210,000	265,000
		TMC	62,360	62,360
		Ms.Sabera	22,000	22,000
		Hasan Holding	34,650	34,650
		Equipment & Others	937,569	937,569
		Bangladesh Bank (Income Tax)	1,129,110	326,848
		IPTSP License (BTRC)	500,000	500,000
		Holiday Printers Ltd. (Printing)	300,000	300,000
		SES Company	17,473	17,473
		Staff Advance (Salary)	45,100	69,100
		HM Securities	200,000	200,000
B.	Deposit: (i+ii)		5,149,733	5,120,689
	i) Security Money:		4,545,876	4,545,876
		BTCL	336,000	336,000
		DESCO	5,000	5,000
		Tracer Electro	1,041,810	1,041,810
		Mango Telecom	540,000	540,000
		Summit Communication	400,000	400,000
		BTCL	1,184,076	1,184,076
		Mr.Soriful Islam(GP Office)	298,000	298,000
		Anwar Group	83,333	83,333
		HRC Properties	16,000	16,000
		CDBL	200,000	200,000
		Moondial Internet Service	441,657	441,657
	ii) Earnest Money:		603,857	574,813
		BSTI	770	14,406
		PATC, Saver	8,588	8,588
		EPZA, Dhaka	4,720	4,720
		BEPZA (Khulna)	50,000	50,000
		Independent University	18,960	18,960
		PKSF	1,776	1,776
		Police, HQ	29,370	29,370
		Dhaka City Corporation	248,373	205,693
		Bangladesh Bank	160,000	160,000
		Tracer ISN JU	49,700	49,700
		Micro Regulatory Authority	23,600	23,600
		IDR Project	8,000	8,000
	Grand Toral (A+B)		8,910,853	7,962,947

9.(a) Advances, deposits and prepayments: Tk. 11,420,853

ISN	13,046,196	12,098,290
GKISN	10,000	10,000
Balance as on 30.06.2017	**13,056,196**	**12,108,290**
Less: Inter Company Transaction	1,635,343	1,635,343
	11,420,853	**10,472,947**

SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS

		Amount (In Taka)	
10.00	**Cash and cash equivalents: Tk. 1,258,736**	**30.06.17**	**30.06.16**
	This is made up as follows:		
	Cash in hand	316,414	395,337
	Social Islami Bank Ltd.	12,950	25,558
	AB Bank Ltd	149,027	85,317
	NCC Bank Ltd	100,811	211,718
	Eastern Bank Ltd.	216,939	369,607
	Mercantile Bank Ltd	416,294	406,013
	The Farmers Bank	-	408,883
	Export Import Bank	12,122	40,180
	Mutual Trust Bank	1,530	99,065
	Mutual Trust Bank	32,649	
	Pubali Bank Ltd.	**1,258,736**	**2,041,678**
10.(a)	**Cash and cash equivalents: Tk. 1,318,888**		
	ISN	1,258,736	2,041,678
	GKISN	60,152	64,652
	Balance as on 30-06-2017	**1,318,888**	**2,106,330**
11.00	**Shareholders equity:**		
11.01	**Authorized capital: Tk. 500,000,000**		
	The Company has an authorized capital Tk. 500,000,000 divided into 50,000,000 Ordinary Shares of Tk. 10 each.		
11.(a)	**Shareholders equity: Tk. 151,580,145**		
	ISN	153,218,444	158,875,435
	GKISN	(1,638,299)	(1,631,616)
		151,580,145	**157,243,819**
12.00	**Share capital:**	**109,200,035**	**109,200,035**
12.01	**Issued, subscribed and paid-up capital: Tk. 109,200,035**		
	This is made up as follows:		
	Paid up Capital balance as on 01-07-2016	109,200,035	109,200,035
	Addition during the period	-	-
	Paid up capital balance as on 30-06-2017	**109,200,035**	**109,200,035**

SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS

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12.02 The Percentage of shareholding by different categories of shareholders is as follows:

No. of Holders	Holding				Total Holding (%)
1,180	less than		500	shares	1.60
1,211	501	to	5,000	shares	18.72
89	5,001	to	10,000	shares	5.72
48	10,001	to	20,000	shares	6.23
18	20,001	to	30,000	shares	4.27
12	30,002	to	40,000	shares	4.10
4	40,001	to	50,000	shares	1.68
13	50,001	to	100,000	shares	9.13
20	100,001	to	1,000,000	shares	48.55
2,595	**Total**				**100.00**

12.03 **Composition of shareholders:**

Sl No.	Particulars	No of Shares	Value of Shares	%	
				30.06.2017	30.06.2016
1.	Directord/Sponsors	2,364,429	23,644,290	21.6522	17.92
2.	Institution	2,875,719	28,757,190	26.33	28.39
3.	General Public	5,679,855	56,798,550	52.01	53.69
	Total:	10,920,003	109,200,030	**100.00**	**100.00**

	Amount (In Taka)	
	30.06.17	30.06.16
13.00 **Long Term Loan:**	**29,295,584**	**33,256,078**

The above Bank Loan taken from **The Farmers Bank Ltd., Gulshan Br. Dhaka** as Term loan for 7 years , bearing interest rate @ 15.00% p.a. loan sanction date 31-05-2015 Ref: FBL/GCB/CR/2015/1558

14.00 **Deferred tax liabilities: Tk. 795,910**

The company has made deferred tax liabilities to the extent of Tk. 620,339.00 as on 30th June, 2016 as per BAS-12, "Income Taxes".

Particulars	Amount (In Taka)	
	30.06.2017	30.06.2016
A. Fixed Assets		
Carrying amount of Fixed Assets as per Accounts	64,439,318	62,597,817
Less: Tax base-Carrying amount of Fixed Assets	61,255,676	60,116,462
Taxable temporary difference	3,183,642	2,481,355
Tax Rate	25.00%	25.00%
B. Deferred Tax Liabilities as on 30th June, 2017	**795,910**	**620,339**
C. Deferred Tax Liabilities recognised as on 30th June, 2016	620,339	595,495
D. Deferred Tax Expenses/(Income) to be recognised (B-C)	**175,571**	**24,844**
Opening Balance	620,339	595,495
Add. Addition During the Year	175,571	24,844
Deferred Tax Liabilities as on 30th June,2017	**795,910**	**620,339**



15.00 Unsecured Loan: Tk. 1,012,686

	Amount (In Taka)	
	30.06.17	30.06.16
GKISN	2,648,029	2,648,029
Less: Inter Company Company Transaction	1,635,343	1,635,343
Balance as on 30-06-2017	**1,012,686**	**1,012,686**

16.00 Accrued expenses: Tk. 6,537,372

This is made up as follows:

Balance as on 01-07-2016	5,677,527	3,477,425
Add: Addition during the period	3,885,197	5,409,754
	9,562,724	**8,887,179**
Less : Paid/adjustment during the period	3,025,352	3,209,652
Balance as on 30-06-2017	**6,537,372**	**5,677,527**

Detailed break-up is as follows:

Salary and remuneration	3,244,091	3,084,979
Employee PF Contribution	85,570	-
Consultancy fees	40,000	40,000
Maintenance (Vehicle)	5,813	5,813
Overtime	100	100
POP Rent	25,000	23,100
Electricity	254,038	135,821
Mobile phone	12,503	12,503
Bandwidth charge	1,498,615	1,600,334
Office rent	112,998	96,148
Audit fees	107,195	118,000
Maintenance (Office)	14,528	13,428
Water	11,408	-
Bank Interest	726,741	-
Printing	72,447	72,758
House Rent	150,500	101,000
Share Issue Expenditure	11,250	11,250
Calling Carrying Charge (IPTSP)	114,485	291,337
Professional Fees	3,750	3,750
Advertisement	46,340	67,206
Total	**6,537,372**	**5,677,527**

(i) Most of the outstanding liabilities have subsequently been paid.

16(a) Accrued Expenses: Tk. 6,542,372

ISN	6,537,372	5,677,527
GKISN	5,000	4,500
Balance as on 30-06-2017	**6,542,372**	**5,682,027**

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17.00 **Liabilities for other finance: Tk. 3,789,920**

This is made up as follows:	Amount (In Taka)	
	30.06.17	31.12.16
Security money (Internet)	453,476	372,476
Security money (Fax)	448,847	448,847
VAT	-	8,330,140
Dividend Payable	2,788,525	2,788,525
Provision for diminution of share value	99,072	154,706
Total	**3,789,920**	**12,094,694**

Security money has been taken from the subscriber against Internet and Fax connection.

18.00 **Term loan: Tk. 40,369,374**

This is made up as follows:

CC(Hypo) Loan (Farmers Bank)*	19,984,925	19,984,925
Loan from other parties	8,750,000	8,750,000
Loan from Managing Director	6,634,449	4,880,100
HRC Shipping	2,500,000	2,500,000
Loan from Directors(GP Project)	2,500,000	2,500,000
Loan from Afa Steel	-	100,000
	40,369,374	**38,715,025**

*The above Bank Loan taken from **The Farmers Bank Ltd., Gulshan Br. Dhaka** as CC(Hypo) loan , bearing interest rate @ 15.00% p.a. loan sanction date 12-11-2015 Ref: FBL/GCB/CR/2015

19.00 **Provision for income tax: Tk. 712,910**

Due to loss of Internet Business of the company during the year under audit company has calculated provision for taxation on total taxable turnover @ 0.6% as per income tax ordinance.

This is made up as follows :

Opening balance as on 01-07-2016	340,647	252,607
Add : Provision made for the year	372,263	88,040
	712,910	**340,647**
Less: Adjustment during the year	-	-
Balance as on 30.06.2017	**712,910**	**340,647**

SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS

Computation of provision for income tax has been made as under:

Particulars	Internet & Others	Software	Total
Operational revenue	48,753,881	12,325,503	61,079,384
Other income	13,289,945	-	13,289,945
Total revenue	**62,043,826**	**12,325,503**	**74,369,329**
Total revenue expenses	74,892,264	4,579,267	79,471,531
Profit before tax	(12,848,438)	7,746,236	(5,102,202)
Provision for tax	372,263	(Tax Exempted)	372,263

Total revenue expenses of Software business has been allocated on income basis which are:

16.57% of total income i.e $\frac{\text{Software Revenue}}{\text{Total Revenue}} \times 100$, or $\frac{12,325,503}{74,369,329} \times 100$

20.00 Operating revenue: Tk. 61,079,384

This is made up as follows:

	Amount (In Taka)			
	01-07-2016 to 30-06-2017			01-07-2015 to 30-06-2016
	Unit-1 (ISP)	Unit-2 (IPTSP)	Total	
Internet bill (D/U)	254,585		254,585	616,608
Internet bill (DSL)	39,648,949		39,648,949	36,829,665
Data Service Bill	2,898,147		2,898,147	3,964,916
IP Phone Bill		4,229,223	4,229,223	4,152,752
	42,801,681	**4,229,223**	**47,030,904**	**45,563,941**
Less : VAT	5,582,828	551,638	6,134,466	5,943,122
Net sales after VAT	**37,218,853**	**3,677,585**	**40,896,438**	**39,620,819**
Sales of software (Note-20.01)	12,325,503	-	12,325,503	10,028,290
Networking and IT solutions	7,857,443	-	7,857,443	5,991,890
Total	**57,401,799**	**3,677,585**	**61,079,384**	**55,640,999**

20.01 Software sales: Tk.123,25,503

During the period under audit total revenue collected from software development are Tk. 123,25,503.00 against of this revenue, an amount of Tk. 4,579,267.00 has been expensed during the period proportionate to revenue earning.



The details of expenses against the software sales are as follows :

Head of Accounts	01-07-2016 to 30-06-2017	01-07-2015 to 30-06-2016
Directors' Remuneration	198,840	164,400
Advertisement	9,062	12,104
AGM Expenses	-	4,007
Appeal fees	-	-
Audit Fees	9,528	6,726
Domain Registration	22,015	19,051
Bandwidth charge against usage	124,232	172,776
Bank Charge	11,663	10,099
Books & Paper	3,369	3,718
Conveyance	50,687	29,681
Donation/Subscription	4,242	3,589
Consultancy Fees	-	55,014
Depreciation	754,702	657,528
CAR Rent	79,536	38,593
Electricity	401,379	291,748
Entertainment	30,532	18,150
Registration & Renewal	6,112	22,886
Hall rent	2,714	2,314
Fuel & Lubricant	54,830	48,768
House Rent	165,286	134,823
Insurance	15,929	22,509
ISP License Fees	94,324	22,994
Listing Fees	18,426	20,028
Maintenance (Office, Telephone, Vehicle, etc.)	141,968	115,192
Membership Fees	29,163	36,418
Municipal Taxes	9,877	8,154
Office Rent	316,158	237,951
Overtime	13,895	20,135
Postage	897	1,331
Printing (General)	26,740	22,367
Salary of Admin. Share & Marketing Dept.	683,642	1,151,753
Stationery	23,576	22,409
Fuel for generator	4,769	8,290
Loan processing expenses	-	8,220
Telephone (T&T)	2,997	2,340
Telephone (Mobile)	28,075	33,421
Water Supply	58,087	51,300
Light Heat & Power	2,411	2,953
Sub Total (A)	**3,399,663**	**3,483,732**
Add. : Own expenses of Software Development Section:		
Salary	931,725	1,257,191
Festival Bonus	247,879	125,356
Sub Total (B)	**1,179,604**	**1,382,547**
Grand Total (Sub total A+B)	**4,579,267**	**4,866,278**

SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS

AMAR STOCK

21.00 Operating expenses: TK.33,310,098

This is made up as follows:

	Amount (In Taka)			
	01-07-2016 to 30-06-2017			01-07-2015 to 30-06-2016
	Unit-1 (ISP)	Unit-2 (IPTSP)	Total	
Bandwidth charge	12,009,644		12,009,644	10,944,441
Data Conectivity Exp	4,449,336		4,449,336	3,494,668
Telephone line rental	37,303		37,303	65,264
Salary & Allowance	7,320,544	640,800	7,961,344	7,180,186
Depreciation	6,696,331	267,058	6,963,389	6,138,599
Call Carrying Charge		1,889,082	1,889,082	1,161,051
	30,513,158	**2,796,940**	**33,310,098**	**28,984,209**

SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS

AMAR STOCK

22.00 **Administrative expenses: Tk. 36,977,839**

The break-up of the above amount is as under :

Head of	Amount (In Taka)			
	01-07-2016 to 30-06-2017			01-07-2015 to 30-06-2016
	Unit-1 (ISP)	Unit-2 (IPTSP)	Total	
Director's Remuneration	1,200,000	-	1,200,000	1,200,000
Salary and Remuneration	9,468,346	280,400	9,748,746	9,594,494
Advertisement	54,688	-	54,688	102,355
AGM Expenses	-	-	-	52,000
Bandwidth charges against usage	749,738	-	749,738	1,210,383
Bank charge	70,389	-	70,389	67,921
Books and paper	20,333	-	20,333	23,095
Apnic Membership fees	139,923	-	139,923	127,410
CDBL charge	56,000	-	56,000	46,031
Consultant fee	-	-	-	196,000
Conveyance	268,589	37,305	305,894	218,058
Depreciation	4,558,694	40,691	4,599,385	6,089,989
Domain registration	132,860	-	132,860	150,060
CAR Rent	480,000	-	480,000	440,000
Electricity	2,422,321	-	2,422,321	2,270,277
Bad & Doubtfull Debt	3,378,322	116,078	3,494,400	-
Cost of Proposal	5,000	-	5,000	-
Entertainment	184,260	-	184,260	139,614
Fuel & lubricant	330,902	-	330,902	375,104
License fees	-	569,247	569,247	1,045,875
IP Phone exp	-	96,781	96,781	139,163
Donation / Subscription	25,600	-	25,600	33,500
Festival Bonus	1,495,951	-	1,495,951	2,198,383
Hall Rent	16,380	-	16,380	-
Hardware purchase	7,000	-	7,000	-
Light, heat and power	14,550	-	14,550	24,118
Listing fees	111,200	-	111,200	109,200
Fuel for Generator	28,780	-	28,780	59,170
Maintenance (Office, Telephone,	856,775	-	856,775	921,059
Membership fees	176,000	-	176,000	291,350
Municipal taxes	59,606	-	59,606	59,609
Networking	1,899,613	-	1,899,613	1,543,870
Office rent	1,908,016	-	1,908,016	1,829,244
Overtime	83,856	-	83,856	205,092
Picnic	-	-	-	229,000
Postage	5,415	-	5,415	6,960
Printing (General)	161,374	-	161,374	162,063
Trade License	21,835	-	21,835	38,903
Spamwall Expenses	49,481	-	49,481	52,400
Employee PF	969,218	-	969,218	1,536,625
Registration & renewal	36,887	-	36,887	168,976
Stationery	142,279	-	142,279	169,052
Submarine cable connection	15,000	-	15,000	25,000
TA & DA	25,260	-	25,260	86,700

SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS

AMARSTOCK

Training Fees	8,000	-	8,000	-
Mobile Bill	169,435	-	169,435	259,925
Telephone (T & T)	18,084	-	18,084	13,396
House rent	997,500	-	997,500	984,900
Audit fees	57,500	-	57,500	74,500
Water supply	350,555	-	350,555	414,821
Business development/Expenses	585,000	-	585,000	460,000
Insurance	96,130	-	96,130	266,142
POP rent	383,000	-	383,000	469,500
Welfare fund	-	-	-	10,000
Loan processing exp.	-	-	-	30,000
SMS service	37,848	-	37,848	26,304
Internet Bill Refund	1,368,434	-	1,368,434	942,767
Zoom Ultra/Banglalion Exp.	135,410	-	135,410	356,391
Total:	**35,837,337**	**1,140,502**	**36,977,839**	**37,546,749**

SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS

AMAR STOCK

22.(a) **Administrative expenses: Tk. 36,991,477**

	Amount (In Taka)	
	01-07-2016 to 30-06-2017	01-07-2015 to 30-06-2016
ISN	36,977,839	37,546,749
GKISN	13,638	14,935
Total	**36,991,477**	**37,561,684**

23.00 **Other income: TK. 13,289,945**

This is made up as follows:

Connectivity	967,485	425,452
Web hosting & development	5,593,038	4,787,905
Re-installation and servicing	592,947	577,269
Investment Income	213,614	63,790
E-mail forwarding	1,538,760	1,410,530
Dividend		1,151
Domain registration	166,439	144,329
Office rent (Rev.)	1,069,322	1,138,932
Miscellaneous	1,700	106,585
Insurance claim	-	-
Antivirus CD sales	-	750
VNP Charge	558,036	284,520
Hardware Sale	2,466,104	2,398,596
Spamwall Income	122,500	192,000
SMS service		-
Total:	**13,289,945**	**11,531,809**

24.00 **Earnings Per Share (EPS) Basic:**

The computation of EPS is given below

$$\text{Basic EPS} = \frac{\text{Earings attributable to the ordinary shareholders}}{\text{Weighted average number of ordinery shares outstanding during the year}}$$

01-07-2016 to 30-06-2017	01-07-2015 to 30-06-2016
(5,650,036)	(6,835,037)
10,920,003	10,920,003
(0.52)	(0.63)



24.(a) **Earnings Per Share (EPS) Basic:**

The computation of EPS is given below

$$\text{Basic EPS} = \frac{\text{Earings attributable to the ordinary shareholders}}{\text{Weighted average number of ordinery shares outstanding during the year}}$$

01-07-2016 to 30-06-2017	01-07-2015 to 30-06-2016
(5,663,674)	(6,849,972)
10,920,003	10,920,003
(0.52)	(0.63)

Earning per share during the year comes to negative figure of Tk. 0.20, due to charging depreciation of Tk. 2,764,932 on revalued amount of fixed assets and as accounted for in the statement of profit or loss and other comprehensive income.

25.00 Tax assessment status:

Accounting Year	Assessment Year	Provision for Income Tax	Liabilities as per	Advance Income Tax
2012	2013-2014	247,735	Finalised	247,735
2013	2014-2015	223,332	Finalised	177,509
2014	2015-2016	252,003	Not yet finalised	153,111
2015-2016	2016-2017	247,710	Not yet finalised	259,495

The tax assessment and tax liabilities have been finalised/paid up to the assessment period 2012-2013.

Transactions relating to Income Tax have been disclosed in conventional manner following previous practice on consistent basis.

26.00 Some information with regard to income and expenditure in foreign currency etc.

		Amount (In Taka)	
		30.06.2017	30.06.2016
(a)	Value of import on C & F basis		
	(i) Raw materials	Nil	Nil
	(ii) Packing materials	Nil	Nil
	(iii) Component and spare parts	Nil	Nil
	(iv) Capital goods	Nil	Nil
(b)	Expenditure in Foreign Currency for royalty, Technical fee, professional advisory fee, interest and others.		
(c)	Value of imported raw materials, packing materials, stores & spares consumed with percentage.	Nil	Nil
(d)	The amount remitted during the period in foreign currencies on account of dividends with a specific mention of the number of non-resident shareholders,	Nil	Nil

CHARTERED ACCOUNTANTS SHAFIQ BASAK & CO.

(e)	Earnings in foreign exchange classified under the following heads, namely :	Nil	Nil
	(i) Export of goods calculated on F.O.B. basis	Nil	Nil
	(ii) Royalty, know-how, professional and consultation fees.	Nil	Nil
	(iii) Interest and dividend;	Nil	Nil
	(iv) Other income: Software manual sales received	Nil	Nil

27.00 Information with regard to subsidiary company Golden Key ISN Private Ltd.

I. Information Services Network Limited is the holder of 51% shares of Golden Key ISN Private Ltd.

II. The accumulated net loss up to 30.06.2017 of the aforesaid company stood at Tk. 3,543,467.00

III. As per 37th Board Meeting resolution no interest has been charged on loan of Golden Key ISN Private Ltd. for the period under audit.

IV. The shares held by Information Services Network Limited in Golden Key ISN Private Ltd. have been shown under the head "Investment".

28.00 Subsequent Event:

(a) There has been no other significant event that has occurred between the Statement of Financial Position date and the date when the financial statement were authorized for issue by the Board of Directors.

SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS

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INFORMATION SERVICES NETWORK LIMITED

SCHEDULE OF PROPERTY, PLANT & EQUIPMENT
AS ON 30TH JUNE, 2017

Annexure-1

Unit-1

Particulars	Cost					Rate of Dep.	Depreciation				Written down value as on 30.06.2017
	Balance as on 01.07.16	Re-valuation amount	Addition during the year	Adjustment during the year	Balance as on 30.06.2017		Balance as on 01.07.16	Charged during the year	Adjustment during the year	Balance as on 30.06.2017	
Internet equipment	122,078,316		9,169,245	-	131,247,561		80,475,074	6,696,331	-	87,171,405	44,076,156
Office equipment	18,460,366		398,138	-	18,858,504		13,984,586	697,096	-	14,681,682	4,176,822
Telephone installation and intercom	5,154,167		17,325	-	5,171,492		4,426,733	75,761	-	4,502,494	668,998
Vehicles	7,669,248		6,000	-	7,675,248		5,111,849	384,285	-	5,496,133	2,179,115
Furniture and fixture	2,601,566		88,634	-	2,690,200		1,830,332	80,048	-	1,910,380	779,850
Building (Floor Space)	105,800,829	-	960,000	-	109,760,829		43,457,222	3,282,555	-	46,739,777	63,021,052
Sundry assets	1,184,984		-	-	1,184,984		818,923	38,949	-	857,872	327,112
Total:	265,949,506	-	10,639,342	-	276,588,848		150,104,718	11,255,025	-	161,359,743	115,229,105
Total:(As on: 30-06-2016)	243,200,507	-	22,748,999	-	265,949,506		134,644,136	15,460,582	-	150,104,718	115,844,788

Note: # The basis of charging depreciation has been stated in note 2.5.
Allocation of depreciation

Cost of service	6,696,331
Administrative Expense	4,558,694
Total	11,255,025

SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS

AMAR STOCK

INFORMATION SERVICES NETWORK LIMITED

FIXED ASSET SCHEDULE OF PROJECT- IPTSP
AS ON 30TH JUNE, 2017

Unit-2

Annexure-2

Particulars	Cost			Rate of Dep.	Depreciation			Written down value as on 30.06.2017
	Opening balance as on 01.07.16	Addition during the Year	Closing balance as on 30.06.2017		Opening balance as on 01.07.16	Charged during the Year	Closing balance as on 30.06.2017	
Switch (Cisco)	54,000	-	54,000	15%	31,836	3,325	35,161	18,839
Online UPS	412,000	-	412,000	15%	242,904	25,364	268,268	143,732
Server	1,993,527	-	1,993,527	15%	1,110,131	132,509	1,242,640	750,887
Computer	243,950	-	243,950	15%	143,826	15,019	158,845	85,105
VOIP Switch	454,738	-	454,738	15%	268,101	27,996	296,097	158,641
Media converter	9,000	-	9,000	15%	5,306	554	5,860	3,140
Linksys (ATA)	416,541	-	416,541	15%	231,757	27,718	259,475	157,066
Digium	588,436	-	588,436	15%	346,925	36,227	383,152	205,284
Musk and hub	580,511	-	580,511	15%	342,254	35,739	377,993	202,518
Modem	5,000	-	5,000	15%	2,948	308	3,256	1,744
Video IP phone	43,600	-	43,600	15%	25,706	2,684	28,390	15,210
Scanner	3,500	-	3,500	15%	2,063	216	2,279	1,221
Office equipment	1,510	-	1,510	15%	890	93	983	527
Total	**4,806,313**	**-**	**4,806,313**		**2,754,647**	**307,749**	**3,062,397**	**1,743,916**

Total:(As on: 30-06-2016)	**4,778,513**	**27,800**	**4,806,313**		**2,201,177**	**553,470**	**2,754,647**	**2,051,666**

Note: # The basis of charging depreciation has been stated in note - 2.5.

Allocation of depreciation:

Cost of service	267,058
Administrative Expense	40,691
Total	**307,749**

SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS

We have audited the annexed Statement of Financial Position of **GOLDEN KEY ISN PRIVATE LIMITED**, as on June 30, 2017 and its Statement of profit or Loss and Other Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year ended as on that date together with the accompanying Notes thereto.

Respective Responsibilities of the Management and the Auditors:

The preparation of this Financial Statement is the responsibility of the company's management. Our responsibility is to express an independent opinion on this Financial Statement based on our audit.

Scope:

We conducted our audit in accordance with BSA. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion:

In our opinion, the accounts are maintained and the statements are prepared and reported in accordance with the Bangladesh Accounting Standards (BAS) and the Bangladesh Financial Reporting Standards (BFRS), the financial statements present fairly in all material respects, give a true and fair view of the financial portion of the company as of June 30, 2017 and of the results of its operations and its cash flows for the year ended and comply with the Companies Act, 1994.

We also report that:

(i) We have obtained all the information, explanations and documents which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof.

(ii) The Company management has followed relevant provision of law and rules in managing the affairs of the Company and that proper books of account, records and other statutory books have been properly maintained.

(iii) The Statement of Financial Position and Statement of profit or Loss and Other Comprehensive Income, Statement of Changes in Equity are in agreement with the said books of account maintained by the Company and examined by us while the Cash Flow Statement conforms with the presentation laid out in the Bangladesh Financial Reporting Standard (BFRS); and

(iv) The expenditure incurred and payments made were for the purpose of the Company's business for the year.

SHAFIQ BASAK & CO.
Chartered Accountants

CHARTERED ACCOUNTANTS
SHAFIQ BASAK & CO.

GOLDEN KEY ISN PRIVATE LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE, 2017

PARTICULARS	NOTE	AMOUNT (IN TAKA)	
		30.06.17	30.06.16
ASSETS :			
Non Current Assets:			
Property, Plant & Equipment :	4	48,954	57,592
Current assets:			
Security Deposits with T & T Board		10,000	10,000
Cash and cash equivalents	5	60,152	64,652
		70,152	74,652
TOTAL ASSETS:		119,106	132,244
SHARE HOLDERS EQUITY & OTHER LIABILITIES :			
Shareholders' Equity			
Shareholders' equity		(3,343,467)	(3,329,829)
Share capital (Paid up Capital)	6	200,000	200,000
Retained earnings		(3,543,467)	(3,529,829)
Non-current liabilities:			
Unsceured Loan	7	2,648,029	2,648,029
Current liabilities:			
Accounts Payable	8	814,544	814,044
TOTAL SHARE HOLDERS EQUITY & OTHER LIABILITIES		119,106	132,244

The annexed notes from 1 to 9 form an integral part of these financial statements

DIRECTOR **MANAGING DIRECTOR**

As per our report of same date.

Dhaka, Bangladesh
Date: 19 November 2017

SHAFIQ BASAK & CO.
Chartered Accountants

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GOLDEN KEY ISN PRIVATE LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE, 2017

PARTICULARS	NOTE	01-07-2016 to 30-06-2017	01-07-2015 to 30-06-2016
Turnover		-	-
Less :			
Administrative Expenses	9.00	5,000	5,000
Depreciation on Fixed Assets (Annexure-A)		8,638	10,510
Amortization of Preliminary Expenses		-	-
		13,638	15,510
Net Loss for the year		(13,638)	(15,510)
Add: Balance Brought forward from Previous year		(3,529,829)	(3,514,319)
Accumulated Loss Transferred to Statement of Financial Position		(3,543,467)	(3,529,829)

The annexed notes from 1 to 9 form an integral part of these financial statements.

DIRECTOR **MANAGING DIRECTOR**

As per our report of same date.

Dhaka, Bangladesh
Date: 19 November 2017

SHAFIQ BASAK & CO.
Chartered Accountants

GOLDEN KEY ISN PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY
AS AT 30TH JUNE 2017

Particulars	Share Capital	Retained Earnings	Total Taka
As at 1st July 2016	200,000	(3,529,829)	(3,329,829)
Net profit for the Year	-	(13,638)	(13,638)
As at 30th June 2017	**200,000**	**(3,543,467)**	**(3,343,467)**

STATEMENT OF CHANGES IN EQUITY
AS AT 30TH JUNE 2016

Particulars	Share Capital	Retained Earnings	Total Taka
As at 1st January 2015	200,000	(3,505,979)	(3,305,979)
Net profit for the period	-	(23,850)	(23,850)
As at 30th June 2016	**200,000**	**(3,529,829)**	**(3,329,829)**

The annexed notes from 1 to 9 form an integral part of these financial statements.

DIRECTOR **MANAGING DIRECTOR**

SHAFIQ BASAK & CO.
Chartered Accountants

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GOLDEN KEY ISN PRIVATE LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE, 2017

PARTICULARS	Amount (In Taka)	
	01-07-2016 to 30-06-2017	01-07-2015 to 30-06-2016
A. Cash flows from operating activities:		
Payment for expenses	(4,500)	(5,000)
Total cash flow from operating activities	**(4,500)**	**(5,000)**
B. Cash flows from investing activities:		
Total cash flow from investing activities	-	-
C. Cash flows from financing activities:		
Total cash flow from financing activities	-	-
Net cash inflow/(outflow) for the year (A + B + C)	**(4,500)**	**(5,000)**
Opening cash and bank balances	64,652	69,652
Closing cash and bank balance	**60,152**	**64,652**

The annexed notes from 1 to 9 form an integral part of these financial statements.

DIRECTOR

MANAGING DIRECTOR

SHAFIQ BASAK & CO.
Chartered Accountants

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GOLDEN KEY ISN PRIVATE LIMITED

Notes to the Financial Statements

As at and For the Year ended 30th June, 2017

1.00 **Legal Status of the Enterprise:**

GOLDEN KEY ISN PRIVAT LIMITED was incorporated in Bangladesh as a Private Limited Company under the Companies Act. 1994 vide Registration No. C-39344 (1302) dated 28th December, 1999.

2.00 **Nature of Business Activities:**

The main objective of the Company, inter alia is to provide total computerized solution for large entities and corporate bodies particularly in the banking sector.

3.00 **SIGNIFICANT ACCOUNTING POLICES :**

3. A The financial Statements have been prepared in compliance with requirements of BFRSs adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

3. B Compliance with local Laws :

The financial statements have been prepared in compliance with requirements of the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other relevant local laws and rules.

3. C Measurement Bases used in Preparing the Financial Statements :

The elements of financial statements have been measured on "Historical Cost" Basis, which is one of the most commonly adopted base as provided in " the frame-work for the preparation and presentation of financial statements" Issued by the International Accounting Standards Committee (IASC).

SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS

4.00 Property, Plant & Equipment: Tk. 48,954

The above amount is made up as follows

	Amount (In Taka)	
	30.06.17	30.06.16
Opening Balance at Cost	798,820	798,820
Add: Addition during the year	-	-
Closing Balance at Cost	798,820	798,820
Less : Accumulated deprecation up to 01.07.16	741,228	730,718
	57,592	68,102
Less : Depreciation Charged for the year	8,638	10,510
Written down value as on 30.06.17	48,954	57,592

Details have been shown in **"Annexure-A-1"**

5.00 Cash and Bank Balance : Tk. 60,152

This is made up as follows:

	Amount (In Taka)	
	30.06.17	30.06.16
Cash in Hand	59,693	64,193
Cash at Bank		
(AB Bank Ltd., New Eskaton Road Branch	459	459
	60,152	64,652

6.00 Issued, Subscribed and Paid-up Capital : Tk. 2,00,000

This is made up as follows:

Name of the Shareholders	Nos. of Shares	Amount (In Taka)	
		30.06.17	30.06.16
M/s. GK Soft Inc.	980	98,000	98,000
M/s. Information Services Network Ltd.	1,020	102,000	102,000
	2,000	2,00,000	2,00,000

7.00 Unsecured Loan : Tk. 2,648,029

This is made up as follows:

	Amount (In Taka)	
	30.06.17	30.06.16
M/s. GK Soft Inc.	1,012,686	1,012,686
M/s. Information Services Network Ltd.	1,635,343	1,635,343
	2,648,029	2,648,029

8.00 Accounts Payable : Tk. 814,544

This is made up as follows:

Interest on Unsecured Loan	809,544	809,544
Audit Fee	5,000	4,500
	814,544	814,044

9.00 Administrative Expenses : 5,000

This is made up as follows:

	01-07-2016 to 30-06-2017	01-07-2015 to 30-06-2016
Audit Fees	5,000	5,000
	5,000	5,000

SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS

GOLDEN KEY ISN PRIVATE LIMITED

PROPERTY, PLANT & EQUIPMENT SCHEDULE AS AT 30TH JUNE, 2017

Annexure-A-1

Particulars	Cost			Rate	Depreciation			Written down value as on 30.06.17
	Opening Balane as on 01.07.16	Addition during the Year	Closing Balance as on 30.06.17		Opening Balance as on 01.07.16	Charge During the Year	Closing Balance as on 30.06.17	
Computer	554,900	-	554,900	15%	515,941	5,844	521,785	33,115
Printer	55,000	-	55,000	15%	51,223	566	51,789	3,211
Hub	8,640	-	8,640	15%	8,046	89	8,135	505
Common Seal	1,500	-	1,500	15%	1,378	18	1,396	104
Furniture	65,330	-	65,330	15%	60,002	799	60,801	4,529
Refrigerator	24,300	-	24,300	15%	22,630	251	22,881	1,419
Sundry Assets	3,150		3,150	15%	2,934	32	2,966	184
Utensils	4,000	-	4,000	15%	3,725	41	3,766	234
Telephone & Intercom	82,000	-	82,000	15%	75,349	998	76,347	5,653
TOTAL	798,820	-	798,820		741,228	8,638	749,866	48,954

Balance as on 30.06.2016	798,820	-	798,820		730,718	10,510	741,228	57,592

SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS

AMAR STOCK

PROXY FORM

I/We .....
of .....
being shareholder(s) of **Information Services Network Limited** and entitled to vote hereby appoint Mr./Ms .....as my/our proxy to attend and votes for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company to be held on Sunday, 31st December 2017 and adjournment thereof and the poll as witness my/our hand this ..... day of ..... 2017.

Signature of Shareholder(s) .....
Folio/BO No.....
No. of Shares held .....
Date .....

Revenue Stamp of Tk. 10.00

Signature of Proxy

Signature of witness

(Signature of Sharer(s) must in accordance with specimen signature with the Company)

✂ ---------- ✂ ----------

ATTENDANCE

I hereby record my/our presence at the 22nd Annual General Meeting of Information Services Network Limited on 31st December 2017 at 11:00 a.m. at Bangladesh Institute of Administration Management (BIAM) Foundation, 63 New Eskaton Road, Dhaka-1000.

Full Name of the Shareholder / Proxy.....
(In block letter)

Register Folio/BO No. .....Holding of ..... Ordinary Shares of Information Services Network Limited.

Signature of Shareholder(s) / Proxy

(Shareholders are requested to hand over the attendance slip at the entrance to the meeting hall)

btel
working for tomorrow

চিঠি দেখুন
কথা বলুন
সারা দেশে
সারা বিশ্বে



net
যেখানে
btel
সেখানে

Information Services Network Ltd.
Head Office : TMC Building (4th Floor), 52 New Eskaton Road, Dhaka-1000, Bangladesh
Tel: 09602000001-3, 880 2 48322785-8, Fax : 880 2 9345460, E-mail : info@bangla.net, URL : www.bangla.n

ISN Branches

Head Office : TMC Building (4th floor)
52, New Eskaton Road, Dhaka-1000
Bangladesh. Tel: 09602000001-3,
880 2 8322765-8
Fax : 880 2 49345460, URL : www.bangla.net

Khulna Office :
Bangladesh Development Bank Bhaban
(BDBL) , 5th floor, 25-26 KDA C/A
Upper Jessore Road, Khulna
Tel : 09602000026, (041) 732761

Gulshan Office :
SHEBA House (6th floor)
Golden Plaza Shopping Complex, Plot # 34
Road # 46, Gulshan-2, Dhaka-1212
Tel : 09602000014
880 2 9887945, 880 2 9885470

Motijheel Office :
Baitul Hossain Building
Room No.-607 (5th floor), 27 Dilkusha
Dhaka-1000, Tel: 09602000010, 09602000013

Uttara Office :
House: 01(3rd floor), Road: 35, Sector: 07
Uttara, Dhaka-1230
Tel : 09602000018, Cell : 01919652666

Narayanganj Office :
NS Tower(Top Floor)
Masdair (1 no Ser-E-Bangla Road)
Near Govt Girls School, Fatulla
Narayanganj-1400
Tel: 09602000022, Cell: 01919658930

Gazipur Office :
Mofiz Uddin Sarker Bhabon
(2nd floor), Tangail Road
Chandona Chowrasta, Gazipur-1700
Tel : 09602000055, Cell : 01919652712

Chittagong Office :
HRC Bhaban, 64-66, Agrabad C/A
Chittagong. Phone: 09602 000009

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