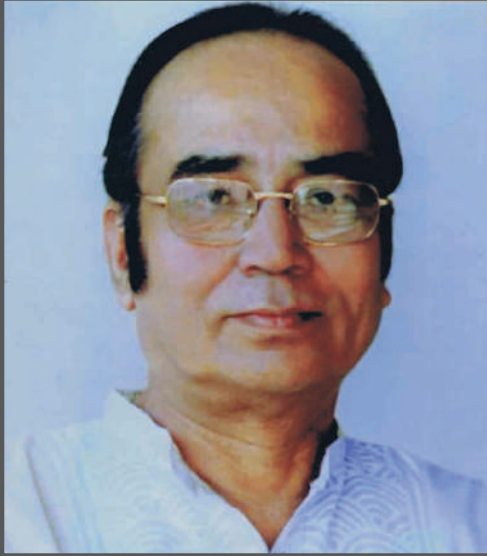


ANNUAL
REPORT | 2018-2019



Our Gratitude



A Z M Enayetullah Khan
(Founder Chairman)



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



Mr. Mirza Ali Behrouze Ispahani
(Founder Director & Vice Chairman)

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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 24th ANNUAL GENERAL MEETING

Notice is hereby given that the 24th Annual General Meeting of the Shareholders of **Information Services Network Limited** will be held on **12th December 2019 (Thursday)** at 11:00 a.m. at **IVY Convention Center**, Hometown Apartment Complex, Level-5, 87 New Eskaton Road, Dhaka-1000., to transact the following agenda:

- 1) To confirm the minutes of the 23rd Annual General Meeting.
- 2) To receive, consider and adopt the Audited Financial Statements of the Company for the period 1st July 2018 to 30th June 2019 together with the Directors' Report and the Auditors Report thereon.
- 3) To declare 2% Cash dividend for the period 1st July 2018 to 30th June 2019.
- 4) To elect/re-elect directors in place of those who shall retire in accordance with law/rules.
- 5) To approve the Appointment of Independent Director.
- 6) To appoint Auditors for the term until the next Annual General Meeting and fix up their remuneration.
- 7) To transact any other business with the permission of the Chair.

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

By order of the Board

Sd/-

(Md. Hasan Ali)

Company Secretary

Dated, Dhaka
November 03, 2019

NOTES:

- a) 24th November 2019 has been scheduled as Record Date. The Shareholders whose names would appear in the Register of Shareholders of the Company or in the Depository on the "Record Day" (24th November 2019) will be eligible to attend the AGM.
- b) Any Shareholder of the Company entitled to attend and vote at the general meeting may appoint a proxy to attend and vote on his/her behalf.
- 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।

AGM 2017-2018



AGM 2017-2018



AGM 2017-2018



Board of Directors



Mr. Sayeed Hossain Chowdhury
(Chairman & Sponsor Director)



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



Mr. Suman Celine Huq
(Sponsor Director)



Mr. Sajedur Seraj
(Shareholder Director)



Prof. Dr. Mostofa Akbar
(Independent Director)



Dr. Kaisar Ali Talukder
(Independent Director)



Mr. Al-Amin
(Independent Director)



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

Audit Committee



Mr. Al-Amin
Chairman



Prof. Dr. Mostofa Akbar
Member



Dr. Kaisar Ali Talukder
Member

NRC Committee



Dr. Kaisar Ali Talukder
Convener



Prof. Dr. Mostofa Akbar
Member



Mr. Sajedur Seraj
Member

Company Secretary
Head of Finance/CFO
Deputy General Manager (Technical)
Deputy General Manager (Operation)
In-Charge Gulshan Office
In-Charge Motijheel Office
Corporate Auditors
Bankers

: Md. Hasan Ali
: Abul Kalam Azad
: Md. Hasan Ali
: Md. Jahangir Alam
: Md. Monzur Ahamed
: Md. Maniruzzaman
: Shafiq Basak & Co.
: Farmers Bank Ltd.
: National Credit & Commerce Bank Ltd.
: Mercantile Bank Ltd.
: Eastern Bank Ltd.
: Social Islami Bank Ltd.
: Pubali Bank Ltd.
: Bangladesh General Insurance Company Ltd.
: Dhaka Stock Exchange Ltd.
: Chittagong Stock Exchange Ltd.

Insurers
Stock Exchange

Chairman's Address

In the name of the Almighty Allah

Honourable Shareholders,

A very warm welcome to all of you at the 24th Annual General Meeting (AGM) of your company. On behalf of the Board, I take this opportunity to express my heartfelt gratitude for your continued co-operation and trust. In this AGM, I place before you the Annual Report along with the audited financial statement of the Company for the period 1st July 2018 to 30th June 2019.

Technology is phenomenal. Computing and the Internet is an integral part of any technology. If the technology is combined with the power of the internet, it becomes a wonder. We see the world with Internet of Things (IoT) and Artificial Intelligence (AI) dominating the world business these days. Information Services Network Limited has always believed that technology and the wonders should be reachable to every part of the country and every citizen, irrespective of their identity. This can only be done if we provide Internet to everybody. Hence, this mindset of ours has worked as a motivation to drive us towards expansion of the network albeit with limited resources.

The overall financial position of the company has been positive this year and the consolidated retained earnings is back to positive. Our turnover for the current year was Tk. 91,427,690 compare to the immediate previous year of, Tk. 95,067,597. The company earned profit in the last two consecutive fiscal years. The Statement of Profit or Loss and Others Comprehensive Income shows that the Operating expense for the period ended 30th June 2019 (July 2018 to June 2019) is Tk.42.77 millions against Tk.41.48 millions for the same period of last financial year. Gross Profit for the period ended 30th June 2019 (July 2018 to June 2019) is Tk.41.97 millions against Tk.43.35 millions for the same period of last financial year. Net Profit after tax for the period ended 30th June 2019 (July 2018 to June 2019) is Tk.4.40 millions against Tk.5.19 millions for the same period of last financial year. It is a matter of great pleasure that ISN Board is recommending cash dividend 2% for the first time in the last six years.

The ICT ecosystem of our country is ever changing, with shifting trends and increasing competitions. We have been successful in staying ahead of the curve last year and we shall indeed remain vigilant in coming years. However, this rapidly evolving ICT industry will test all companies, irrespective of size and strength. Our strategy for tackling this is simply to remain true to our customers by providing them with the best possible solutions and invest in innovation and people. I am personally very confident that the coming year shall bring us prosperity and success in business.

Please allow me to express my gratitude to our stakeholders – our customers, employees, shareholders, partners, vendors and supporters for their continued trust in our vision for excellence. The future of Bangladesh is exciting, and we thank you for being our cohort in this amazing journey.

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



Sayeed Hossain Chowdhury
Chairman & Sponsor Director

Directors' Report

To the shareholders for the period from 1st July 2018 to 30th June 2019

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 24th Annual General Meeting of Information Services Network Limited (bangla.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 2018 to 30th June 2019 with the Auditors Report for your kind consideration.

COMPANY OPERATION

The company was run by a group of senior employee with the supervision of the directors of the company as the current financial position of the company is not feasible to hire a suitable Managing Director. The company directors are giving voluntary service to revive the condition of the company. The Internet business is becoming much more competitive as usual. This makes the business unstable as the clients are switching their providers every now and then. The issues of VAT created confusion in year 2018-19 as the VAT for NTTN & IIG were charged 15% as opposed to the 5% VAT for last mile Internet Service. The ISPs were in trouble until it is resolved by NBR through an order which fixed same VAT (5%) for ISP & NTTN & IIG. The same confusion created after the budget of 2019-20 which states 15% VAT for NTTN & IIG, which is a major component of the internet service. The ISP communities are looking forward to NBR for the correction of VAT rate as it was done for the last fiscal year. The changes in the structure of the company have made positive effect in the operating profit of the company. This leads towards cash dividend this year.

The company is facing fund shortage. A big part of the operating profit is spent for the financing cost (the term loan and CC loan from Padma Bank). ISP is such a business where we have to invest new equipment each and every year. The company is not able to save cash profit for further investment by declaring stock dividend as ISN directors and sponsors do not hold 30% of the total shares. We are also not able to issue right shares for the same reason.

KHULNA OFFICE

It was difficult to support the clients of Khulna office as it covers several districts such as Jessore, Bagherhat, Satkhira and Patuakhali. A new pick up van has been leased to expedite customer service. Fiber optic cables have been laid in the new areas so that we can connect new clients with minimum connection charge. There were some project clients under Khulna Branch. We lost some important clients as the projects closed. The sales team is now looking for such clients. Some of the new project clients are now in the final stage of closing the deal. The operations in Upazilla level are being expanded with the help of third party providers who manages the root level household clients. Although there was a decrease in the revenue of Khulna office as some big project clients left. We expect that the revenue from Khulna office will be in the regular position in the coming fiscal year.

GULSHAN OFFICE

Gulshan office is a standalone office of ISN and it has been serving the upper level clients to its best of ability. Mostly the head office of the distant factories are in Gulshan area. So the corporate offices of the clients are connected through this office. Several new POP has been established to extend the network with the new clients. The office has been upgraded with new router with gigabit capacity. The data center environment has been developed with the new A/C. The office uses over ground fiber cables for last mile connection with the clients. Fiber optic

cable cutting for beautification of Dhaka City makes the life of support engineers difficult as a result of scheduled fiber cable cutting in this region. This hampers the profit as well.

MOTIJHEEL OFFICE

A major percentage of our bandwidth sale is based with our corporate customers in Motijheel area. We have big corporate houses like banks supported by this office. This corporate clients use internet at day time. That is why we sell the unused bandwidth in this region to the night customers with reduced price. This makes the utilization better with more profit. Narayanganj and Motijheel area is administered by the manager of Motijheel branch. It is difficult to support the Narayanganj branch with the shared pick up van of Head Office. The management has planned to purchase separate vehicle for Motijheel and Narayanganj to enhance the customer service.

UTTARA OFFICE

Uttara Office is mid range office on the way to Gazipur Office. It works as a connectivity hub to Gazipur. The lack of manpower (Experienced Marketing person) remained as one of the major challenges for this office to generate more revenue. The management has decided to hire marketing personnel from Dec 2019. Uttara is ever expanding area and there are lots of prospect in establishing network connections in this area as new locality is being developed. The management expects more revenue in the upcoming years from Uttara office.

NARAYANGANJ OFFICE

Narayanganj office is providing internet service to the nearby remote locations through Radio Link. In the last fiscal year the network has been established upto Matlab upazilla of Chandpur. Fiber optic connectivity through GPON has been established in the city area which is attracting customers in EPZ areas. We have redundant backbone connectivity to ISN Head office through NTTN and radio link. Strong network of ISN in Narayanganj will definitely capture more industrial clients in the portfolio of the company.

GAZIPUR OFFICE

Gazipur area has been really difficult for the road construction in the highways. We had to rely on the Radio link as fiber optic backbone was not stable due to road construction. It was really difficult to satisfy customer with the radio link as the clients need more bandwidth. Due to the lightening problem we had to stop our network during the stormy situation. This was the main reason for customer dissatisfaction and it was difficult for the company to add more clients on top of the Radio Link connectivity. Few months back the important areas with important customers have been connected using fiber backbone. That is why the capacity of the network has been increased a lot. We do not have any marketing personnel in the area of Gazipur. A new sales personnel has been employed few months back. This has already shown a positive feedback in the revenue earning.

CHATTOGRAM OFFICE

So far Chattogram office was only for supporting the clients with offices in Chattogram. This year a full fledged Chattogram office has been established with new equipment (routers and bandwidth manager) and new network. Fiber optic network has been established using GPON in Jamal Khan residential area. We are expecting regular expansion and flow of revenue from Chattogram office.

CORPORATE MANAGEMENT

The Board's commitment of ensuring standard of corporate management is being followed and well understood. The Board of Directors and the Management ensured maintaining compliance with all requirements of regulatory bodies. This has been discussed in the board meeting several times. There is no Managing Director in the company after the termination ex-MD Habibul Alam. The company is now seriously thinking of appointing new Managing Director to ensure the flavor of corporate management.

MARKETING & BUSINESS DEVELOPMENT

ISN Ltd has taken a new drive to serve the corporate clients such as Bank, Insurance and Leasing Company which has multiple offices. ISN has become successful to connect all the branches of ONE Bank Ltd recently. New marketing personnel have been recruited and the company is planning to expand new business such as SMS service, IPTSP over mobile phone etc. All these have been analyzed and presented in the board for approval. As the company is facing liquidity problems due to fund shortage the management has decided to implement all those expansion projects in phases from the profit earned from daily operations.

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 **2016-2017**, **2017-2018** and **2018-2019** is as follows:

Particulars	2018-2019	2017-2018	2016-2017
Number of Employees	114	116	108

SOFTWARE

It is to be understood that this company continued to work on customized software mainly for in house purpose. The company is earning revenue by supporting open source product while providing internet services. However, web hosting and web designing continues to draw reasonable revenue for the company. The software financial package which is developed with the support of proper software engineer needs further tuning to put it in the market.

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

FINANCE

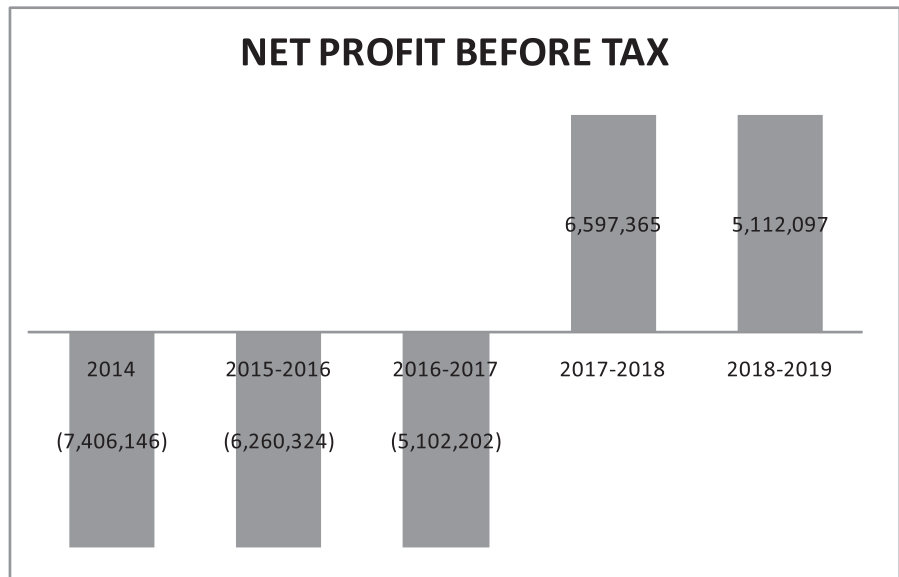
Finance division seeks the guidance of Bangladesh Securities and Exchange Commission (BSEC) and continues to comply with notification, directories and orders. It also places on record the advice and procedures suggested by the Audit Committee that has been beneficial to be more transparent in all sectors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

http://www.bangla.net/english/financial_statement.php

COMPANY PERFORMANCE

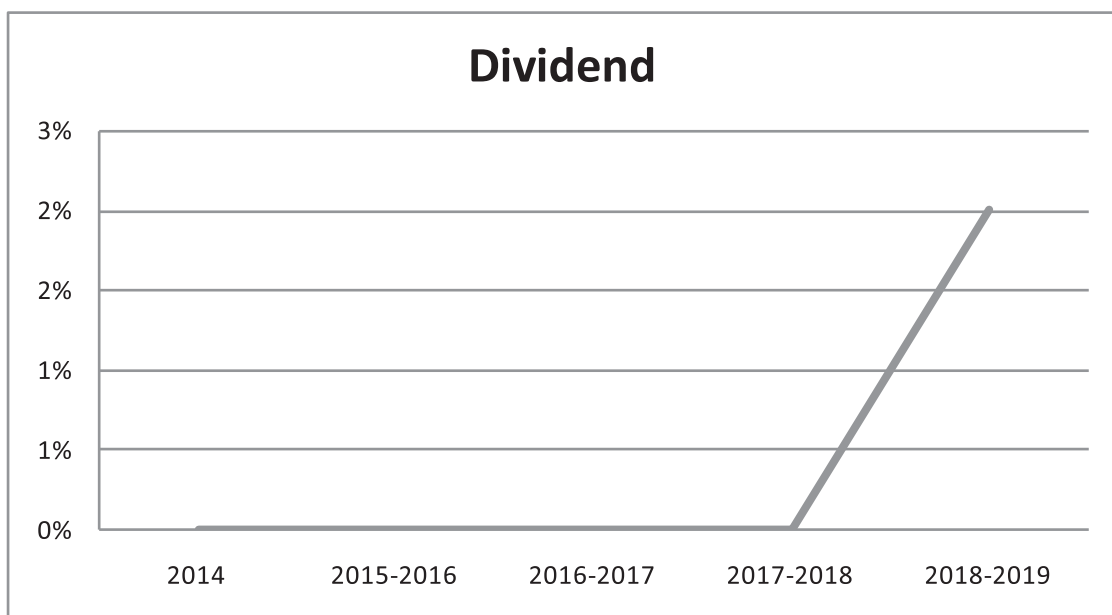
The company performs well and incurred a net profit before tax of Tk. 5,112,097 for the period 1st July 2018 to 30th June 2019.

Year	Net Profit Before tax
2014	(7,406,146)
2015-2016	(6,260,324)
2016-2017	(5,102,202)
2017-2018	6,597,365
2018-2019	5,112,097



DECLARATION OF DIVIDEND

As the company incurred a net profit after tax of TK. 4,404,794.00 and retained earnings is TK.1,673,647 the Board of Directors proposed 2% cash dividend for the period of 1st July 2018 to 30th June 2019.



FUTURE PLAN

Following future plans has been set by the management of ISN:

- Establishment of Branch offices in all the Divisional cities
- Expansion of Network in the district of Feni, Cox's Bazar, Tangail etc.
- Expansion of Network Operation Center (NOC) in different areas of Dhaka such as Savar, Mohammadpur, Mirpur Section 15
- Launching of new services such as SMS Marketing, IPTSP over smart phone
- Establishment of new business of Server and network equipment solution provider
- Establishment of new business in Security Solutions
- Establishment of business in security surveillance products Like CCTV Camera, IP Camera Solution Service for Corporate & home based solution

Products & Services

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

- **Broadband Internet:** Broadband connection for high speed access to Internet is provided through optical fiber cable and Radio link to dedicated and shared users.
- **Virtual Private Network (VPN) Services:** This system uses encryption and other security mechanisms to ensure that only authorized users can access the network and that the data cannot be intercepted. This solution is ideal for Corporate Offices who are in need of giving access to mobile workers or any other 3rd party securely.
- **Web Solutions:** ISN develops web sites that offer a broad array of resources and services, such as email, forums, suggestions and online shopping malls. Professionals in developing corporate websites that leads towards reduced customer service cost and attract new employees to the organization. ISN also provides Domain Registration, Web Hosting and Maintenance services as per client requirements.
- **Networking Services:** Our network solutions based on office LAN (Local Area Network) allows information sharing among all employees regardless of where information is stored. We are providing shared applications like e-mail, calendar and task scheduling and other features to aid collaboration in the office; Customized security options and access permissions to safeguard centralized data; High-speed fiber optic network for fast and error-free data transfer etc.

- **Data Services:** ISN Ltd specializes in data services for medium to large businesses with multiple office locations in need of inter-office collaboration and efficient data sharing. Some features of Data Communication are - Net meeting, video phone and other inter-office communication/ collaboration facilities; Shared applications like e-mail, calendar and task scheduling and other features to aid collaboration in the office; Direct link or ISN server aided citywide robust network; Customized security options and access permissions to safeguard centralized data; Powerful high-bandwidth fiber optic network for fast and error-free data transfer in large volumes etc.
- **Server Co-location:** ISN provides Server Co-location service clients to place their server ISN office for better security, safety, data speed in the state-of-the-art data center.
- **SMS Services:** We provide e-mail 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.

Future Outlook

Internet Bandwidth price is the lowest in the country now. With the arrival of ITC's (International Terrestrial Cable) and IIG's (International Internet Gateway) license holders, prices are low and

the market remains very much competitive. The Board of Directors always emphasized the need of reaching new customers in new geographic locations including at District and Thana level to expand the business. The Board also hopes that the government will emphasize more on country wide infrastructure sharing for ISPs at a much lower cost and at the same time will look into the Tax and VAT charges which remain pretty high in context to the charges of other business sectors.

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

The Statement of Profit or Loss and Others Comprehensive Income shows that the Cost of Goods Sold for the period ended 30th June 2019 (July 2018 to June 2019) is Tk.42.77 millions against Tk.41.49 millions for the same period of last financial year. Gross Profit for the period ended 30th June 2019 (July 2018 to June 2019) is Tk.41.97 millions against Tk. 43.35 millions for the same period of last financial year. Net Profit after tax for the period ended 30th June 2019 (July 2018 to June 2019) is Tk.4.40 millions against Tk.5.19 millions for the same period of last financial year.

Pattern of Shareholding as on 30.06.2019

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

Corporate Operation Results 5 years (2014 – 2019):

Particulars	2018-2019 (1 st July 2018 to 30 th June 2019)	2017-2018 (1 st July 2017 to 30 th June 2018)	2016-2017 (1 st July 2016 to 30 th June 2017)	2015-2016 (1 st July 2015 to 30 th June 2016)	2014
No. of Authorized Shares	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
No. of Issued Shares	10,920,003	10,920,003	10,920,003	10,920,003	10,920,003
Paid up Capital (Tk.)	109,200,035	109,200,035	109,200,035	109,200,035	109,200,035
Share Holders Equity (Tk.)	141,569,684	137,164,890	155,025,612	160,675,648	170,127,870
Total Assets (Tk.)	213,368,031	214,193,974	236,526,682.00	251,379,958.00	234,833,795.00
Total Liabilities (Tk.)	71,798,347	77,029,084	81,501,070.00	90,704,310.00	64,488,866.00
Net Sales/Net Income (Tk.)	91,427,690	95,067,597	74,369,329.00	67,172,808.00	59,606,371.00
Profit Before Tax (Tk.)	5,112,097	6,597,365	(5,102,202.00)	(6,260,324.00)	(7,406,146.00)
Net Profit After Tax (Tk.)	4,404,794	5,190,900	(5,650,036.00)	(6,835,037.00)	(7,693,595.00)
Book Value Per Share	10.00	10.00	10.00	10.00	10.00
Earnings Per Share	0.40	0.48	(0.52)	(0.63)	(0.70)
% of Dividend	2% Cash	-	-	-	-

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	7	6
2	Ms. Shirin Huq	"	5
3	Mr. Sajedur Seraj	"	7
4	Dr. Kaisar Ali Talukder	"	4
5	Prof. Dr. Md. Mostafa Akbar	"	7
6	Mr. A. H. M. Al-Faruq	"	6
7	Mr. Al - Amin	"	1

Corporate Governance

ISN believes in the practice of Corporate Governance. As a Publicly traded 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 by Bangladesh Securities and Exchange Commission vide notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018 gadget date of the same is 10 June, 2018. 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. Mr. Sayeed Hossain Chowdhury
02. Mr. Suman Celine Huq

Appointment of Independent Director:

The tenure of Mr. Abul Hasan Md. Al-Faruq, Independent Director, has expired on 16, June 2019 after serving his 2nd term as Independent Director. Hence, as per Bangladesh Securities and Exchange Commission (BSEC) Guidelines, we need a replacement Independent Director for Mr. Abul Hasan Md. Al-Faruq.

At this point, the Chairman, Mr. Sayeed Hossain Chowdhury, proposed that ISN could consider Mr. Al - Amin, Associate Professor, Department of Accounting & Information Systems, Faculty of Business Studies, University of Dhaka, for the position of Independent Director of ISN. After going through the CV of Mr. Al-Amin, all the members of the board (Meeting no 97) expressed their opinion in favor of appointing Mr. Al - Amin, taking into account his Finance background, as well as scholarly publications, as the new Independent Director of ISN.

Thereafter, the Board unanimously agreed to appoint with immediate effect Mr. Al-Amin as an Independent Director, pending approval from the shareholders in the 24th AGM of the company.

BRIEF PROFILE OF DIRECTORS



Mr. Sayeed Hossain Chowdhury
(Chairman & Sponsor Director)

Mr. Sayeed Hossain Chowdhury

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

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

Recognitions:

National

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

International

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

FELLOWSHIP

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



Prof. Dr. Mostofa Akbar
(Independent Director)

Prof. Dr. Mostofa Akbar

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

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

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

Currently he is serving as Head of CSE (Computer Science & Engineering) Department, BUET.



Dr. Kaisar Ali Talukder
(Independent Director)

Dr. Kaisar Ali Talukder

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



Ms. Shirin Huq

(Vice-Chairman & Sponsor Director)

Ms. Shirin Huq

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



Mr. Sajedur Seraj

(Shareholder Director)

Mr. Sajedur Seraj

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

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

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



Mr. Suman Celine Huq

(Sponsor Director)

Mr. Suman Celine Huq

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



Mr. Al-Amin
(Independent Director)

Mr. Al-Amin

Graduated from University of Dhaka, Mr. Al-Amin has keen interest in the emerging ICT sector in Bangladesh. He has more than 17 years experience in the capital market of Bangladesh. As an avid follower and analyst of the country's prime capital market, Mr. Al-Amin has actively engaged in the analysis of the trends and prospects of country's booming ICT industry.

He graduated with an MBA from the Department of Accounting & Information Systems, University of Dhaka. Since 2003, he has been working as a faculty member of the same department. Currently he is an Associate Professor of the Department of Accounting & Information Systems, University of Dhaka. He attended various research training organized at the University of Dhaka. He published 13 journal articles and 2 research reports on the issues of accounting, accountability and governance of Bangladeshi listed companies. His research interest lies in the accounting, auditing, accountability and governance issues of both listed and emerging firms. He supervised 85 Masters level students at their internship and thesis preparation from 2003 to 2019. At the department, he teaches accounting, auditing and taxation courses both regular BBA/MBA program and professional MPA/EMBA/MAT program. Apart from University of Dhaka, Mr. Al-Amin works as an adjunct faculty of leading private universities of Bangladesh.

Besides teaching, Mr. Al-Amin engaged in the administrative roles on various capacities at the University of Dhaka. He was the house tutor in Master da Surjasen Hall from 2003 to 2010. He is the auditor of Dhaka University Club since 2003. At the Department of Accounting & Information Systems, he serves as the student councilor from 2011 and works as a member of the Coordination Committee of EMBA program from 2017 to 2019. Currently, he serves as an executive committee member of Dhaka University Accounting Alumni Association and Dhaka University Club.

Moreover, Mr. Al-Amin has provided consultancy services on capital market issues to various Bangladeshi listed companies in the last 17 years. Also, he works as a regular trainer for National University of Bangladesh. He appears regularly on capital market related talk shows in different electronic media of Bangladesh.



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

Mr. A. H. M. Al-Faruq

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

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 Board of Directors recommended the Khan Wahab Shafique Rahman & Co. appointment as auditors for the year to be ended on 30th June 2020 at a fee to be decided in this AGM.

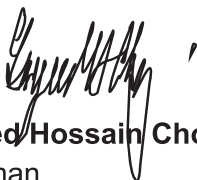
MANAGEMENT APPRECIATION

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.

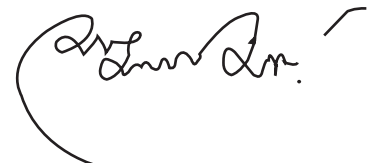
The board of Directors also places on record their great appreciation of the commitment, sense of involvement and dedication exhibited by all the staff members towards the company and look forward to their continued support and whole-hearted co-operation for realization of the goals in the year ahead.

Thanking you with warm regards.

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



Sayeed Hossain Chowdhury
Chairman



(Prof. Md. Mostofa Akbar)
Independent Director

Status of Compliance

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

(Report under Condition No. 9.00)

Condition No.	Title	Compliance status (Put \checkmark in the appropriate column)		Remarks (in any)
		Complied	Not complied	
1	Board of Directors			
1(1)	Board Size: The number of the board member shall not be less than 05 (Five) and more than 20 (Twenty)	\checkmark		ISN Ltd. Board is comprised of 09 (Nine) Members.
1.2	Independent Directors			
1(2) (a)	At least one fifth (1/5) of the total number of directors in the company's Board shall be independent directors.	\checkmark		03 (Three) Independent Directors.
1.2(b)	Independent Director Means a director :			
1(2)(b)(i)	Independent Director does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up.	\checkmark		As per declaration of the IDs.
1(2)(b)(ii)	Independent Director is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company;	\checkmark		Do
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years	\checkmark		Do
1(2)(b)(iv)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	\checkmark		Do
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange?	\checkmark		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;	\checkmark		Do
1(2)(b)(vii)	Independent Director is not a partner or an executive or was not a Partner or and executive during the preceding 3(three) years of the concerned company's statutory audit firm	\checkmark		Do
1(2)(b)(viii)	Independent Director shall not be an independent director in more than 5 (Five) listed companies	\checkmark		Do
1(2)(b)(ix)	Independent Director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank financial Institution (NBFi)	\checkmark		Do
1(2)(b)(x)	Independent Director has not been convicted for a criminal offence involving moral turpitude	\checkmark		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);	\checkmark		Do
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90(ninety) days	\checkmark		Do
1(2)(e)	The tenure of office of an independent director shall be for a period of 03 (three) years, which may be extended for 01 (one) tenure only.	\checkmark		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 and corporate laws and can make meaningful contribution to business.	√		The qualification and background of the IDs justify their abilities as such.
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			N/A
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			N/A
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5 th grade of the national pay scale , who has at list educational background of bachelor degree in economics or commerce or business or law; or			N/A
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 & Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			N/A
1(3)(c)	The Independent director shall have a at least 10 (Ten) years of experience in any field mentioned in clause (b);	√		
1(3)(d)	In special cases, the above qualification or experiences may be relaxed subject to prior approval of the commission.			N/A
1.4	Duality of Chairperson of the Board and Managing Director or Chief Executive Officer.			
1(4)(a)	The position 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 & 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 on of themselves from executive directors as Chairperson for that particulars. Boards 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 including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
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.
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 from public issues, rights issues and/or through any others instruments.			N/A
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing etc.			N/A. ISN, s IPO was long since ago.
1(5)(ix)	If significant variance occurs between Quarterly financial Performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	√		ISN has no significant variance during this year.
1(5)(x)	A statement of Remuneration paid to directors including independent directors	√		
1(5)(xi)	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)	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)	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)	There are no significant doubts 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 thereof should be disclosed;	√		
1(5)(xviii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	√		
1(5)(xix)	A statement where Key operating and financial data of at least preceding 5(five) years shall be summarized	√		
1(5)(xx)	If the issuer company has not declared dividend (cash or stock) for the year	√		2% Cash Dividend has declared By Board of Director.
1(5)(xxi)	Board's statement of the effect that no bonus share or stock dividend has been or shall be or declared as interim dividend;			Already bonus share has been shared.

1(5)(xxii)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		Total 7 meeting held during the year.
1.5 (xxiii)	A report on the pattern of shareholding disclosing the aggregate number of share(along with name-wise details where stated below)Held by :			
1(5)(xxiii)(a)	Parent/Subsidiary/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 their spouses and minor children (name wise details)	√		
1(5)(xxiii)(c)	Executives; and	√		
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 analysis of the company,s position and operating along with a brief discussion of changes in the financial statement , 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 years 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;	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		
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; and	√		
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)	Meeting of the Board of Directors :			
	The company shall conduct its board meeting 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 & Remuneration committee (NRC) at Condition No-6, For the Chairperson of the board , other board members and chief executive officer of the company;	√		
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 , employee, customers and suppliers ; and independency.	√		
2	Governance of Board of Directors of Subsidiary Company			
2 (a)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the compositions of the Board of Directors 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 Directors of the holding company shall be a director on the Board of Directors 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.
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	Appoinment :			
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 Head of internal Audit and Compliance (HIAC)	√		
3(1)(b)	The Position 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 and 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 stocks Exchange(s)	√		
3(2)	Requirement to attend Board of Director,s Meetings :			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meeting 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 statement 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; and	√		

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 transaction 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.	√		
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 ; and	√		
4(ii)	Nomination and Remuneration committee.	√		
5	Audit Committee			
5(1)(a)	The company shall have an Audit Committee as a sub-committee 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 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 ;	√		
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 constituted without at least 1(one) independent director	√		
5(3)	Chairperson of the Audit Committee :			
5(3)(a)	The Board of Directors 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 chairpersons of the audit committee , the remaining members may elect on of themselves as chairpersons for that particulars 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 the regular chairperson shall be duly recorded in the minutes.			N/A

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/Letter of Internal Control weakness issued by statutory auditors.	√		
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; and	√		
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:	√		
5(6)	Reporting of the 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;			Do
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			Do

5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			Do
5(6)(b)	Reporting to the Authorities:			
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; 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;	√		
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;	√		
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).	√		
6.2	Constitution of the NRC :			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	√		
6(2)(b)	All members of the Committee shall be non-executive directors;	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	√		
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;	√		
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;	√		
6(2)(g)	The company secretary shall act as the secretary of the Committee;	√		

6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
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 honorarium from the company.	√		
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;	√		
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;	√		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	√		
6.4	Meeting of the NRC :			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	√		
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);	√		
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.	√		
6.5	Role of the NRC :			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		
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;	√		
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	√		
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;	√		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		
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;	√		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	√		

6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	√		
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	√		
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.	√		
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); and	√		
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.	√		
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.	√		



শফিক বসাক এন্ড কোং
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CERTIFICATE OF COMPLIANCE ON CONDITIONS OF THE CORPORATE GOVERNANCE GUIDELINES TO
THE SHAREHOLDERS OF
INFORMATION SERVICE NETWORK LIMITED

[As required under the Bangladesh Securities and Exchange Commission (BSEC)]

We have examined the compliance status to the Corporate Governance Code by Information Service Network Limited for the year ended on 30 June 2019. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 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:

- 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 Conditions No. 2 .
- 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;
- 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
- The governance of the company is satisfactory.

Place: Dhaka
Dated: November 26, 2019




Md. Shafiqul Islam, FCA
Partner
SHAFIQ BASAK & CO.
Chartered Accountants

Date: November 03, 2019

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 2018 to 30th June 2019.

- i) We have reviewed the financial statements for year and to the best of our knowledge and belief:
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - b) These statements 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)
Head of 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:

Name of Members	Position in the Committee	Position in the Board
Mr. Al-Amin	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 2018 to 30th June 2019 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.



(Mr. Al-Amin)
Chairman
Audit Committee

**Independent Auditors' Report
TO
THE SHAREHOLDERS OF INFORMATION SERVICES NETWORK LIMITED**

Report on the Audit of the Financial Statements:**Opinion**

We have audited the consolidated financial statements of **Information Services Network Limited** which comprise the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, of the consolidated financial position of the **Information Services Network Limited** as at 30 June 2019, and of its financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable rules and regulation.

Basis For Opinion

We conducted our audit in accordance with International Standards on Auditing (IASs). Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for audit opinion.

Emphasis of Matter

Without modifying our opinion we draw attention to the following matter:

Deferred tax has not been calculated and disclosed in accordance with IAS 12 "Income Taxes".

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for the year ended 30 June 2019. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the basis for opinion section, each matter mentioned below our description of how our audit addressed the matter is provided in the context.

Key Audit Matter	How our audit addressed the audit matters
<p>Revenue The company has reported a revenue of Taka 84,743,992 for the year ended 30 June 2019. Refer to note no. 20.00 of the financial statements. All sales may not be legitimate and may not have occurred in the financial year</p>	<ul style="list-style-type: none"> • Our procedures included obtaining an understanding of management's revenue recognition process. We tested a sample of transactions to verify whether the revenue was accounted for in accordance with the revenue accounting policy disclosed in notes to the financial statements. In addition, we assessed whether the disclosed revenue accounting policy was in accordance with relevant accounting standards • Vouch entries in sales journal and subsidiary ledger to support documentation of sale (i.e. invoice and delivery note) • Control tests for relevant controls • Subsequent receipts review

Key Audit Matter	How our audit addressed the audit matters
<p>Revenue continued:</p> <p>Sales may not be complete and accounts receivable may not included all amounts owed by customers at the balance sheet date.</p> <p>Sales may not be correctly classified and major revenue categories may not be separately disclosed.</p> <p>Sales may not be recorded correctly and in the correct period.</p>	<ul style="list-style-type: none"> • Confirmation of specific transactions with customers • Furthermore, we tested the sales transaction recognised shortly before and after the statement of financial position date, including the sales return recorded after that date, to test whether sales transaction were recorded in the correct reporting periods • Cut-off test (tests of sales transactions, sales returns and other sales adjustments at or near year-end) • Verify prices, quantity and computation on sales invoices, prices verified to master price list, quantity verified to shipping documentation • Ensure related party sales are adequately disclosed. • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.
<p>Measurement of deferred tax Liability</p> <p>Company reported net deferred tax liability totaling Taka 482,594 as at 30 June 2019 . significant judgments is required in relation to deferred tax liability as their liability is dependent on forecast of future probability over a number of years .</p> <p>see note no. 14 to the financial statements</p>	<p>we obtained and understanding ,evaluated the design and tested the operational effectiveness of the company's key controls over the recognition and measurement of Deferred Tax Assets and taxable expense of the company.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable expense. we evaluated the reasonableness of key assumption, timing of reversal of temporary difference and expiration of tax loss carry forwards ,recognition and measurement of deferred tax liability . We assessed the adequacy of the company's disclosures setting out the basis of deferred tax liability balances and the level of estimation involved.</p> <p>we also assessed in evaluating the tax implications , the reasonableness of estimate and calculations determined by the management .</p> <p>finally assessed the appropriateness and presentation of disclosure against IAS -12 income Tax</p>
<p>IT System and Control</p> <p>Our audit procedure have a focus on IT system and control due to the pervasive nature of complexity of the IT environment. The large volume of transaction processed in numerous location daily and the reliance on automated and IT dependent manual control.</p> <p>Our area of audit focus included user access management Developer access to the production environment and change to the IT environment. These are key to ensuring IT dependent and applications based controls are operating effectiveness.</p>	<p>We tested the design and effectiveness of the group's IT access controls over the information system that are critical to financial reporting. We tested IT general control (Logical Access, Changes management and aspect for IT operational control). This included testing that request for access to systems were appropriately reviewed and authorized.</p> <p>We tested the company's periodic review of access right. We inspected requested of changes to system for appropriate approval and authorization.</p> <p>We consider the control environment relating to various interfaces, configuration and other application near control identified as key to our audit.</p> <p>Where deficiencies were identified we tested compensating controls or performed alternate procedure. In addition we understood where relevant changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.</p>

Other Matter

The financial statements of Information services network Limited for the year ended 30 June 2018 was audited by Shafiq Basak & Co. Chartered Accountants and give qualified opinion.

The financial statements of GKISNL (subsidiary of ISNL) for the year ended 30 June 2019 was audited by M. N. Islam & CO. Chartered Accountants and give fair opinion.

Going Concern

We are required to report if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of the financial statements. We have nothing to report in these respects.

Other Information

Management is responsible for other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The directors are responsible for those other information. The annual report is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the financial statements, our responsibility is to read these other information and, in doing so, consider whether these other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and other applicable rules and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, Supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on other Legal and Regulatory Requirements:

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- (c) the company's financial statements dealt with by the report are in agreement with the books of account.
- (d) the expenditure incurred was for the purpose of company's business for the year.

Dated: Dhaka,
24 October 2019



ATA KHAN & CO.
Chartered Accountants

INFORMATION SERVICES NETWORK LIMITED

Consolidated Statement of Financial Position

As at 30 June 2019

Particular	Notes	Amount in Taka	
		30 June 2019	30 June 2018
ASSETS			
Non-Current Asset			
		82,155,794	82,271,104
Property, Plant & Equipment	4(a)	80,115,786	80,299,929
Intangible Asset	4(b)	2,040,008	1,738,456
Investment	5(a)	-	-
Deferred Expenditure	6	-	232,719
Current Asset			
		128,770,871	129,487,746
Accounts receivable	7	102,972,598	101,591,576
Accrued interest	8(a)	173,964	-
Advances, deposits and prepayments	9(a)	22,751,417	23,854,330
Cash and cash equivalents	10(a)	2,872,892	4,041,841
TOTAL ASSETS		210,926,665	211,758,850
SHARE HOLDERS EQUITY & OTHER LIABILITIES :			
Shareholders' Equity			
		138,100,633	133,712,081
Share capital(Paid up Capital)	12	109,200,035	109,200,035
General Reserve		2,000,000	2,000,000
Revaluation Surplus		26,696,002	27,674,054
Dividend Equalization Fund		1,000,000	1,000,000
Inflation and Currency Fluctuation Fund		1,000,000	1,000,000
Retained earnings		(145,549)	(5,520,112)
Minority Interest		(1,649,855)	(1,641,897)
Non-Current Liabilities:			
		16,910,340	20,468,564
Long Term Loan	13	16,427,746	19,808,929
Deferred Tax Liabilities	14	482,594	659,635
Current Liabilities and Provisions:			
		55,915,693	57,578,205
Unsecured Loan	15	1,012,686	1,012,686
Long Term Loan Current Portion	13.01	7,321,131	7,703,472
Accrued expenses	16(a)	3,948,875	3,542,259
Liabilities for other finance	17	2,697,820	3,910,848
Term Loan	18	38,783,239	39,153,291
Provision for income tax	19	2,151,942	2,255,650
Total Liabilities		72,826,033	78,046,769
TOTAL SHARE HOLDERS EQUITY & OTHER LIABILITIES :		210,926,665	211,758,850
Net Asset value par share(NAVPS)		12.65	12.24

The annexed notes form an integral part of these financial statements These financial statements were approved by the Board of Directors on 24 October 2019 and were signed on its behalf by:


Head of Finance


Company Secretary


Director


Director


Chairman

Signed in terms of our annexed report of even date

Dated: Dhaka
24 October 2019




ATA KHAN & CO.
Chartered Accountants

INFORMATION SERVICES NETWORK LIMITED

Consolidated Statement of Profit or Loss and other Comprehensive Income
For the year ended 30 June 2019

Particulars	Notes	Amount in Taka			
		I.S.N 2018-2019	G.K.I.S.N 2018-2019	Total 2018-2019	2017-2018
Revenue from sales and services	20	84,743,992	-	84,743,992	84,840,012
Less: Operating Expenses	21	42,769,941	-	42,769,941	41,488,971
Gross Profit		41,974,051	-	41,974,051	43,351,041
Administrative & Other Expenses		36,577,394	16,242	36,593,636	39,439,820
Administrative Expenses	22(a)	36,344,675	16,242	36,360,917	38,931,158
Amortization of Deferred Expenses		232,719	-	232,719	465,436
Loss on Sale of Share		-	-	-	43,226
Net profit/(Loss) before financial expense		5,396,657	(16,242)	5,380,415	3,911,221
Less: Financial Expenses		6,968,258	-	6,968,258	7,548,784
Net profit/ (Loss) before non operating Income		(1,571,601)	(16,242)	(1,587,843)	(3,637,563)
Non Operating Income	23	6,683,698	-	6,683,698	10,227,585
Net profit/(Loss) before tax for the year		5,112,097	(16,242)	5,095,855	6,590,022
Deferred Tax Income		177,041	-	177,041	136,275
Provision for Income tax		(884,343)	-	(884,343)	(1,542,740)
Net profit/(Loss) after tax for the year		4,404,794	(16,242)	4,388,553	5,183,557
Profit attributable to					
ISNL		-	-	4,396,511	5,187,155
GKISNL		-	-	(7,958)	(3,598)
				4,388,553	5,183,557
Earning Per Share (EPS)	24(a)			0.40	0.47

The annexed notes form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 24 October 2019 and were signed on its behalf by:


Head of Finance


Company Secretary


Director


Director


Chairman

Signed in terms of our annexed report of even date

Dated: Dhaka
24 October 2019




ATA KHAN & CO.
Chartered Accountants

INFORMATION SERVICES NETWORK LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2019

Particulars	Share capital	General Reserve	Revaluation Surplus	Dividend Equalization Fund	Inflation and Currency Fluctuation Fund	Retained Earnings	Minority Interest	Total Taka
As at 01 July 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
Net profit/(loss) for the year	-	-	-	-	-	4,396,511	(7,958)	4,388,553
Revaluation Deficit & Others	-	-	-	-	-	-	-	-
Depreciation on revaluation	-	-	(978,052)	-	-	978,052	-	-
Dividend	-	-	-	-	-	-	-	-
As at 30th June 2019	109,200,035	2,000,000	26,696,002	1,000,000	1,000,000	(145,549)	(1,649,855)	138,100,633

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2018

Particulars	Share capital	General Reserve	Revaluation Surplus	Dividend Equalization Fund	Inflation and Currency Fluctuation Fund	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

The annexed notes from an integral part of these financial statements. These financial statements were approved by the Board of Directors on 24 October 2019 and were signed on its behalf by:


Head of Finance


Company Secretary


Director


Director


Chairman

Dated: Dhaka
24 October 2019



INFORMATION SERVICES NETWORK LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

Particulars	Amount (In Taka)	
	2018-2019	2017-2018
A. Cash flows from operating activities:		
Collection from turnover and other income	93,315,145	101,382,482
Payment for cost and expenses	(80,960,568)	(85,582,817)
Cash recover from Advance and deposit	1,102,913	(433,477)
Total cash flow from operating activities	13,457,490	15,366,188
B. Cash flows from investing activities:		
Acquisition of fixed assets	(9,734,035)	(7,650,877)
Dividend received	-	52
Addition of intangible assets	(920,207)	-
Cash received from disposal of fixed asset	890,000	-
Investment in share	-	20,325
Total cash flow from investing activities	(9,764,242)	(7,630,500)
C. Cash flows from financing activities:		
Long Term loan	(3,763,524)	(3,796,652)
Dividend paid	(728,621)	-
Short term loan from bank/(refund)	(370,051)	(1,216,083)
Total cash flow from financing activities	(4,862,196)	(5,012,735)
Net cash inflow/(outflow) for the year (A + B + C)	(1,168,948)	2,722,952
Cash & Cash equivalent at the beginning of the year	4,041,841	1,318,888
Cash & Cash equivalent at the end of the year	2,872,892	4,041,841
Net operating cash flow per share (NOCFPS)	1.23	1.41

The annexed notes form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 24 October 2019 and were signed on its behalf by:


Head of Finance


Company Secretary


Director


Director


Chairman

Dated : Dhaka
24 October 2019



INFORMATION SERVICES NETWORK LIMITED

Statement of Financial Position

As at 30 June 2019

Particular	Notes	Amount in Taka	
		30 June 2019	30 June 2018
ASSETS			
Non-Current Asset		82,222,424	82,331,491
Property, Plant & Equipment	4	80,080,416	80,258,316
Intangible Asset	4(b)	2,040,008	1,738,456
Investment	5	102,000	102,000
Deferred Expenditure	6	-	232,719
Current Asset		131,145,606	131,862,482
Accounts receivable	7	102,972,598	101,591,576
Accrued Interest	8	983,508	809,544
Advances, deposits and prepayments	9	24,376,760	25,479,673
Cash and cash equivalents	10	2,812,740	3,981,689
TOTAL ASSETS		213,368,031	214,193,974
SHARE HOLDERS EQUITY & OTHER LIABILITIES :			
Shareholders' equity		141,569,684	137,164,890
Share Capital (Paid up Capital)	12	109,200,035	109,200,035
General Reserve		2,000,000	2,000,000
Revaluation Surplus		26,696,002	27,674,054
Dividend Equalization Fund		1,000,000	1,000,000
Inflation & Currency Fluctuation Fund		1,000,000	1,000,000
Retained Earnings		1,673,647	(3,709,199)
Non-current liabilities:		16,910,340	20,468,564
Long Term Loan	13	16,427,746	19,808,929
Deferred Tax Liabilities	14	482,594	659,635
Current liabilities:		54,888,007	56,560,520
Accrued Expenses	16	3,933,875	3,537,259
Long Term Loan Current Portion	13.01	7,321,131	7,703,472
Liabilities for Other Finance	17	2,697,820	3,910,848
Short Term Loan	18	38,783,239	39,153,291
Liability for Income Tax	19	2,151,942	2,255,650
Total Liabilities		71,798,347	77,029,084
TOTAL SHARE HOLDERS EQUITY & LIABILITIES :		213,368,031	214,193,974
Net Asset value par share (NAVPS)		12.96	12.56

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 24 October 2019 and were signed on its behalf by:


Head of Finance


Company Secretary


Director


Director


Chairman

Signed in terms of our annexed report of even date

Dated: Dhaka
24 October 2019




ATA KHAN & CO.
Chartered Accountants

INFORMATION SERVICES NETWORK LIMITED

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2019

Particulars	Notes	Amount in Taka			
		ISP 2018-2019	IPTSP 2018-2019	Total 2018-2019	2017-2018
Revenue from sales and services	20	83,468,434	1,275,558	84,743,992	84,840,012
Less: Operating Expenses	21	42,145,369	624,572	42,769,941	41,488,971
Gross Profit		41,323,065	650,986	41,974,051	43,351,041
Administrative & Other Expenses		35,611,321	966,073	36,577,394	39,432,477
Administrative Expenses	22	35,553,338	791,337	36,344,675	38,923,815
Amortization of deferred Expenses		57,983	174,736	232,719	465,436
Loss on Sale of Share		-	-	-	43,226
Operating Profit		5,711,744	(315,087)	5,396,657	3,918,564
Financial Expenses		(6,968,258)	-	(6,968,258)	(7,548,784)
Net profit/ (Loss) before non operating Income		(1,256,515)	(315,087)	(1,571,601)	(3,630,220)
Non Operating Income	23	6,363,698	320,000	6,683,698	10,227,585
Net profit/(Loss) before Tax for the year		5,107,183	4,913	5,112,097	6,597,365
Deferred Tax Income		177,041	-	177,041	136,275
Provision for Income tax		(884,343)	-	(884,343)	(1,542,740)
Net profit/(Loss) after tax for the year		4,399,881	4,913	4,404,794	5,190,900
Earning Per Share (EPS)	24			0.40	0.48

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Director


Chairman

Signed in terms of our annexed report of even date

Dated: Dhaka
24 October 2019


ATA KHAN & CO.
Chartered Accountants



INFORMATION SERVICES NETWORK LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

Particulars	Share capital	General Reserve	Revaluation Surplus	Dividend Equalization Fund	Inflation and Currency Fluctuation Fund	Retained Earnings	Total Taka
As at 01 July 2018	109,200,035	2,000,000	27,674,054	1,000,000	1,000,000	(3,709,199)	137,164,890
Revaluation Deficit & Others							-
Net profit for 1st July 2018 to 30th June 2019	-	-	-	-	-	4,404,794	4,404,794
Adjustment		-		-	-	-	-
Depreciation on revaluation			(978,052)			978,052	-
Dividend	-	-	-	-	-	-	-
As at 30 June 2019	109,200,035	2,000,000	26,696,002	1,000,000	1,000,000	1,673,647	141,569,684

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

Particulars	Share capital	General Reserve	Revaluation Surplus	Dividend Equalization 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 30 June 2018	109,200,035	2,000,000	27,674,054	1,000,000	1,000,000	(3,709,199)	137,164,890

The annexed notes from an integral part of these financial statements. These financial statements were approved by the Board of Directors on 24 October 2019 and were signed on its behalf by:


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Company Secretary


Director


Director


Chairman

Dated: Dhaka
24 October 2019



INFORMATION SERVICES NETWORK LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019


Particulars	Amount (In Taka)	
	2018-2019	2017-2018
A. Cash flows from operating activities:		
Collection from turnover and other income	93,315,145	101,382,482
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B. Cash flows from investing activities:		
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Dividend received	-	52
Addition of intangible assets	(920,207)	-
Cash received from disposal of fixed asset	890,000	-
Investment in share	-	20,325
Total cash flow from investing activities	(9,764,242)	(7,630,500)
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Net cash inflow/(outflow) for the year (A + B + C)	(1,168,948)	2,722,953
Cash & Cash equivalent at the beginning of the year	3,981,689	1,258,736
Cash & Cash equivalent at the end of the year	2,812,740	3,981,689
Net operating cash flow per share (NOCFPS)	1.23	1.41

The annexed notes form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 24 October 2019 and were signed on its behalf by:


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Chairman

Dated: Dhaka
24 October 2019



INFORMATION SERVICES NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 30 JUNE, 2019

"Forming an Integral Part of the Financial Statements"

01.00 Background of the organization

Information Services Network Limited was incorporated in Bangladesh under the company Act ,1913 on 16 August 1995 Vide registered No.C-29029/95 as a private limited company. Subsequently it was converted into public limited company by share. It has gone into commercial operation from 6th August, 1996. The registered office of the company is located TMC building, Eskoton Road, Dhaka-1000. The Company become listed with Dhaka & Chittagong Stock Exchange in 1997 and subscription for IPO opened on April 06, 1997. Information Services Network Limited provides Bandwidth under IIG license vide No. BRTC/LL/IIG(1)ISNL1995. The company also engage in sale of software, implementation & maintenance the same.

02.00 Significant Accounting policies and Basis of preparation

The financial statements have been prepared in compliance with the requirement of the company Act 1994, the securities & Exchange Rules 1987, the listing regulation of Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) and other relevant local laws and applicable and in accordance with the applicable international Financial Reporting Standards Board (IFRSs) including international Accounting Standards (IAS) as issued by International Accounting Standards Board (IASB) and adopted by the institute of Chartered Accountants of Bangladesh (ICAB) .Prior year financial statements were prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS) which were adopted accounting standards from IFRS. Management has made an assessment of the difference between these two standards and concluded that there are no difference which would impact any numerical amounts or note disclosures

02.01 Regulatory Compliance

As required by the company , the management complies with the following major legal provisions in addition to the companies Act 1994 and other applicable laws and regulation

The income Tax ordinance 1984:

The Income Tax rules 1984:

The Value Added Tax Act 1991:

The Value Added Tax Rules 1991:

The Custom Act 1969:

The securities and exchange ordinance 1969:

The securities and exchange rules 1987: and

Securities and Exchange Commission Act, 1993:

02.02 Structure content and presentation of financial statements

According to the international Accounting Standards (IAS)-1 as adopted by ICAB as IAS-1 " Presentation of Financial Statements" the complete set of financial statements includes the following components

i) Statements of financial position as at June 30, 2019;

ii) Statements of profit or loss and other comprehensive income for the financial year ended 30 June 2019;

iii) Statements of Changes in equity for the year ended 30 June 2019;

iv) Statements of Cash Flows for the year ended 30 June 2019;

v) Significant accounting policies and other explanatory information for the year ended 30 June 2019



02.03 Basis for Measurement of Elements of Financial Statements

The financial statements have been prepared on the historical cost convention method following accrual basis of accounting and therefore, do not take into consideration the effects of inflation. The accounting policies, unless otherwise stated, have been consistently applied by the company and are consistent with those of the previous year.

02.04 Functional and Presentation Currency

The financial statements are presented in Bangladesh currency (Taka) which is the company's functional currency. All financial information presented in Taka has been rounded off to the nearest amount of Taka.

02.05 Preparation and presentation of the financial statements of the company

The Board of Directors of the company is responsible for the preparation of financial statements of the company in accordance with the companies Act 1994.

02.06 Use of Estimates and Judgments

The presentation of these financial statements, in conformity with IASs/IFRSs, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual amounts may differ from these estimates though the estimate has been made reliably.

Estimates and underlying assumption are reviewed on an on going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and any future periods affected.

In particulars, information about significant areas of estimation and uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included the following notes.

Property, plant & equipment (impairment) Tangible assets with finite lives has been reviewed for impairment on an ongoing basis. No indication observed during the most recent impairment review for which any impairment gain or loss has not been recognized.

Provision for Tax-Provision for income tax expenses for the current year represents managements best estimates on how much tax the company has to pay to National Board of Revenue (NBR) for profits generated in deduction allowed of disallowed through the assessment process. Once assessments are finalized by the NBR, the Company will record an adjustment to reflect the change.

Another estimate has been used in written off receivable amount, the decision has been taken by the Board of directors to the company. After taking proper initiative to recover the amount receivable from customer.

02.07 Reporting Period

The financial period of the company covers the period from 01 July 2018 to 30 June 2019 in accordance with the requirements of the notification no. No. BSEC/CMRRC/2006-158/208/Admin/81 dated 20 June 2018 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.

2.08 Date of Authorization

These financial statements were authorized for issue in accordance with a resolution of the company's Board of Directors on 24 October 2019.

02.08 Functional and Presentation Currency

The Financial Statements are prepared and presented in Bangladesh Currency (Taka) which is the functional Currency also. All Financial information presented has been rounded off to the nearest amount of taka except where indicated otherwise.

02.09 Going Concern

It was decided by the management that there were no significant going concerns threats in respect of the operation of the Company. Depending on these decision the financial statements of the company has been prepared base on going concern assumption.

02.09 Cash Flows Statements

Statements of Cash Flows is reported in accordance with IAS-7: Statements of Cash Flows and Cash Flows from operating activities have been presented under Direct Method as required by the Securities and Exchange Rules 1987 and considering the provision that Enterprise are Encouraged to report Cash flow from Operating Activities using Direct Method. in addition to disclosures on direct method of cash flows, a reconciliation of net income or net profit with cash flows from operating activities making adjustments for non-cash items, for nonoperation items and for the net changes in operating accruals also been presented in separate note in this financial statements to comply with the BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 Dated 20 June 2018.

02.10 Compliances with the requirement of Notifications of the Securities and Exchange Commission dated 01.06.2008 under ref # SEC/CMMMP/2008-181/53/adm/03/28

a) Notes to the Financial statements set out the accounting policies on all material accounting areas . These accounting policies are based on IFRS and IAS.

The following applicable IAS and IFRS (International Accounting Standards and International Financial Reporting Standards) has been adopted and applied by the company from the IFRS and IAS issued by International Accounting Standard Board (IASB) as adopted by ICAB.

Particulars	IAS NO.	Status of Application
Presentation of Financial Statements	IAS-1	Applied
Statement of Cash Flows	IAS-7	Applied
Accounting Policies, Changes in Accounting Estimates and Events After The Reporting Period	IAS-8	Applied
Income Taxes	IAS-10	Applied
Property, Plant and equipment	IAS-12	Applied
Revenue	IAS-16	Applied
Employee Benefits	IAS-18	Applied
Borrowing Costs	IAS-19	Applied
Related Party Disclosure	IAS-23	Applied
Consolidated and Separate Financial Statement	IAS-24	Applied
Financial Instrument Presentation	IAS-27	Applied
Earning Per Share (EPS)	IAS-32	Applied
Impairment	IAS-33	Applied
Provision, Contingent Liabilities and Contingent Assets	IAS-36	Applied
Intangible Assets	IAS-37	Applied
Financial Instrument : Recognition and Measurement	IAS-38	Applied
	IAS-39	Applied

02.11 Standards amendments or interpretations which became effective during the year

During the year certain amendments to standards and new interpretations became effective however they did not have any materials effect on the financial statements of the company. Those standards are mentioned in note No. 02.12.

02.12 New /revised accounting standards amendments to published accounting standards and interpretations that are not yet adopt by the company

The following new standards amendments and interpretations of approved accounting standards are only effective for annual periods beginning from the dates specified below and have yet not been adopted by the company.

Financial instrument (IFRS-1) is a part of the international Accounting Standards Board (IASB) : Contract with customer

IFRS-9," Financial instruments (IFRS-9) is part of the international Accounting Standards Boards (IASB) wider project to replace IAS 39, Financial instruments :Recognition and measurement.IFRS-9 retains, but implies, the mixed measurement model and establish two primary measurement categories for financial assets : amortized cost and fair value : the basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial assets .The Standard is effective for annual periods beginning on or after January 1,2018 The company is process of evaluating the impact of the new standards on its consolidated financial statements.

In May 2014 , the IASB issued IFRS 15, Revenue from contracts with customers" (IFRS-) which replace IAS-11 Construction Contracts "IAS-18,"Revenue and other interpretive guidance associated with revenue recognition.IFRS15 provides a single ,principle based model to be applied to all contracts with customer to determine the recognition and measurement of revenue . The Standards is effective for annual periods beginning on or after January1,2018 with earlier adoption permitted. The company is currently assessing the impact of adopting this new standard on its consolidated financial statements

On December 8,2016 the IASB issued IFRIC 22, Foreign Currency Transaction and advance Consideration ,which specific that the date of a transaction for the our pose of determining the exchange rate to use on initial recognition of the related assets ,expenses or income on the derecognition of non monetary asset or non-monetary liability arising from the payment or receipts of advance consideration in a foreign currency, is the date on which that non monetary asset or liability was initially recognized. IFRC-22 will be effective for annual reporting periods beginning on or after january,01,2018 with earlier application permitted . The Company is currently assessing the impact of adopting this new standards on its consolidated financial statements.

03.00 Significant accounting policies

03.01 Revenue Recognition

In Compliance with the requirements IAS-18 : Revenue , revenue receipt from customers against sales is recognized when products are dispatched to customers, revenue form services is recognized when service are rendered that is when the significant risks and rewards of ownership have been transferred to the buyer and obligation relating to service has been meet up. recovery of the consideration is probable , the associated costs and possible return of good services can be estimated reliably, and there is no continuing management involvement with the goods.

03.02 Property, plant & Equipment

Recognition and measurement

Property, plant & equipment are accounted for according IAS-16 "property, plant & Equipment" of Historical Cost less cumulative depreciation of asset. The cost of asset include expenditure that are directly attributable to the acquisition of the assets. the Cost of self-constructed assets includes the cost of materials, direct labor and any other cost directly attribute to bringing the assets to the working condition for its intended use and the cost of dismantling and removing the items and restoring the site on which they are located.

03.03 Borrowing Costs

Interest and other expenses incurred by the Company in respect of borrowing of fund are recognized as expenses in the year in which they are incurred unless the activities are necessary to prepare the qualifying assets for its intended use are in progress considering the requirement of BAS 23: Borrowing Costs .

03.04 Depreciation

Depreciation is charged to allocate the cost of property ,plant & equipment less any residual value, over the year of their expected useful lives. In accordance with the provision of IAS-16 "property, plant & Equipment". Any accusations during the year are depreciated on monthly basis .Depreciation is calculated at the following rates on reducing balance.

Particulars	Rate
Internet equipment	15%
Office equipment	15%
Telephone installation and intercom	5%
Vehicles	15%
Furniture and fixture	15%
Building (Floor Space)	5%
Sundry assets	15%
Switch (Cisco)	15%
Online UPS	15%
Server	15%
Computer	15%
VOIP Switch	15%
Media converter	15%
Linksys (ATA)	15%
Digium	15%
Musk and hub	15%
Modem	15%
Video IP phone	15%
Scanner	15%
Office equipment	15%

03.05 Impairment

Tangible assets are amortized over their corresponding useful economic lives and assessed for impairment whenever there is an indication that the assets may be impaired. Intangible assets that are not yet available for use are not amortized. But are tested for impairment annually, either individually or at the cash generating unit (CGU) level if any such indication exist, During the year no such indication observed.

03.06 Intangible Assets

Intangible assets comprise the value of computer software . Intangible assets acquired separately are measured on initial recognition at the cost and carried at the cost less amortization and impairment loss if any . Amortization is calculated using the Reducing Balance Method at 20% of the cost of intangible assets.

03.07 Disposal of Fixed Assets

On Disposal of Fixed Assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the Statement of Comprehensive Income, which is determined with reference to the book Value of the assets and net sales proceeds.

03.08 Financial Instrument

A Financial Instrument is any contract that gives rise to a financial assets of one entity and a financial liability or equity of another entity .

3.8.1 (a) Financial Assets

Financial Assets of the company include cash and cash equivalents, accounts receivable, other receivables and advances, deposits and prepayments. The Company initially recognizes financial assets on the date they are originated . All other financial assets are recognized initially on the date at which the company becomes a party to the contractual provisions of the transaction . The company derecognizes a financial assets when , and only when , the contractual right of probabilities of receiving the cash flows from the asset expire and it transfers the right to receive the contractual cash flows from the financial assets in a transaction in which substantially all the risk and rewards of ownership of the financial assets are transferred .

(b) Financial Liabilities

Financial liabilities are recognized initially on the transaction date at which the company becomes a party to the contractual provisions of the liability. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire . Financial liability include payable for expenses, liability for capital expenditure and other current liabilities

03.09 Provisions

Provision is recognized in the financial statements when the company has a legal or constructive obligation as a result of a past event when, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation . Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the date of statement of financial position . where the effects of time value of the expenditure is expected to be required to settle the obligation.

03.10 Taxation

Income tax expense is recognized in profit and loss account and accounted for in accordance with the requirement of BAS 12: Income Taxes

a) Current Tax

Current tax has been calculated in accordance with requirement of Income tax Ordinance 1984 with considering the requirement of minimum tax under section 82C, higher one of regular tax and minimum tax has been calculated and recognized provision for income tax.

b) Deferred Tax

Deferred tax arises due to temporary difference deducted or taxable for the events or transaction which is recognized in the statement of Profit or Loss and Other Comprehensive Income . A temporary difference is the difference between the tax base of an asset or Liabilities and its carrying amount/ reported amount in the Statement of Financial Position . Deferred tax assets or liability is the amount of income tax recoverable or payable in future periods recognized in the current period. Deferred tax has been calculated and recognized in accordance with balance sheet method with the requirement of IAS 12 "income tax".

03.12 Employee Benefits

Employee benefits has been accounted & presented in accordance with the provision of IAS-19, However the company has defined contributory plan "Provident Fund". the recognition of the provident fund is under process.



03.12 Accrued Expenses and other payable

Liabilities for the the goods and services received have been accounted for whether paid or not for those goods & services payables are not interest bearing and are stated at their nominal value.

03.13 Earning Per Share (EPS)

The Company calculates Earnings per share (EPS) in accordance with (IAS-33) : Earning Per Share (EPS) , which has been shown at the bottom of the statement of comprehensive Income.

Basic Earning (Numerator)

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

Weighted Average Number of Ordinary Shares outstanding during the period (denominator)

This represents the number of ordinary shares outstanding at the beginning of the period plus the number of ordinary shares issued during the period multiplied by a time -weighting factor is the number of days the specific shares are outstanding as a proportion of the total number of days in the year.

03.14 Segment Reporting

Segment reporting is applicable for the company as required by "IFRS-8:' Operating Segments 'as the company operates in two revenue generating activities. only nature wise segment reporting is presented in the financial statements.

03.15 Related Party Disclosures

The Company carried out a number of a transaction with related parties in the normal course of business and at arms' length basis . The information as required by IAS -24 : 'Related party Disclosures' has been disclosed in a separate note to the financial statements.

03.16 Cash and Cash Equivalents

Cash and Cash equivalents comprise cash in hand and demand deposits, together with highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value. The company's Cash & Cash Equivalents comprises of Cash in Hand, Cash at Bank and Short term fixed deposit.

03.17 Share Capital

Proceeds from issuance of ordinary shares are recognized as share capital in equity when there is no contractual obligation to transfer cash or other financial assets.

03.18 Events after the Reporting Period

In compliance with the requirement of IAS -10 : "Events after the Reporting Period" additional information about the company's position after the reporting date that are not adjusting events, are disclosed in the notes when considered material.

03.18 Comparative Information and General

Comparative figures have been rearranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities reported in the financial statement.



INFORMATION SERVICES NETWORK LIMITED

Notes to the Financial Statements
As at and for the year ended 30 June 2019

Particulars	Amount In Taka	
	2018-2019	2017-2018
4.00 Property, Plant & Equipment		
Opening Balance at Cost	207,095,039	281,395,161
Add: Re-valuation surplus	-	-
Add : Addition during the year	10,303,359	5,477,807
Less : Adjustment during the year	(3,517,330)	(79,777,929)
Closing Balance	213,881,068	207,095,039
Less: Accumulated depreciation up to 30-06-2019	133,800,652	126,836,722
Written down value as on 30-06-2019	80,080,416	80,258,318

Details have been shown in "Annexure-A and Annexure -B"

4.(a) Property, Plant & Equipment

ISN	80,080,416	80,258,318
GKISN	35,369	41,611
Balance as on 30-06-2019	80,115,786	80,299,929

4.(b) Intangible Asset

Opening Balance	2,173,070	-
Addition During the Year	920,207	2,173,070
	3,093,277	2,173,070
Less: Amortized During the Year	1,053,269	434,614
Opening Balance	434,614	
Charge during this year	618,655	434,614
Balance as on 30-06-2019	2,040,008	1,738,456

5.00 Investment

Sl. No.	Particulars	30 June 2019		30 June 2018	
		No. of Share	Acquisition Price	No. of Share	Market Price
01	Golden Key ISN Pvt. Ltd. (Note-5.01)	1020	1,02,000	1,020	102,000
	Total:	1020	1,02,000	1,020	102,000

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

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

5.(a) Investment (at cost)

ISN	102,000	102,000
Less: Inter Company Transaction	102,000	102,000
	-	-



		Amount in Taka	
		2018-2019	2017-2018
6.00	Deferred expenditure		
	IPTSP (Note 6.01)	-	174,735
	Share Issue Expenditure (Note 6.02)	-	57,984
			232,719
6.01	IPTSP		
	Balance as on 01-07-2018	174,735	524,207
	Add: Addition	-	-
		174,735	524,207
	Less : Amortization during the year	174,735	349,472
	Balance as on 30-06-2019	-	174,735
6.02	Share Issue Expenditure		
	Balance as on 01-07-2018	57,984	173,948
	Add: Addition	-	-
		57,984	173,948
	Less : Amortization during the year	57,984	115,964
	Balance as on 30-06-2019	-	57,984
7.00	Accounts receivable		
	Balance as on 01-07-2018	101,591,576	103,575,480
	Add: Addition during the year	1,741,022	49,300
		103,332,598	103,624,780
	Less : Received/adjust during the year	-	-
	Balance as on 30-06-2019	103,332,598	103,624,780
	Less: Bad debt Expenses	360,000	2,033,204
		102,972,598	101,591,576

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

Particulars	Amount (In Taka)			
	2018-2019		2017-2018	
	Below six months	Over six Months	bellow six months	Over six Months
Internet Bill (DSL)	4,262,469	24,153,994	4,274,522	24,222,292
Internet Bill (D/U)	38,701	16,711,513	38,810	16,758,766
Software Sales	222,777	20,433,414	223,407	20,491,191
Networking & IT Solutions	772,927	14,685,628	775,113	14,727,153
IP Phone Bill	505,090	3,380,216	506,518	3,389,774
Data Service Bill	112,074	7,617,203	112,391	7,638,741
Fax Bill	16,533	86,800	16,580	87,045
Web Hosting & Development	1,859,987	8,473,272	1,865,246	8,497,231
VAT from party	-	-	-	-
	7,790,559	95,542,039	7,812,587	95,812,193
Less: Bad debt Expenses	-	360,000	-	2,033,204
	7,790,559	95,182,039	7,812,587	93,778,989

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.

8.00 **Accrued interest**

Interest receivable from GKISN
Interest receivable on FDR



Total

809,544	809,544
173,964	-
983,508	809,544

Out of the above mentioned amount Taka 809,544 is as per last account. No interest is charged during the period. This interest amount is receivable from GKISN Pvt. Ltd, a sister concern of the company.

		Amount in Taka	
		2018-2019	2017-2018
8.(a) Accrued interest			
ISN		983,508	809,544
Less: Inter Company Transaction		809,544	809,544
Balance as on 30.06.2019		173,964	-
9.00 Advances, deposits and prepayments			
Loan to GKISN (Note 9.01)		1,635,343	1,635,343
Loan to Mr. Mujibul Huq		2,500,000	2,500,000
Other Advance and Prepayments (Note 9.02)		8,026,417	9,129,330
Other Receivables (Note 9.03)		12,215,000	12,215,000
Total		24,376,760	25,479,673
9.01 Loan A/C (GKISN)			
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			
Balance as on 01-07-2018		9,129,330	8,910,853
Add : Addition during the period		319,470	501,761
		9,448,800	9,412,614
Less : Recovered during the period		1,422,383	283,284
Balance as on 30-06-2019		8,026,417	9,129,330
Details of the above amount:			
Advances & Prepayments (A)		2,974,669	3,759,597
Security Money (B.i)		4,545,876	4,545,876
Earnest Money (B.ii)		505,872	823,857
		8,026,417	9,129,330
Details are as under:			
A. Advance & Prepayments:		2,974,669	3,759,597
Seba House		402,368	90,998
Azmeri Builders		85,000	145,000
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		-	1,001,657
Advance VAT		250,649	293,390
IPTSP License (BTRC)		500,000	500,000
Songjog ISP Association		100,000	100,000
Holiday Printers Ltd. (Printing)		300,000	300,000
SES Company		17,473	17,473
Staff Advance (Salary)		62,600	54,500
HM Securities		200,000	200,000



		Amount in Taka	
		2018-2019	2017-2018
B. Deposit: (i+ii)		5,051,748	5,369,733
i) Security Money:		4,545,876	4,545,876
BTCL		1,520,076	1,520,076
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		-	-
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
		505,872	823,857
ii) Earnest Money:			
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
Tracer ISN JU		49,700	49,700
Micro Regulatory Authority		23,600	23,600
Others		62,015	220,000
IDR Project		8,000	8,000
Grand Total (i+ii)		8,026,417	9,129,330
9.(a) Advances, deposits and prepayments			
ISN		24,376,760	25,479,673
GKISN		10,000	10,000
Balance as on 30.06.2018		24,386,760	25,489,673
Less: Inter Company Transaction		1,635,343	1,635,343
Balance as on 30.06.2019		22,751,417	23,854,330
9.03 Other Receivable			
Closing Balance as of 30 June 2019		12,215,000	12,215,000
10.00 Cash and cash equivalents			
Cash in hand		388,181	557,822
Cash At Bank (10.01)		2,424,559	3,423,867
		2,812,740	3,981,689



10.01 Cash at Bank

Social Islami Bank Ltd.
AB Bank Ltd
NCC Bank Ltd
Eastern Bank Ltd.
Mercantile Bank Ltd
Export Import Bank
CDBL
Mutual Trust Bank
Bangladesh Development Bank Limited
Pubali Bank Ltd.
Dhaka Bank Ltd
FDR Marchentile Bank
FDR One Bank

Details are as under:
Social Islami Bank Ltd.
 (AC.No.551330001649)

AB Bank Ltd

AC.No.4006281727000
AC.No.4006281727001
AC.No.4006281727002
AC.No.4006281727003

NCC Bank Ltd

AC.No.00110210010537
AC.No.00020210003420
AC.No.0280210005295
AC.No.0100210001413
AC.No.0120210001153
AC.No.0270210000960
AC.No0130210001205
AC.No.170210002166
AC.No.220210006629
AC.No.0621001562
AC.No2102100006157

Eastern Bank Ltd.

AC. No.1051070004202
AC. No.2001070116130

Mercantile Bank Ltd

AC. No.013411100002378
AC. No.00870210001494

The Farmers Bank(Padma)

AC. No.113411111131477

Amount in Taka	
2018-2019	2017-2018
282,730	17,128
148,665	102,665
328,223	233,386
162,815	535,429
(1,391,105)	(112,411)
9,091	10,471
20,324	20,324
7,381	4,615
351,964	275,913
171,400	135,347
32,072	-
201,000	201,000
2,100,000	2,000,000
2,424,559	3,423,867

282,730	17,128
----------------	---------------

148,665	102,665
----------------	----------------

81,717	
66,948	102,665
-	
-	

328,223	233,386
----------------	----------------

25,622	
20,240	
24,097	
182,215	
32,430	
1,950	233,386
9,898	
14,420	
7,855	
9,457	
39	

162,815	535,429
----------------	----------------

8,258	535,429
154,557	

(1,391,105)	(112,411)
--------------------	------------------

(1,470,521)	(112,411)
79,416	-

-	-
-	-



		Amount in Taka	
		2018-2019	2017-2018
Export Import Bank			
AC.NO. 01411100175056		9,091	10,471
Mutual Trust Bank			
AC.NO. 00870210001494		7,381	4,615
Bangladesh Development Bank Limited			
AC.No.520200000399		351,964	275,913
Pubali Bank Ltd.			
AC.No. 277590102765		171,400	135,347
Dhaka Bank Ltd			
AC.NO. 1051000002438		32,072	-
CDBL		20,324	20,324
FDR		2,301,000	2,201,000
FDR Marchentile Bank (Annexure-3)		201,000	201,000
FDR One Bank(Annexure-3)		2,100,000	2,000,000
Total Cash At Bank		2,424,559	3,423,867
10.(a) Cash and cash equivalents			
ISN		2,812,740	3,981,689
GKISN		60,152	60,152
Balance as on 30-06-2019		2,872,892	4,041,841
11.00 Shareholders equity:			
11.01 Authorized capital:		500,000,000	500,000,000
The Company has an authorized capital Tk. 500,000,000 divided into 50,000,000 Ordinary Shares of Tk. 10 each.			
11.(a) Shareholders equity			
ISN		141,573,219	137,164,890
GKISN		(3,367,052)	(3,350,810)
Less: Investment by ISNL		(102,000)	(102,000)
		138,104,168	133,712,080
12.00 Paid-up capital:		109,200,035	109,200,035
12.01 Issued, subscribed and paid-up capital			
Paid up Capital balance as on 01-07-2018		109,200,035	109,200,035
Addition during the period		-	-
Paid up capital balance as on 30-06-2019		109,200,035	109,200,035



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

No. of Holders	Share Holding Pattern			
1344	less than		500	shares
1273	501	to	5,000	shares
155	5001	to	10,000	shares
93	10001	to	20,000	shares
36	20001	to	30,000	shares
15	30002	to	40,000	shares
10	40001	to	50,000	shares
12	50001	to	100,000	shares
12	100001	to	Above	shares
2950	Total			

12.03 Composition of shareholders:

Sl No.	Particulars	No of Shares	Value of Shares	%
				30 June 2019
1.	Director/Sponsors	2360895	23,608,950	21.62
2.	Institution	897993	8,979,930	8.22
3.	General Public	7661115	76,611,150	70.16
Total:		10920003	109,200,030	100

13.00 Long Term Loan (Non-current portion):**Opening Balance**

Addition /(Adjustment) during the year

Total Outstanding

Less: Current portion

Non-current Portion

Amount in Taka	
2018-2019	2017-2018
27,512,401	31,309,053
(3,763,524)	(3,796,652)
23,748,877	27,512,401
7,321,131	7,703,472
16,427,746	19,808,929

13.01 Long Term Loan (Current portion):

Addition during the year

Closing Balance

7,321,131	7,703,472
7,321,131	7,703,472

14.00 Deferred tax liabilities**A. Fixed Assets**

Carrying amount of Fixed Assets (Accounting Base)

Less: Tax base-Carrying amount of Fixed Assets

Taxable temporary difference

Tax Rate

Deferred tax liabilities as on 30 June 2019**B. Deferred Tax Liabilities as on 30th June, 2018****C. Deferred Tax (Income)/Expense**

53,384,414	51,572,079
51,454,037	48,933,539
1,930,377	2,638,540
25%	25%
482,594	659,635
659,635	795,910
(177,041)	(136,275)

	Amount in Taka	
	2018-2019	2017-2018
15.00 Unsecured Loan		
GKISN	2,648,029	2,648,029
Less: Inter Company Company Transaction	1,635,343	1,635,343
Balance as on 30-06-2019	1,012,686	1,012,686
16.00 Accrued expenses		
Balance as on 01-07-2018	3,537,259	6,537,372
Add: Addition during the period	396,616	801,689
	3,933,875	7,339,061
Less : Paid/adjustment during the period	-	3,801,802
Balance as on 30-06-2019	3,933,875	3,537,259
Detailed break-up is as follows:		
Salary and remuneration	1,552,570	1,321,599
Employee PF Contribution	95,072	79,723
Consultancy fees	40,000	40,000
POP Rent	34,000	34,000
Electricity	144,240	143,944
Mobile phone	47,952	47,952
Bandwidth charge	729,375	729,375
Data connectivity exp.	611,788	511,788
Office rent	104,980	104,980
Audit fees	119,695	69,695
Maintenance (Office)	14,528	14,528
Water	20,440	20,440
Printing	34,630	34,630
House Rent	18,700	18,700
Share Issue Expenditure	11,250	11,250
Calling Carrying Charge (IPTSP)	350,905	350,905
Professional Fees	3,750	3,750
Grand Total	3,933,875	3,537,259
16(a) Accrued Expenses		
ISN	3,933,875	3,537,259
GKISN	15,000	5,000
Balance as on 30-06-2019	3,948,875	3,542,259
17.00 Liabilities for other finance		
Security money (Internet)	68,592	453,476
Security money (Fax)	-	448,847
Dividend Payable	2,059,904	2,788,525
Liabilities for purchase of vehicle	569,324	-
Security money received	-	220,000
Total	2,697,820	3,910,848

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

18.00 Short Term loan

CC(Hypo) Loan (Farmers Bank)*
 Loan from other parties
 Loan from Mr. Habibul Alam
 HRC Shipping
 Loan from Directors(GP Project)

Amount in Taka	
2018-2019	2017-2018
21,454,130	20,824,182
8,750,000	8,750,000
4,579,109	4,579,109
2,500,000	2,500,000
1,500,000	2,500,000
38,783,239	39,153,291

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

19.00 Liabilities for income tax

Opening balance as on 01-07-2018
 Add : Provision made for the year(19.01)

2,255,650	712,910
884,343	1,542,740
3,139,993	2,255,650
988,051	-
2,151,942	2,255,650

Less: Adjustment during the year

Balance as on 30.06.2019

19.01 Provision for Income Tax

Minimum Tax 19.01(a)
 Regular Tax 19.01(b)
Higher One

548,566	570,406
884,343	1,542,740
884,343	1,542,740

19.01(a) Minimum Tax

Revenue from services
 Non Operating Income

84,743,992	84,840,012
6,683,698	10,227,585
91,427,690	95,067,597
0.60%	0.60%
548,566	570,406

Minimum Tax Rate

19.01(b) Regular Tax

Particular	Internet & other	Software	Total
Operational revenue	51,518,327	33,225,665	84,743,992
Other Income	6,683,698	-	6,683,698
Total Revenue	58,202,025	33,225,665	91,427,690
Total expenses	55,241,980	31,073,613.62	86,315,593
Profit before tax	2,960,045	2,152,051	5,112,097
Add: Accounting Depreciation	6,202,938	3,489,152	9,692,090
	9,162,983	5,641,203	14,804,187
Less: Tax Depreciation	5,625,611.10	3,164,406.24	8,790,017
Taxable profit	3,537,372	2,476,797	6,014,169
Tax Rate	25%	Exempted	-
Provision for Income Tax	884,343	-	884,343

Total revenue expenses of software business has been allocated in income base on the following method:

Revenue Expenditure on Software = Basis of (%) percentage x Total Revenue Expenditure = 36%

Basis of (%) percentage has been calculated as under

Basis of (%) Percentage = (Software revenue/Total revenue) x100

20.00 Revenue from Services

Particular	Amount in Tk.			2017-2018
	2018-2019			
	Unit-1 (ISP)	Unit-2 (IPTSP)	Total	
Internet bill (D/U)	190,990	-	190,990	324,225
Internet bill (DSL)	47,811,319	-	47,811,319	34,033,975
Data Service Bill	3,502,813	-	3,502,813	3,364,335
IP Phone Bill	-	1,500,657	1,500,657	4,705,712
	51,505,122	1,500,657	53,005,779	42,428,247
Less : VAT	2,575,256	225,099	2,800,355	6,364,237
Net sales after VAT	48,929,866	1,275,558	50,205,424	36,064,010
Sales of software	33,225,665	-	33,225,665	47,757,978
Networking and IT solutions	1,312,903	-	1,312,903	1,018,024
Total	83,468,434	1,275,558	84,743,992	84,840,012

21.00 Operating expenses

Particular	2018-2019			2017-2018
	Unit-1 (ISP)	Unit-2 (IPTSP)	Total	
Bandwidth charge	12,428,528	-	12,428,528	12,672,984
Data Connectivity Exp	10,985,417	-	10,985,417	8,743,454
IP address	111,150	-	111,150	-
Salary & Allowance	11,536,399	-	11,536,399	10,735,342
Depreciation	7,083,875	-	7,083,875	7,183,409
Call Carrying Charge	-	624,572	624,572	2,153,782
	42,145,369	624,572	42,769,941	41,488,971

22.00 Administrative expenses

Particular	2018-2019			2017-2018
	Unit-1 (ISP)	Unit-2 (IPTSP)	Total	
Director's Remuneration	80,003	-	80,003	63,309
Salary and Remuneration	12,497,763	-	12,497,763	11,740,670
Advertisement	258,196	-	258,196	139,544
AGM Expenses	58,889	-	58,889	77,360
Bandwidth charges	520,381	-	520,381	-
Bank charge	2,375	-	2,375	-
Books and paper	21,367	-	21,367	54,065
Apnic Membership fees	-	-	-	142,545
CDBL charge	112,000	-	112,000	56,000
Consultant fee	76,667	-	76,667	197,159
Conveyance	1,237,392	-	1,237,392	1,166,730
Depreciation	2,608,215	-	2,608,215	1,970,948
Domain registration	418,012	-	418,012	117,710
CAR Rent	496,550	-	496,550	492,250
Electricity	1,857,977	-	1,857,977	2,144,584
Bad & Doubtful Debt	360,000	-	360,000	2,033,204
Cost of Proposal	2,345	-	2,345	7,035
Entertainment	463,457	-	463,457	588,462
Fuel & lubricant	288,778	-	288,778	573,182
IP Phone exp	-	791,337	791,337	58,708
Donation / Subscription	6,910	-	6,910	92,550
Festival Bonus	1,897,348	-	1,897,348	1,927,111
Hall Rent	15,790	-	15,790	16,380
Hardware purchase	-	-	-	202,840
Light, heat and power	298,175	-	298,175	263,721
Listing fees	109,200	-	109,200	109,200
Fuel for Generator	21,940	-	21,940	28,230
Maintenance	1,687,542	-	1,687,542	2,035,498
Membership fees	320,350	-	320,350	295,850
Municipal taxes	75,741	-	75,741	-
Networking	-	-	-	2,600,184
Office rent	2,131,668	-	2,131,668	2,267,914
Overtime	274,747	-	274,747	204,369
Postage	45,919	-	45,919	62,833
Printing (General)	235,226	-	235,226	143,175
Trade License	29,943	-	29,943	23,825
Employee PF	1,253,265	-	1,253,265	898,893
Registration & renewal	21,293	-	21,293	397,012
Stationery	177,981	-	177,981	186,141
Night allowance	234,890	-	234,890	-
TA & DA	38,575	-	38,575	33,795
Training Fees	36,000	-	36,000	25,066
Mobile Bill	531,790	-	531,790	539,057
Legal Fee	116,668	-	116,668	21,000
Utility Bill	-	-	-	9,448
Sub total	30,921,328	791,337	31,712,665	34,007,557

Particular	2018-2019			2017-2018
	Unit-1 (ISP)	Unit-2 (IPTSP)	Total	
Telephone (T & T)	28,544	-	28,544	47,346
Garage Rent	24,000	-	24,000	4,000
Service charge	23,300	-	23,300	405,019
Other Expenses	34,517	-	34,517	458,714
VPN charge expense	176,850	-	176,850	-
House rent	225,859	-	225,859	449,250
Audit fees	61,500	-	61,500	50,000
Water supply`	290,964	-	290,964	303,799
Business development/Expenses	-	-	-	337,860
Insurance	-	-	-	9,953
POP rent	822,084	-	822,084	602,500
Mess subsidy	1,000	-	1,000	5,800
Welfare fund	-	-	-	-
Amortization of Intangible asset	618,655	-	618,655	434,614
Office expense	2,063	-	2,063	-
Virus protection	1,500	-	1,500	-
SMS service	-	-	-	702
Internet Bill Refund	2,321,174	-	2,321,174	1,756,101
Zoom Ultra/Banglalion Exp.	-	-	-	50,600
Sub Total	4,632,010	-	4,632,010	4,916,258
Grand Total	35,553,338	791,337	36,344,675	38,923,815

22.(a) Administrative expenses

ISN	36,344,675	38,923,815
GKISN	16,242	7,343
Total	36,360,917	38,931,158

23.00 Non Operating Income

Particular	2018-2019			2017-2018
	Unit-1 (ISP)	Unit-2 (IPTSP)	Total	
Connectivity	363530	-	363,530	1,166,785
Web hosting & development	872,989	-	872,989	2,533,217
Re-installation and servicing	1,500	-	1,500	501,000
Investment Income	-	-	-	372,502
E-mail forwarding	1,719,862	-	1,719,862	1,545,120
Dividend	-	-	-	52
Domain registration	329,234	-	329,234	261,005
Office rent (Rev.)	373,416	-	373,416	1,125,912
Miscellaneous	20,150	-	20,150	30,500
Insurance claim	-	-	-	78,400
VNP Charge	237,195	-	237,195	841,218
Hardware Sale	1,395,434	320,000	1,715,434	1,726,374
Sub Total	5,313,310	320,000	5,633,310	10,182,085

Particular	2018-2019			2017-2018
	Unit-1 (ISP)	Unit-2 (IPTSP)	Total	
SMS service	2,400	-	2,400	-
Connectivity Charge DSL	718,073	-	718,073	-
Disposal gain	100,830	-	100,830	-
Interest income	11,221	-	11,221	-
Service charge Cr.	1,900	-	1,900	-
Spamwall Income	42,000	-	42,000	45,500
Interest on FDR	173,964	-	173,964	-
	1,050,388	-	1,050,388	45,500
Grand Total	6,363,698	320,000	6,683,698	10,227,585

24.00 Earnings Per Share (EPS) Basic:

Amount in Taka	
2018-2019	2017-2018

The computation of EPS is given below:

Earnings attributable to the ordinary shareholders (net profit after tax)	4,404,794	5,190,900
Number of ordinary shares	10,920,003	10,920,003
Basic EPS	0.40	0.48

24.00(a) Consolidate Earnings Per Share (EPS) Basic:

Earnings attributable to the ordinary shareholders (net profit after tax)	4,388,553	5,183,558
Number of ordinary shares	10,920,003	10,920,003
Basic EPS	0.40	0.47

There is no diluted instrument of the company, hence diluted EPS has not been calculated and presented.

25.00 Tax assessment status:

Accounting Year	Assessment Year	Provision for Income Tax	Status
2012	2013-2014	247,735	Finalized
2013	2014-2015	223,332	Finalized
2014	2015-2016	252,003	Finalized
2015-2016	2016-2017	247,710	Under Appeal
2016-2017	2017-2018	372,263	Finalized
2017-2018	2018-2019		Under Process of Assessment

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

- I Information Services Network Limited is the holder of 51% shares of Golden Key ISN Private Ltd.
- II The accumulated net loss up to 30.06.2019 of the aforesaid company stood at Tk. 3,567,052
- III As per 37th Board Meeting resolution no interest has been charged on loan of Golden Key ISN Private Ltd. for the year ended 30 June 2019.
- IV The shares held by Information Services Network Limited in Golden Key ISN Private Ltd. have been shown under the head "Investment".

27.00 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.

- 28.00** Reconciliation of Cash flows from operating activities in addition to disclosure of Direct method of cash flows from operating activities in accordance with BSEC circular no. BSEC/CMRRCD/2006-158/208/Admin/81 Dated 20 June 2018.

Particulars	Amount in Taka 2018-2019
Operating activities	
Net profit after tax	4,404,794
Adjustment of non-cash item	
Depreciation	9,692,090
Amortization of intangible assets	618,655
Profit or loss on disposal of fixed assets	(100,830)
Amortization of Deferred expenditure	232,719
Dividend paid	728,621
	15,576,049
(Increase)/Decrease of Account receivable	(1,381,022)
(Increase)/Decrease of Accrued interest	(173,964)
(Increase)/Decrease of Advance deposit prepayments	1,102,913
Increase/(Decrease) of Accrued Expenses	396,616
Increase/(Decrease) of Liabilities for Other Finance	(1,782,352)
Increase/Decrease of provision for income tax	(103,708)
Increase/Decrease of deferred tax	(177,041)
Net cash flow from operating activities	13,457,490

29.00 Events after the reporting period

The Board of Directors recommended 2% cash dividend to the shareholders for the year ended 30 June 2019 in their meeting held on 24 October 2019 which will be considered for approval by the shareholders at the next Annual General Meeting.

INFORMATION SERVICES NETWORK LIMITED
 SCHEDULE OF PROPERTY, PLANT & EQUIPMENT

AS ON 30TH JUNE, 2019

Annexure -A

Particulars	Cost				Rate of Dep.	Depreciation			Written down value as on 30.06.2019	
	Balance as on 01.07.18	Re-valuation amount	Addition during the year	Adjustment during the year		Balance as on 30.06.2019	Charged during the year	Adjustment during the year		Balance as on 30.06.2019
Internet equipment	136,245,488	-	8,604,847	-	144,850,335	15%	6,946,054	-	101,063,245	43,787,090
Office equipment	19,092,024	-	7,850	-	19,099,874	15%	563,746	-	15,889,465	3,210,409
Telephone installation and intercom	5,180,492	-	10,000	-	5,190,492	5%	32,281	-	4,568,450	622,042
Vehicles	7,675,248	-	862,490	(3,517,330)	5,020,408	15%	224,185	(2,728,160)	3,319,025	1,701,383
Furniture and fixture	2,690,230	-	36,332	-	2,726,562	15%	102,324	-	2,129,682	596,880
Building (Floor Space)	29,982,900	-	-	-	29,982,900	5%	1,461,666	-	2,211,239	27,771,662
Sundry assets	1,302,544	-	78,840	-	2,084,384	15%	124,211	-	1,039,967	1,044,417
Total Tangible(30-06-2019)	202,168,926	-	10,303,359	(3,517,330)	208,954,955	-	9,454,467	(2,728,160)	130,221,073	78,733,883
Total Tangible:(As on: 30-06-2018)	276,588,848	(67,777,929)	5,358,007	(12,000,000)	202,168,926	-	8,874,800	(46,739,777)	123,494,766	78,674,161

Allocation of depreciation:

Cost of service	6,946,054.00
Administrative Expense	2,508,413
Total	9,454,467

INFORMATION SERVICES NETWORK LIMITED
FIXED ASSET SCHEDULE OF PROJECT- IPTSP
AS ON 30TH JUNE, 2019
Unit-2

Annexure-B

Particulars	Cost			Rate of Dep.	Depreciation			Written down value as on 30.06.2019
	Opening balance as on 01.07.18	Addition during the Year	Closing balance as on 30.06.2019		Opening balance as on 01.07.18	Charged during the Year	Closing balance as on 30.06.2019	
Switch (Cisco)	54,000	-	54,000	15%	37,987	2,402.00	40,389	13,611
Online UPS	412,000	-	412,000	15%	289,828	18,326.00	308,154	103,846
Server	1,993,527	-	1,993,527	15%	1,355,273	95,738.00	1,451,011	542,516
Computer	363,750	-	363,750	15%	189,581	26,125.00	215,706	148,044
VOIP Switch	454,738	-	454,738	15%	319,893	20,226.00	340,119	114,619
Media converter	9,000	-	9,000	15%	6,331	400.00	6,731	2,269
Linksys (ATA)	416,541	-	416,541	15%	283,035	20,027.00	303,062	113,479
Digium	588,436	-	588,436	15%	413,945	26,174.00	440,119	148,317
Musk and hub	580,511	-	580,511	15%	408,371	25,821.00	434,192	146,319
Modem	5,000	-	5,000	15%	3,518	222.00	3,740	1,260
Video IP phone	43,600	-	43,600	15%	30,672	1,939.00	32,611	10,990
Scanner	3,500	-	3,500	15%	2,462	156.00	2,618	882
Office equipment	1,510	-	1,510	15%	1,062	67.00	1,129	381
Total as on 30.06.2019	4,926,113	-	4,926,113		3,341,956	237,623	3,579,579	1,346,534
Total as on 30.06.2018	4,806,313	119,800	4,926,113		3,062,399	279,557	3,341,956	1,584,157

Allocation of depreciation:

Cost of service	137,821
Administrative Expense	99,802
Total	237,623

INFORMATION SERVICES NETWORK LIMITED
Statement of Fixed Deposit
For the year ended 30 June 2019

Annexure-C

Sl No.	Name of Bank/ Institution	Period	Rate of Interest	Date of Issue	Date of Maturity	Principal Amount	Opening Balance	Interest receivable during the year	Interest received during the year	10% Tax	Net Interest Receivable
1	One Bank Limited	1 Year	9.25%	01.01.18	26.09.19	2,000,000	-	185,000	-	18,500	166,500
2	One Bank Limited	6 Month	7.50%	01.01.18	26.09.19	100,000	-	7,500	-	750	6,750
3	Mercantile Bank Limited	6 Month	9.00%	14.06.19	14.06.20	201,000	-	793	-	79	714
Sub Total							-	193,293	-	19,329	173,964

INFORMATION SERVICES NETWORK LIMITED

Statement of Fixed Deposit
For the year ended 30 June 2019

Annexure-D

SI No.		FDR NO	ISSUE DATE	Renewal Amount	Renewed Rate Of interest	Duration	Days	Net Interest Receivable
1	One Bank Limited	A/c. No.0534130000507	01.01.18	2,000,000	9.25%	01.07.2018 to 30-6-19	365	185,000
2	One Bank Limited	A/c. No.0534140000992	01.01.18	100,000	7.50%	01.07.2018 to 30-6-19	365	7,500
3	Mercantile Bank LTD.	A/c. No.113441324922558	14.06.19	201,000	9.00%	14.06.2019 to 30-6-19	16	793
		Total		2,301,000			746	193,293

Information Services Network Limited

Schedule of Loan Amortization

As On 30 June 2019

Annexure-E

Pmt. No	Payment Date	Scheduled Payment	Extra payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
Beginning Date 08.2019							26731872	-
01	6-Sep-18	743,968	-	743,968	409,820	334,148	26,322,053	334,148
02	6-Oct-18	743,968	-	743,968	414,942	329,026	25,907,110	663,174
03	6-Nov-18	743,968	-	743,968	420,129	323,839	25,486,981	987,013
04	6-Dec-18	743,968	-	743,968	425,381	318,587	25,061,600	1,305,600
05	6-Jan-19	743,968	-	743,968	430,698	313,270	24,630,902	1,618,870
06	6-Feb-19	743,968	-	743,968	436,082	307,886	24,194,821	1,926,757
07	9-Mar-19	743,968	-	743,968	441,533	302,435	23,753,288	2,229,192
08	6-Apr-19	743,968	-	743,968	447,052	296,916	23,306,236	2,526,108
09	6-May-19	743,968	-	743,968	452,640	291,328	22,853,596	2,817,436
10	6-Jun-19	743,968	-	743,968	458,298	285,670	22,395,298	3,103,106
11	6-Jul-19	743,968	-	743,968	464,027	279,941	21,931,271	3,383,047
12	6-Aug-19	743,968	-	743,968	469,827	274,141	21,461,444	3,657,188
13	6-Sep-19	743,968	-	743,968	475,700	268,268	20,985,744	3,925,456
14	6-Oct-19	743,968	-	743,968	481,646	262,322	20,504,098	4,187,778
15	6-Nov-19	743,968	-	743,968	487,667	256,301	20,016,431	4,444,079
16	6-Dec-19	743,968	-	743,968	493,763	250,205	19,522,668	4,694,284
17	6-Jan-20	743,968	-	743,968	499,935	244,033	19,022,734	4,938,318
18	6-Feb-20	743,968	-	743,968	506,184	237,784	18,516,550	5,176,102
19	6-Mar-20	743,968	-	743,968	512,511	231,457	18,004,039	5,407,559
20	6-Apr-20	743,968	-	743,968	518,918	225,050	17,485,121	5,632,609
21	6-May-20	743,968	-	743,968	525,404	218,564	16,959,717	5,851,173
22	6-Jun-20	743,968	-	743,968	531,972	211,996	16,427,746	6,063,170
23	6-Jul-20	743,968	-	743,968	538,621	205,347	15,889,125	6,268,517
24	6-Aug-20	743,968	-	743,968	545,354	198,614	15,343,771	6,467,131
25	6-Sep-20	743,968	-	743,968	552,171	191,797	14,791,600	6,658,928
26	6-Oct-20	743,968	-	743,968	559,073	184,895	14,232,527	6,843,823
27	6-Nov-20	743,968	-	743,968	566,061	177,907	13,666,465	7,021,729
28	6-Dec-20	743,968	-	743,968	573,137	170,831	13,093,328	7,192,560
29	6-Jan-21	743,968	-	743,968	580,301	163,667	12,513,027	7,356,227
30	6-Feb-21	743,968	-	743,968	587,555	156,413	11,925,472	7,512,640
31	6-Mar-21	743,968	-	743,968	594,900	149,068	11,330,572	7,661,708
32	6-Apr-21	743,968	-	743,968	602,336	141,632	10,728,236	7,803,340
33	6-May-21	743,968	-	743,968	609,865	134,103	10,118,371	7,937,443
34	6-Jun-21	743,968	-	743,968	617,488	126,480	9,500,883	8,063,923
35	6-Jul-21	743,968	-	743,968	625,207	118,761	8,875,676	8,182,684
36	6-Aug-21	743,968	-	743,968	633,022	110,946	8,242,654	8,293,630
37	6-Sep-21	743,968	-	743,968	640,935	103,033	7,601,719	8,396,663
38	6-Oct-21	743,968	-	743,968	648,947	95,021	6,952,772	8,491,684
39	6-Nov-21	743,968	-	743,968	657,058	86,910	6,295,714	8,578,594
40	6-Dec-21	743,968	-	743,968	665,272	78,696	5,630,442	8,657,290
41	6-Jan-22	743,968	-	743,968	673,587	70,381	4,956,855	8,727,671
42	6-Feb-22	743,968	-	743,968	682,007	61,961	4,274,848	8,789,632
43	6-Mar-22	743,968	-	743,968	690,532	53,436	3,584,315	8,843,067
44	6-Apr-22	743,968	-	743,968	699,164	44,804	2,885,151	8,887,871
45	6-May-22	743,968	-	743,968	707,904	36,064	2,177,247	8,923,936
46	6-Jun-22	743,968	-	743,968	716,752	27,216	1,460,495	8,951,151
47	6-Jul-22	743,968	-	743,968	725,712	18,256	734,783	8,969,407
48	6-Aug-22	743,968	-	743,968	734,783	9,185	(0)	8,978,592
Total		35,710,464	-	35,710,464	26,731,872	8,978,592	691,555,495	

Information Services Network Limited

Required applicable disclosure under schedule XI of the Companies ACT 1994.

Directors Interest in other Companies:

Name	Designation with ISNL	Entities where they have Interest	Position
Mr. Sayeed Hossain Chowdhury	Chairman	HRC Group	Chairman
Mr. Sajedur Seraj	Director	Elite Group	Director
Mrs. Shirin Huq	Director	Optimax Communication Limited	Director

Credit Facility

No credit facility availed by the company under any contract other than bank credit facility and trade credit which are in the ordinary course of the business.

Capital Expenditure Commitment

- No capital expenditure contracted or incurred provided for as at 30 June, 2019.
- There was no material capital expenditure authorized by the Board or contracted for as at 30 June, 2019.

Claim acknowledgement

There was no claim against the Company not acknowledged as debt as on June 30, 2019.

Event after the Reporting Period

There was no events after reporting period of such for which accounting or disclosure is required to be adjusted.

Contingent Liability

There is no contingent liability of the company as on June 30, 2019.

Disclosers under Para 3 of Schedule XI, Part II of the Companies Act. 1994

Salary Range (Monthly)	Officer & Staff		Workers'	Total Employee's
	Head Office	Branch Office		
Below Tk. 3,000/-	N/A	N/A	N/A	N/A
Above Tk. 3,000/-	49	64	-	113

Disclosure as per requirement of Schedule XI, Part II, Para 3 of the Companies Act 1994

Requirements under condition No.	Compliance status of Disclosure Schedule XI, Part II, Para 3
3(i)(a) The turnover	84,743,992
3(i)(b) Commission paid to selling agents	Nil
3(i)(c) Brokerage and discount of sales, other than the usual trade discount	Nil
3(i)(d)(i) The value of the raw materials consumed, giving item-wise as as possible	N/A
3(i)(d)(ii) The opening and closing stocks of goods produced	N/A
3(i)(e) In the case of trading companies, the purchase made and the opening and closing stocks	N/A
3(i)(f) In the case of Companies rendering or supplying services, the gross income derived from services rendered or supplied	41,974,051
3(i)(g) Opening and closing stocks, purchases, sales and consumption of raw materials with	
3(i)(h) In the case of other companies, the gross income derived under different heads	N/A
3(i)(k) Interest on the debenture paid or payable to the Managing Director, Managing Agent and the Manager	Nil
3(i)(l) Charge for income tax and other taxation on profits	884,343
3(i)(m) Reserved for repayment of share capital and repayment of loans	Nil
3(i)(n)(i) Amount set aside or proposed to be set aside, to reserves, but not including provisions made to meet any specific liability, contingency or commitment, know to exist at the date as at which the balance sheet is made up.	Nil
3(i)(n)(ii) Amount withdrawn from above mentioned reserve	Nil
3(i)(o)(i) Amount set aside to provisions made for meeting specific liabilities, contingencies of commitments.	Nil
3(i)(o)(ii) Amount withdrawn from above mentioned provisions, as no longer required.	Nil
3(i)(p) Expenditure incurred on each of the following items, separately for each item: (i) Consumption of stores and spare parts (ii) Power and Fuel (iii) Rent (iv) Repairs of Buildings (v) Repairs of Machinery (vi) (1) Salaries, wages and bonus (2) Contribution to provident and other funds (3) Workmen and staff welfare expenses to the extent not adjusted from any previous provision or reserve.	Applicable expenses are disclosed under administrative expenses

Disclosures under Para 4 of Schedule XI, Part II of the Companies Act. 1994

Name of Directors	Designation	Remuneration	Tax
Mr. Sayeed Hossain Chowdhury	Chairman	12,000	1,333
Mrs. Shirin Huq	Director	10,000	1,111
Mr. Sajedur Seraj	Director	12,000	1,111
Prof. Dr. Mostafa Akbar	Director	14,000	1,112
Mr. Akteruzzaman	Director	2,000	1,112
Mr. A.H. M. Al-Faruq	Director	14,000	1,112
Mr. Kaiser Ali Talukder	Director	8,000	1,112
Total		72,000	8,003

Disclosures under Para 6 of Schedule XI, Part II of the Companies Act. 1994

- During the period amount paid to Auditor by the Company as;

Name of the Firm	Purpose	Year-2019	Year- 2018
ATA KHAN & CO. Chartered Accountants	Audit Fee	40,000	40,000

Disclosures under Para 7 of Schedule XI, Part II of the Companies Act. 1994

- During the period Capacity Utilization of the Company as.

Description of Product	Installed Capacity (Unit)		Actual Production (Unit)		Capacity Utilize (In %)	
	2019	2018	2019	2018	2019	2018
Service	N/A	N/A	N/A	N/A	N/A	N/A

Disclosures for Managerial Salary:

- Managerial salaries paid to top five officials of CEIL in last financial year are shown below:

Name	Designation	2019	2018
		Tk	Tk
Mr. Md. Jahangir Alam	DGM Operation	82,500	76,500
Mr. Hasan Ali	DGM Technical	82,500	76,500
Mr. Mohibur Rahman	Senior System Administrator	61,000	54,000
Mr. Md. Mangurul Islam	Senior manager network	55,000	49,000
Mr. Md. Intiajul Huq	Senior manager support	53,500	48,500

- Amount paid to all directors and all officials of ISNL in last financial year are shown below:

Particular	Nature of payment	2019	2018
		Tk	Tk
Directors	Board Meeting Attendance Fees	72,000	63,309
Directors	Remuneration	8,003	-
Officers	Salary & Other Allowances	24,034,162	22,476,012

Disclosure of Advance, Deposit and Prepayment of Schedule XI of Companies Act 1994

The details breakup of Advance, Deposit and Prepayments as per requirement of Schedule XI of the Companies Act.

Particulars	30.06.2019 (Taka)	30.06.2018 (Taka)
Advance, Deposit and Prepayments exceeding 6 months	24,376,760	24,376,760
Advance, Deposit and Prepayments not exceeding 6 months	-	-
Other Advance, Deposits & Prepayments less provision	-	-
Advance, Deposits and Prepayments considered Good and Secured	-	-
Advance, Deposits and Prepayments considered Good without Security	24,376,760	24,376,760
Advance, Deposits and Prepayments considered Doubtful or Bad	-	-
Advance, Deposits and Prepayments due by Directors	-	-
Advance, Deposits and Prepayments due by Other Officers (against Salary)	-	-
Advance, Deposits and Prepayments due from Companies under same management	-	-
Maximum Advance, Deposits & Prepayments due by Directors	-	-
Maximum Advance, Deposits & Prepayments due by Officers at any time	-	-

Details of Lease Agreement

Product Name	Lease From	Finance Amount (Taka)	Installment	Monthly Rental (Taka)	Rental Paid (Taka)	Future Payment (Taka)
N/A	N/A	N/A	N/A	N/A	N/A	N/A

Disclosure as per requirement of schedule XI, Part - I (A. Horizontal Form) of Companies Act 1994**Accounts Receivable**

In regard to sundry debtors the following particulars' shall be given separately:-

(i) Debt considered good in respect of which the company is fully secured

The debtors occurred in the ordinary course of business are considered good other than the amount disclosed in serial no. (iii) but no security taken from the parties.

(ii) Debt considered good for which the company hold no security other than the debtors personal security

Amount of such debt is BDT 102,972,598 as on 30 June 2019.

(iii) Debt due by directors of the company

There is no such debt in this respect as on 30 June 2019.

(iv) Debt due by Common Management

There are no amount due form sister company under common management as on 30 June 2019.

INFORMATION SERVICES NETWORK LIMITED

Details Information of Loan

As at 30 June 2019

SL No.	Name of Bank	Outstanding As at 30.06.19	Others Information						Nature of Security		
			Sanction Date	Sanction Limit	Expiry Date	Rate of Interest	Installment Size	Duration of Installment	Land	Other Assets	Guarantee
A. Long term loan											
1	Padma Bank Limited Ex Farmer Bank Limited	23,748,877	28-05-2015	350,000,000	06 August 2022	15%	743,968	monthly	0.6147 Katha	4148 Sft Floor Space at Banglamotor of TMC Building 4th Floor	Personal Guarantee of EX Managing Director.
Total long term loan		23,748,877									
B. Short term loan											
1	Padma Bank Limited Ex Farmer Bank Limited	21,454,130	12-11-2015	20,000,000	12-Nov-16	14%	N/A	N/A	0.2576 Katha	1731 Sft Floor Space at Banglamotor of TMC Building 4th Floor	Personal guarantee of EX Managing Director.
2	Other Than Bank	17,329,109	Different Date	N/A	N/A	Non-Interest bearing	N/A	N/A	No. security		
Total short term loan		38,783,239									
Grand Total		62,532,116									

INDEPENDENT AUDITORS' REPORT
TO
THE SHAREHOLDERS' OF GOLDEN KEY ISN PRIVATE LIMITED

Report on the Financial Statements

We have audited the financial statements of GOLDEN KEY ISN PRIVATE LIMITED which comprise the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of the GOLDEN KEY ISN PRIVATE LIMITED as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and other applicable rules and regulation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for audit opinion.

Other Information:

Management is responsible for other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The directors are responsible for those other information.

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

In connection with our audit of the financial statements, our responsibility is to read these other information and, in doing so, consider whether these other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and other applicable rules and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements:

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on other Legal and Regulatory Requirements:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c) the company's financial statements dealt with by the report are in agreement with the books of account.

Dated: Dhaka,
16 September 2019




M. N. ISLAM & CO.
Chartered Accountants

GOLDEN KEY ISN PRIVATE LIMITEDSTATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE, 2019

Particular	Notes	Amount in Taka	
		30 June 2019	30 June 2018
ASSETS			
Non-Current Asset			
Property, Plant & Equipment	4	35,369	41,611
Current Asset			
Security Deposits with T & T Board		10,000	10,000
Cash and cash equivalents	5	60,152	60,152
TOTAL ASSETS		105,521	111,763
SHARE HOLDERS EQUITY & OTHER LIABILITIES :			
Shareholders' equity			
Share capital (Paid up Capital)	6	200,000	200,000
Retained earnings		(3,567,052)	(3,550,810)
Non-current liabilities:			
Unsecured Loan	7	2,648,029	2,648,029
Current liabilities:			
Accounts Payable	8	824,544	814,544
TOTAL SHARE HOLDERS EQUITY & OTHER LIABILITIES :		105,521	111,763

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

(Signed)
Director

(Signed)
Managing Director

Dhaka, Bangladesh
Date: 16 September 2019



M. N. Islam
M. N. ISLAM & CO.
Chartered Accountants

GOLDEN KEY ISN PRIVATE LIMITEDSTATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE, 2019

PARTICULARS	NOTE	01-07-2018 to 30-06-2019	01-07-2017 to 30-06-2018
Turnover			
Less :			
Administrative Expenses	9.00	10,000	-
Depreciation on Fixed Assets (Annexure-A)		6,242	7,343
Amortization of Preliminary Expenses			
		16,242	7,343
Net Loss for the year		(16,242)	(7,343)
Add: Balance Brought forward from Previous year		(3,550,810)	(3,543,467)
Accumulated Loss Transferred to Statement of Financial Position		(3,567,052)	(3,550,810)

Dhaka, Bangladesh
Date: 16 September 2019

(Signed)
Director

(Signed)
Managing Director

Signed in Terms of Our Annexed Report of Even Date



M. N. Islam
M. N. ISLAM & CO.
Chartered Accountants

GOLDEN KEY ISN PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY
AS AT 30TH JUNE 2019

Particulars	Share Capital	Retained Earnings	Total Taka
As at 1st July 2018	200,000	(3,550,810)	(3,350,810)
Net profit for the Year	-	(16,242)	(16,242)
As at 30th June 2019	200,000	(3,567,052)	(3,367,052)

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)

Dhaka, Bangladesh
Date: 16 September 2019



GOLDEN KEY ISN PRIVATE LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE, 2019

PARTICULARS	Amount (In Taka)	
	01-07-2018 to 30-06-2019	01-07-2017 to 30-06-2018
A. <u>Cash flows from operating activities:</u>		
Payment for expenses	-	-
Total cash flow from operating activities	-	-
B. <u>Cash flows from investing activities:</u>		
Total cash flow from investing activities	-	-
C. <u>Cash flows from financing activities:</u>		
Total cash flow from financing activities	-	-
Net cash inflow/(outflow) for the year (A + B + C)	-	
Opening cash and bank balances	60,152	60,152
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: 16 September 2019



GOLDEN KEY ISN PRIVATE LIMITED

Notes to the Financial Statements

As at and For the Year ended 30th June, 2019

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).

4.00 Property, Plant & Equipment: Tk. 35,369

The above amount is made up as follows

Opening Balance at Cost
Add: Addition during the year
Closing Balance at Cost
Less : Accumulated depreciation up to 01.07.18

Less : Depreciation Charged for the year
Written down value as on 30.06.19

Amount (In Taka)	
30.06.2019	30.06.2018
798,820	798,820
-	-
798,820	798,820
757,209	749,866
41,611	48,954
6,242	7,343
35,369	41,611



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

5.00 Cash and Bank Balance : Tk. 60,152

This is made up as follows:

Cash in Hand
Cash at Bank
(AB Bank Ltd., New Eskaton Road Branch)

Amount (In Taka)	
30.06.2019	30.06.2018
59,693	59,693
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	Nos. of Shares	Amount (In Taka)	
		30.06.2019	30.06.18
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:

M/s. GK Soft Inc.
M/s. Information Services Network Ltd.

Amount (In Taka)	
30.06.2019	30.06.2018
1,012,686	1,012,686
1,635,343	1,635,343
2,648,029	2,648,029

8.00 Accounts and Other Payable : Tk. 824,544

This is made up as follows:

Interest on Unsecured Loan
Audit Fee Payable

814,544	809,544
10,000	5,000
824,544	814,544

9.00 Administrative Expenses : 10,000

This is made up as follows:

Audit Fees

01-07-2018 to 30-06-2019	01-07-2017 to 30-06-2018
10,000	5,000
10,000	5,000

