ANNUAL REPORT | 2017-2018



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First Internet Service Provider in Bangladesh

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working for tomorrow

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

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FAIR 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 23rd ANNUAL GENERAL MEETING

Notice is hereby given that the 23rd Annual General Meeting of the Shareholders of **Information Services Network Limited** will be held on **9th December 2018 (Sunday)** at 11:00 a.m. at **IVY Convention Centre**, Hometown Apartment Complex, Level-5, 87, New Eskaton Road, Dhaka-1000, to transact the following agenda:

1. To confirm the minutes of the 22nd Annual General Meeting.
2. To receive, consider and adopt the Profit and Loss Accounts of the Company for the year ended on 30th June 2018 and the Balance Sheet as at that date together with the Reports of the Board and the Auditors thereon.
3. To declare stock dividend @4% & cash dividend @1% for the year ended 30th June 2018.
4. To elect/re-elect Directors in place of those who shall retire in accordance with law/rules.
5. To appoint Auditors for the term until the next Annual General Meeting and fix up their remuneration
6. 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. Hasan Ali)
Company Secretary (CC)

Dated, Dhaka
15th November 2018

NOTES:

a) The "Record Date" fixed on (Sunday) 18th November, 2018. The Shareholders whose names would appear in the Register of Members of the Company or in the Depository on the "Record Day" (18th November 2018) will be eligible to attend the AGM and qualify for receiving bonus share.
b) A member entitled to attend and vote at the Annual General Meeting (AGM) may appoint a proxy in his stead. The proxy form, duly stamped must be deposited at the registered office of the Company not later than 48 hours before the meeting.
c) The instrument appointing a proxy duly signed by the Shareholder and stamped must be submitted 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 Directors' Report and Audited Accounts, if any, at the Registered Office of the Company preferably 3 days before the date of the Annual General Meeting.
e) Shareholders are requested to notify change of address, if any, to the Depository Participant in time.

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

Chairman's Address

In the name of the Almighty Allah

Honourable Shareholders,

A very warm welcome to you all at the 23rd Annual General Meeting (AGM) of your company. On behalf of the Board, I take this opportunity to express my heartfelt gratitude to every one of you 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 statements of the Company for the period 1st July 2017 to 30th June 2018.

Technology is phenomenal. And if technology is combined with the power of the internet, it becomes a wonder. Information Services Network Limited has always believed that technology and the wonders it brings with it should be accessible by everyone, irrespective of their identity. Hence, this mindset of ours has worked as a motivation to drive us towards innovating and coming up with newer ideas to help advance technology and also at the same time, being consistent with the ideology.

The overall financial performance of ISN during the period 1st July 2017 to 30th June, 2018 has much improved. The Statement of Profit/Loss and Others Comprehensive Income shows that the Operating expense for the period ending 30th June 2018 (July 2017 to June 2018) is Tk.41.48 millions against Tk.33.31 millions for the same period of the last financial year. Gross Profit for the period ended 30th June 2018 (July 2017 to June 2018) is Tk.43.35 millions against Tk.27.76 millions for the same period of last financial year. Net Profit after tax for the period ended 30th June 2018 (July 2017 to June 2018) is Tk.5.19 millions against (Tk.5.66) millions for the same period of last financial year. It is matter of great pleasure that ISN is recommending dividend for the first time in the last five years.

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 all their support and valuable guidance.

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

Sayeed Hossain Chowdhury
Chairman & Sponsor Director

Directors' Report

To the shareholders for the period from 1st July 2017 to 30th June 2018

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 23rd 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 2017 to 30th June 2018 with the Auditors Report for your kind consideration.

COMPANY OPERATION

The last year's trend of reducing bandwidth price 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. Some of the unnecessary employees have been terminated already. The operating expenses has been reduced after the termination of Mr. Habibul Alam as Managing Director of the company. This has ensured to recover from further losses and do profit in the financial 2017-2018 financial year.

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, Gopalgonj districts. The routers of Khulna branch has been changed with a new high capacity server. This will increase the capacity of the network with the scope new clients in the ISN network. It is expected that the revenue from Khulna office will increase in the coming fiscal year.

GAZIPUR OFFICE

Gazipur branch is generally based on the Radio link connection as it attracts distant factories in different areas of Gazipur and Mymensing. The areas covered under this branch are Kashimpur, Maona, Ashulia, Dhamrai, Savar, Norshindi and Tangail. There is a plan for lying fiber optic cable between the NoC and PoPs of Gazipur right after the road construction is done. This fiber optic connectivity will be helpful to remain in the competitive market. Currently we have 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. There is a plan to have own cars for customer support so that the conveyance cost is decreased and customer satisfaction is increased.

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 providing 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

Uttatra branch is based on the support service only. It is a small branch with a few support engineers and linemen. The lack of manpower (experienced marketing person) remains as one of the major challenges for this office to generate more revenue. It is expected that the revenue from this office will increase to a satisfactory level from next year when new marketing personnel will be employed.

NARAYANGANJ OFFICE

It is through Narayanganj Radio Link ISN now have been able to establish connectivity in remote areas of Chandpur, Munshiganj, Araihazar, Keranigang, Sonargaon, Sreenagar. Narayanganj office is now back to its own premises. The acquisition and establishment of Radio Link Network provided substantial benefit in increasing its revenue. A redundant fiber optic connection between Dhaka and Narayanganj has solved problem due to service outage.

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 (GPON) has helped Gulshan office move to serve more clients without lying more fiber cables in the Mohakhali, Banani, Bashundhara, Shahjadpur, Uttar Badda, Badda and Bashundhara.

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 due to the vacancy of MD's post has been fulfilled by assigning responsibilities to the officers in DGM and manager level. The management of ISN executed action plans correctly and the expected goals set by the Board on behalf of the shareholders have been achieved this year. The Board of Directors and the Management ensured maintaining compliance with all requirements of regulatory bodies.

MARKETING & 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 attract corporate clients that require more bandwidth and data connectivity. For the first time ISN has established data connectivity for a Bank among its branch offices. There is no full-fledged branch office in the Chittagong area although the clients in Chittagong are served through PoP. Establishment of Chittagong branch with a manager, support engineers, marketing officers and linemen will be considered for expansion in the next year. In this year new packages have been offered to the home customers. Packages without installation and connection charges have been introduced as well. The management decided to increase the review through a rigorous sales campaign.

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 2015, 2016-2017and 2017-2018 is as follows:

Particulars	2017-2018	2016-2017	2015
Number of Employees	118	126	123

SOFTWARE

Apparently it seems that ISN is selling internet bandwidth to the customers. But internet alone does not serve the purpose. This is actually a service through different software. The technical personnel of the company is employed to operate necessary software for managing the internet service. It is to be understood that this company continued to work on software mainly for in house purpose. However, web hosting and web designing continues to draw reasonable revenue for the company.

The database of the client list is being utilized by the marketing and support team of the company. This small group has provided avenues for the marketing division to generate revenue for the company.

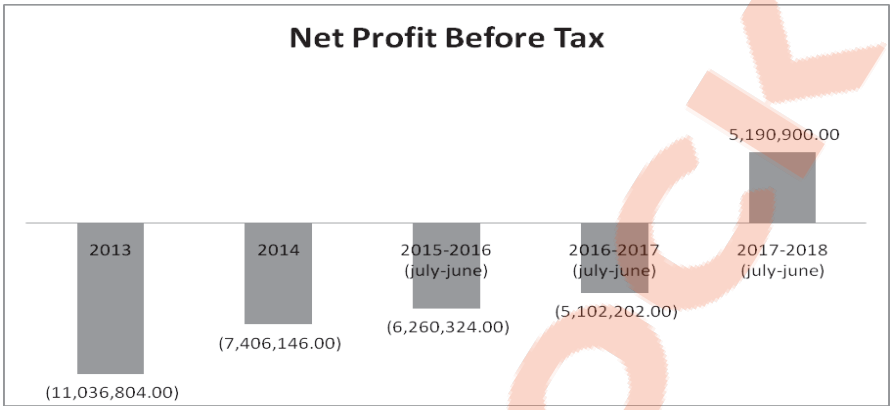
FINANCE

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 has earned a net profit before tax of Tk. 5,190,900.00 for the year ended on 30th June' 2018.

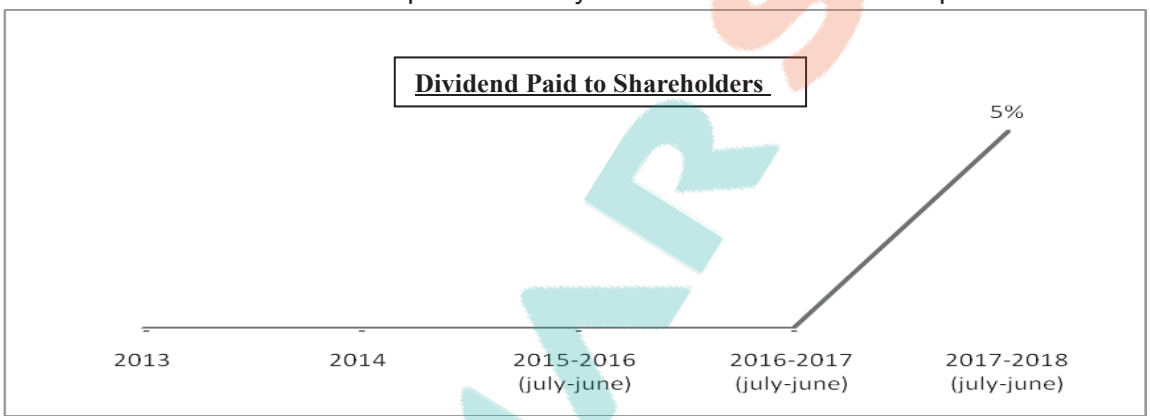
Year	Net Profit (in Taka)
2013	(11,036,804.00)
2014	(7,406,146.00)
2015-2016 (July-June)	(6,260,324.00)
2016-2017 (July-June)	(5,102,202.00)
2017-2018 (July-June)	5,190,900.00



DECLARATION OF DIVIDEND :

The Board of Directors are pleased to recommend for the declaration of 4% Stock (Bonus Share) Dividend shareholders in the 23rd Annual General Meeting of The Company.

Year wise dividend declaration pattern from year 2013 to 2017 - 2018 is provided here :



FUTURE PLAN

As the pilot deployment of GPON become successful in terms of quality and cost effectiveness the technical staff of the company has decided expand the fiber optic network through GPON. For the present market demand, we 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 all over the country.

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. The company will go for right shares to raise paid up capital complying all the requirements SEC.

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 Ltd has been working with security surveillance products Like CCTV Camera, IP Camera Solution Service for Corporate & home based solution. Providing the server solution is also a prospective area for business expansion .

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.

- **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.

- **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.

- **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

  With 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. Decrease of VAT on Internet Services is another major problem the ISP companies will face in Year 2018-19. The paid VAT to the IIGs is 15% and the VAT in the received bill is 5%. That is why the profit margin in the new scenario has been reduced. This will definitely hamper the profitability of the company.

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.

Operating Expense, Gross Profit Margin and Net Profit Margin

The Statement of Profit or Loss and Others Comprehensive Income shows that the Operating expense for the period ended 30th June 2018 (July 2017 to June 2018) is Tk.41.48 millions against Tk.33.31 millions for the same period of last financial year. Gross Profit for the period ended 30th June 2018 (July 2017 to June 2018) is Tk.43.35 millions against Tk.27.76 millions for the same period of last financial year. Net Profit after tax for the period ended 30th June 2018 (July 2017 to June 2018) is Tk.5.19 millions against (Tk.5.66) millions for the same period of last financial year.

Pattern of Shareholding as on 30.06.2018

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	892462
Ms. Shirin Huq	Vice Chairman	220054
Mr. Sajedur Seraj	Shareholder Director	546306
Mr. Suman Celine Huq	Sponsor Director	239403
Dr. Kaisar Ali Talukder	Independent Director	4601
Mr. Md. Akhtaruzzaman	Independent Director	8318
Prof. Dr. Md. Mostofa Akbar	Independent Director	10867
Mr. Asheq Ul Islam	Independent Director	3534
Mr. A. H. M. Al-Faruq	Independent Director	0
Mr. Habibul Alam BP	Sponsor	164490
Mr.Anowar Hossain	Sponsor	151878
Mr.Mirza Ali Behrouze Ispahani	Sponsor	99717
Mrs.Najma Enayetullah Khan	Sponsor	20131
Mr.Abdullah Hel Mostofa	Sponsor	2668
2 (b). CS, CFO, HIA:		
Mr. Md. Hasan Ali	Company Secretary (CC)	NIL
Mr. Abul Kalam Azad	Manager Finance	NIL
Mr. Debbrata Ghosh	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	Sr.System Administrator	NIL
Mr. Mangurul 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 (2013 – 2018):

Particulars	2017-2018 (1st July 2017 to 30th June 2018)	2016-2017 (1st July 2016 to 30th June 2017)	2015-2016 (1st July 2015 to 30th June 2016)	2014	2013
No. of authorized Shares	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00
No. of Issued Shares	10,920,003.00	10,920,003.00	10,920,003.00	10,920,003.00	10,920,003.00
Paid up Capital (Tk.)	109,200,035.00	109,200,035.00	109,200,035.00	109,200,035.00	109,200,035.00
Share Holders Equity (Tk)	137,164,890.00	155,025,612.00	160,675,648.00	170,127,870.00	177,821,465.00
Share Holders Equity as % Assets	1.56%	1.53%	1.56%	1.38%	1.35%
Total Assets (Tk.)	214,193,974.00	236,526,682.00	251,379,958.00	234,833,795.00	239,355,906.00
Total Liabilities (Tk.)	77,029,084.00	81,501,070.00	90,704,309.00	64,488,866.00	61,352,828.00
Reserve & Surplus (Tk.)	27,964,855.00	45,825,577.00	51,475,613.00	60,927,835.00	68,621,430.00
Net Sales/Net Income (Tk.)	95,067,597.00	74,369,329.00	67,172,808.00	59,606,371.00	54,709,560.00
Profit Befor Tax (Tk.)	6,597,365.00	(5,102,202.00)	(6,260,324.00)	(7,406,146.00)	(11,036,804.00)
Net Profit After Tax (Tk.)	5,190,900.00	(5,650,036.00)	(6,835,037.00)	(7,693,595.00)	(11,279,994.00)
Book Value Per Share	10.00	10.00	10.00	10.00	10.00
Earnings Per Share	0.48	(0.52)	(0.63)	(0.70)	(1.03)
% of Dividend	4% Stock & 1% cash	-	-	-	-
Current Ratio	2.70:1.00	0.42:1.00	0.52:1.00	0.41:1.00	1.90:1.00
Operating Ratio	100.00:115.04	100.00:130.11	100.00:131.98	100.00:134.42	100.00:140.12

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	9	9
2	Ms. Shirin Huq	9	6
3	Mr. Sajedur Seraj	9	7
4	Mr. Suman Celine Huq	9	2
5	Dr. Kaisar Ali Talukder	9	4
6	Mr. Md. Akhtaruzzaman	9	7
7	Prof. Dr. Md. Mostofa Akbar	9	9
8	Mr. Habibul Alam BP	9	4
9	Mr. Asheq Ul Islam	9	5
10	Mr. A. H. M. Al-Faruq	9	9

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).

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. Ms. Shirin Huq

02. Mr. Suman Celine Huq

03. Mr. Sajedur Seraj

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 statement 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. As per SEC rules and regulations an auditor is not eligible to audit a listed company for more than 3 consecutive years. M/s. Khan Wahab Shafique Rahman and Co., Chartered Accountants, has expressed their willingness to act as auditors for the company for the year ending on 30th June 2019.

The Board of Directors recommended the re-appointment of M/s. Khan Wahab Shafique Rahman and Co as auditors for the year to be ended on 30th June 2017 at a fee to be decided in this AGM.

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.

(Mr. Sayeed Hossain Chowdhury)
Chairman & Sponsor Director

(Prof. Md. Mostofa Akbar)
Independent Director

Annexure-I Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (√ has been put in the appropriate column)		Remarks
		Complied	Not Complied	
1	**Board of Directors (BoD):**			
1.1	Size of the Board of Directors The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	√		ISN Ltd.Board is comprised of 10 members.
1.2	**Independent Directors:**			
1.2 (a)	At least one fifth (1/5) of the total number of Directors shall be Independent Directors	√		5(five) Independent Director
1.2 (b)	**Independent Director means a director:**			
1.2 (b) (i)	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 declartion of the IDs
1.2 (b) (ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company	√		DO
1.2 (b) (iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years	√		DO
1.2 (b) (iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies	√		DO
1.2 (b) (v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange	√		DO
1.2 (b) (vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market	√		DO

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1.2 (b) (vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code	√		DO
1.2 (b) (viii)	who is not independent director in more than 5 (five) listed companies	√		DO
1.2 (b) (ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI)	√		DO
1.2 (b) (x)	who has not been convicted for a criminal offence involving moral turpitude	√		DO
1.2 (c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM)	√		DO
1.2 (d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days	√		DO
1.2 (e)	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	√		DO
1.3	**Qualification of Independent Director**			
1.3 (a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business	√		The qualification and background of the IDs justify their abilities as such
1.3 (b)	**Independent director shall have following qualifications**			
1.3 (b) (i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	√		DO
1.3 (b) (ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or	√		Mr.Faruq who is a Sr. General Manager in HRC Family Of companies.
1.3 (b) (iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or	√	KHAN WAHAB SHAFIQUE RAHMAN & CO. Chartered Accountants	DO

1.3 (b) (iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	√		
1.3 (b) (v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification	√		
1.3 (c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	√		
1.3 (d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			
1.4	**Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer**			
1.4 (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals	√		
1.4 (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company	√		
1.4 (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company	√		
1.4 (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer	√		
1.4 (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes	√		
1.5	**The Directors' Report to Shareholders**			
1.5 (i)	An industry outlook and possible future developments in the industry	√		
1.5 (ii)	The 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	√		ISN has no extra ordinary gain or loss

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1.5 (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions	√		
1.5 (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments			Not Applicable
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.			N/A. ISN's IPO was long since ago.
1.5 (ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements	√		ISN has no significant variance during this year
1.5 (x)	A statement of remuneration paid to the directors including independent directors	√		
1.5 (xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	√		
1.5 (xii)	A statement that proper books of account of the issuer company have been maintained	√		
1.5 (xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	√		
1.5 (xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed	√		
1.5 (xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored	√		
1.5 (xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress	√		
1.5 (xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed	√		
1.5 (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained	√		ISN has no significant deviations

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1.5 (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized	√		
1.5 (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year	√		
1.5 (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend			Already bonus share has been shared
1.5 (xxii)	The total number of Board meetings held during the year and attendance by each director	√		Total 9 meeting held during the year
1.5 (xxiii)	**A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:**			
1.5 (xxiii) (a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details)	√		
1.5 (xxiii) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details)	√		
1.5 (xxiii) (c)	Executives	√		
1.5 (xxiii) (d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details)			
1.5 (xxiv)	**In case of the appointment/re-appointment of a director, disclose:**			
1.5 (xxiv) (a)	a brief resume of the director	√		
1.5 (xxiv) (b)	Nature of his/her expertise in specific functional areas	√		
1.5 (xxiv) (c)	Names of companies in which the person also holds the directorship and the membership of committees of the board	√		
1.5 (xxv)	**A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:**			
1.5 (xxv) (a)	accounting policies and estimation for preparation of financial statements			
1.5 (xxv) (b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes			No such incidence arose
1.5 (xxv) (c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	√		
1.5 (xxv) (d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	√		
1.5 (xxv) (e)	briefly explain the financial and economic scenario of the country and the globe	√		

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1.5 (xxv) (f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company	√		
1.5 (xxv) (g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM	√		
1.5 (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per **Annexure-A**	√		
1.5 (xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per **Annexure-B** and **Annexure-C**	√		
1.6	**Meetings of the Board of Directors**			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code	√		
1.7	**Code of Conduct for the Chairperson, other Board members**			
1.7 (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company			Will be formulated by NRC
1.7 (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency			Will be compiled after finalization of the code of conduct
2	**Governance of Board of Directors of Subsidiary Company**			
2 (a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company	√		No BOD was formed for subsidiary company Golden key ISN Private Ltd.
2 (b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company			DO
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company			DO

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2 (d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also			DO
2 (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company			DO
3	**Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)**			
3.1	**Appointment**			
3.1 (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC)	√		
3.1 (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals	√		
3.1 (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time	√		
3.1 (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS	√		
3.1 (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s)	√		
3.2	**Requirement to attend Board of Directors' Meetings**			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board	√		
3.3	**Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)**			
3.3 (a)	The MD or 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	√		
3.3 (a) (i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		
3.3 (a) (ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	√		
3.3 (b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members	√		KHAN WAHAB SHAFIQUE RAHMAN & CO. Chartered Accountants

3.3 (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report	√		
4	**Board of Directors' Committee**			
4 (i)	Audit Committee	√		
4 (ii)	Nomination and Remuneration Committee			ISN has no NRC
5	**Audit Committee**			
5 (1)	**Responsibility to the Board of Directors**			
5 (1) (a)	The company shall have an Audit Committee as a subcommittee of the Board	√		
5 (1) (b)	The Audit Committee shall assist the Board 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	√		
5 (1) (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing	√		
5 (2)	**Constitution of the Audit Committee**			
5 (2) (a)	The Audit Committee shall be composed of at least 3 (three) members	√		
5 (2) (b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director	√		
5 (2) (c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience	√		
5 (2) (d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee	√		KHAN WAHAB SHAFIQUE RAHMAN & CO. Chartered Accountants
5 (2) (e)	The company secretary shall act as the secretary of the Committee	√		
5 (2) (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	√		
5 (3)	**Chairperson of the Audit Committee**			
5 (3) (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director	√		

5 (3) (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes			Not Applicable
5 (3) (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM)	√		
5 (4)	**Meeting of the Audit Committee**			
5 (4) (a)	The Audit Committee shall conduct at least its four meetings in a financial year	√		
5 (4) (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must	√		
5 (5)	**Role of Audit Committee: The Audit Committee shall:**			
5 (5) (a)	Oversee the financial reporting process			
5 (5) (b)	monitor choice of accounting policies and principles	√		
5 (5) (c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report	√		
5 (5) (d)	oversee hiring and performance of external auditors	√		
5 (5) (e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption	√		
5 (5) (f)	review along with the management, the annual financial statements before submission to the Board for approval	√		
5 (5) (g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval	√		
5 (5) (h)	review the adequacy of internal audit function	√		
5 (5) (i)	review the Management's Discussion and Analysis before disclosing in the Annual Report	√		
5 (5) (j)	review statement of all related party transactions submitted by the management	√		
5 (5) (k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors	√		

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5 (5) (l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors	√		
5 (5) (m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission			Not Applicable
5 (6)	**Reporting of the Audit Committee**			
5 (6) (a)	**Reporting to the Board of Directors**			
5 (6) (a) (i)	The Audit Committee shall report on its activities to the Board	√		
5 (6) (a) (ii)	**The Audit Committee shall immediately report to the Board on the following findings:**			
5 (6) (a) (ii) (a)	report on conflicts of interests			No Such incidence arose
5 (6) (a) (ii) (b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements			No Such incidence arose
5 (6) (a) (ii) (c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations			No Such incidence arose
5 (6) (a) (ii) (d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately			No Such incidence arose
5 (6) (b)	**Reporting to the Authorities**			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier			No Such reportable incidence arose
5 (7)	**Reporting to the Shareholders and General Investors**			

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	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company	√		
6	**Nomination and Remuneration Committee (NRC)**			
6.1	**Responsibility to the Board of Directors**			
6.1 (a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board			ISN has no NRC
6.1 (b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive			DO
6.1 (c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b)			DO
6.2	**Constitution of the NRC**			
6.2 (a)	The Committee shall comprise of at least three members including an independent director			DO
6.2 (b)	All members of the Committee shall be non-executive directors			DO
6.2 (c)	Members of the Committee shall be nominated and appointed by the Board			DO
6.2 (d)	The Board shall have authority to remove and appoint any member of the Committee			DO
6.2 (e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee			DO
6.2 (f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee			DO
6.2 (g)	The company secretary shall act as the secretary of the Committee			DO
6.2 (h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director			DO

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6.2 (i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorariumfrom the company			DO
6.3	**Chairperson of the NRC**			
6.3 (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director			DO
6.3 (b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes			DO
6.3 (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders			DO
6.4	**Meeting of the NRC**			
6.4 (a)	The NRC shall conduct at least one meeting in a financial year			DO
6.4 (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC			DO
6.4 (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h)			DO
6.4 (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC			DO
6.5	**Role of the NRC**			
6.5 (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders			DO
6.5 (b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board			DO
6.5 (b) (i) (a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully			DO
6.5 (b) (i) (b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks			DO
6.5 (b) (i) (c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals			DO

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6.5 (b) (ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality			DO
6.5 (b) (iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board			DO
6.5 (b) (iv)	formulating the criteria for evaluation of performance of independent directors and the Board			DO
6.5 (b) (v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria			DO
6.5 (b) (vi)	developing, recommending and reviewing annually the company's human resources and training policies			DO
6.5 (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report			DO
7	**External or Statutory Auditors**			
7.1	**The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:**			
7.1 (i)	appraisal or valuation services or fairness opinions	√		
7.1 (ii)	financial information systems design and implementation	√		
7.1 (iii)	book-keeping or other services related to the accounting records or financial statements	√		
7.1 (iv)	broker-dealer services	√		
7.1 (v)	actuarial services;	√		
7.1 (vi)	internal audit services or special audit services;	√		
7.1 (vii)	any service that the Audit Committee determines;	√		
7.1 (viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1)	√		
7.1 (ix)	any other service that creates conflict of interest			
7.2	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company	√		
7.3	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders	√		KHAN WAHAB SHAFIQUE RAHMAN & CO. Chartered Accountants
8	**Maintaining a website by the Company**			

8.1	The company shall have an official website linked with the website of the stock exchange	√		
8.2	The company shall keep the website functional from the date of listing	√		
8.3	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s)	√		
9	**Reporting and Compliance of Corporate Governance**			
9.1	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report	√		
9.2	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting	√		
9.3	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		

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Motijheel, Dhaka-1000
Tel : 9565136, 9551663, 9551821
Fax : 880-02-9551821
E-mail : kwsr@dhaka.net
Web : www.kwsrbd.com

Report to the Shareholders of Information Services Network Ltd. on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Information Services Ltd. for the year ended on June 30, 2018. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

(a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission except ISN has no Nomination and Remuneration Committee;

(b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

(c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and

(d) The Governance of the company is satisfactory.

Dhaka, Dated
November 07, 2018.

Sheikh Zahidul Islam FCA, MBA
ICAB Enrollment No. 1394
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 12, 2018

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 2017 to 30th June 2018.

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,

Sayeed Hossain Chowdhury
Chairman & Sponsor Director

(Abul Kalam Azad)
Manager Finance

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. Change in the Audit Committee April 22, 2018 confirm the Board Meeting No: 90. It was also decide by the Board that as one of the members of the Audit Committee and Independent Director Mr. Asheq ul Islam has resigned from the Board, Dr kaisar Ali Talukder will be in the Audit Committee of the company as a member in place of Mr. Asheq ul Islam.

Name of Members	Position in the Committee	Position in the Board
Mr. A. H. M. Al-Faruq	Chairman	Independent Director
Dr. Kaisar Ali Talukder	Member	Independent Director
Dr. Md. Mostofa Akbar	Member	Independent Director

Meetings of the Audit Committee

The Committee held 4 (four) meetings during the period 1st July 2017 to 30th June 2018 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)
Independent Director

AMAR STOCK

AMAR STOCK

AMAR STOCK

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF INFORMATION SERVICES NETWORK LIMITED

We have audited the accompanying separate financial statements of **Information Services 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, 2018, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year 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 the separate financial statements of the Company and the consolidated financial statements of the Group 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 the separate financial statements of the Company and the consolidated financial statements of the Group that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on separate financial statements of the Company and the consolidated financial statements of the Group 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 separate financial statements of the Company and the consolidated financial statements of the Group are free from material misstatement.

An audit involves performing producers to obtain audit evidence about the amounts and disclosures in the separate financial statements of the Company and the consolidated financial statements of the Group. The procedures selected depend on our judgment, including the assessment of the risks of material misstatements of separate financial statements of the Company and the consolidated financial statements of the Group, 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 separate financial statements of the Company and the consolidated financial statements of the Group 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 separate financial statements of the Company and the consolidated financial statements of the Group.

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



Other Matter: Opinion regarding valuation

In accordance with clause # 6 of Notification of BSEC dated August 18, 2013, revaluation report, as disclosed in note # 2.05, has been prepared and treated as per Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) and other applicable laws, rules, regulations & guideline and related accounting treatments have been properly made in the financial statements based on the report.

Basis for Qualified Opinion

(i) Deferred tax on the temporary difference between the carrying amount of accounting base and its tax base has not been properly calculated in accordance with BAS 12.

(ii) 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
TMC	62,360
Ms. Sabera	22,000
Hasan Holding	34,650
Equipment and Others	937,569
Holiday Printers Limited	300,000
H.M Securities	200,000
Total	**6,501,466**

(iii) Financial Statements of the subsidiary, Golden Key ISN Private Limited, has not been audited.

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 as well as of the Group as of June 30, 2018 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 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 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: October 30, 2018

SHAFIQ BASAK & CO.
Chartered Accountants

AMAR STOCK

INFORMATION SERVICES NETWORK LIMITED
STATEMENT OF CONSOLIDATED FINANCIAL POSITION
AS AT 30 JUNE 2018

PARTICULARS	Note	Amount (in Taka)		
		30.06.18	30.06.17 (Restated)	30.06.16
ASSETS:				
Non-Current Assets:		**82,271,104**	**117,783,680**	**119,975,821**
Property, Plant & Equipment	4(a)	80,299,929	117,021,975	117,954,046
Intangible Asset		1,738,456	-	
Investment	5(a)	-	63,550	858,184
Deferred Expenditure	6	232,719	698,155	1,163,591
Current Assets:		**129,487,746**	**119,124,532**	**128,989,494**
Accounts receivable	7	101,591,576	103,575,480	116,410,217
Advances, deposits and prepayments	9(a)	23,854,330	14,230,165	10,472,947
Cash and cash equivalents	10(a)	4,041,841	1,318,888	2,106,330
TOTAL ASSETS:		**211,758,850**	**236,908,212**	**248,965,315**
SHARE HOLDERS EQUITY & OTHER LIABILITIES :				
Shareholders' Equity		**133,712,081**	**152,375,988**	**157,243,819**
Share capital(Paid up Capital)	12	109,200,035	109,200,035	109,200,035
General Reserve		2,000,000	2,000,000	2,000,000
Revaluation Surplus		27,674,054	52,533,703	55,298,635
Dividend Equalization Fund		1,000,000	1,000,000	1,000,000
Inflation and Currency Fluctuation Fund		1,000,000	1,000,000	1,000,000
Retained earnings		(5,520,112)	(11,719,451)	(9,623,235)
Minority Interest		(1,641,897)	(1,638,299)	(1,631,616)
Non-Current Liabilities:		**28,172,036**	**32,104,963**	**33,876,417**
Long Term Loan	13	27,512,401	31,309,053	33,256,078
Deferred Tax Liabilities	14	659,635	795,910	620,339
Current Liabilities and Provisions:		**49,874,733**	**52,427,261**	**57,845,079**
Unsecured Loan	15	1,012,686	1,012,686	1,012,686
Accrued expenses	16(a)	3,542,259	6,542,372	5,682,027
Liabilities for other finance	17	3,910,848	3,789,920	12,094,694
Term Loan	18	39,153,291	40,369,374	38,715,025
Provision for income tax	19	2,255,650	712,910	340,647
Total Liabilities		**78,046,769**	**84,532,224**	**91,721,496**
TOTAL SHARE HOLDERS EQUITY & OTHER LIABILITIES :		**211,758,850**	**236,908,212**	**248,965,315**

The annexed notes from 1 to 29 form an integral part of these financial statements These financial statements were approved by the Board of Directors on 28 October 2018 and were signed on its behalf by:

Sayeed Hossain Chowdhury
Chairman & Sponsor Director

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

(Md. Hasan Ali)
Company Secretary (CC)

Signed as per our annexed report of even date.

Dhaka, Bangladesh
Date: October 30, 2018

SHAFIQ BASAK & CO.
Chartered Accountants

INFORMATION SERVICES NETWORK LIMITED

STATEMENT OF COSOLIDATED PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR 1ST JULY 2017 TO 30TH JUNE 2018

PARTICULARS	Note	AMOUNT (IN TAKA) 01-07-2017 to 30-06-2018		TOTAL	01-07-2016 to 30-06-2017
		I.S.N.	G.K.I.S.N.		
Revenue from sales and services	20	84,840,012	-	84,840,012	61,079,384
Operating Expenses	21	41,488,971	-	41,488,971	33,310,098
Gross Profit		**43,351,041**	**-**	**43,351,041**	**27,769,286**
Administrative & Other Expenses		**46,988,604**	**-**	**46,988,604**	**46,175,071**
Administrative Expenses	22(a)	38,931,158	-	38,931,158	36,991,477
Financial Expenses		7,548,784	-	7,548,784	8,718,158
Amortization of Deferred Expenses		465,436	-	465,436	465,436
Loss on Sale of Share		43,226	-	43,226	-
Operating Profit/(Loss)		**(3,637,563)**	**-**	**(3,637,563)**	**(18,405,785)**
Non Operating Income	23	**10,227,585**	**-**	10,227,585	13,289,945
Net profit/(Loss) before Tax for the year		**6,590,022**	**-**	**6,590,022**	**(5,115,840)**
Deferred Tax Income		136,275	-	136,275	(175,571)
Provision for Income tax		(1,542,740)	-	(1,542,740)	(372,263)
Net profit/(Loss) after tax for the year		**5,183,557**	**-**	**5,183,557**	**(5,663,674)**
Prifit attributable to					
ISNL				5,187,155	5,187,301
GKISNL				(3,598)	
				5,183,557	
Earning Per Share (EPS)	**24(a)**			**0.47**	**(0.52)**

The annexed notes from 1 to 29 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 28 October 2018 and were signed on its behalf by:

Sayeed Hossain Chowdhury
Chairman & Sponsor Director

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

(Md. Hasan Ali)
Company Secretary (CC)

Signed as per our annexed report of even date.

Dhaka, Bangladesh
Date: October 30, 2018

SHAFIQ BASAK & CO.
Chartered Accountants

INFORMATION SERVICES NETWORK LIMITED

STATEMENT OF CONSOLIDATED CHANGES IN EQUITY
AS AT 30TH JUNE 2018

Particulars	Share capital	General Reserve	Revaluation Surplus	Dividend Equilization Fund	Inflation and Currency Fluctuation	Retained Earnings	Minority Interest	Total Taka
As at 01 July 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
Add/(Less) :Prior year adjustment (29.00)	-	-	-	-	-	795,843	-	795,843
Restated Balance as on 01 July 2017	**109,200,035**	**2,000,000**	**52,533,703**	**1,000,000**	**1,000,000**	**(11,719,451)**	**(1,638,299)**	**152,375,988**
Net profit for the period	-	-	-	-	-	5,187,155	(3,598)	5,183,557
Revaluation Deficit & Others	-	-	(23,847,465)	-	-	-	-	(23,847,465)
Depreciation on revaluation	-	-	(1,012,184)	-	-	1,012,184	.	-
As at 30th June 2018	**109,200,035**	**2,000,000**	**27,674,054**	**1,000,000**	**1,000,000**	**(5,520,112)**	**(1,641,897)**	**133,712,080**

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**

The annexed notes from 1 to 29 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 28 October 2018 and were signed on its behalf by:

Sayeed Hossain Chowdhury
Chairman & Sponsor Director

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

(Md. Hasan Ali)
Company Secretary (CC)

SHAFIQ BASAK & CO.
Chartered Accountants

INFORMATION SERVICES NETWORK LIMITED
STATEMENT OF CONSOLIDATED CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE, 2018

PARTICULARS		Amount (In Taka)	
		01-07-2017 to 30-06-2018	01-07-2016 to 30-06-2017
A. Cash flows from operating activities:			
Collection from turnover and other income		101,382,482	81,015,639
Payment for cost and expenses		(85,582,817)	(68,335,668)
Advance and deposit		(433,477)	(1,402,940)
Total cash flow from operating activities		**15,366,188**	**11,277,031**
B. Cash flows from investing activities:			
Acquisition of fixed assets		(7,650,877)	(10,638,242)
Devidend received		52	
Invesment in share		20,325	739,000
Total cash flow from investing activities		**(7,630,500)**	**(9,899,242)**
C. Cash flows from financing activities:			
Dividend		-	-
Earnest money deposite/(refund)		-	140,914
Short term loan from bank		(5,012,735)	(2,306,145)
Total cash flow from financing activities		**(5,012,735)**	**(2,165,231)**
Net cash inflow/(outflow) for the year (A + B + C)		**2,722,953**	**(787,442)**
Opening cash and bank balances		1,318,888	2,106,330
Closing cash and bank balance		**4,041,841**	**1,318,888**

The annexed notes from 1 to 29 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 28 October 2018 and were signed on its behalf by:

Sayeed Hossain Chowdhury
Chairman & Sponsor Director

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

(Md. Hasan Ali)
Company Secretary (CC)

SHAFIQ BASAK & CO.
Chartered Accountants

INFORMATION SERVICES NETWORK LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

PARTICULARS	NOTES	Amount (In Taka)		
		30.06.2018	30.06.17 (Restated)	30.06.16
ASSETS:				
Non- Current Assets:		**82,331,493**	**117,836,726**	**120,020,229**
Property, Plant & Equipment	4	80,258,318	116,973,021	117,896,454
Intangible Asset	4.(b)	1,738,456	-	
Investment	5	102,000	165,550	960,184
Deferred Expenditure	6	232,719	698,155	1,163,591
Current Assets:		**131,862,482**	**121,499,268**	**131,359,729**
Accounts Receivable	7	101,591,576	103,575,480	116,410,217
Accrued Interest	8	809,544	809,544	809,544
Advances, Deposits & Prepayments	9	25,479,673	15,855,508	12,098,290
Cash and Cash Equivalents	10	3,981,689	1,258,736	2,041,678
TOTAL ASSETS:		**214,193,974**	**239,335,994**	**251,379,958**
Shareholders' equity		**137,164,890**	**155,821,455**	**160,675,648**
Share Capital (Paid up Capital)	12	109,200,035	109,200,035	109,200,035
General Reserve		2,000,000	2,000,000	2,000,000
Revaluation Surplus		27,674,054	52,533,703	55,298,635
Dividend Equalization Fund		1,000,000	1,000,000	1,000,000
Inflation & Currency Fluctuation Fund		1,000,000	1,000,000	1,000,000
Retained Earnings		(3,709,199)	(9,912,283)	(7,823,022)
Non-current liabilities:		**28,172,036**	**32,104,963**	**33,876,417**
Long Term Loan	13	27,512,401	31,309,053	33,256,078
Deferred Tax Liabilities	14	659,635	795,910	620,339
Current liabilities:		**48,857,048**	**51,409,576**	**56,827,893**
Accrued Expenses	16	3,537,259	6,537,372	5,677,527
Liabilities for Other Finance	17	3,910,848	3,789,920	12,094,694
Short Term Loan	18	39,153,291	40,369,374	38,715,025
Provision for Income Tax	19	2,255,650	712,910	340,647
Total Liabilities :		**77,029,084**	**83,514,539**	**90,704,309**
TOTAL SHARE HOLDERS EQUITY & OTHER LIABILITIES :		**214,193,974**	**239,335,994**	**251,379,958**

The annexed notes from 1 to 29 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 28 October 2018 and were signed on its behalf by:

Signed as per our annexed report of even date.

Sayeed Hossain Chowdhury
Chairman & Sponsor Director

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

(Md. Hasan Ali)
Company Secretary (CC)

SHAFIQ BASAK & CO.
Chartered Accountants

Dhaka, Bangladesh
Date: October 30, 2018

INFORMATION SERVICES NETWORK LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

Particulars	Note	Amount in Taka			
		01-07-2017 to 30-06-2018			01-07-2016 to 30-06-2017
		Unit-1 ISP	Unit-2 IPTSP	TOTAL	
Revenue from Sales & Services	20	80,840,157	3,999,855	84,840,012	61,079,384
Less: Operating Expenses	21	38,640,189	2,848,782	41,488,971	33,310,098
Gross Profit		**42,199,968**	**1,151,073**	**43,351,041**	**27,769,286**
Administrative & Other Expenses		**46,573,081**	**408,180**	**46,981,261**	**46,161,433**
Administrative Expenses	22	38,865,107	58,708	38,923,815	36,977,839
Financial Expenses		7,548,784	-	7,548,784	8,718,158
Amortization of Deferred Expenses		115,964	349,472	465,436	465,436
Loss on Sale of Share		43,226	-	43,226	-
Operating Profit/(Loss)		(4,373,113)	742,893	(3,630,220)	(18,392,147)
Non Operating Income	23	10,227,585	-	10,227,585	13,289,945
Net profit/(Loss) before Tax for the year		**5,854,472**	**742,893**	**6,597,365**	**(5,102,202)**
Deferred Tax Income		136,275		136,275	(175,571)
Provision for Income Tax		(1,542,740)	-	(1,542,740)	(372,263)
Net profit/(Loss) After Tax for the year		**4,448,007**	**742,893**	**5,190,900**	**(5,650,036)**
Earnings Per Share (per value Tk. 10/-)	24			**0.48**	**(0.52)**

The annexed notes from 1 to 29 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 28 October 2018 and were signed on its behalf by:

Sayeed Hossain Chowdhury
Chairman & Sponsor Director

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

(Md. Hasan Ali)
Company Secretary (CC)

SHAFIQ BASAK & CO.
Chartered Accountants

INFORMATION SERVICES NETWORK LIMITED

STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2018

Particulars	Share capital	General Reserve	Revaluation Surplus	Dividend Equilization Fund	Inflation and Currency Fluctuation Fund	Retained Earnings	Total Taka
As at 01 July 2017	109,200,035	2,000,000	52,533,703	1,000,000	1,000,000	(10,708,126)	155,025,612
Add/(Less) :Prior year adjustment (29.00)	-	-	-	-	-	795,843	795,843
Restated Balance as on 01 July 2017	**109,200,035**	**2,000,000**	**52,533,703**	**1,000,000**	**1,000,000**	**(9,912,283)**	**155,821,455**
Revaluation Deficit & Others	-	-	(23,847,465)	-	-	-	(23,847,465)
Net profit for 1st July 2017 to 30th June 2018	-	-		-		5,190,900	5,190,900
Depreciation on revaluation	-	-	(1,012,184)	-	-	1,012,184	-
As at 30th June 2018	**109,200,035**	**2,000,000**	**27,674,054**	**1,000,000**	**1,000,000**	**(3,709,199)**	**137,164,890**

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**

The annexed notes from 1 to 29 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 28 October 2018 and were signed on its behalf by:

Sayeed Hossain Chowdhury
Chairman & Sponsor Director

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

(Md. Hasan Ali)
Company Secretary (CC)

SHAFIQ BASAK & CO.
Chartered Accountants

INFORMATION SERVICES NETWORK LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

PARTICULARS	Amount (In Taka)	
	01-07-2017 to 30-06-2018	01-07-2016 to 30-06-2017
A. Cash flows from operating activities:		
Collection from turnover and other income	101,382,482	81,015,639
Payment for cost and expenses	(85,582,817)	(68,331,168)
Advance and deposit	(433,477)	(1,402,940)
Total cash flow from operating activities	**15,366,188**	**11,281,531**
B. Cash flows from investing activities:		
Acquisition of fixed assets	(7,650,877)	(10,638,242)
Devidend received	52	
Invesment in share	20,325	739,000
Total cash flow from investing activities	**(7,630,500)**	**(9,899,242)**
C. Cash flows from financing activities:		
Dividend	-	-
Earnest money deposite/(refund)	-	140,914
Long Term loan	(3,796,652)	
Short term loan from bank/(refund)	(1,216,083)	(2,306,145)
Total cash flow from financing activities	**(5,012,735)**	**(2,165,231)**
Net cash inflow/(outflow) for the year (A + B + C)	**2,722,953**	**(782,942)**
Opening cash and bank balances	1,258,736	2,041,678
Closing cash and bank balance	**3,981,689**	**1,258,736**
Net Operating Cash Flow	1.41	1.03

The annexed notes from 1 to 29 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 28 October 2018 and were signed on its behalf by:

Sayeed Hossain Chowdhury
Chairman & Sponsor Director

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

(Md. Hasan Ali)
Company Secretary (CC)

SHAFIQ BASAK & CO.
Chartered Accountants

INFORMATION SERVICES NETWORK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 30TH JUNE, 2018
"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:

CHARTERED ACCOUNTANTS SHAFIQ BASAK & CO.

(i) Statement of Consolidated and Separate Financial Position as at 30th June 2018.

(ii) Statement of Consolidated and Separate Profit or Loss and Other Comprehensive Income for the year ended 30th June 2018.

(iii) Statement of Consolidated and Separate Changes in Equity for the year ended 30th June 2018.

(iv) Statements of Consolidated Cash Flows for the year ended 30th June 2018.

(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".

During the year under audit the Company re-valued office floor space details of which are as follows:

a) **Effective date of Re-valuation :-31.12.17**

b) **Independent Valuer:- ATA KHAN & CO. (Chartered Accountants)**

c) **Class of Property,Plant & Equipment Re-Valued :- Office floor space**

d) **Written down value before Re-valuation :- Tk. 53,830,364.00**

e) **Revalued amount after Revaluation :_ Tk, 29,982,900.00**

f) **Changes in Revaluation Surplus :- Tk. 23,847,465.00**

g) **Revaluation report has been attached with the financial statements.**

Note : To comply with the notification of BSEC # SEC/CMRRC/2009-193/150/admin/51 dated August 18, 2013, no dividend has been declared from the amount of revaluation surplus.

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.

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.

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 2017 to 30th June 2018 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 2018. 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 2018.

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.

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 22nd Annual General Meeting of the company held on 31st December, 2017 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 2018.

3.00 RATIO AND LIQUIDITY:

3.01 Gross Profit:

The gross profit earned during the Year is 51% of operating revenue as against the gross profit earning at 45% during the preceding period.

	Amount In Taka	
	30.06.2018	**30.06.2017**
4.00 Property, Plant & Equipment: Tk.80,258,318		
The above amount is made up as follows:		
Opening Balance at Cost	281,395,161	270,755,819
Add: Re-valuation surplus	-	-
Add : Addition during the year	5,477,807	10,639,342
Less : Adjustment during the year	79,777,929	-
Closing Balance	**207,095,039**	**281,395,161**
Less: Accumulated depreciation up to 30-06-2018	126,836,722	164,422,140
Written down value as on 30-06-2018	**80,258,318**	**116,973,021**
Details have been shown in "**Annexure-1** and **Annexure -2**"		
4.(a) Property, Plant & Equipment Tk. 80,299,929		
ISN	80,258,318	116,973,021
GKISN	41,611	48,954
Balance as on 30-06-2018	**80,299,929**	**117,021,975**
4.(b) Intangible Asset Tk. 1,738,456		
Opening Balance	-	-
Addition During the Year	2,173,070	-
Less: Amortized During the Year	434,614	-
Balance as on 30-06-2018	**1,738,456**	**-**

SHAHID BASAK & CO. CHARTERED ACCOUNTANTS

5.00 Investment : Tk. 102,000

The above amount is made up as follows:

Sl. No.	Particulars	30.06.2018		30.06.2017	
		No. of Share	Acquisition Price	Market Price	Acquisition Price
01	Golden Key ISN Pvt. Ltd. **(Note-5.01)**	1,020	102,000	102,000	102,000
02	BD Finance		-	-	4,573
03	Continental Insurance Ltd.		-	-	24,375
04	Exim Bank		-	-	329
05	Phoenix Finance		-	-	19,816
06	Premier leasing & Finance Ltd.		-	-	3,747
07	Summit Power Ltd.		-	-	8,184
08	City Bank		-	-	1,044
09	Pubali Bank		-	-	506
10	UCBL		-	-	262
11	Uttara Bank		-	-	714
Total:		**1,020**	**102,000.00**	**102,000**	**165,550**

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.

	Amount In Taka	
	30.06.2018	**30.06.2017**
5.(a) Investment (at cost): Tk. Nil		
ISN	102,000	165,550
Less: Inter Company Transaction	102,000	102,000
	-	**63,550**

	Amount In Taka	
	30.06.2018	**30.06.2017**

6.00 Deferred expenditure : Tk. 232,719

The above amount is made up as follows

IPTSP **(Note 6.01)**	174,735	524,207
Share Issue Expenditure**(Note 6.02)**	57,984	173,948
	232,719	**698,155**

SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS

6.01 IPTSP : Tk. 174,735

This is arrived at as under:

Balance as on 01-07-2017	524,207	873,679
Add: Addition	-	-
	524,207	**873,679**
Less : Amortization during the year	349,472	349,472
Balance as on 30-06-2018	**174,735**	**524,207**

6.02 Share Issue Expenditure: Tk.57,984

This is arrived at as under:

Balance as on 01-07-2017	173,948	289,912
Add: Addition	-	-
	173,948	**289,912**
Less : Amortization during the year	115,964	115,964
Balance as on 30-06-2018	**57,984**	**173,948**

7.00 Accounts receivable: Tk. 101,591,576

This is arrived at as under:

Balance as on 01-07-2017	103,575,480	116,410,217
Add: Addition during the year	49,300	6,235,964
	103,624,780	**122,646,181**
Less : Received/adjust during the year	-	15,576,301
Balance as on 30-06-2018	**103,624,780**	**107,069,880**
Less: Bad debt Expenses	**2,033,204**	**3,494,400**
	101,591,576	**103,575,480**

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

Particulars	Amount (In Taka)			
	30.06.18		30.06.17	
	Below six months	Over six Months	bellow six months	Over six months
Internet Bill (DSL)	4,274,522	24,222,292	4,468,557	24,975,777
Internet Bill (D/U)	38,810	16,758,766	-	17,362,114
Software Sales	223,407	20,491,191	319,500	21,256,238
Networking & IT Solutions	775,113	14,727,153	228,760	15,496,756
IP Phone Bill	506,518	3,389,774	685,451	3,349,548
Data Service Bill	112,391	7,638,741	453,076	7,553,589
Fax Bill	16,580	87,045	-	107,470
Web Hosting & Development	1,865,246	8,497,231	80,620	10,732,424
VAT from party			-	-
	7,812,587	**95,812,193**	**6,235,964**	**100,833,916**
Less: Bad debt Expenses	-	2,033,204	-	3,494,400
	7,812,587	**93,778,989**	**6,235,964**	**97,339,516**

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.

		Amount In Taka	
		30.06.2018	30.06.2017

8.00 Accrued interest: Tk. Nil

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.

8.(a) Accrued interest: Tk. Nil

ISN	809,544	809,544
Less: Inter Company Transaction	809,544	809,544
Balance as on 30.06.2018	**-**	**-**

9.00 Advances, deposits and prepayments: Tk. 25,479,673

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)**	9,129,330	8,910,853
Other Receivables **(Note # 9.03)**	12,215,000	2,809,312
Total	**25,479,673**	**15,855,508**

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.9,129,330

This is made up as follows

Balance as on 01-07-2017	8,910,853	7,962,947
Add : Addition during the period	501,761	1,483,940
	9,412,614	**9,446,887**
Less : Recovered during the period	283,284	536,034
Balance as on 30-06-2018	**9,129,330**	**8,910,853**

9.03 Other Receivable : Tk. 12,215,000

(From Mrs. Zakia Huq against 2521 (SFT) Floor Space)		
Closing Balance as of 30 June 2018	**12,215,000**	**-**
Prior Year Adjustment:		
Adjustment in relation to advance to floor space		2,809,312
Restated balance as on 01 July 2017		**2,809,312**

Note: It has been decided by the Board of Directors' that ISN will release the floor space measuring an area of 2,521 sft (located on the 4th Floor of TMC Building, Dhaka) to the owner, Mrs. Zakia Huq with a clear understanding/agreement with Ex-managing director of ISN, Mr. Habibul Alam, BP that she (Mrs. Zakia) will arrange sale of the property and refund the entire advance amount of Tk. 12,215,000 to ISN directly, which was paid to her upto till June 30 2018 against Baina Chukti Patra dated July 14, 2011. Meanwhile the Board of Directors' has decided to keep the advance amount of Tk 12,215,000 in her name in the book of accounts of ISN under the head receivable.

AMAR STOCK

The break-up of the amount of Tk. 9,129,330 is as follows:

Sl. No.	Particulars	Name of the Party	Amount (In Taka) 30.06.2018	30.06.17
A.	**Advance & Prepayments:**		**3,759,597**	**3,761,120**
		Seba House	90,998	302,858
		Azmeri Builders	145,000	210,000
		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)	1,001,657	1,129,110
		Advance VAT	293,390	-
		IPTSP License (BTRC)	500,000	500,000
		Songjog ISP Association	100,000	-
		Holiday Printers Ltd. (Printing)	300,000	300,000
		SES Company	17,473	17,473
		Advance payment for floor purchase	54,500	45,100
		Advance payment for floor purchase	200,000	200,000

Sl. No.	Particulars	Name of the Party	Amount (In Taka) 30.06.2018	30.06.17
B.	**Deposit: (i+ii)**		**5,369,733**	**5,149,733**
	i) Security Money:		**4,545,876**	**4,545,876**
		BTCL	1,520,076	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
		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:		**823,857**	**603,857**
		BSTI	770	770
		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	248,373
		Bangladesh Bank	160,000	160,000
		Tracer ISN JU	49,700	49,700
		Micro Regulatory Authority	23,600	23,600
		Others	220,000	-
		IDR Project	8,000	8,000
	Grand Toral (A+B)		**9,129,330**	**8,910,853**

CHARTERED ACCOUNTANTS SHAFIQ BASAK & CO.

AMARSTOCK

	Amount In Taka	
	30.06.2018	30.06.2017
9.(a) Advances, deposits and prepayments: Tk. 23,854,330		
ISN	25,479,673	13,046,196
GKISN	10,000	10,000
Balance as on 30.06.2017	**25,489,673**	**13,056,196**
Less: Inter Company Transaction	1,635,343	1,635,343
Balance as on 30.06.2018	**23,854,330**	**11,420,853**
Prior Year Adjustment:		
Adjustment in relation to advance to floor space		2,809,312
Restated Balance as on 01 July 2017		**14,230,165**

	Amount (In Taka)	
	30.06.2018	30.06.17
10.00 Cash and cash equivalents: Tk. 3,981,689		
This is made up as follows:		
Cash in hand	557,822	316,414
Social Islami Bank Ltd.	17,128	12,950
AB Bank Ltd	102,665	149,027
NCC Bank Ltd	233,386	100,811
Eastern Bank Ltd.	535,429	216,939
Mercantile Bank Ltd	(112,411)	416,294
The Farmers Bank	-	-
Export Import Bank	10,471	12,122
Mutual Trust Bank	4,615	1,530
Bangladesh Development Bank Limited	275,913	-
Pubali Bank Ltd.	135,347	-
Mutual Trust Bank	-	32,649
CDBL	20,324	
FDR Marchentile Bank	201,000	-
FDR One Bank	2,000,000	-
	3,981,689	**1,258,736**

10.(a) Cash and cash equivalents: Tk. 4,041,841		
ISN	3,981,689	1,258,736
GKISN	60,152	60,152
Balance as on 30-06-2018	**4,041,841**	**1,318,888**

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.

AMARSTOCK

11.(a) Shareholders equity: Tk. 133,712,080

ISN	137,164,890	155,025,612
GKISN	(3,350,810)	(3,343,467)
Less: Investment by ISNL	(102,000)	(102,000)
	133,712,080	**151,580,145**

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 01-07-2017	109,200,035	109,200,035
Addition during the period		-
Paid up capital balance as on 30-06-2018	**109,200,035**	**109,200,035**

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	2
1,211	501	to	5,000	shares	19
89	5,001	to	10,000	shares	6
48	10,001	to	20,000	shares	6
18	20,001	to	30,000	shares	4
12	30,002	to	40,000	shares	4
4	40,001	to	50,000	shares	2
13	50,001	to	100,000	shares	9
20	100,001	to	1,000,000	shares	49
2,595	**Total**				**100**

12.03 Composition of shareholders:

Sl No.	Particulars	No of Shares		Value of Shares	%	
					30.06.2018	30.06.2017
1.	Directord/Sponsors	2,364,429		23,644,290	22	22
2.	Institution	2,875,719		28,757,190	26	26
3.	General Public	5,679,855		56,798,550	52	52
	Total:	10,920,003		109,200,030	**100**	**100**



	Amount (In Taka)	
	30.06.2018	30.06.17

13.00 Long Term Loan: **27,512,401** **29,295,584**

This Balance is made up as follows:

Opening Balance	31,309,053	
Addition /(Adjustment) during the year	(3,796,652)	
Closing Balance	**27,512,401**	
Prior Year Adjustment:		
Add: Accured Interest of 2017		2,013,469
Restated Balance as on 01 July 2017		**31,309,053**

The above Bank Loan taken from **The Farmers Bank Ltd., Gulshan Br. Dhaka** as Term loan for 7 years , bearing Sanction Advise No: FBL/GCB/CR/2015/1558 dated 31-05-2015

14.00 Deferred tax liabilities: Tk. 659,635

The company has made deferred tax liabilities to the extent of Tk. 659,635.00 as on 30th June, 2018 as per BAS-12, "Income Taxes".

Particulars	Amount (In Taka)	
	30.06.2018	30.06.2017
A. Fixed Assets		
Carrying amount of Fixed Assets as per Accounts	51,572,079	64,439,318
Less: Tax base-Carrying amount of Fixed Assets	48,933,539	61,255,676
Taxable temporary difference	2,638,540	3,183,642
Tax Rate	25%	25.00%
B. Deferred Tax Liabilities as on 30th June, 2018	**659,635**	**795,910**
C. Deferred Tax Liabilities recognised as on 30th June, 2017	795,910	620,339
D. Deferred Tax Expenses/(Income) to be recognised (B-C)	**(136,275)**	**175,571**
Opening Balance	795,910	620,339
Add. Addition During the Year	(136,275)	175,571
Deferred Tax Liabilities as on 30th June,2018	**659,635**	**795,910**

15.00 Unsecured Loan: Tk. 1,012,686

	Amount (In Taka)	
	30.06.2018	30.06.17
GKISN	2,648,029	2,648,029
Less: Inter Company Company Transaction	1,635,343	1,635,343
Balance as on 30-06-2018	**1,012,686**	**1,012,686**

SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS

16.00 Accrued expenses: Tk. 3,537,259

This is made up as follows:

Balance as on 01-07-2017	6,537,372	5,677,527
Add: Addition during the period	801,689	3,885,197
	7,339,061	**9,562,724**
Less : Paid/adjustment during the period	3,801,802	3,025,352
Balance as on 30-06-2018	**3,537,259**	**6,537,372**

Detailed break-up is as follows:

Salary and remuneration	1,321,599	3,244,091
Employee PF Contribution	79,723	85,570
Consultancy fees	40,000	40,000
Maintenance (Vehicle)	-	5,813
Overtime	-	100
POP Rent	34,000	25,000
Electricity	143,944	254,038
Mobile phone	47,952	12,503
Bandwidth charge	729,375	1,498,615
Data connectivity exp.	511,788	
Office rent	104,980	112,998
Audit fees	69,695	107,195
Maintenance (Office)	14,528	14,528
Water	20,440	11,408
Bank Interest	-	726,741
Printing	34,630	72,447
House Rent	18,700	150,500
Share Issue Expenditure	11,250	11,250
Calling Carrying Charge (IPTSP)	350,905	114,485
Professional Fees	3,750	3,750
Advertisement	-	46,340
Total	**3,537,259**	**6,537,372**

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

16(a) Accrued Expenses: Tk. 3,542,259

ISN	**3,537,259**	6,537,372
GKISN	5,000	5,000
Balance as on 30-06-2018	**3,542,259**	**6,542,372**

SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS

17.00 Liabilities for other finance: Tk. 3,910,848

This is made up as follows:	Amount (In Taka)	
	30.06.2018	**30.06.17**
Security money (Internet)	453,476	453,476
Security money (Fax)	448,847	448,847
VAT	-	-
Dividend Payable	2,788,525	2,788,525
Security money received	220,000	-
Other Liabilities	-	-
Provision for diminution of share value	-	99,072
Total	**3,910,848**	**3,789,920**

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

18.00 Term loan: Tk. 39,153,291

This is made up as follows:

CC(Hypo) Loan (Farmers Bank)*	20,824,182	19,984,925
Loan from other parties	8,750,000	8,750,000
Loan from Managing Director	4,579,109	6,634,449
HRC Shipping	2,500,000	2,500,000
Loan from Directors(GP Project)	2,500,000	2,500,000
	39,153,291	**40,369,374**

*The above Bank Loan taken from **The Farmers Bank Ltd., Gulshan Br. Dhaka** as CC(Hypo) loan , bearing Sanction Advise No: FBL/GCB/CR/2015 dated 12-11-2015

19.00 Provision for income tax: Tk. 2,255,650

This is made up as follows :

Opening balance as on 01-07-2017	712,910	340,647
Add : Provision made for the year	1,542,740	372,263
	2,255,650	**712,910**
Less: Adjustment during the year	-	-
Balance as on 30.06.2018	**2,255,650**	**712,910**

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

Particular	Internet & other	Software	Total
Operational revenue	37,082,034	47,757,978	84,840,012
Other Income	10,227,585	-	10,227,585
Total Revenue	**47,309,619**	**47,757,978**	**95,067,597**
Total revenue expenses	41,138,658	47,331,574	88,470,232
Profit before tax	**6,170,961**	**426,404**	**6,597,365**
Provision for tax	**1,542,740.00**	**Exempted**	

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

$$\frac{\textbf{Software revenue}}{\textbf{Total Revenue}} \times \textbf{100} = 50\%$$

20.00 Operating revenue: Tk. 84,840,012

This is made up as follows:

	Amount (In Taka)			
	01-07-2017 to 30-06-2018			01-07-2016 to 30-06-2017
	Unit-1 (ISP)	Unit-2 (IPTSP)	Total	
Internet bill (D/U)	324,225	-	324,225	254,585
Internet bill (DSL)	34,033,975	-	34,033,975	39,648,949
Data Service Bill	3,364,335	-	3,364,335	2,898,147
IP Phone Bill		4,705,712	4,705,712	4,229,223
	37,722,535	**4,705,712**	**42,428,247**	**47,030,904**
Less : VAT	5,658,380	705,857	6,364,237	6,134,466
Net sales after VAT	**32,064,155**	**3,999,855**	**36,064,010**	**40,896,438**
Sales of software (Note-20.01)	47,757,978	-	47,757,978	12,325,503
Networking and IT solutions	1,018,024	-	1,018,024	7,857,443
Total	**80,840,157**	**3,999,855**	**84,840,012**	**61,079,384**

20.01 Software sales: Tk. 47,757,978

During the period under audit total revenue collected from software development are Tk. 47,757,978

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

Head of Accounts	01-07-2017 to 30-06-2018	01-07-2016 to 30-06-2017
Director's Remuneration	33,554	198,840
Salary and Remuneration		9,062
Advertisement	75,354	-
AGM Expenses	-	124,232
Bandwidth charges against usage	-	11,663
Bank charge	-	3,369
Books and paper	-	
Apnic Membership fees	142,545	
CDBL charge	-	-
Consultant fee	-	50,687
Conveyance	700,038	754,702
Depreciation	4,875,543	22,015
Domain registration	117,710	79,536
CAR Rent	260,893	401,379
Electricity	1,136,630	
Bad & Doubtfull Debt	1,829,884	
Cost of Proposal	3,729	30,532
Entertainment	311,885	54,830
Fuel & lubricant	303,786	94,324
License fees	-	
IP Phone exp	-	4,242
Donation / Subscription	49,052	
Festival Bonus	-	2,714
Hall Rent	-	
Hardware purchase	109,534	2,411
Light, heat and power	142,409	18,426
Listing fees	57,876	4,769

SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS

AMAR STOCK

Fuel for Generator	14,962	141,968
Maintenance (Office, Telephone, Vehicle, etc.)	1,060,858	29,163
Membership fees	215,971	9,877
Municipal taxes	-	
Networking	1,378,098	316,158
Office rent	1,428,786	13,895
Overtime	191,168	
Picnic	-	897
Postage	33,301	26,740
Printing (General)	90,200	
Trade License	-	
Spamwall Expenses	-	
Employee PF	-	6,112
Registration & renewal	476,431	23,576
Stationery	250,118	
Submarine cable connection	117,269	
TA & DA	21,291	
Training Fees	15,792	28,075
Mobile Bill	339,606	
Legal Fee	-	
Utility Bill	5,952	2,997
Telephone (T & T)	29,828	
Garage Rent	-	
Service charge	255,162	
Other Expenses	288,990	165,286
House rent	283,028	9,528
Audit fees	-	58,087
Water supply`	191,393	
Business development/Expenses	212,852	15,929
Insurance	-	-
POP rent	379,575	-
Mess subsidy	-	-
Welfare fund	-	-
Loan processing exp.	-	-
SMS service	-	-
Data bill	11,381,406	-
Zoom Ultra/Banglalion Exp.	-	683,642
Sub Total (A)	**28,812,459**	**3,399,663**
Add. : Own expenses of Software Development Section:	-	
Salary	17,478,475	931,725
Festival Bonus	1,040,640	247,879
Sub Total (B)	**18,519,115**	**1,179,604**
Grand Total (Sub total A+B)	**47,331,574**	**4,579,267**

21.00 Operating expenses: TK.41,488,971

This is made up as follows:

	Amount (In Taka)			
	Unit-1 (ISP)	**Unit-2 (IPTSP)**	**Total**	**01-07-2016 to 30-06-2017**
Bandwidth charge	12,672,984	-	12,672,984	12,009,644
Data Conectivity Exp	8,743,454	-	8,743,454	4,449,336
Telephone line rental	-	-	-	37,303
Salary & Allowance	10,040,342	695,000	10,735,342	7,961,344
Depreciation	7,183,409	-	7,183,409	6,963,389
Call Carrying Charge	-	2,153,782	2,153,782	1,889,082
	38,640,189	**2,848,782**	**41,488,971**	**33,310,098**

SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS

22.00 Administrative expenses: Tk. 38,923,815

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

Head of Accounts	Amount (In Taka)			
	01-07-2017 to 30-06-2018			01-07-2016 to 30-06-2017
	Unit-1 (ISP)	Unit-2 (IPTSP)	Total	
Director's Remuneration	63,309	-	63,309	1,200,000
Salary and Remuneration	11,740,670	-	11,740,670	9,748,746
Advertisement	139,544	-	139,544	54,688
AGM Expenses	77,360	-	77,360	-
Bandwidth charges against usage	-	-	-	749,738
Bank charge	-	-	-	70,389
Books and paper	54,065	-	54,065	20,333
Apnic Membership fees	142,545	-	142,545	139,923
CDBL charge	56,000	-	56,000	56,000
Consultant fee	197,159	-	197,159	-
Conveyance	1,166,730	-	1,166,730	305,894
Depreciation	1,970,948	-	1,970,948	4,599,385
Domain registration	117,710	-	117,710	132,860
CAR Rent	492,250	-	492,250	480,000
Electricity	2,144,584	-	2,144,584	2,422,321
Bad Debt Expense	2,033,204	-	2,033,204	3,494,400
Cost of Proposal	7,035	-	7,035	5,000
Entertainment	588,462	-	588,462	184,260
Fuel & lubricant	573,182	-	573,182	330,902
License fees		-	-	569,247
IP Phone exp		58,708	58,708	96,781
Donation / Subscription	92,550	-	92,550	25,600
Festival Bonus	1,927,111	-	1,927,111	1,495,951
Hall Rent	16,380	-	16,380	16,380
Hardware purchase	202,840	-	202,840	7,000
Light, heat and power	263,721	-	263,721	14,550
Listing fees	109,200	-	109,200	111,200
Fuel for Generator	28,230	-	28,230	28,780
Maintenance (Office, Telephone, Vehicle, etc.)	2,035,498	-	2,035,498	856,775
Membership fees	295,850	-	295,850	176,000
Municipal taxes		-	-	59,606
Networking	2,600,184	-	2,600,184	1,899,613
Office rent	2,267,914	-	2,267,914	1,908,016
Overtime	204,369	-	204,369	83,856
Picnic		-	-	-
Postage	62,833	-	62,833	5,415
Printing (General)	143,175	-	143,175	161,374
Trade License	23,825	-	23,825	21,835
Spamwall Expenses		-	-	49,481
Employee PF	898,893	-	898,893	969,218

SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS

Registration & renewal	397,012	-	397,012	36,887
Stationery	186,141	-	186,141	142,279
Submarine cable connection	-	-	-	15,000
TA & DA	33,795	-	33,795	25,260
Training Fees	25,066	-	25,066	8,000
Mobile Bill	539,057	-	539,057	169,435
Legal Fee	21,000		21,000	
Utility Bill	9,448		9,448	
Telephone (T & T)	47,346	-	47,346	18,084
Garage Rent	4,000		4,000	
Service charge	405,019		405,019	
Other Expenses	458,714		458,714	
House rent	449,250	-	449,250	997,500
Audit fees	50,000	-	50,000	57,500
Water supply`	303,799	-	303,799	350,555
Business development/Expenses	337,860	-	337,860	585,000
Insurance	9,953	-	9,953	96,130
POP rent	602,500	-	602,500	383,000
Mess subsidy	5,800		5,800	
Welfare fund	-	-	-	-
Amortization of Intangible asset	434,614	-	434,614	-
SMS service	702	-	702	37,848
Internet Bill Refund	1,756,101	-	1,756,101	1,368,434
Zoom Ultra/Banglalion Exp.	50,600	-	50,600	135,410
Total:	**38,865,107**	**58,708**	**38,923,815**	**36,977,839**

22.(a) Administrative expenses: Tk. 38,931,158

	Amount (In Taka)	
	01-07-2017 to 30-06-2018	01-07-2016 to 30-06-2017
ISN	38,923,815	36,977,839
GKISN (Depriciation)	7,343	13,638
Total	**38,931,158**	**36,991,477**

23.00 Non Operating Income: TK. 10,227,585

This is made up as follows:

Connectivity	1,166,785	967,485
Web hosting & development	2,533,217	5,593,038
Re-installation and servicing	501,000	592,947
Investment Income	372,502	213,614
E-mail forwarding	1,545,120	1,538,760
Dividend	52	-
Domain registration	261,005	166,439
Office rent (Rev.)	1,125,912	1,069,322
Miscellaneous	30,500	1,700

SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS

Insurance claim	78,400	-
VNP Charge	841,218	558,036
Hardware Sale	1,726,374	2,466,104
Spamwall Income	45,500	122,500
Total:	**10,227,585**	**13,289,945**

24.00 Earnings Per Share (EPS) Basic:

The computation of EPS is given below

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

01-07-2017 to 30-06-2018	01-07-2016 to 30-06-2017
5,190,900	(5,650,036)
10,920,003	10,920,003
0.48	(0.52)

Earning per share during the year comes to positive figure of Tk. 0.48, 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 Assessment Order
2012	2013-2014	247,735	Finalised
2013	2014-2015	223,332	Finalised
2014	2015-2016	252,003	Finalised
2015-2016	2016-2017	247,710	Under Prosses of Assessment
2016-2017	2017-2018	372,263	Under Prosses of Assessment

The tax assessment and tax liabilities have been finalised/paid up to the assessment period

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)	
		30.06.2018	30.06.2017
(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.	N/A	
(c)	Value of imported raw materials, packing materials, stores & spares consumed with percentage.		
(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.		
(e)	Earnings in foreign exchange classified under the following heads, namely :		
	(i) Export of goods calculated on F.O.B. basis (ii) Royalty, know-how, professional and consultation fees. (iii) Interest and dividend; (iv) Other income: Software manual sales received from.M/S Rettenwender & de Rooy Limited, Munich, Germany.		

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.	N/A
II.	The accumulated net loss up to 30.06.2018 of the aforesaid company	
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.

The Board of Directors of Information Services Network Limited in its Board meeting held on 29.10.2018, 93rd Meeting has recommended 4% Stock Dividend and 1% cash Dividend for the financial year 2017-2018 for the share holders, whose name appear in share holders register at the recording date which subject to approval at the forth coming annual general meeting. The proposed dividend is not recognized as a libility at the balance sheet date in accordance events after the reporting period with BAS-10 (events after the balance sheet statement).

29.00 Prior year adjustment of Retained earning	**Amount in Taka**	
	30.06.2018	**30.06.2017**
Depriciation on Building (Floor Space 2521Sft)	2,809,312	-
Bank Interest	(2,013,469)	-
	795,843	-

The effect that taka 12,000,000 was paid for building (Floor Space 2521 SFT) Purchase as advance but wrongly treated as asset of the company and interest on long term loan amounting taka 2,013,469 was not charged to the income statement in prior periods. Both the errors corrected in accordance with BAS-8 " Accounting Policies, Changes in Accounting Estimates and Errors" Para 44 & 46. Accounting treatment for building floor space: the said amount 12,000,000 has been dibited to advance against floor space purchase and credited to Fixed assets (Building-Floor spce), the depriciation on said asset charged to prior periods amounting taka 2,809,312 debited to Accumulated Depriciation and credited to Retainded earnings in equity; For Bank interest: the amount 2,013,469 has been credited to Loan account and debited as Retained earnings in equity.

SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS

INFORMATION SERVICES NETWORK LIMITED

SCHEDULE OF PROPERTY, PLANT & EQUIPMENT

AS ON 30TH JUNE, 2018

Annexure-1

Particulars	Cost					Rate of Dep.	Depreciation				Written down value as on 30.06.2017
	Balance as on 01.07.17	Re-valuation amount	Addition during the year	Adjustment during the year	Balance as on 30.06.2018		Balance as on 01.07.17	Charged during the year	Adjustment during the year	Balance as on 30.06.2018	
Internet equipment	131,247,561	-	4,997,927	-	136,245,488	15%	87,171,405	6,945,786	-	94,117,191	42,128,297
Office equipment	18,858,504	-	233,520	-	19,092,024	15%	14,681,682	644,037	-	15,325,719	3,766,305
Telephone installation and intercom	5,171,492	-	9,000	-	5,180,492	5%	4,502,494	33,675	-	4,536,169	644,323
Vehicles	7,675,248	-	-	-	7,675,248	15%	5,496,133	326,867	-	5,823,000	1,852,248
Furniture and fixture	2,690,230	-	-	-	2,690,230	15%	1,910,380	116,978	-	2,027,358	662,872
Building (Floor Space)	109,760,829	(67,777,929)	-	(12,000,000)	29,982,900	5%	46,739,777	749,573	(46,739,777)	749,573	29,233,328
Sundry assets	1,184,984	-	117,560	-	1,302,544	15%	857,872	57,884	-	915,756	386,788
Total: (As on: 30-06-2018)	**276,588,848**	**(67,777,929)**	**5,358,007**	**(12,000,000)**	**202,168,926**		**161,359,743**	**8,874,800**	**(46,739,777)**	**123,494,766**	**78,674,161**
Total:(As on: 30-06-2017)	**243,200,507**	**-**	**10,639,342**	**-**	**276,588,848**		**150,104,718**	**11,255,025**	**-**	**161,359,743**	**115,229,105**

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

Cost of service	6,945,786.00
Administrative Expense	1,929,014
Total	**8,874,800**

AMARSTOCK

INFORMATION SERVICES NETWORK LIMITED

FIXED ASSET SCHEDULE OF PROJECT- IPTSP
AS ON 30TH JUNE, 2018

Unit-2

Annexure-2

Particulars	Cost			Rate of Dep.	Depreciation			Written down value as on 30.06.2017
	Opening balance as on 01.07.17	Addition during the Year	Closing balance as on 30.06.2018		Opening balance as on 01.07.17	Charged during the Year	Closing balance as on 30.06.2018	
Switch (Cisco)	54,000	-	54,000	15%	35,161	2,826	37,987	16,013
Online UPS	412,000	-	412,000	15%	268,268	21,560	289,828	122,172
Server	1,993,527	-	1,993,527	15%	1,242,640	112,633	1,355,273	638,254
Computer	243,950	119,800	363,750	15%	158,845	30,736	189,581	174,169
VOIP Switch	454,738	-	454,738	15%	296,097	23,796	319,893	134,845
Media converter	9,000	-	9,000	15%	5,860	471	6,331	2,669
Linksys (ATA)	416,541	-	416,541	15%	259,475	23,560	283,035	133,506
Digium	588,436	-	588,436	15%	383,152	30,793	413,945	174,491
Musk and hub	580,511	-	580,511	15%	377,993	30,378	408,371	172,140
Modem	5,000	-	5,000	15%	3,256	262	3,518	1,482
Video IP phone	43,600	-	43,600	15%	28,390	2,282	30,672	12,929
Scanner	3,500	-	3,500	15%	2,279	183	2,462	1,038
Office equipment	1,510	-	1,510	15%	983	79	1,062	448
Total	**4,806,313**	**119,800**	**4,926,113**		**3,062,399**	**279,557**	**3,341,956.00**	**1,584,157**
Total:(As on: 30-06-2017)	**4,806,313**	**-**	**4,806,313**		**2,754,647**	**307,749**	**3,062,397**	**1,743,916**

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

Allocation of depreciation:

Cost of service	237,623
Administrative Expense	41,934
Total	**279,557**



GOLDEN KEY ISN PRIVATE LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE, 2018

PARTICULARS	NOTE	AMOUNT (IN TAKA)	
		30.06.2018	30.06.17
ASSETS :			
Non Current Assets:			
Property, Plant & Equipment :	4	41,611	48,954
Current assets:			
Security Deposits with T & T Board		10,000	10,000
Cash and cash equivalents	5	60,152	60,152
		70,152	**70,152**
TOTAL ASSETS:		**111,763**	**119,106**
SHARE HOLDERS EQUITY & OTHER LIABILITIES :			
Shareholders' Equity			
Shareholders' equity		(3,350,810)	(3,343,467)
Share capital (Paid up Capital)	6	200,000	200,000
Retained earnings		(3,550,810)	(3,543,467)
Non-current liabilities:			
Unsceured Loan	7	2,648,029	2,648,029
Current liabilities:			
Accounts Payable	8	814,544	814,544
TOTAL SHARE HOLDERS EQUITY & OTHER LIABILITIES		**111,763**	**119,106**

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

Dhaka, Bangladesh
Date:30 October 2018

AMAR STOCK

GOLDEN KEY ISN PRIVATE LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE, 2018

PARTICULARS	NOTE	01-07-2017 to 30-06-2018	01-07-2016 to 30-06-2017
Turnover		-	-
Less :			
Administrative Expenses	9.00	-	5,000
Depreciation on Fixed Assets (Annexure-A)		7,343	8,638
Amortization of Preliminary Expenses		-	-
		7,343	**13,638**
Net Loss for the year		**(7,343)**	**(13,638)**
Add: Balance Brought forward from Previous year		(3,543,467)	(3,529,829)
Accumulated Loss Transferred to Statement of Financial Position		**(3,550,810)**	**(3,543,467)**

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

Dhaka, Bangladesh
Date: 30 October 2018

SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS

GOLDEN KEY ISN PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY
AS AT 30TH JUNE 2018

Particulars	Share Capital	Retained Earnings	Total Taka
As at 1st July 2017	200,000	(3,543,467)	(3,343,467)
Net profit for the Year	-	(7,343)	(7,343)
As at 30th June 2018	**200,000**	**(3,550,810)**	**(3,350,810)**

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)**

Dhaka, Bangladesh
Date:30 October 2018

SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS

GOLDEN KEY ISN PRIVATE LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE, 2018

PARTICULARS	Amount (In Taka)	
	01-07-2017 to 30-06-2018	01-07-2016 to 30-06-2017
A. Cash flows from operating activities:		
Payment for expenses	-	(4,500)
Total cash flow from operating activities	**-**	**(4,500)**
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)**
Opening cash and bank balances	60,152	64,652
Closing cash and bank balance	**60,152**	**60,152**

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

Dhaka, Bangladesh
Date:30 October 2018

AMAR STOCK

GOLDEN KEY ISN PRIVATE LIMITED

Notes to the Financial Statements

As at and For the Year ended 30th June, 2018

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).

SHAFID BASAK & CO. CHARTERED ACCOUNTANTS

4.00 Property, Plant & Equipment: Tk. 41,611

The above amount is made up as follows	Amount (In Taka)	
	30.06.2018	**30.06.17**
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 01.07.17	749,866	741,228
	48,954	**57,592**
Less : Depreciation Charged for the year	7,343	8,638
Written down value as on 30.06.17	**41,611**	**48,954**

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)	
	30.06.2018	**30.06.17**
Cash in Hand	59,693	59,693
Cash at Bank		
(AB Bank Ltd., New Eskaton Road Branch	459	459
	60,152	**60,152**

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

This is made up as follows:

Name of the Shareholders	No. of Shares	Amount (In Taka)	
		30.06.18	**30.06.17**
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)	
	30.06.2018	**30.06.17**
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**

SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS

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	5,000
	814,544	**814,544**

9.00 Administrative Expenses : 5,000

This is made up as follows:

	01-07-2017 to 30-06-2018	01-07-2016 to 30-06-2017
Audit Fees	5,000	5,000
	5,000	**5,000**



AMAR STOCK

GOLDEN KEY ISN PRIVATE LIMITED

PROPERTY, PLANT & EQUIPMENT SCHEDULE AS AT 30 JUNE, 2018

Annexure-A-1

Particulars	Cost			Rate of Dep.	Depreciation			Written down value as on 30.06.18
	Opening Balane as on 01.07.17	Addition during the Year	Closing Balance as on 30.06.18		Opening Balance as on 01.07.17	Charge During the Year	Closing Balance as on 30.06.18	
Computer	554,900	-	554,900	15%	521,785	4,967	526,752	28,148
Printer	55,000	-	55,000	15%	51,789	482	52,271	2,729
Hub	8,640	-	8,640	15%	8,135	76	8,211	429
Common Seal	1,500	-	1,500	15%	1,396	16	1,412	88
Furniture	65,330	-	65,330	15%	60,801	679	61,480	3,850
Refrigerator	24,300	-	24,300	15%	22,881	213	23,094	1,206
Sundry Assets	3,150		3,150	15%	2,966	28	2,994	156
Utensils	4,000	-	4,000	15%	3,766	35	3,801	199
Telephone & Intercom	82,000	-	82,000	15%	76,347	848	77,195	4,805
TOTAL (As on 30.06.2018)	**798,820**	**-**	**798,820**		**749,866**	**7,343**	**757,209**	**41,611**
Balance as on 30.06.2017	**798,820**	**-**	**798,820**		**741,228**	**8,638**	**749,866**	**48,954**

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 23th Annual General Meeting of the Company to be held on Sunday, 9th December 2018 and adjournment thereof and the poll as witness my/our hand this ..... day of ..... 2018.

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 23tyh Annual General Meeting of Information Services Network Limited on 9th December 2018 at 11:00 a.m. at IVY Convetion Centre, 87-New Eskaton Road, Level-5, 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)

ISN Branches

Head Office : TMC Building (4th floor)
52, New Eskaton Road, Dhaka-1000
Bangladesh, Tel: 09602000001-3
880 2 8322785-8
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

Mirpur Office :
House # 30 (2nd Floor), Road # 11
Block # H, Section # 02,
Mirpur, Dhaka-1216.
Ph: 01919652756

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