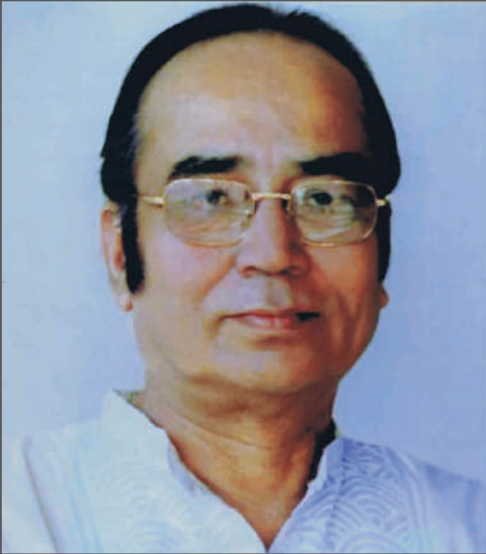


ANNUAL REPORT | 2020-2021



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, 848322785~8, Fax: 880-2-9345460

Web: <https://www.bangla.net>

Notice of the 26th Annual General Meeting

Notice is hereby given that the **26th Annual General Meeting** of the Shareholders of **Information Services Network Limited** will be held on **23rd December 2021 (Thursday) at 11:30 a.m.** using **digital platform** through the Link **<https://isn.virtualagmbd.com>** (pursuant to BSEC Order No.SEC/SIMIRC/94-231/25 Dated 08 July 2020) to transact the following business:

1. To confirm the minutes of the 25th Annual General Meeting.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the period of 1st July 2020 to 30th June 2021 together with the Directors Report and the Auditors Report thereon.
3. To declare & approve No Dividend for the period of 1st July 2020 to 30th June 2021.
4. To elect/re-elect Directors in place of those who shall retire in accordance with law/rules.
5. To approve appointment of Statutory/External Auditor for the year 2021-22 and fix up their remuneration.
6. To approve appointment of Corporate Governance Code Compliance Auditor for the year 2021-22 and fix up their remuneration.
7. To transact any other business with the permission of the Chair.

All shareholders are requested to attend the digital platform Annual General Meeting (AGM) on the time and date mentioned above

Dated, Dhaka
December 06, 2021

By order of the Board

Sd/-

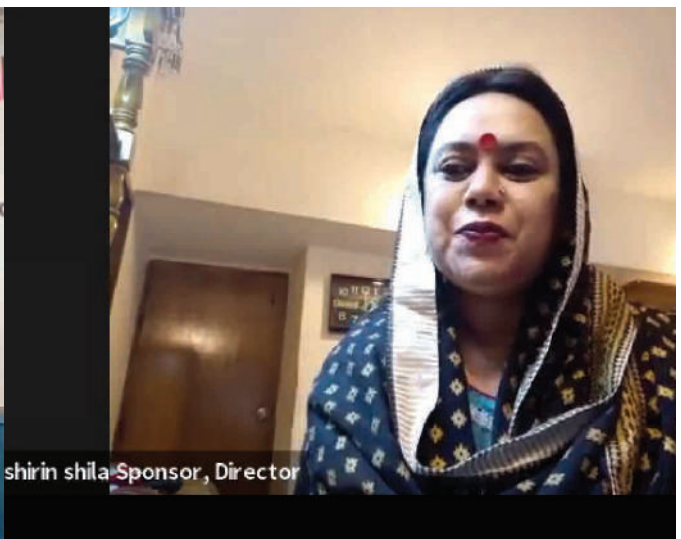
(Fakhrul Islam Bhuiyan)
Company Secretary (CC)

Notes:

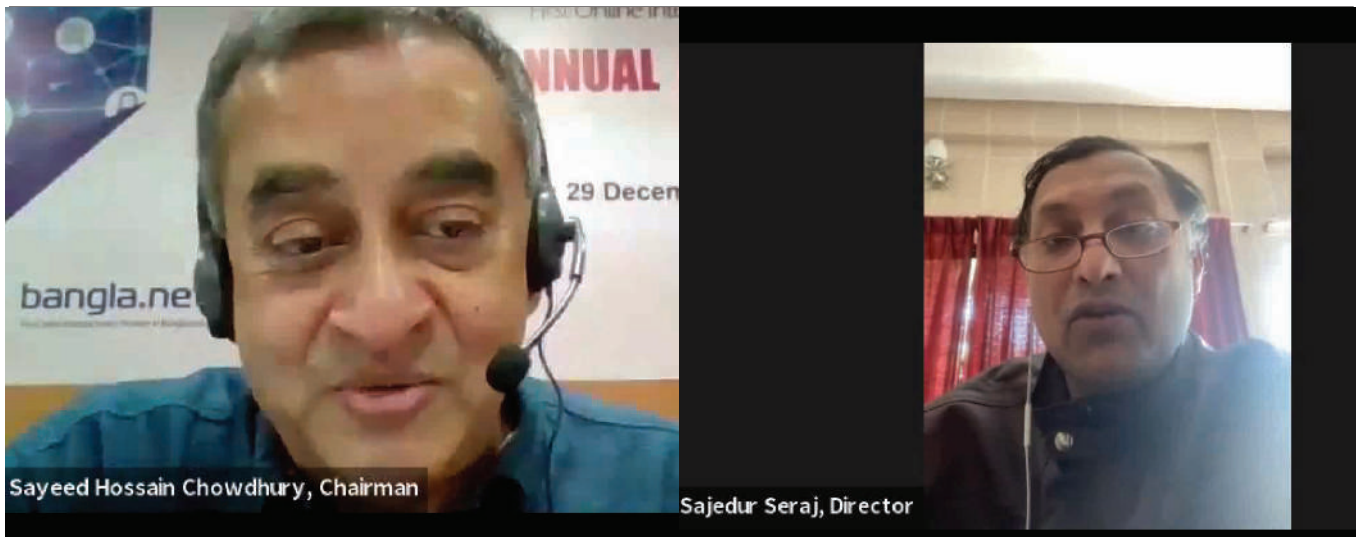
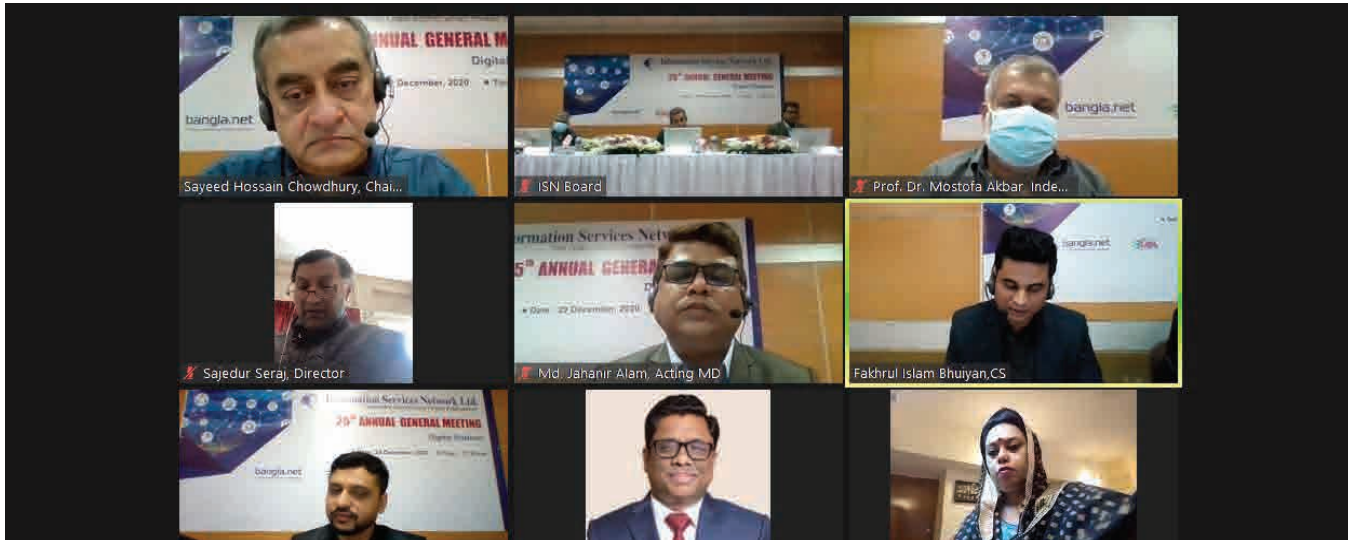
1. 25th November, 2021 (Thursday) has been scheduled as Record Date. The shareholders whose names would appear in the Register of Shareholders of the Company or in the Depository on the "Record Day" (25th November, 2021) will be eligible to attend the AGM.
2. A Shareholder entitled to attend/participate and vote at the Annual General Meeting may appoint a proxy on his/her behalf. Scanned copy of the proxy form, duly signed and stamped shall be sent through email at secretary.isn@bangla.net.bd 48 (forty-eight) hours before the meeting.
3. The Shareholders can log into the link <https://isn.virtualagmbd.com> by using their BO A/C number and will be able to submit their queries or comments 24 (twenty-four) hours before the meeting. For any IT related guidance in this regard Shareholders may contact cell number +8801719-488090.
4. Soft copy of the Annual Report 2020-21 will be emailed to respective Shareholder's email ID available in their BO A/C. The Annual Report will also be available in the Company's website at www.bangla.net. All Shareholders are requested to notify change of address, if any, to the Depository Participant in time.

In compliance with the Circular No: SEC/CMRRCD/2009-193/154 dated 24 October 2013 issued by BSEC, no benefit in cash or kind shall be offered to the members during the Annual General Meeting.

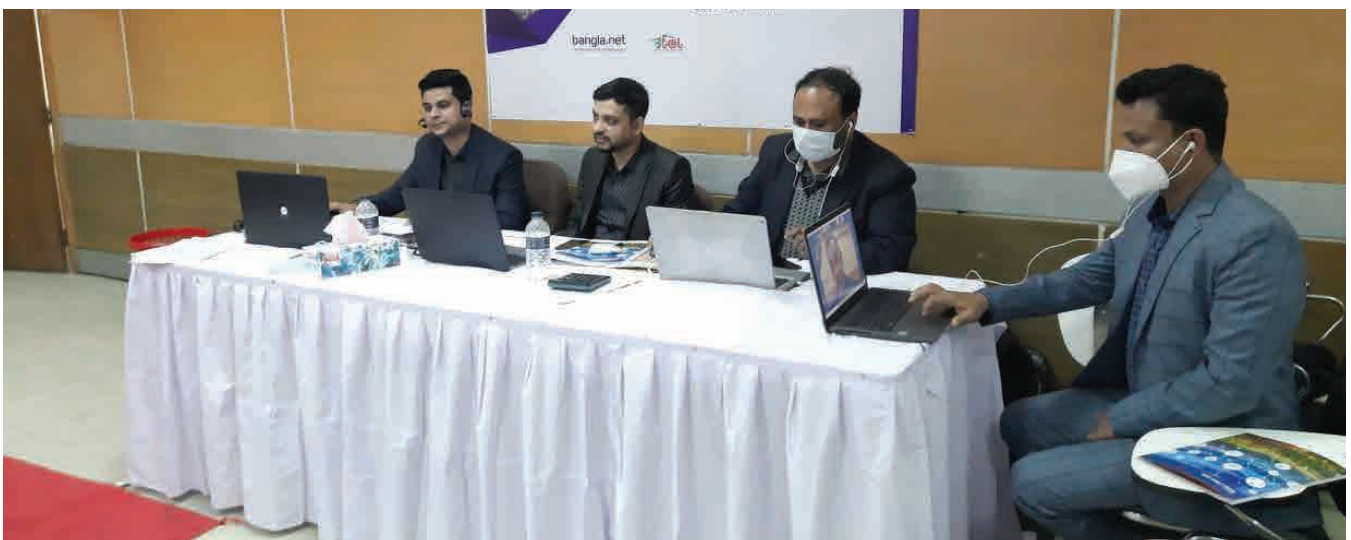
AGM 2019-2020



AGM 2019-2020



AGM 2019-2020



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)



Dr. Md. Mostofa Akbar
(Independent Director)



Dr. Kaisar Ali Talukder
(Independent Director)



Mr. Al-Amin
(Independent Director)



Mr. Md. Jahangir Alam
(Managing Director, Acting)

Audit Committee



Dr. Md. Mostofa Akbar
Member



Mr. Al-Amin
Chairman



Dr. Kaisar Ali Talukder
Member

Nomination & Remuneration Committee (NRC)



Dr. Md. Mostofa Akbar
Member



Dr. Kaisar Ali Talukder
Convener



Mr. Sajedur Seraj
Member

Company Secretary (CC)
Head of Finance/CFO
General Manager (Operations)
Sr. System Administrator
In-Charge Gulshan Office
In-Charge Motijheel Office
Statutory/External Auditor
Corporate Governance Auditor
Bankers

Insurers
Stock Exchanges

: Mr. Fakhru Islam Bhuiyan
: Mr. Abul Kalam Azad
: Mr. Md. Jahangir Alam
: Mr. Mohibur Rahman
: Mr. Md. Monzur Ahamed
: Mr. Md. Maniruzzaman
: M/s. Khan Wahab Shafique Rahman & Co.
: M/s. Shafiq Basak & Co.
: Mercantile Bank Ltd.
National Credit & Commerce Bank Ltd.
Padma 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

BRIEF PROFILE OF DIRECTORS



Mr. Sayeed Hossain Chowdhury
(Chairman & Sponsor Director)

Mr. Sayeed Hossain Chowdhury

Unlike traditional feudal, 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 News-paper 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 of 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 product, distribution, insurance, housing finance, merchant banking, information technology, etc. Export performance of HRC in the tea sector has earned Mr. Chowdhury the Government CIP honor 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 ‘JaiJai Din’ and he was the Chairman of ‘One Bank Limited’. He is a Sponsor Shareholder of Bangladesh General Insurance Company Limited. Mr. Chowdhury is the Ex-president of Bangladesh Oceangoing Ship owners Association (BOG-SOA). He is also a member of the British Institute of Management.

Recognitions:

National

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

International

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

FELLOWSHIP

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



Ms. Shirin Huq

(Vice-Chairman & Sponsor Director)

Ms. Shirin Huq

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



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. Sajedur Seraj

(Shareholder Director)

Mr. Sajedur Seraj

Mr. Sajedur Seraj joined Information Services Network Limited 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 Associatship Award from Chartered Institute of Bankers, UK. Currently he is working to get fellowship under Chartered Institute of Bankers, UK.

Mr. Seraj Joined Elite Garments Industries Limited 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 becomes the vice president of AB Bank. He became the Deputy Managing Director of Octagon Fibers & Chemicals Limited and Elite Group of Industries in 2005. He also served as a board of Director of BGIC and the Purchase and Disciplinary Committee of Bangladesh Cricket Control Board.

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



Dr. Md. Mostofa Akbar
(Independent Director)

Dr. Md. Mostofa Akbar

Educated both in home and abroad Dr. Md. 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, Bangladesh University of Engineering and Technology (BUET). He has completed his PhD 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 (Three) books on Statistics and 1 (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, and Tele-Barta etc. He is also involved in System Analysis, Design, Tender Vetting, Tender Evaluation, Software Development, Testing of different Software Projects.



Dr. Kaisar Ali Talukder
(Independent Director)

Dr. Kaisar Ali Talukder

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



Mr. 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 19 (Nineteen) 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 18 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. Md. Jahangir Alam
(Managing Director, Acting)

Mr. Md. Jahangir Alam

Mr. Md. Jahangir Alam has been engaged in ISN Limited from the very beginning and he brings with him more than 24 years of experience in business development & operation of ISP Sector. He was appointed to this company as Customer Support Executive in 1998 after graduation. In the beginner Mr. Alam was obsessed with the admirable service to his company's customers and then spent his initial years gaining a deeper understanding about ISN's core business with a strong focus on sales & service activities, in line with his educational background.

He has been working on multiple leadership roles with Innovation and Strategy in different responsibility of ISN as Head of Khulna Divisional Office, Head of Sales & Marketing, DGM -Operation and currently serving as General Manager of the Company. His deep functional experience along with a long and absolutely field level combination skilled career helped him in launching an integral part of this organization and his dream is to establish ISN Limited as one of the most successful IT Company in the Country.

Mr. Alam obtained with his Masters in Business Administration in 2007 from the University of South Asia. He is the Chairman of Genuine Homes Limited (A Building Construction and Developer Company).

Chairman's Message

In the name of the Almighty Allah

As-salamu alaikum,

Honorable Shareholders, it's given me immense pleasures welcome you to the 26th Annual General Meeting (AGM) of Information Services Network Limited (ISN) and conveys my greetings to all of you.

In a time of unprecedented economic uncertainty due to the COVID-19 pandemic, ISN displayed exceptional resilience by continuing to deliver services to valuable customers throughout 2020-21. We remain focused on sustaining the strength and efficiency of our services and ensuring the continuity of vital and reliable services to our customers across the country.

ISN Limited has had the opportunity to leverage shared knowledge, expertise and experience since its earliest days and continues to advance its operating platforms. While working to mitigate the immediate impacts of the COVID-19 pandemic on our services, we are not allowing this short-term disruption to distract us from our long-term goals.

We've seen significant success in our business over the last six months as we continued to expand our networking capabilities. I am proud of what we have achieved this year in the face of some enormous challenges. I hope, ISN will emerge as a stronger and more resilient and purposeful company in near future.

The company has also efficiently maintained a clean balance sheet through a highly disciplined approach. Although this year's financial position & performance is not looking good at all but we are doing it in the greater interest of the shareholders to present a more transparent balance sheet.

On behalf of the Board, I would like to take this opportunity to thank all the employees of ISN for their extraordinary contributions during the year amidst a very challenging period and environment. I also want to express gratitude to our shareholders as well as our customers, partners, suppliers, regulatory authorities and the communities where we operate, for supporting ISN.

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



Sayeed Hossain Chowdhury
Chairman & Sponsor Director

Directors' Report

To the shareholders for the period from 1st July 2020 to 30th June 2021

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 26th Annual General Meeting of **Information Services Network Limited (ISN)**, 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 of 1st July 2020 to 30th June 2021 with the Auditors Report for your kind consideration.

COMPANY'S OPERATION

The company was run by a group of senior employees with the supervision of the directors of the company. The directors are giving voluntary service to revive 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.

Corona Virus related respiratory disease commonly known as COVID-19 is a global pandemic declared by World Health Organization (WHO) on 11 March 2020 and the government of Bangladesh was declared countrywide Lockdown on March 26, 2020. Since then Lockdown or restriction on movements have been imposed several times and it has been going on at regular intervals. As a result all business and economic activities are adversely affected which has also made an impact on ISN Limited as well. Being a corporate customer based entity; COVID-19 has had a significant impact on our operation. Most of corporate client's office was closed during the Lockdown or restriction on movements. Therefore, the Company could not collect bill and in the meantime, a significant amount of revenue have not been generated. Meanwhile, as per the instructions of the Government, we continued our office activities as an emergency service during the countrywide Lockdown.

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.

MARKETING & BUSINESS DEVELOPMENT

ISN Limited has taken a new drive to serve the corporate clients such as Bank, Insurance and Leasing companies which has multiple offices. The company has been recruited new marketing personnel and also expands its network coverage to Feni, Noakhali, Laxmipur and the Chattogram. As there is increased revenue in the last half of the year we are hopeful to do more investment for reliable service through redundancy and for more coverage of the network across the country.

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.

SOFTWARE

It is to be understood that this company continued to work on customized software. The company is earning revenue by supporting open source product while providing internet services. Software defined network is the start of the art technology in providing service to the customers. Thus the earned revenue for the company is actually due to maintain software for routers, C-Panel, DNS Server, e-mail server, web server etc. The software team of the company is also earning revenue through software development such as database development, website development and installation of IP telephony platform.

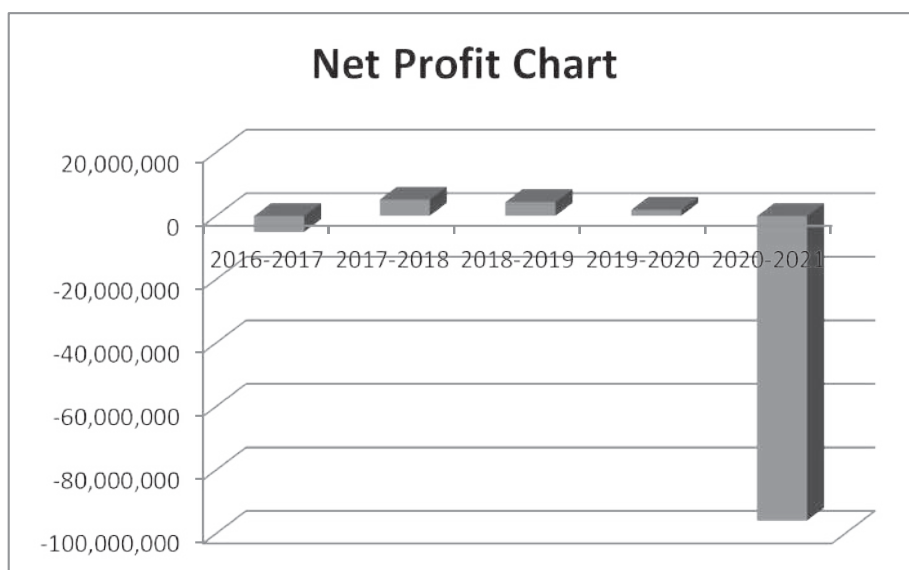
FINANCE

Finance department follows the International Accounting Standards (IASs) along with International Financial Reporting Standards (IFRSs) as well as the guidance of Bangladesh Securities and Exchange Commission (BSEC) and continues to comply with notifications, directives 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 every aspects 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: <https://www.bangla.net/investors-corner>

COMPANY PERFORMANCE

The company performs well but this year it incurred a net profit/(Loss) before TAX of Tk. (90,642,541.00) for the period of 1st July 2020 to 30th June 2021. This is because we have been given a treatment of prior year adjustment. Note that, the gross profit is TK. 51,518,049.00 for the same period.

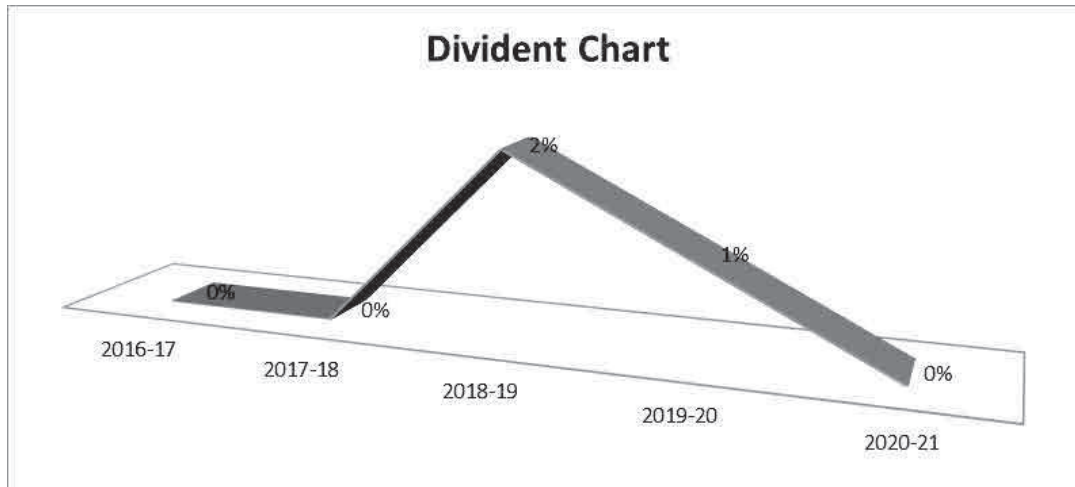
Year (July to June)	Net Profit After Tax (in Taka)
2016-2017	(5,650,036)
2017-2018	5,190,900
2018-2019	4,404,794
2019-2020	1,969,449
2020-2021	(92,288,604)



DECLARATION OF DIVIDEND

As the company incurred a net profit/(Loss) after tax of TK. (92,288,604.00) and Retained Earnings is TK. (103,493,970.00) the Board of Directors recommended NO Dividend for the period 1st July 2020 to 30th June 2021.

Year wise dividend declaration pattern from 2016-17 to 2020-21 are provided here:



INDUSTRY OUTLOOK AND FUTURE PLAN

Following future plans has been set by the management of ISN

- Establishment of Branch offices in all the Divisional cities.
- Expansion of offices in the district of Feni and Cox's Bazar.
- Expansion of the network in 19 greater districts of the country except Chattogram Hill Tracks.
- Establishment of new business of Server and network equipment solution provider.
- Establishment of new business in Security Solutions.
- Establishment of Branch office in Savar.
- To have a IIG with a partner so that ISN can purchase bandwidth in cheaper price
- To be a partner of the network establishment in Dhaka City so that connection can be extended to any location of the Dhaka City.
- Establishment of own Face book and YouTube server

Products & Services

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

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

- **Virtual Private Network (VPN) Services:** This system uses encryption and other security mechanisms to ensure that only authorized users can access the network and that the data cannot be intercepted. This solution is ideal for Corporate Offices who are in need of giving access to mobile workers or any other 3rd party securely.
- **Web Solutions:** ISN develops web sites that offer a broad array of resources and services, such as email, forums, suggestions and online shopping malls. Professionals in developing corporate websites that leads towards reduced customer service cost and attract new employees to the organization. ISN also provides Domain Registration, Web Hosting and Maintenance services as per client requirements.
- **Networking Services:** Our network solutions based on office LAN (Local Area Network) allows information sharing among all employees regardless of where information is stored. We are providing shared applications like email, calendar and task scheduling and other features to aid collaboration in the office; Customized security options and access permissions to safeguard centralized data; High-speed fiber optic network for fast and error-free data transfer etc.
- **Data Services:** ISN Ltd specializes in data services for medium to large businesses with multiple office locations in need of inter-office collaboration and efficient data sharing. Some features of Data Communication are - Net meeting, video phone and other inter-office communication/ collaboration facilities; Shared applications like email, calendar and task scheduling and other features to aid collaboration in the office; Direct link or ISN server aided citywide robust network; Customized security options and access permissions to safeguard centralized data; Powerful high-bandwidth fiber optic network for fast and error-free data transfer in large volumes etc.
- **Server Co-location:** ISN provides Server Co-location service clients to place their server ISN office for better security, safety, data speed in the state-of-the-art data center.
- **IP Telephony:** ISN announces the IP Telephony communication services, Branding 'BTTEL' into Bangladesh market. Information Services Network Ltd (ISN) combines voice, data and Internet services over the same connection for maximum value and flexibility.
- **BTTEL** 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 BTTEL 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 BTTEL 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 BTTEL 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.

FUTURE OUTLOOK, PLAN OR PROJECTION

Internet Bandwidth price is the lowest in the country now. In the meantime, on the Directions of the Ministry of Posts and Telecommunications, we had to offer a minimum package of Tk. 500/-, 800/- & 1,200/-. 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 emphasizes the need of reaching new customers in new geographic locations including at District and Police Station 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. The Board also looking for:

- Install full-featured integrated ERP software for business process automation,
- Strengthen risk management and control system, through implementation of Enterprise Risk Management (ERM) Framework, and Framework for Internal Control,
- Reengineer business processes for eliminating redundancies in resource utilization e.g. time, cost, staff etc.,
- Formulate effective strategies for boosting up revenue and market penetration, etc.

SEGMENT WISE PERFORMANCE:

ISN Limited itself is operating its business in a single economic segment. The breakup of consolidated sales figure/Operating Revenue, Gross Profit and the Net Profit is as described here.

Year	Operating Revenue	Other Income	Gross Profit	Net Profit
2020-21	103,796,791	5,409,380	51,518,049	(92,288,604)
2019-20	86,760,686	3,804,597	43,921,884	1,969,449

OPERATING EXPENSE, GROSS PROFIT & NET PROFIT MARGIN

The Statement of Profit or Loss and Others Comprehensive Income shows that the Operating Expenses for the period ended 30th June 2021 (July 2020 to June 2021) is Tk. 52.28 Millions against Tk.42.84 millions for the same period of last financial year. Gross Profit for the period ended 30th June 2021 (July 2020 to June 2021) is Tk.51.52 millions against Tk. 43.92 millions for the same period of last financial year. Net Profit after tax for the period ended 30th June 2021 (July 2020 to June 2021) is Tk. (92.29) millions against Tk.1.97 millions for the same period of last financial year.

RISKS AND CONCERN

The company is always aware of that business is subject to variety of risks and uncertainties e.g. industry risk, liquidity risk, market risk, operational risk, interest rate risk, exchange rate risk and potential changes in global or national policies etc. Although IT is a flourishing sector with great potential in Bangladesh, it also has its own risk factors like all other businesses.

In this respect, ISN Limited has well defined its risk management policies and introduced periodic monitoring system that act as an effective tool in mitigating various risks to which our businesses are exposed to in the course of its day-to-day operations as well as in its strategic actions.

DISCLOSURE ON DISCUSSION ON COGS, GPM, NPM:

The Board discussed on regarding the Cost of Goods sold/Operating Expense, Gross Profit Margin and the Net Profit Margin.

DISCLOSURE REGARDING EXTRA-ORDINARY GAIN OR LOSS

There was no extra-ordinary gain or extra-ordinary loss during the year 2020-21.

DISCLOSURE REGARDING RELATED PARTY TRANSACTION:

In ordinary course of business, related party transactions take place with other entities that fall within the term 'related party' as defined in IAS 24: The Board discussed in relation to related party transactions. But they find no significant related party transactions in this period. Moreover a statement on the related party transactions has been disclosed under Schedule XI of the notes to the financial statements.

EXPLANATION/DISCLOSURE REGARDING UTILIZATION OF PROCEEDS FROM PUBLIC ISSUES, RIGHTS ISSUES AND/OR ANY OTHER INSTRUMENTS

ISN Limited went for IPO in 2002 and after that the company did not raise any fund by any sort of public offerings up to June 30, 2021. Therefore, no explanation is required in this connection.

DISCLOSURE REGARDING VARIANCE BETWEEN QUARTERLY FINANCIAL PERFORMANCE AND ANNUAL FINANCIAL STATEMENTS

There were some variances in the financial results from quarter to quarter. Moreover, there has been some deviation due to the Corona epidemic and there are also a Major prior year adjustment regarding Accounts Receivable/Written off Accounts Receivable and adjusted Accounts Payable and the Advances Deposits & Prepayments. Except it (the prior year adjustment) the variances are not very significant or material in nature.

DISCLOSURE ON REMUNERATION OF THE DIRECTORS:

The Directors including Independent Directors, all being Non-Executive Directors, are given only Meeting Attendance Fee. During the year 2020-21, a total amount of Tk. 127,780 was given to the Directors as Meeting Attendance Fee. However, in 2019-20 the amount was Tk. 40, 000.

DISCLOSURE ON PROPER BOOKS OF ACCOUNT MAINTAINED:

The Board assures that proper books of accounts as required by law have been kept and maintained by the company.

DISCLOSURE ON APPROPRIATE ACCOUNTING POLICIES AS WELL AS IASs & IFRSs:

The Board consistently applied appropriate Accounting Policies in preparation of the financial statements. In addition, the note on the appropriate Accounting policies has been disclosed under Policy Note no. 01 to 03 of the notes to the financial statements. The Board also assures that International Accounting Standards (IASs) or International Financial Reporting Standards (IFRSs), as applicable in Bangladesh, have been followed in preparation of the financial statements. It is also mentioned that, a statement of said disclosure added in Note No. 02.10 of the notes to the financial statements.

DISCLOSURE ON INTERNAL CONTROL SYSTEM

The Board states that the system of internal control is sound in design and has been implemented and monitored effectively.

PROTECTION OF NON-CONTROLLING/MINORITY SHAREHOLDERS:

The Board certifies that non-controlling or 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.

COMPANY'S ABILITY TO CONTINUE AS GOING CONCERN:

The Directors declare that there are no significant doubts upon the company's ability to continue as a going concern.

EXPLANATION OF SIGNIFICANT DEVIATION FROM THE OPERATING RESULTS OF LAST YEAR:

During the year, significant deviation has occurred from the operating results of last year of the company. COVID-19 was declared a global pandemic on the 11th March of the last year by World Health Organization (WHO). The government of Bangladesh was declared countrywide Lockdown on March 26, 2020. Since then Lockdown or restriction on movements have been imposed several times. Being a corporate customer based entity; COVID-19 has had a significant impact on ISN Ltd. Most of corporate client's office was closed during the Lockdown. The company could not generate large amount of bill. It is worth mentioning that there has a biggest effect from written off a large amount of Accounts Receivable that caused a significant deviation on Net Profit as compared with last year.

COMPARATIVE ANALYSIS OF FINANCIAL PERFORMANCE AND POSITION AS WELL AS CASH FLOWS WITH IMMEDIATE PRECEDING FIVE YEARS (2016-17 to 2020-21):

Particulars	2020-2021 (1 st July 2020 to 30 th June 2021)	2019-2020 (1 st July 2019 to 30 th June 2020)	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)
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.)	109,200,030	109,200,030	109,200,030	109,200,030	109,200,030
Share Holders Equity (Tk.)	26,990,001	123,970,826	141,569,684	137,164,890	155,821,455
Total Assets (Tk.)	115,595,371	212,181,050	213,368,031	214,193,974	236,526,682
Total Liabilities (Tk.)	88,605,370	70,825,918	71,798,347	77,029,084	81,501,070
Revaluation & Surplus (Tk.)	21,283,941	25,766,853	26,696,002	27,674,054	52,533,703
Total Revenue (Tk.)	109,206,171	90,565,283	91,427,690	95,067,597	74,369,329
Profit Before Tax (Tk.)	(90,642,541)	2,286,816	5,112,097	6,597,365	(5,102,202)
Net Profit After Tax (Tk.)	(92,288,604)	1,969,449	4,404,795	5,190,900	(5,650,036)
Book Value Per Share	10.00	10.00	10.00	10.00	10.00
% of Dividend	-	1% Cash	2% Cash	-	-
Current Ratio	0.46:1.00	2.34:1.00	2.39:1.00	2.70:1.00	0.42:1.00
Operating Ratio	100:50.37	100:47.30	100:47.23	100:45.38	100:44.79
EPS	Tk. (8.45)	Tk. 0.18	Tk. 0.40	Tk. 0.48	Tk. (0.52)
NOCPS	Tk. 1.72	Tk. 1.72	Tk. 1.23	Tk. 1.41	Tk. 1.03
NAVPS	Tk. 2.47	Tk. 12.96	Tk. 12.96	Tk. 12.56	Tk. 14.27

It is mentioned that, the Board compared and discussed such financial performance and financial position as well as cash flows with the peer industry scenario.

COMPARISON OF FINANCIAL PERFORMANCE WITH THE PEER INDUSTRY SCENARIO:

Details	ISN Limited (Audited till 30th June 2021)	INTECH Ltd. (Un-Audited 31st December, 2021)	DAFFODIL Computers Ltd. (Un-audited 31st March 2021)	AGNISYS M Ltd. (Un-audited 31st March 2021)	BDCOM Ltd. (Un-audited 31st March 2021)
	12 Months	6 Months	9 Months	9 Months	9 Months
Revenue (BDT in Millions)	109.21	49.24	272.22	227.44	179.56
Gross Profit (BDT in Millions)	51.52	26.77	61.23	71.53	96.63
Net Profit Before Tax (BDT in Mill.)	(90.64)	5.06	28.95	37.44	19.36
Net Profit After Tax (BDT in Millions)	(95.89)	5.05	24.52	34.98	15.83
Total Current Assets (BDT in Millions)	32.27	175.11	179.57	637.42	718.92
Total Assets (BDT in Millions)	115.60	194.36	768.40	1177.99	1,212.49
Total Equity (BDT in Millions)	26.99	340.68	695.09	1054.22	862.23
Total Current Liabilities (BDT in Mill.)	70.72	22.25	73.30	111.42	291.67
Net Operating Cash Flow (BDT in Mill)	18.77	15.39	95.43	33.43	84.26
Net Asset Value per share BDT (NAV)	2.47	10.88	13.93	14.53	15.86
EPS (BDT)	(8.45)	0.18	.49	0.48	0.70
NOCFPS (BDT)	1.72	0.49	1.91	0.32	0.29

***Financial information of peer companies is based on the data available on their website.**

EXPLANATIONS ON MODIFIED AUDIT REPORT:

The auditor's mentioned three finding on its modified opinion. The Board's responses based on auditor's opinion are as follows:

1. ISN Limited filled cases against namely Mojibul Huq & others, bearing case numbers C.R. Case No. 18 of 2019 & 19 of 2019. The Board asked the management to review the progress of case through regular communication with the assigned lawyer.
2. The Board has not yet met the requirement of jointly hold minimum 30% (thirty percent) Shares of the paid-up capital. The management presented the recent holding report from CDBL. As there is nobody in the list with 2% or more shares, the Board did not found anybody suitable as a new director of the company. But the Board is concerned about this requirement and sincerely looking for a way to comply with this condition.

ISN Limited has efficiently maintained a clean balance sheet through a highly disciplined approach. In connection to this, the Board has decided and given an effect to the Financial Statements as write off Tk. 92,947,273 of Accounts Receivable, Tk. 7,061,785 and Tk. 10,322,522 under the head 'Advances, deposits and prepayments and Accrued expenses' as prior year adjustments with Retained Earnings for the greater interest of the shareholders to present a more transparent balance sheet.

EXPLANATION/DISCLOSURE REGARDING RECOMMENDATION OF NO DIVIDEND

As per Bangladesh Securities & Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018 and 'BSEC' press release dated October 02, 2019- ISN Limited is not eligible to declare Cash Dividend in this year and so we could not recommend dividend. We are also not able to declare Stock Dividend for the same reason.

DISCLOSURE REGARDING BONUS OR STOCK DIVIDEND:

During the year 2020-21, no bonus share or stock dividend has been declared as interim dividend.

NUMBER OF BOARD MEETING HELD AND ATTENDANCE BY:

The Directors of ISN Limited meet on a regular basis. The number of Board Meeting and the attendance of Directors during the year 2020-21 were as follows:

SL. No.	Name of the Directors	Position	Number of meetings held	Number of meetings attended	Attendance in the last AGM
1	Mr. Sayeed Hossain Chowdhury	Chairman & Sponsor Director	7	5	Yes
2	Ms. Shirin Huq	Vice-Chairman & Sponsor Director	7	5	Yes
3	Mr. Suman Celine Huq	Sponsor Director	7	0	No
4	Mr. Sajedur Seraj	Shareholder Director	7	7	Yes
5	Dr. Md. Mostofa Akbar	Independent Director	7	7	Yes
6	Dr. Kaisar Ali Talukder	Independent Director	7	7	Yes
7	Mr. Al - Amin	Independent Director	7	7	Yes
8	Mr. Md. Jahangir Alam	Managing Director (Acting)	7	6	Yes

REPORT ON THE PATTERN OF SHAREHOLDING AS ON 30.06.2021

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 & Sponsor Director	892,462
Ms. Shirin Huq	Vice Chairman & Sponsor Director	220,054
Mr. Sajedur Seraj	Shareholder Director	5,46,306
Mr. Suman Celine Huq	Sponsor Director	239,403
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
Dr. Md. Mostofa Akbar	Independent Director	10,867
Dr. Kaisar Ali Talukder	Independent Director	4,601
Mr. Al - Amin	Independent Director	Nil
2 (b). CS, CFO, HIAC:		
Mr. Fakhurul Islam Bhuiyan	Company Secretary (CC)	Nil
Mr. Abul Kalam Azad	Head of Finance	Nil
Mr. Debbrata Ghosh	Head of Internal Audit	Nil
2 (c). Executives (top 5 salaried persons other than Directors/CEO/CS/CFO/HIA:		
Mr. Md. Jahangir Alam	GM (Operation)	Nil
Mr. Mohibur Rahman	Sr. System Administrator	Nil
Mr. Md. Mangurl Islam	Sr. Manager, Network & Operation	Nil
Mr. Md. Shariful Hoque	Sr. Manager, Sales & Marketing	Nil
Mr. Md. Emtiajul Huq	Sr. Manager Support & Call Centre	Nil
2 (d). Spouses and minor children		N/A
3. Shareholding 10% or more voting right		N/A

Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and others, (c) Executives & (d) Shareholding 10% or more:

SL. No.	Directors/Executives	No. of shares hold	Percentage of share holding position	Comments
b.1	Chief Executive Officer	Nil	N/A	-
b. 2	Chief Financial Officer	Nil	N/A	-
b. 3	Internal Auditor	Nil	N/A	-
b. 4	Company Secretary	Nil	N/A	-
C.	Executives	Nil	N/A	-
d.	Shareholding holding 10% or more voting rights	Nil	N/A	-

ELECTION of DIRECTORS

As per article 95 and in accordance with the prospectus of the company made public in February 2002 and Amended in 2018 and its subsequent development in AGMs the following Directors will retire and be eligible to offer themselves for re-election:

SPONSOR & SHAREHOLDER DIRECTOR:

1. Mr. Sayeed Hossain Chowdhury
2. Mr. Sumon Celine Huq

BRIEF PROFILE:

1. **Mr. Sayeed Hossain Chowdhury:** 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 of 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 product, distribution, insurance, housing finance, merchant banking, information technology, etc. Export performance of HRC in the tea sector has earned Mr. Chowdhury the Government CIP honor 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 ‘Jaijai Din’ and he was the Chairman of One Bank Limited. He is a Sponsor Shareholder of Bangladesh General Insurance Company Limited. Mr. Chowdhury is the ex-president of Bangladesh Oceangoing Ship owners Association (BOGSOA). He is also a member of the British Institute of Management.
1. **Mr. Suman Celine Huq:** He obtained the BBA and MBA 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 Limited Dhaka, Bangladesh (1996-1998).

INDEPENDENT DIRECTORS:

As per the BSEC’s Corporate Governance Guidelines dated 03 June 2018, (i) At least one fifth (1/5) of the total number of directors in the company’s board shall be independent directors, (ii) Independent Director(s) shall be appointment by the Board of Directors and approved by the shareholders in the Annual General Meeting (AGM), and (iii) the tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.

DISCLOSURE OF MANAGEMENT’S DISCUSSION AND ANALYSIS:

The Management discussed and analyzed details of the company’s position and operations along with changes in the financial statements.

DISCLOSURE REGARDING CHANGES IN ACCOUNTING POLICIES AND ESTIMATION:

During the year 2020-21, there are no changes in Accounting policies and Estimation.

THE FINANCIAL AND ECONOMIC SCENARIO OF THE COUNTRY AND THE GLOB.

The unstable global economy, rapidly growing inflation and fluctuating IT market had critical impact on business and its performance. Irrespective of these unpredictable and external elements, ISN limited has successfully retained its market reputation and always believed that technology and the wonders should be reachable to every part of the country and every citizen, irrespective of their identity. Our business strategy is aligned to the needs of our customers and the outcome they want to achieve. Hence, this mindset of ours has worked as a motivation to drive us towards expansion of the network albeit with limited resources. If do not consider the adjustment of written of Receivable, the overall financial position of the company has been positive this year.

DECLARATION OR CERTIFICATION BY THE CEO AND THE CFO TO THE BOARD.

The Details of discussion of declaration by the CHAIRMAN/CEO and Finance Controller/HEAD OF FINACNE is appended separately as per Annexure-A and the report as well as certificate regarding compliance of conditions as per Annexure-B and Annexure-C.

SUBSIDIARY OPERATIONS

A note regarding the subsidiary has been disclosed under Note no. 2.12 of the notes to the financial statements. It is worth mentioning that currently ISN has no subsidiary company.

MAINTAINING A WEBSITE:

ISN Limited maintains an official website and the website address is www.bangla.net. The company's website has riches of information and there is a section in the website named "Investor Corner" designed specifically for investors. It includes detailed coverage of the Board of Directors, share information, PSI, investor relation and the status of compliance etc. Quarterly, half-yearly and the annual financial statements are posted at the same of company's website to keep all the stakeholders informed about the company's financial results.

CONSOLIDATION OF ACCOUNTS:

It is worth mentioning that as per the decision of the 103rd Board Meeting and the subsequent approval of the shareholders in its 25th Annual General Meeting (AGM), ISN Limited has sold the full portion of the shares invested in its subsidiary company GK ISN (pvt.) Limited. This is because we have not prepared Consolidated Financial Statements and there have been no consolidation in this year.

CORPORATE SOCIAL REPONSIBILITY:

The Directors are sincere to discharge corporate responsibilities to the society. As a part of discharging corporate social responsibilities, ISN Limited has been sponsoring various welfare activities, besides patronizing cultural activities in the country since its inception.

MANAGEMENT DISCUSSION & ANALYSIS ON THE COMPANY'S POSITION AND OPERATION:**BUSINESS PLAN FOR 2021-22**

Keeping in view the effect of pandemic, ISN Limited has rewritten its business plan and strategy for survival and growth. Even in pandemic situation, we have been successful in staying ahead of the curve and we shall indeed remain vigilant in coming years. 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. More emphasis is now being given on Home Users. We are very confident that the coming year shall bring us prosperity and success in business.

HUMAN RESOURCE PRACTICES:

ISN Limited is committed to providing equal opportunities to all employees, irrespective of their gender, race, nationality, ethnic origin, or religion. ISN Limited is an inclusive employer and values diversity in its employees.

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 and the date of the same is 10 June, 2018.

AUDIT COMMITTEE:

The Committee plays an important role to ensure transparency, accountability in the operations of the Company and confirming that the activities are conducted within the framework of principles and policies as laid down by the Board, as well as the guidelines of the Securities and Exchange Commission's notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated June 03, 2018. The Audit Committee reviewed the financial statements of the company for the year ended 30th June, 2021 audited by the External Auditors stressing on the importance of the successful compliance within the company. Four meeting of Audit Committee was held during the year 2020-21.

NOMINATION AND REMUNERATION COMMITTEE (NRC):

In compliance with Notification No. BSEC/CMRRCD/2006-158/207/Admin and dated June 03, 2018 issued by the Bangladesh Securities & Exchange Commission, ISN Limited formed a Nomination and Remuneration Committee (NRC). The NRC is responsible or accountable to the Board and to the Shareholders of the Company. Two meetings of NRC were held during the year 2020-21.

(i) Audit Committee; and

SL	Name of Members	Designation	Committee Status	Meeting held	Attended	Remarks
1	Mr. Al – Amin	Chairman	Active	4	4	-
2	Dr. Md. Mostofa Akbar	Member	Active	4	4	-
3	Dr. Kaisar Ali Talukder	Member	Active	4	4	-

(ii) Nomination and Remuneration Committee:

Sl. No.	Name of Members	Designation	Committee Status	Meeting held	Attended	Remarks
1.	Dr. Kaisar Ali Talukder	Chairman	Active	2	2	-
2.	Dr. Md. Mostofa Akbar	Member	Active	2	2	-
3.	Mr. Sajedur Seraj	Member	Active	2	2	-

ADDITIONAL DISCLOSURES:**CORPORATE & FINANCIAL REPORTING;**

The Directors are pleased to conform the following:

- The financial statements of the company present true and fair view of its state of affairs, the result of its operation, cash flows and changes of equity.
- Books of accounts have been maintained properly as required by the law.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates were reasonable and prudent.
- The financial statements were prepared in accordance with International Accounting Standards (IAS)/ International Financial Reporting Standards (IFRS), as applicable in Bangladesh. Any departure there from has been adequately disclosed.
- The system of internal control is sound in design and effectively monitored.

APPOINTMENT OF STATUTORY AUDITORS

The existing auditor M/s. Khan Wahab Shafiq Rahman & Co. Chartered Accountants; shall retire in this AGM. The firm being eligible for re-appointment have offered their willingness to act as the auditor of the company for the year to be ended on 30th June 2022.

The Board of Directors recommended the re-appointment of M/s. Khan Wahab Shafiq Rahman & Co. Chartered Accountants; as auditor for the year to be ended on 30th June 2022 at a fee to be decided in this AGM.

Also the existing Corporate Governance auditor M/s. Shafiq Basak & Co. Chartered Accountants shall retire in this AGM. The firm being eligible for re-appointment have offered their willingness to act as the Corporate Governance auditor of the company for the year to be ended on 30th June 2022.

The Board of Directors recommended the re-appointment of M/s. Shafiq Basak & Co., Chartered Accountants; as Corporate Governance auditor for the year to be ended on 30th June 2022 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 Limited (DSE), Chittagong Stock Exchange Limited (CSE), and other Government & Regulatory Authorities 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 all of you with warm regards.

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



(Mr. AL - Amin)
(Independent Director)

Information Services Network Limited

For the year ended 30 June 2021

STATUS OF COMPLIANCE OF CORPORATE GOVERNANCE CODE

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission vide notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 issued under section 2CC of the Bangladesh Securities and Exchange Ordinance, 1969 is presented below:

Condition	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors			
1(1)	Size of the Board of Directors: The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓		
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.	✓		
1(2) (b) (i)	For the purpose of this clause "independent director" means a director who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company	✓		
1(2) (b) (ii)	Who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	✓		
1(2) (b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		
1(2) (b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		
1(2) (b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		
1(2) (b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		
1(2) (b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		
1(2) (b)(viii)	Who is not independent director in more than 5 (five) listed companies;	✓		
1(2) (b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	✓		

1(2) (b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	✓		
1(2)(ii) c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		
1(2)(ii) d)	the post of independent director(s) can not remain vacant for more than 90 (ninety) days	✓		
1(2) (ii) e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only: Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years];	✓		
1(3)	Qualification of Independent Director. -			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	✓		
1(3)(b)	Independent director shall have following qualifications:			
(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	✓		
(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	✓		
(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or	✓		
(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	✓		
(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	✓		
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	✓		
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.-			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		

1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
1(5)	The Directors' Report to Shareholders			
	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):-			
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, where applicable;	✓		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (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 raised through public issues, rights issues and/or any other instruments;			After IPO that the company did not raise any fund.
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			N/A
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓		
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		Subject to modified report of external auditor.
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		

1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	✓		
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:- (a) Parent or Subsidiary or Associated Companies and other related parties (name-wise details); (b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details); (c) Executives; and (d) Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	✓		
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders: - (a) a brief resume of the director; (b) nature of his or her expertise in specific functional areas; and (c) names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:	✓		
1(5)(xxv) (a)	accounting policies and estimation for preparation of financial statements;	✓		
1(5)(xxv) (b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		

1(5)(xxv) (c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1(5)(xxv) (d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1(5)(xxv) (e)	briefly explain the financial and economic scenario of the country and the globe;	✓		
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)	Meetings of the Board of Directors: The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		
2.	Governance of Board of Directors of Subsidiary Company. -			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			N/A
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			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)	(1) Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
3(2)	Requirement to attend Board of Directors' Meetings: The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief: (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4.	Board of Directors' Committee.-			
	For ensuring good governance in the company, the Board shall have at least following subcommittees: (i) Audit Committee; and (ii) Nomination and Remuneration Committee.	✓		

5.	Audit Committee.-			
5(1)	Responsibility to the Board of Directors.			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5(2)(c)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		
5(2)(e)	The company secretary shall act as the secretary of the Committee;	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	✓		Management will ensure for upcoming 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: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		

5(5)	Role of Audit Committee The Audit Committee shall:-			
5(5)(a)	Oversee the financial reporting process;	✓		
5(5)(b)	monitor choice of accounting policies and principles;	✓		
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5(5)(d)	oversee hiring and performance of external auditors;	✓		
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5(5)(h)	review the adequacy of internal audit function;	✓		
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	review statement of all related party transactions submitted by the management;	✓		
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		
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:			N/A
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any: -			
5(6)(a)(ii)(a)	report on conflicts of interests;			N/A
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;			N/A
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			N/A
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			N/A
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.			N/A

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.			N/A
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 subcommittee 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:	✓		Management will ensure in the upcoming 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)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6(5)(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	✓		
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.	✓		Management will ensure this matter in the 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: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓		
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 attached, in the directors' report whether the company has complied with these conditions.			



শফিক বসাক এন্ড কোং
SHAFIQ BASAK & CO.

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CHARTERED ACCOUNTANTS

Partners:

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Sampad Kumar Basak, FCA
Sarwar Mahmood, FCA
Sheikh Zahidul Islam, MBA, FCA

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**CERTIFICATE OF COMPLIANCE ON CONDITIONS OF THE CORPORATE GOVERNANCE GUIDELINES TO
THE SHAREHOLDERS OF
INFORMATION SERVICES 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 Services Network Limited** for the year ended on 30th June 2021. 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;
- 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
December 05, 2021




Md. Shafiqul Islam, FCA
Enrolment # 595
Partner
Shafiq Basak & Co.
Chartered Accountants

Information Services Network Limited
Declaration by CEO/MD and CFO

Annerure-A

Date: 26.07.2021

The Board of Directors

Information Service Network Limited
TMC Building, (4th floor)
52, New Eskaton Road
Dhaka - 1000.

Subject: Declaration on Financial Statements for the year ended on 30th June 2021.

Dear Sirs,

Pursuant to the condition No. 1(5) (xxvi) imposed vide the Commission's Notification No. SEC/CMRCD2006-158/207/Admin/80 dated June 03, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Information Services Network Limited for the year ended on 30th June 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -


(i) We have reviewed the financial statements for the year ended on 30th June 2021 and that to the best of our knowledge and belief:

(a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(b) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

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

Sincerely yours,



(Mr. Md. Jahangir Alam)
Managing Director (acting)



(Mr. Abul Kalam Azad)
Head of Finance

Report of the Nomination and Remuneration Committee (NRC)

The **Nomination and Remuneration Committee (NRC)** of **Information Services Network Limited** formed with the duties to nominate and consider remuneration for directors and Managing Directors and other top level employees to ensure transparency and fairness in accordance with the Corporate Governance Code of BSEC dated June 03, 2018 constituted the NRC comprised with the following members:

SL	Name	Position in the Committee
1	Dr. Kaisar Ali Talukdar	Chairman
2	Mr. Sajedur Seraj	Member
3	Dr. Md. Mostofa Akbar	Member

During the period of 1st July 2020 to 30th June 2021 the committee held 02 (two) meetings under review and transacted the following activities:

1. Reviewed the level and composition of remuneration of the company and opined that the level and composition of remuneration is competitive to attract, retain and motivate the Directors to run the company successfully.
2. Reviewed the relation between remuneration and performance and opined that it is clear and meets appropriate performance benchmarks.
3. Reviewed the remuneration to key managerial personnel and senior management 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.
4. Took initiative to search and nominate two new Independent Directors as instructed by Bangladesh Securities and Exchange Commission's (BSEC) Directive.
5. Took initiative to formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.

Acknowledgement

The Nomination and Remuneration Committee expressed its sincere thanks to the members of the Committee, Board, Management and the employees for their support in carrying out the duties and responsibilities.



(Chairman)
The Nomination and
Remuneration Committee

Report of the Audit Committee

Composition of Audit Committee

In accordance with the currently accepted best practices and corporate governance guidelines of Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, the board appointed audit committee comprising of the following non-executive and independent directors to the company:

Name of Members	Position in the Committee	Position in the Board
Mr. Al –Amin	Chairman	Independent Director
Dr. Md. Mostofa Akbar	Member	Independent Director
Dr. Kaisar Ali Talukder	Member	Independent Director

Meetings of the Audit Committee

The Committee held 4 (four) meeting during the period of 1st July 2020 to 30th June 2021 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:

- overseen the financial reporting process;
- monitored choice of accounting policies and principles;
- monitored 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;
- overseen hiring and performance of external auditors;
- held meeting with the external/statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;
- reviewed along with the management, the annual financial statements before submission to the Board for approval;
- reviewed along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;
- reviewed the adequacy of internal audit function;
- reviewed the Management's Discussion and Analysis before disclosing in the Annual Report;
- reviewed statement of all related party transactions submitted by the management;
- reviewed Management Letters or Letter of Internal Control weakness issued by statutory auditors;
- overseen 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.

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


Chairman
Audit Committee

**Independent Auditor's Report
To the Shareholders of "Information Services Network Limited (ISN)"
Report on the Audit of the Financial Statements**

Qualified Opinion

We have audited the financial statements of **"Information Services Network Limited"**, which comprise the statement of financial position as at 30 June 2021, and 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 and explanatory information.

In our opinion, except for the effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of **"Information Services Network Limited"** as at 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Qualified Opinion

- (1) As disclosed in note 9.00 of notes to the financial statements an amount of Tk. 14,715,000 has been shown under two sub head namely Mujibul Huq and Others. The figure has been carrying forward for a long period without making any adjustment. ISN Ltd., filled cases against them, bearing case numbers C.R Case No. 18 of 2019 & C.R Case No. 19 of 2019. This amount seems to be doubtful in nature and adequate provision should have been made in the financial statements, but no provision has been made in connection with the matter.
- (2) The sponsors and Directors of the company are holding 21.62% share of the company and are continuing to hold the position of the directorship of the company ignoring the requirement of holding, at all time, jointly minimum 30% (thirty percent) shares of the paid up capital of the company violating BSEC notification no. BSEC / CMRRCD / 2009-193 / 217 / Admin / 90.
- (3) During the year the company has availed interest free loan of TK. 3,400,000 from the employees' provident fund violating Bangladesh Labour Act 2006 as amended on 2018.

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance these requirements and with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matters:

- (i) As per the decision of the Board in its 110th Board Meeting hold on 12.10.2021, Tk. 92,947,273 of Accounts Receivable has been written off through statement of profit or loss and other comprehensive Income for the year, for which profit and EPS have been significantly affected. Management has described the matter in note no. **03.03**, note no. **07.00** & note no. **37 (ii)** of notes to the financial statements.

- (i) An amount of Tk. 7,061,785 and Tk. 10,322,522 under the head “Advances, deposits and prepayments” and “Accrued expenses” respectively has been restated with beginning of the earliest prior year's Retained Earnings in accordance with **IAS-8**. Necessary disclosure and management's explanation about corresponding effect of the restatement has been shown in note no. **03.09, 03.14, 03.22, 03.23, 09.02, 14.00, 19.00 & 37.00 (ii)** of notes to the financial statements.
- (ii) We draw attention to note no. **30.00 & 31.00** of notes to the financial statements where management has described the reason of significant deviation in EPS and NAVPS respectively.
- (iii) We draw attention to **note no. 03.13** of notes to the financial statements where management has described possible effects of **IFRS-16** Leases.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our 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 Qualified Opinion* section we have determined the matters described below to be the key audit matters to be communicated in our report.

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole. Our opinion on the financial statements is not modified with respect to any of the key audit matters described below, and we do not express an opinion on these individual matters.

Depreciable lives of property, plant and equipment

The key Audit Matter

The company has Tk. 80,996,243 as Written Down Value (WDV) at Property, Plant and Equipment which stands at 70% of its total assets with new acquisitions of Tk. 11,879,050 made during the year. It usually the company policy to charge depreciation when property, plant and equipment become available for use as described in note 03.04 of the notes to the financial statements. The management used judgment to ascertain the timing of depreciation of the property, plant and equipment in few cases.

Depreciable lives of property, plant and equipment have been identified as a key audit matter because it requires the management to exercise significant judgment in relation to the estimate of depreciable lives of the assets considering the nature, timing and likelihood of changes to the technical factors which may affect the useful life expectancy of the assets and therefore it could have a material impact on the depreciation expense for the year.

Please refer to **Note 4.00 “Property Plant and Equipment”** of the notes to the financial statements for relevant details.

How the scope of our audit responded to the key audit matter:

Our procedures in relation to the depreciable lives of the property, plant and equipment included:

- Testing the key controls over the management's judgment in relation to the accounting estimates of the depreciable lives of property, plant and equipment.
- Assessing the management's estimates on the useful lives of property, plant and equipment with reference to:
 - (1) the consistency with the company's expected consumption pattern of economic benefits embodied in the respective assets and future operating plans including acquisitions and retirements of property, plant and equipment;
 - (2) the comparison to the policies adopted by other comparable entities operating in this area; and
 - (3) consideration of the company's historical experience.

Taxation

The key Audit Matter

The Statement of Profit & Loss and Other Comprehensive Income shows the income and expenditure is derived from operations in a systematic manner.

Given the company's exposure to complex tax issues, the high level of management judgment in estimating the amounts of provision for tax and involvement with regulatory authorities, taxation was considered to be a key audit matter.

Please refer to **Note 10.00 "Advance Income Tax"**, **Note 18.00 "Deferred Tax Liability"**, **Note 23.00 "Liability for Income Tax"** and **Note 24.00 "Provision for Current Income Tax"** to the financial statements for relevant disclosures regarding calculation and disclosure of taxation.

How the scope of our audit responded to the key audit matter:

We particularly focused on the impact of whether the tax provision was appropriately recognized; we conducted interviews with the company's tax personnel in order to assess the taxable income of the company. We re-performed the calculations made by the management regarding tax liabilities to ensure compliance with the provisions of Income Tax Ordinance, 1984 and checked the arithmetical accuracy of the calculations. We also carefully reviewed for any contingent liabilities to be included in the financial statements in this regard.

We also obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of deferred tax liabilities and the assumptions used thereon. We assessed key assumptions, controls, recognition and measurement of deferred tax assets. We also assessed the appropriateness of presentation of disclosures against **"Income Tax"**.

Impairment of property, Plant and equipment

The Key Audit matter

Property, plant and equipment (PPE) represent about **70%** of total assets of the Company which is thus a material items to the financial statements, PPE includes Internet Equipment, building and others being of total PPE which are sophisticated in nature. Being different in nature, there is a risk whether market value if those assets could materially fall because of non-marketability and arise risk of impairment.

Management's review regarding determination of impairment involves forecasting and discounting future cash flows and estimation of recoverable amounts which are inherently uncertain. This is one of the key judgmental areas that our audit has concentrated on.

Please refer to note 4.00 "Property, Plants and Equipments" to the financial statements.

How the scope of our audit responded to the key audit matter:

- Assessing the accounting estimates made of the different business models of the company.
- Assessing the design of the processes set up to account for the transaction in accordance with the new standard.
- Reviewed the management's assessment of impairment taking consideration of the future economic benefits of the assets.
- Reviewed the internal control system implemented by management for safeguarding of those assets.
- Tested on sample basis the physical condition of the assets whether the assets become idle, obsolesces, damage and there is a plant to discontinue or restructure the operation to which the assets belongs.

Revenue

The Key Audit matter

The company has made net revenue of Tk. 109,206,171 during the year. Revenue has increased due to increased demand from customers. Recognition of the revenue of **"Information Services Network Limited"** has been considered complex due to several types of contracts based mainly on corporate customers.

Please refer to Note 25.00 of the financial statements.

How the scope of audit responded to the key audit matter:

We have reviewed the company's revenue recognition policies, accounting guidelines and disclosures to assess conformity with IFRS 15 revenue from contracts with customers. We have tested relevant internal control used to ensure the completeness, accuracy and timing of revenue recognized including sales during the years end to ensure cut off has been properly maintained. We have applied analytical substantive procedures to establish, whether any revenue had been recognized where no corresponding accounts receivable or proceeds has been recorded in the general ledger.

Restatement of Statement of Financial Position

The Key Audit matter

Beginning of the earliest prior year's figures have been restated by the company due to error occurred before the earliest years for mistakenly recognised Advances, Deposits and Prepayments and wrongly omitted Accrued expenses, in line with IAS-8 "Accounting policies, Changes in Accounting Estimates and Errors." The said restatement is considered as complex because unroutined accounting treatment for the entity. Thus, as per para 40A and 40B of IAS 1, the company has restated and presented three statements of financial position as at:

- a) the end of the current year as on 30.06.2021;
- b) the end of the preceding year as on 30.06.2020;
- c) the beginning of the preceding year as on 01.07.2019.

Please refer to Note 03.22 & 03.23 of the financial statements.

How the scope of audit responded to the key audit matter:

- We have checked whether restatement has done in accordance with International Accounting Standards or not.
- We have checked the relevant calculation in connection of the restatement.
- We have applied further analytical and substantive procedures in relation to the matter.
- We have checked whether adequate disclosure has been made in the financial statements relating the issue.

Accounts Receivable

The Key Audit Matter

Accounts receivable of BDT **13,132,804** being about **11.36%** of the total assets of the Company is a material item to the financial statements.

There is a significant risk regarding recoverability of the amounts and misstatement of the items. As such, management is required to make judgments in determining whether accounts receivable are being appropriately valued and also need to make provision for aged accounts receivable, if required. The company has written off Tk. **92,947,273** through statement of profit of loss and other comprehensive income.

Please refer to note 7 to the financial statements.

How the scope of our audit responded to the key audit matter:

- Tested the operating effectiveness of key controls over accounts receivable.
- Being a part of auditor's responsibility as regarding external confirmation as per ISA 505, we requested for external confirmation.
- Tested on a sample basis the value disclosed according to the reply obtained.
- Assessed whether appropriate provisions have been recognized for aged accounts receivable, if required and evaluating management's basis for determining the recoverability.
- Checked board minutes in connection to written off balances & other formalities as well.

Impact of COVID-19 Pandemic

The Key Audit matter

In 2020, World Health Organization (WHO) declared a global pandemic due to corona Virus related respiratory disease commonly called as COVID-19. It has a big impact on imports, other procurement, production, export, and other activities of the Global business. The government of Bangladesh was declared a general holiday. To contain the spread of this disease, along with many other countries of the world, Government of Bangladesh has also taken a number of measures such as declaration of general holiday, enforcement of lock down, social distancing etc. As a result of these measures all business and economic activities are adversely affected which would also impact the company as well. Being a corporate customer based entity, COVID-19 has had a significant impact on ISN Ltd. Most of corporate client's office of ISN Ltd., was closed during the Lockdown.

The company has given disclosures related to the impact of the Covid-19 Pandemic in note no. 37 (i) of notes of the financial statements.

How the scope of audit responded to the key audit matter:

- Regarding COVID-19 pandemic effect on the operation of Information Services Network Ltd., we have compared the previous year Financial Statements figures with the current year to find out the impact of COVID-19 Pandemic on the Business & Turnover.
- We have communicated to company's management to find out COVID-19's impact on company's overall operation.
- We have also checked company's other related information to determine COVID-19's impact.

Other Information

Management is responsible for the other information. The other information comprises all of the information other than the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the 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 the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the board of directors of the Company.

Other Matter

As per the decision of the 103rd Board Meeting and the subsequent approval of the shareholders in its 25th Annual General Meeting (AGM), ISN Limited has sold full portion of its subsidiary GKISN Pvt Ltd (1,020 Shares Amounting Tk. 102,000) at same value, which was 51% of the paid up capital of Golden Key ISN Pvt. Limited. That is why, immediately after the AGM, ISN Ltd. did not have any subsidiary as on 30.06.2021. Therefore, the company has not presented consolidated financial statements for this year.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 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.

Auditor's 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- 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 company's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain 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 have determined 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 shall describe these matters in our auditors' 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, the Securities and Exchange Rules 1987 and other applicable laws and regulations, 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 accounts as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred and payments made were for the purposes of the company's business.

Dated, Dhaka
October 28, 2021



Khan Wahab Shafique Rahman & Co.

Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Faruk Ahmed FCA
Partner
Enrolment No.: 1591
Firm's Registration No.: 11970 E.P.
DVC Code:

INFORMATION SERVICES NETWORK LIMITED

Statement of Financial Position
As at 30 June 2021

Particulars	Notes	Amount in Taka		
		30.06.2021	30.06.2020	01.07.2019
ASSETS				Restated
Non-Current Asset		83,329,488	82,320,559	82,222,424
Property, Plant & Equipment	4	80,996,243	79,131,947	80,080,416
Intangible Asset	5	2,333,245	3,086,612	2,040,008
Investment	6	-	102,000	102,000
Current Asset		32,265,883	122,798,706	124,083,821
Accounts receivable	7	13,132,804	104,284,833	102,972,598
Accrued Interest	8	29,062	825,433	983,508
Advances, deposits and prepayments	9	16,196,574	16,784,823	17,314,975
Advance Income Tax	10	1,652,470	-	-
Cash and cash equivalents	11	1,254,973	903,617	2,812,740
TOTAL ASSETS		115,595,371	205,119,265	206,306,247
SHARE HOLDERS EQUITY & LIABILITIES				
Shareholders' equity		26,990,001	123,970,826	124,185,377
Share Capital (Paid up Capital)	13	109,200,030	109,200,030	109,200,030
General Reserve		-	-	2,000,000
Dividend Equalization Fund		-	-	1,000,000
Inflation & Currency Fluctuation Fund		-	-	1,000,000
Retained Earnings	14	(103,493,970)	(10,996,057)	(15,710,655)
Revaluation Surplus	15	21,283,941	25,766,853	26,696,002
Non-current liabilities:		17,885,689	15,288,771	16,910,340
Long Term Loan	16	13,872,809	14,869,706	16,427,746
Deferred Tax Liabilities	18	4,012,879	419,065	482,594
Current liabilities:		70,719,681	65,859,668	65,210,530
Accrued Expenses	19	16,666,918	15,879,306	14,256,397
Long Term Loan Current Portion	17	6,060,000	7,321,131	7,321,131
Liabilities for Other Finance	20	668,803	626,846	637,916
Unclaimed Dividend Account	21	2,059,904	2,059,904	2,059,904
Short Term Loan	22	43,438,563	39,299,458	38,783,239
Liability for Income Tax	23	1,825,493	673,023	2,151,942
Total Liabilities		88,605,370	81,148,439	82,120,870
TOTAL SHARE HOLDERS EQUITY & LIABILITIES		115,595,371	205,119,265	206,306,247
Net Asset value par share (NAVPS)	30	2.47	12.94	12.96
Net Asset value par share (NAVPS) - Restated	30(a)	-	11.35	11.37

The annexed notes form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 28 October 2021 and were signed on its behalf by:


Head of Finance


Company Secretary


Director



Managing Director (Acting)


Vice Chairman

Signed in terms of our annexed report of even date.

Dated, Dhaka
28 October, 2021




Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Faruk Ahmed FCA
Partner
Enrolment No.: 1591
Firm's Registration No.: 11970 E.P.
DVC Code: 2111141591AS541051

INFORMATION SERVICES NETWORK LIMITED
STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME
For the year ended on 30 June 2021

Particulars	Notes	Amount in Taka			
		ISP	IPTSP	Total 2020-2021	2019-2020
Revenue from sales and services	25	102,862,138	934,653	103,796,791	86,760,686
Less: Operating Expenses	26	51,494,605	784,137	52,278,742	42,838,802
Gross Profit		51,367,533	150,516	51,518,049	43,921,884
Administrative & Other Expenses		138,460,663	1,986,253	140,446,916	38,851,486
Administrative Expenses	27	138,460,663	1,986,253	140,446,916	38,851,486
Operating Profit		(87,093,130)	(1,835,737)	(88,928,867)	5,070,398
Financial Expenses		(7,123,054)	-	(7,123,054)	(6,588,179)
Net profit/ (Loss) before other operating Income		(94,216,184)	(1,835,737)	(96,051,921)	(1,517,781)
Other Operating Income	28	5,409,380	-	5,409,380	3,804,597
Net profit/(Loss) before Tax for the year		(88,806,804)	(1,835,737)	(90,642,541)	2,286,816
Deferred Tax Income	29.01	6,407	-	6,407	63,529
WPPF & WF		-	-	-	-
Provision for Income tax	24	-	-	(1,652,470)	(380,896)
Net profit / (Loss) after tax for the year		(88,800,397)	(1,835,737)	(92,288,604)	1,969,449
Other Comprehensive Income	29	(3,600,220)	-	(3,600,220)	-
Deferred Tax Expense On Revaluation Reserve of Depreciable Assets	29.02	(3,732,624)	-	(3,732,624)	-
Deferred Tax Income On Depreciation of Revalued Assets	29.03	132,404	-	132,404	-
Total Comprehensive Income		(92,400,618)	(1,835,737)	(95,888,825)	1,969,449
Earning Per Share (EPS)	31			(8.45)	0.18

The annexed notes form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 28 October 2021 and were signed on its behalf by:


Head of Finance


Company Secretary


Director


Managing Director (Acting)


Vice Chairman

Signed in terms of our annexed report of even date.

Dated, Dhaka
28 October, 2021



Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Faruk Ahmed FCA
Partner
Enrolment No.: 1591
Firm's Registration No.: 11970 E.P.
DVC Code: 2111141591AS541051

INFORMATION SERVICES NETWORK LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

Particulars	Share capital	Retained Earnings	Revaluation Surplus	General Reserve	Dividend Equalization Fund	Inflation and Currency Fluctuation Fund	Total Taka
As at 01 July 2020	109,200,030	(10,996,057)	25,766,853	-	-	-	123,970,826
Less: Deferred Tax Expense On Revaluation Reserve of Depreciable Assets	-	-	(3,732,624)	-	-	-	(3,732,624)
Add: Net profit for 1st July 2020 to 30th June 2021	-	(92,288,604)	-	-	-	-	(92,288,604)
Less: Depreciation charged on revaluation	-	882,692	(882,692)	-	-	-	-
Add: Deferred Tax Income On Depreciation of Revalued Assets	-	-	132,404	-	-	-	132,404
Dividend	-	(1,092,000)	-	-	-	-	(1,092,000)
As at 30 June 2021	109,200,030	(103,493,970)	21,283,941	-	-	-	26,990,001

FOR THE YEAR ENDED ON 30 JUNE 2020

Particulars	Share capital	Retained Earnings	Revaluation Surplus	General Reserve	Dividend Equalization Fund	Inflation and Currency Fluctuation Fund	Total Taka
As at 01 July 2019 (Restated)	109,200,030	(15,710,655)	26,696,002	2,000,000	1,000,000	1,000,000	124,185,377
Revaluation Deficit & Others	-	-	-	-	-	-	-
Net profit for 1st July 2019 to 30th June 2020	-	1,969,449	-	-	-	-	1,969,449
Adjustment	-	4,000,000	-	(2,000,000)	(1,000,000)	(1,000,000)	-
Depreciation on revaluation	-	929,149	(929,149)	-	-	-	-
Dividend	-	(2,184,000)	-	-	-	-	(2,184,000)
As at 30 June 2020	109,200,030	(10,996,057)	25,766,853	-	-	-	123,970,826

RESTATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED ON 01 JULY 2019

Particulars	Share capital	Retained Earnings	Revaluation Surplus	General Reserve	Dividend Equalization Fund	Inflation and Currency Fluctuation Fund	Total Taka
As at 01 July 2019	109,200,030	1,673,652	26,696,002	2,000,000	1,000,000	1,000,000	141,569,684
Less: Restated with Advances, deposits and prepayments due to related with previous years	-	(7,061,785)	-	-	-	-	(7,061,785)
Less: Restated with Accrued Expense due to related with previous years	-	(10,322,522)	-	-	-	-	(10,322,522)
As at 01 July 2019 - Restated	109,200,030	(15,710,655)	26,696,002	2,000,000	1,000,000	1,000,000	124,185,377


Head of Finance


Company Secretary


Director


Managing Director (Acting)


Vice Chairman

Dated, Dhaka
28 October, 2021



Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Faruk Ahmed FCA
Partner
Enrolment No.: 1591
Firm's Registration No.: 11970 E.P.
DVC Code: 2111141591AS541051

INFORMATION SERVICES NETWORK LIMITED

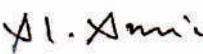
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

Particulars	Notes	Amount (In Taka)	
		2020-2021	2019-2020
A. Cash flows from operating activities:			
Collection from turnover and other income	35	105,745,284	88,502,359
Payment for cost and expenses	36	(78,363,976)	(68,916,835)
TAX Paid		(500,000)	(1,279,051)
Cash recover from Advance and deposit		(8,108,879)	530,152
Total cash flow from operating activities		18,772,429	18,836,625
B. Cash flows from investing activities:			
Acquisition of fixed assets		(11,879,050)	(8,839,104)
Dividend received		-	-
Addition of intangible assets		(352,004)	(2,081,574)
Cash received from disposal of fixed asset		-	-
Sell of Investment		102,000	-
Total cash flow from investing activities		(12,129,054)	(10,920,678)
C. Cash flows from financing activities:			
Long Term loan		(5,950,000)	(4,830,000)
Dividend paid		(998,614)	(2,031,407)
Security Money Received		-	60,000
Short term loan from bank/(refund)		656,594	(3,023,663)
Total cash flow from financing activities		(6,292,020)	(9,825,070)
Net cash inflow/(outflow) for the year (A + B + C)		351,355	(1,909,123)
Cash & Cash equivalent at the beginning of the year		903,617	2,812,740
Cash & Cash equivalent at the end of the year		1,254,973	903,617
Net operating cash flow per share (NOCFPS)	32	1.72	1.72

The annexed notes form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 28 October 2021 and were signed on its behalf by:


Head of Finance


Company Secretary


Director


Managing Director (Acting)


Vice Chairman

Dated, Dhaka
28 October, 2021



Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Faruk Ahmed FCA
Partner
Enrolment No.: 1591
Firm's Registration No.: 11970 E.P.
DVC Code:2111141591AS541051

INFORMATION SERVICES NETWORK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 30 JUNE, 2021
"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, 1994 on 16th August 1995, vide registered No. C-29029(317)/95 as a public limited company. 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 2002. Information Services Network Limited provides Bandwidth under ISP license vide No. BTRC/LL/ISP-Nationwide(1)ISN/2008-22. The company also engage in sale of software, implementation & maintenance the same.

02.00 Significant Accounting policies and Basis of preparation

The consolidated 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 in accordance with the applicable international Financial Reporting Standards (IFRSs) including international Accounting Standards (IAS) as issued by International Accounting Standards Board (IASB) and International Accounting Standards Committee (IASC) and adopted by the institute of Chartered Accountants of Bangladesh (ICAB).

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 and Supplementary Duty Act, 2012:

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 Consolidated 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) Statement of financial position as at June 30, 2021;

ii) Statement of profit or loss and other comprehensive income for the year ended 30 June 2021;

iii) Statement of Changes in equity for the year ended 30 June 2021;

iv) Statement of Cash Flows for the year ended 30 June 2021;

v) Notes to the financial statements, containing Significant accounting policies and other explanatory information for the year ended 30 June 2021.

02.03 Basis for Measurement of Elements of Consolidated 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 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 on adjustment to reflect the change.

02.07 Reporting Period

The financial period of the company cover the period from 01 July 2020 to 30 June 2021 in accordance with the requirements of the notification no. No. BSEC/CMRRCD/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.

02.08 Going Concern

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

02.09 Statement of Cash Flows

Statement 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 non operation items and for the net changes in operating accruals also been presented in separate note no. 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 is applied for the company from the IFRS and IAS issued by International Accounting Standard Board (IASB) and International Accounting Standards Committee (IASC) 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 Errors.	IAS-8	Applied
Events After The Reporting Period	IAS-10	Applied

Income Taxes	IAS-12	Applied
Property, Plant and equipment	IAS-16	Applied
Employee Benefits	IAS-19	Applied
Borrowing Costs	IAS-23	Applied
Related Party Disclosure	IAS-24	Applied
Financial Instrument Presentation	IAS-32	Applied
Earning Per Share (EPS)	IAS-33	Applied
Impairment	IAS-36	Applied
Provision, Contingent Liabilities and Contingent Assets	IAS-37	Applied
Intangible Assets	IAS-38	Applied
Financial Instrument: Disclosures	IFRS-7	Applied
Financial Instrument	IFRS-9	Applied

02.11 Risk and Uncertainties for use of estimates in preparation of Financial Statements

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

- 2.12** ISN Limited invested on GK (ISN) Limited's shares in 1999 and holds its 51% of paid up capital. But unfortunately the said company could not start their operation and was remained dormant. As Per the decision of the 103rd Board Meeting and the subsequent approval of the shareholders in its 25th Annual General Meeting (AGM), ISN Limited has sold the full portion of the shares invested in GK ISN (pvt.) Limited.

It is worth mentioning that, as per the decision of Board Meeting and subsequent approval of AGM; ISN Limited sold out full portion of the (1020) shares. Since ISN has sold all of its shares of its Sister Concern, thus, GK ISN (pvt.) Limited has no longer a Sister Concern of ISN Limited. This is because we have not prepared Consolidated Financial Statement in this year.

03.00 Significant accounting policies

03.01 Revenue Recognition

With Compliance of IFRS 15, revenue has been recognized by applying the following five steps:

1. Identify the contract with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price
5. Recognize revenue when (or as) a performance obligation is satisfied.

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 Accounts Receivables

Accounts Receivable are initially recognized at cost which is the fair value of the consideration given for them. After initial recognition these are carried at cost, impairment losses due to uncollectible of any amount so recognized is written off, firstly against any provision available and then to the statement of Profit or loss and other Comprehensive Income. Subsequent recoveries of amounts previously provided for credited to the statement of Profit or Loss and Other Comprehensive Income.

Accounts Receivable of Tk 92,947,273 deemed to be uncollectible/irrecoverable & no longer recoverable has been written off during this year. The decision has been taken by the Board of directors in its 110th Board Meeting, dated 12.10.2021. No expected credit loss was found during the year following IFRS-15.

03.04 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 IAS 23: Borrowing Costs. No addition was made during the year.

03.05 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". Depreciation on addition has been calculated when available for use. 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%

The Company re-valued office floor space details of which are as follows:

- Effective date of Re-valuation :- 31.12.17**
- Independent Valuer:- ATA KHAN & CO. (Chartered Accountants)**
- Class of Property, Plant & Equipment Re-Valued:- Office floor space**
- Written down value before Re-valuation:- Tk. 53,830,364.00**
- Revalued amount after Revaluation:- Tk. 29,982,900.00**
- Changes in Revaluation Surplus:- Tk. 23,847,465.00**
- Revaluation report has been attached with the financial statements on that year.**

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

03.06 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.

03.07 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 Straight Line Method at 20% of the cost of intangible assets.

03.08 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 Profit or Loss & Other Comprehensive Income, which is determined with reference to the book Value of the assets and net sales proceeds.

03.09 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.

(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.

As per the decision of the Board in its 110th Meeting dated 12.10.2021, Tk. 7,061,785 against Advances, deposits and prepayments has been restated with retained earnings due to related with prior year's preceeding years.

(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.

03.10 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.

03.11 Taxation

Income tax expense is recognized in statements of profit or loss & other comprehensive income and accounted for in accordance with the requirement of IAS 12: Income Taxes.

a) Current Tax

Current tax has been calculated in accordance with requirement of Income tax Ordinance 1984 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 Statements 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".

Deferred Tax on Revaluation Reserve of Depreciable Non Current Assets and Deferred Tax on depreciation of Revalued Assets have been recognised this year.

03.12 Employee Benefits

However the company has defined contributory plan for "Provident Fund". the recognition of the provident fund is under process.

03.13 Implication of IFRS-16 Leases

The company currently has lease agreements in connection with the rent of the branch offices. The leases are short term leases with different tenure and cancellable contract. As such, the leases are not treated as Right of Use Assets (ROU). However, the effect of IFRS 16 is very immaterial compared to the volume of whole financial statements. Our all contracts are cancellable contract and the effect of lease is not material.

03.14 Accrued Expenses and other payable

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

As per the decision of the Board in its 110th Meeting dated 12.10.2021, Tk. 10,322,522 against Accrued expenses has been restated with retained earnings due to related with prior year's preceeding years.

03.15 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 Profit or Loss and other 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

This represents the number of ordinary shares outstanding at the beginning of the period plus the number of ordinary shares issued during the period (of any) 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.

03.16 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.

03.17 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.

03.18 Cash and Cash Equivalents

Cash and Cash equivalents comprise cash in hand and demand deposits, together with highly liquid investments that ate 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.

03.19 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.

03.20 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. There is no events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified:

Adjusting Events: - those that provide evidence of conditions that existed at the end of the reporting period.

Non adjusting Events: - those that are indicative of conditions that arose after the reporting period.

03.21 Comparative Information and General

Comparative figures have been shown to ensure better comparability with the current period.

03.22 Presentation of Restated financial statements

As per para 40A and 40B of IAS 1, the company has restated and presented three statements of financial position as at:

- a) the end of the current year as on 30.06.2021;
- b) the end of the preceding year as on 30.06.2020;
- c) the beginning of the preceding year as on 01.07.2019.

03.23 Restatement Disclosure as per Para 49 of IAS 8

Previous year's figures have been restated due to error occurred before the earliest years for mistakenly recognised Advances, Deposits and Prepayments and mistakenly omitted Accrued expenses, in line with IAS-8 "Accounting policies, Changes in Accounting Estimates and Errors."

Following disclosures is given as per Para-49 of IAS-8:

a) Nature of the prior year preceeding years error: Advances, Deposits and Prepayments has been mistakenly recognised and Accrued Advance has been mistakenly omitted.

b) For each prior year preceeding years presented, to the extent practicable, the amount of the correction.

i) For each financial statements line item affected:**A. As at 1st July 2019**

- a) Advance, Deposits and Prepayments has been credited and Retained earnings has been debited by Tk. 7,061,785.
- b) Accrued expense has been credited and Retained earnings has been debited by Tk. 10,322,522.

ii) If IAS 33 applies to the entity for basic and diluted earnings per share:

	01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019
EPS	0.18	0.40



Since the corrections are made through retained earnings, the restatement has no effect on EPS.

c) The amount of the correction at the beginning of the earliest prior period presented:

- i) Advance, Deposits and Prepayments has been credited and Retained earnings has been debited by Tk. 7,061,785.
- ii) Accrued expense has been credited and Retained earnings has been debited by Tk. 10,322,522.

d) If retrospective restatement is impracticable for a particular prior year preceeding years, the circumstances that lead to the existence of that condition and a description of how and from when the error has been corrected:

No impracticable event/condition was occurred for the above case.

4.00 Property, Plant & Equipment**Opening Balance at Cost**

Add: Addition during the year

Less: Adjustment during the year

Closing Balance

Less: Accumulated depreciation up to 30.06.2021

Written down value as on 30.06.2021

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

5.00 Intangible Asset (Software)**Opening Balance at Cost**

Addition During the Year

Closing Balance**Less: Total Amortization**

Opening Balance

Charged during this year

Balance as on 30.06.2021**6.00 Investment****Opening Balance**

Add: Investment made during the year

Less: Adjusted during the year

Closing Balance

As per the decision of the 103rd Board Meeting and the subsequent approval of the shareholders in its 25th Annual General Meeting (AGM), ISN Limited has sold out full portion (1,020 Shares Amounting Tk. 102,000) as same value, which was 51% of the paid up capital of Golden Key ISN Pvt. Limited.

7.00 Accounts receivable**Balance as on 01.07.2020**

Add: Addition during the year

Less : Received during the year

Less: Accounts Receivable written off during the year

Less: Bad debt Expenses during the year

Balance as on 30.06.2021

As per the decision of the Board in its 110th Board Meeting dated 12.10.2021, Tk. 92,947,273 of Accounts Receivable from various customers which has been carried forward since long is now deemed to be no longer recoverable. Thus it has been written off during the year.

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

Particulars	Amount (In Taka)			
	2020-2021		2019-2020	
	Below six months	Over six Months	Below six months	Over six Months
Internet Bill (DSL)	1,733,000	3,600,814	1,233,000	27,616,563
Internet Bill (D/U)	67,200	90,655	35,000	16,630,214
Software Sales	1,663,300	4,607,820	860,300	20,553,191
Networking & IT Solutions	176,400	274,700	120,400	15,385,255
IP Phone Bill	119,000	227,312	77,000	3,854,506
Data Service Bill	75,300	85,301	43,300	7,716,877
Fax Bill	-	-	-	62,633
Web Hosting & Development	198,800	213,202	108,000	10,316,594
	4,033,000	9,099,804	2,477,000	102,135,833
Less: Bad debt Expenses	-	-	-	328,000
	4,033,000	9,099,804	2,477,000	101,807,833
Total		13,132,804		104,284,833

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

Amount In Taka		
30.06.2021	30.06.2020	01.07.2019
-	809,544	809,544
29,062	15,889	173,964
29,062	825,433	983,508

Details of Interest receivable on FDR have been shown in "Annexure-C & D".

As per the decision of the 103rd Board Meeting and the subsequent approval of the share holders in its 25th Annual General Meeting (AGM), ISN Ltd. has written off the interest receivable from GKISN amounting Tk. 809,544.

9.00 Advances, deposits and prepayments

Loan to GKISN (Note 9.01)
Loan to Mr. Mujibul Huq
Advance and Prepayments (Others) (Note 9.02)
Other Receivables (Note 9.03)
Total

Restated

-	1,635,343	1,635,343
2,500,000	2,500,000	2,500,000
1,481,574	434,480	964,632
12,215,000	12,215,000	12,215,000
16,196,574	16,784,823	17,314,975

Related party disclosure

As per the decision of the 103rd Board Meeting and the subsequent approval of the shareholders in its 25th Annual General Meeting (AGM), ISN Ltd. has written off the Loan to GKISN amounting Tk. 1,635,343.

9.01 Loan A/C (GKISN)

Opening Balance
Add: Addition during the period
Less: Adjustment during the period
Closing Balance

1,635,343	1,635,343	1,635,343
-	-	-
(1,635,343)	-	-
-	1,635,343	1,635,343

9.02 Other advances and Prepayments

Balance as on 01.07.2020
Less: Restated with retained earnings due to related with prior year's preceding years

Restated		
434,480	964,632	9,129,330
-	-	7,061,785
434,480	964,632	2,067,545
1,822,351	2,871,558	319,470
2,256,831	3,836,190	2,387,015
775,257	3,401,710	1,422,383
1,481,574	434,480	964,632

Add : Addition during the period

Less : Recovered during the period

Balance as on 30.06.2021

As per the decision of the Board in its 110th Meeting dated 12.10.2021 , Tk. 7,061,785 has been Restated with retained earnings due to related with prior year's preceding years.

Details of the above amount:

Advances & Prepayments (A)
Earnest Money (B)

Restated		
1,195,590	417,465	902,617
285,984	17,015	62,015
1,481,574	434,480	964,632

Details are as under:**A. Advance & Prepayments:**

Seba House
Azmeri Builders
Ms.Sabera
Advance VAT
Songjog ISP Association
Staff Advance (Salary)
POP Rent

1,195,590	417,465	902,617
348,723	190,508	402,368
-	10,000	65,000
17,000	22,000	22,000
86,267	48,357	250,649
100,000	100,000	100,000
31,600	46,600	62,600
612,000	-	-

B. Earnest Money

Others (DNCC & PWD)

285,984	17,015	62,015
285,984	17,015	62,015

Grand Total (A+B)

1,481,574	434,480	964,632
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9.03 Other Receivable

Mrs. Zakia Huq against 2521 (Sft) Floor Space
Closing Balance as of 30.06.2021

12,215,000	12,215,000	12,215,000
12,215,000	12,215,000	12,215,000

10.00 Advance Income Tax**Opening balance as on 01.07.2020**

Add : Addition during the year

Less: Adjustment during the year

Balance as on 30.06.2021**11.00 Cash and cash equivalents**

Cash in hand

Cash At Bank (11.01)

Total**11.01 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

FDR One Bank

Details are as under:**Social Islami Bank Ltd.**

(AC.No.551330001649)

AB Bank Ltd

AC.No.4006281727000

AC.No.4006281727001

NCC Bank Ltd

AC.No.00110210010537

AC.No.00020210003420

AC.No.0280210005295

AC.No.0100210001413

AC.No.0120210001153

AC.No.0270210000960

AC.No.0130210001205

AC.No.170210002166

AC.No.220210006629

AC.No.0621001562

AC.No.2102100006157

Eastern Bank Ltd.

AC. No.1051070004202

AC. No. 2001070116130

Mercantile Bank Ltd

AC. No.013411100002378

AC. No.00870210001494

Export Import Bank

AC.NO. 01411100175056

Mutual Trust Bank

AC.NO. 00870210001494

Amount In Taka		
30.06.2021	30.06.2020	01.07.2019
-	-	-
1,652,470	-	-
1,652,470	-	-
-	-	-
1,652,470	-	-
347,926	711,888	388,181
907,047	191,729	2,424,559
1,254,973	903,617	2,812,740
139,020	(14,892)	282,730
145,905	147,284	148,665
279,299	400,094	328,223
7,184	46,810	162,815
(1,084,270)	(1,678,351)	(1,391,105)
7,022	8,172	9,091
20,324	20,324	20,324
14,357	13,407	7,381
55,551	334,484	351,964
383,934	222,995	171,400
31,727	31,727	32,072
906,994	659,675	201,000
-	-	2,100,000
907,047	191,729	2,424,559
139,020	(14,892)	282,730
145,905	147,284	148,665
80,337	81,027	81,717
65,568	66,257	66,948
279,299	400,094	328,223
27,087	226,567	25,622
20,240	20,240	20,240
25,717	25,717	24,097
139,140	59,880	182,215
35,150	35,725	32,430
1,950	1,950	1,950
9,898	9,898	9,898
-	-	14,420
10,660	10,660	7,855
9,457	9,457	9,457
-	-	39
7,184	46,810	162,815
6,878	7,568	8,258
306	39,242	154,557
(1,084,270)	(1,678,351)	(1,391,105)
(1,183,396)	(1,822,900)	(1,470,521)
99,126	144,549	79,416
7,022	8,172	9,091
14,357	13,407	7,381

Bangladesh Development Bank Limited

AC.No.520200000399

Amount In Taka		
30.06.2021	30.06.2020	01.07.2019
55,551	334,484	351,964

Pubali Bank Ltd.

AC.No. 277590102765

383,934	222,995	171,400
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Dhaka Bank Ltd

AC.NO1051000002438

31,727	31,727	32,072
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CDBL

20,324	20,324	20,324
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FDR

FDR One Bank

FDR One Bank

FDR One Bank

906,994	659,675	2,301,000
450,000	232,925	201,000
112,514	320,000	-
344,480	106,750	2,100,000

Total Cash At Bank

907,047	191,729	2,424,559
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12.00 Shareholders equity**12.01 Authorized capital**

500,000,000	500,000,000	500,000,000
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The Company has an authorized capital Tk. 500,000,000 divided into 50,000,000 Ordinary Shares of Tk. 10 each.

13.00 Paid-up capital

109,200,030	109,200,030	109,200,030
-------------	-------------	-------------

13.01 Issued, subscribed and paid-up capital

Paid up Capital balance as on 01.07.2020

Addition during the period

Paid up capital balance as on 30.06.2021

109,200,030	109,200,030	109,200,030
-	-	-
109,200,030	109,200,030	109,200,030

13.02 Market Price of Shares

The shares are listed with Dhaka Stock Exchange Ltd. and quoted at Tk 37.9 (Face value Tk. 10) On 30.06.2021 and Tk 33.8 (Face value Tk. 10) On 30.06.2020.

13.03 The Percentage of shareholding by different categories of shareholders is as follows

No. of Holders	Share Holding Pattern			
1303	less than		500	Shares
1498	501	to	5,000	Shares
171	5001	to	10,000	Shares
101	10001	to	20,000	Shares
29	20001	to	30,000	Shares
14	30002	to	40,000	Shares
5	40001	to	50,000	Shares
5	50001	to	100,000	Shares
12	100001	to	Above	Shares
3138	Total			

Sl No.	Particulars	No of Shares	Value of Shares	% 30.06.2021
1.	Director/Sponsors	2,360,895	23,608,950	21.62
2.	Institution	1,461,479	14,614,790	13.38
3.	General Public	7,097,629	70,976,290	65.00
Total:		10,920,003	109,200,030	100

14.00 Retained Earnings

	Amount In Taka		
	30.06.2021	30.06.2020	01.07.2019
			Restated
Balance as on 01.07.2020	(10,996,057)	(15,710,655)	1,673,652
Less: Restated with Advances, deposits and prepayments due to related with prior year's preceding years (Note - i)	-	-	(7,061,785)
Less: Restated with Accrued Expense due to related with prior year's preceding years (Note - ii)	-	-	(10,322,522)
	(10,996,057)	(15,710,655)	(15,710,655)
Add: Net profit during the year	(92,288,604)	1,969,449	-
Add: Transfer from General fund	-	2,000,000	-
Add: Transfer from Dividend Equalization fund	-	1,000,000	-
Add: Transfer from Inflation and currency fund	-	1,000,000	-
Add: Depreciation on revaluation	882,692	929,149	-
Less: Dividend paid	(1,092,000)	(2,184,000)	-
Balance as on 30-06-2021	(103,493,969)	(10,996,057)	(15,710,655)

Note -i: As per the decision of the Board in its 110th Meeting dated 12.10.2021 , Tk. 70,61,785 has been restated with Advances, Deposits and Prepayments due to related with prior year's preceding years.

Note-ii: As per the decision of the Board in its 110th Meeting dated 12.10.2021, Tk. 10,322,522 has been restated with Accrued Expense due to related with prior year's preceding years.

15.00 Revaluation Surplus

Opening Balance	25,766,853	26,696,002	27,674,054
Less: Deferred Tax Expense on Revaluation Reserve of Depreciable Assets	(3,732,624)	-	-
Less: Depreciation on Revaluation	(882,692)	(929,149)	(978,052)
Add: Deferred Tax Income on Depreciation of Revalued Assets	132,404	-	-
Closing Balance	21,283,941	25,766,853	26,696,002

16.00 Long Term Loan (Non-current portion):

Opening Balance	22,190,837	23,748,877	27,512,401
Add: Addition /(Adjustment) during the year/Interest Charge	(2,258,028)	(1,558,040)	(3,763,524)
Total Outstanding	19,932,809	22,190,837	23,748,877
Less: Current portion (Note - 17.00)	6,060,000	7,321,131	7,321,131
Non-current Portion	13,872,809	14,869,706	16,427,746

17.00 Long Term Loan (Current portion):

Current Portion of long term loan during the year	6,060,000	7,321,131	7,321,131
Closing Balance	6,060,000	7,321,131	7,321,131

18.00 Deferred tax liabilities

Opening Balance	419,065	482,594	659,635
Add: Deferred Tax Expenses / (Income) During the Year	3,593,814	(63,529)	(177,041)
Less: Deferred Tax Income on Historical Cost Assets (Through Profit or Loss Accounts) (Note-29.01)	(6,407)	(63,529)	(177,041)
Add: Deferred Tax Expense on Revaluation Reserve of Depreciable Assets (Through OCI) (Note-29.02)	3,732,624	-	-
Less: Deferred Tax Income on Depreciation of Revalued Asset (Through OCI) (Note-29.03)	(132,404)	-	-
Balance as on 30.06.2021	4,012,879	419,065	482,594

19.00 Accrued expenses**Balance as on 01.07.2020**

Add: Restated with retained earnings due to related with prior year's preceding years

Add: Addition during the period

Less: Paid / adjustment during the period

Balance as on 30.06.2021

Amount In Taka		
30.06.2021	30.06.2020	01.07.2019
		Restated
15,879,306	14,256,397	3,537,259
-	-	10,322,522
15,879,306	14,256,397	13,859,781
4,548,951	5,589,618	396,616
20,428,257	19,846,015	14,256,397
3,761,339	3,966,709	-
16,666,918	15,879,306	14,256,397

As per the decision of the Board in its 110th Meeting held dated 12.10.2021, Tk. 10,322,522 has been restated with retained earnings due to related with prior year's preceding years.

Detailed break-up is as follows:

			Restated
Salary and remuneration	2,289,558	2,184,982	1,552,570
Employee PF Contribution	111,872	104,829	95,072
Consultancy fees	75,000	3,000	40,000
POP Rent	224,763	1,200	34,000
Electricity	250,204	86,501	144,240
Mobile phone	6,758	6,758	47,952
Bandwidth charge	8,028,297	6,702,777	5,729,375
Data connectivity exp.	1,403,107	3,560,903	2,919,584
Office rent	375,644	91,124	104,980
Audit fees	90,000	110,000	119,695
Maintenance (Office)	199,887	3,240	14,528
Water	-	-	20,440
Printing	77,100	2,100	34,630
House Rent	4,000	4,000	18,700
Share Issue Expenditure	-	-	11,250
Membership Fee	175,000	-	-
License Fee	3,014,726	3,014,726	3,014,726
Meeting Attendance Fee (Directors)	81,113	-	-
Calling Carrying Charge (IPTSP)	259,890	3,166	350,905
Professional Fees	-	-	3,750
Grand Total	16,666,918	15,879,306	14,256,397

20.00 Liabilities for other finance

Security money (Internet)	128,592	128,592	68,592
Dividend Payable	245,979	152,593	-
Liabilities for purchase of vehicle	101,665	345,661	569,324
Liabilities for VDS	15,254	-	-
Liabilities for TDS	177,313	-	-
Total	668,803	626,846	637,916

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

21.00 Unclaimed Dividend Account

Opening Balance	2,059,904	2,059,904	2,059,904
Add: Addition during the year	-	-	-
Less: Adjustment during the year	-	-	-
Closing Balance	2,059,904	2,059,904	2,059,904

This note is given pursuant to Bangladesh Securities & Exchange Commission letter No. BSEC/SRMIC/2021-198/254 dated 19th October, 2021 ISN Limited has given notice to the shareholders according to BSEC Directive No. BSEC/CMRRCD/2021-.386/03 date 14th January 2021 & BSEC (CMSF) Rules 2021. Pursuant to the said BSEC Rules, the detail of the concerned shareholders/Investors whose unpaid/unclaimed/unsettled money were enlisted to transfer to 'Capital Market Stabilization Fund'(CMSF) uploaded in the 'Investment corner' sections of the company's website: <https://www.bangla.net>. It is mentioned that the amount of unclaimed dividend amounting Tk. 2,059,904 is related to financial year 2011. This is the aggregated balance of a vast classes of shareholders/Investors.

22.00 Short Term loan

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

Amount In Taka		
30.06.2021	30.06.2020	01.07.2019
23,251,431	21,970,349	21,454,130
8,828,023	8,750,000	8,750,000
4,579,109	4,579,109	4,579,109
2,500,000	2,500,000	2,500,000
2,000,000	1,500,000	1,500,000
2,280,000	-	-
43,438,563	39,299,458	38,783,239

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

23.00 Liabilities for income tax

Opening balance as on 01-07-2020
 Add : Provision made for the year(18.01)

673,023	2,151,942	2,255,650
1,652,470	380,896	884,343
2,325,493	2,532,838	3,139,993
Less: Adjustment during the year	500,000	1,859,815
Balance as on 30.06.2021	1,825,493	2,151,942

24.00 Provision for Income Tax**Current Tax Provision for the year**

Amount in Tk	
2020-2021	2019-2020
1,652,470	380,896

(i) Computation of Taxable Profit and Current Tax

Particular	Internet & other	Software	Total
Operational revenue	63,710,359	40,086,432	103,796,791
Other Income	5,409,380	-	5,409,380
Total Revenue	69,119,739	40,086,432	109,206,171
Total expenses	170,020,888	29,827,824	199,848,712
Profit before tax	(100,901,149)	10,258,608	(90,642,541)
Add: Accounting Depreciation	10,014,754	-	10,014,754
	(90,886,395)	10,258,608	(80,627,787)
Less: Tax Depreciation	9,289,836	-	9,289,836
Taxable profit	(100,176,231)	10,258,608	(89,917,623)
Tax Rate	22.50%	Exempted	N/A

Here, Taxable losses arises. Therefore, no tax charged on taxable losses.

Or,

- (ii) Advance Income Tax (AIT) paid during the year **Tk 1,652,470**

Or,

(iii) Calculation of Minimum Tax as per 82C

Revenue from sales and services	103,796,791
Other Operating Income	5,409,380
Total Receipt	109,206,171
Minimum Tax rate	0.6%
Minimum Tax	655,237

Whichever is higher (i, ii, iii) will be recognised as current year income Tax. Here, Advance Income Tax figure is higher than others

(Minimum TAX 0.6% of Taxable Revenue)

25.00 Revenue from Sales and Services

Particular	Amount in Tk.			2019-2020
	2020-2021			
	Unit-1 (ISP)	Unit-2 (IPTSP)	Total	
Internet bill (D/U)	157,525	-	157,525	155,575
Internet bill (DSL)	61,115,186	-	61,115,186	56,214,146
Data Service Bill	2,723,539	-	2,723,539	2,212,788
Hardware Sale	1,415,052	-	1,415,052	836,900
IP Phone Bill	-	934,653	934,653	1,353,493
	65,411,302	934,653	66,345,955	60,772,902
Less : VAT	3,272,772	-	3,272,772	2,878,849
Net sales after VAT	62,138,530	934,653	63,073,183	57,894,053
Sales of software	40,086,432	-	40,086,432	29,805,819
Networking and IT solution	637,176	-	637,176	480,814
Total	102,862,138	934,653	103,796,791	88,180,686
Discount	-	-	-	(1,420,000)
	102,862,138	934,653	103,796,791	86,760,686

26.00 Operating expenses

Particular	2020-2021			2019-2020
	Unit-1 (ISP)	Unit-2 (IPTSP)	Total	
Bandwidth charge	15,372,060	-	15,372,060	10,219,121
Data Connectivity Exp	15,093,082	-	15,093,082	12,443,292
IP address	152,000	-	152,000	121,980
Salary & Allowance	13,402,659	-	13,402,659	12,254,694
Depreciation	7,474,804	99,576	7,574,380	7,226,635
Call Carrying Charge	-	684,561	684,561	573,080
	51,494,605	784,137	52,278,742	42,838,802

27.00 Administrative expenses

Particular	2020-2021			2019-2020
	Unit-1 (ISP)	Unit-2 (IPTSP)	Total	
Advertisement	127,472	-	127,472	101,680
AGM Expenses	-	-	-	83,250
Bank charge	52,706	-	52,706	60,273
Books and paper	22,920	-	22,920	19,992
Bandwidth charges	1,492,378	-	1,492,378	1,103,749
Consultant fee	222,000	-	222,000	125,000
Conveyance	1,010,640	-	1,010,640	1,389,322
Depreciation	2,368,267	72,107	2,440,374	2,560,939
Domain registration	108,086	-	108,086	180,878
CAR Rent	520,000	-	520,000	-
Electricity	2,290,271	-	2,290,271	1,817,185
A/R written off	92,947,273	-	92,947,273	-
Bad & doubtful debt	-	-	-	328,000
Cost of Proposal	43,580	-	43,580	1,845
Eid Boksia	12,850	-	12,850	-
Enlistment Fee	7,000	-	7,000	-
Entertainment	462,142	-	462,142	150,578
Fuel & lubricant	338,849	-	338,849	358,905
IP Phone exp	-	1,414,146	1,414,146	917,123
Donation / Subscription	9,000	-	9,000	17,140
Festival Bonus	2,116,101	-	2,116,101	1,618,762
Light, heat and power	36,075	-	36,075	56,800
Listing fees	109,200	-	109,200	109,200
Licence Fee	-	500,000	500,000	-
Fuel for Generator	30,930	-	30,930	17,040
Maintenance	1,702,733	-	1,702,733	1,576,238
Membership fees	469,750	-	469,750	190,000
Meeting Attendance Fee (Directors)	127,780	-	127,780	44,448
Municipal taxes	-	-	-	600
Networking	4,708,132	-	4,708,132	3,139,086
Office rent	2,333,324	-	2,333,324	1,975,406
Overtime	132,228	-	132,228	552,331
Postage	44,958	-	44,958	46,092
Printing (General)	358,745	-	358,745	182,473
Trade License	-	-	-	27,135
Employee PF	1,265,288	-	1,265,288	1,239,609
Registration & renewal	45,282	-	45,282	31,834
Revenue Stamp	9,200	-	9,200	-
Loan to GKISN (Written off)	1,635,343	-	1,635,343	-
Interest Receivable from GKISN (Written off)	809,544	-	809,544	-
Salary and Allowance	13,462,082	-	13,462,082	13,275,920
Stationery	131,691	-	131,691	164,441
Night allowance	389,000	-	389,000	231,500
Sub Total	131,952,820	1,986,253	133,939,073	33,694,774

Particular	2020-2021			2019-2020
	Unit-1 (ISP)	Unit-2 (IPTSP)	Total	
TA & DA	18,760	-	18,760	314,873
Training Fees	3,334	-	3,334	55,556
Mobile Bill	531,212	-	531,212	510,343
Legal Fee	77,778	-	77,778	-
Telephone (T & T)	23,069	-	23,069	18,312
Garage Rent	24,000	-	24,000	25,000
Service charge	-	-	-	25,960
Other Expenses	8,650	-	8,650	7,000
House rent	334,401	-	334,401	212,100
Audit fees	141,232	-	141,232	54,196
Water supply`	294,453	-	294,453	175,333
Insurance	5,892	-	5,892	1,066
POP rent	1,438,488	-	1,438,488	492,600
Depreciation of Intangible asset	1,105,370	-	1,105,370	1,034,970
SMS service	-	-	-	362,852
Internet Bill Refund	2,501,204	-	2,501,204	1,866,551
Sub Total	6,507,843	-	6,507,843	5,156,712
Grand Total	138,460,663	1,986,253	140,446,916	38,851,486

28.00 Other Operating Income

Particular	2020-2021			2019-2020
	Unit-1 (ISP)	Unit-2 (IPTSP)	Total	
Connectivity	478,940	-	478,940	355,398
Web hosting & development	1,193,644	-	1,193,644	809,882
Re-installation and servicing	6,500	-	6,500	-
Investment Income	-	-	-	91,778
E-mail forwarding	1,701,800	-	1,701,800	1,495,320
Domain registration	489,851	-	489,851	284,857
Office rent (Rev.)	600,700	-	600,700	282,000
Miscellaneous	-	-	-	9,630
Connectivity Charge DSI	463,268	-	463,268	273,336
VPN Charge	387,939	-	387,939	202,396
Interest income	76,238	-	76,238	-
Service charge Cr.	-	-	-	-
Spamwall Income	10,500	-	10,500	-
Interest on FDR	-	-	-	-
Grand Total	5,409,380	-	5,409,380	3,804,597

Amount In Taka	
2020-2021	2019-2020

29.00 Deferred Tax Income / (Expense)

On Historical Cost Assets (Note-29.01)	6,407	63,529
Deferred Tax Income / (Expense) Through Profit & Loss Accounts	6,407	63,529
On Revaluation Reserve of Depreciable Assets (Note-29.02)	(3,732,624)	-
On Depreciation of Revalued Asset (Note-29.03)	132,404	-
Deferred Tax Income / (Expense) Through Other Comprehensive Income	(3,600,220)	-

29.01 Deferred Tax Income / (Expense) on Historical Cost

Amount In Taka		
	2020-2021	2019-2020
Written Down Value of Accounting Base as on 30.06.2021 (with revaluation)	80,996,243	79,131,947
Less: Revaluation Surplus	24,884,161	25,766,853
(i) Written Down Value of Accounting Base as on 30.06.2021 (without revaluation)	56,112,083	53,365,094
(ii) Written Down Value of Tax Base as on 30.06.2021	54,278,046	51,688,832
Taxable Temporary Difference (i - ii)	1,834,037	1,676,262
Effective Tax Rate	22.5%	25%
Closing Deferred Tax Liability	412,658	419,065
Opening Deferred Tax Liability	419,065	482,594
Deferred Tax (Expenses) / Income to be recognised in	6,407	63,529

Tax Based schedule of fixed Assets has been shown in "Annexure-E".

29.02 Deferred Tax Income / (Expense) on Revaluation Reserve of Depreciable Non-Current Assets

Amount in Tk	
	2020-2021
(i) Written Down Value of Accounting Base as on 30.06.2021 (Revaluation)	24,884,161
(ii) Written Down Value of Tax Base as on 30.06.2021 (Revaluation)	-
Taxable Temporary Difference (i - ii)	24,884,161
Effective Tax Rate	15%
Closing Deferred Tax Liability	3,732,624
Opening Deferred Tax Liability	-
Deferred Tax (Expenses) / Income to be recognised in OCI	(3,732,624)

29.03 Deferred Tax Income / (Expense) On Depreciation of Revalued Assets

(i) Depreciation Charged as per Accounting Base as on 30.06.2021 (Revaluation)	(882,692)
(ii) Depreciation Charged as per Tax Base as on 30.06.2021 (Revaluation)	-
Taxable Temporary Difference (i - ii)	(882,692)
Effective Tax Rate	15%
Closing Deferred Tax Liability	(132,404)
Opening Deferred Tax Liability	-
Deferred Tax (Expenses) / Income to be recognised in OCI	132,404

30.00 Net Asset value par share (NAVPS)

The computation of NAVPS is given below:

Amount in Tk		
	30.06.2021	30.06.2020
Total Assets	115,595,371	212,776,053
Total External Liabilities	88,605,370	71,420,920
Net Assets	26,990,001	141,355,133
Number of ordinary shares	10,920,003	10,920,003
NAVPS	2.47	12.94

The main reason for the decline in NAVPS is the Accounts Receivable Written off significantly amounting tk 92,947,273 as per the decision the Board of Directors in its meeting No. 110th, held on 12th October 2021. Another reason is restatement of Advances, deposit and prepayments and Accrued expense amounting to Tk 7,061,785 and Tk 10,322,522 respectively with retained earnings due to related with prior year's preceding years.

30(a) Net Asset value par share (NAVPS)**The computation of NAVPS is given below:**

	Amount in Tk	
	30.06.2020	01.07.2019
	Restated	Restated
Total Assets	205,119,265	206,306,247
Total External Liabilities	81,148,439	82,120,870
Restated Net Assets	123,970,826	124,185,377
Number of ordinary shares	10,920,003	10,920,003
Restated NAVPS	11.35	11.37

31.00 Earnings Per Share**The computation of EPS is given below:**

	Amount in Tk	
	2020-2021	2019-2020
Earnings attributable to the ordinary shareholders (net profit after tax)	(92,288,604)	1,969,449
Number of ordinary shares	10,920,003	10,920,003
EPS	(8.45)	0.18

The main reason for the decline in EPS is the Accounts Receivable Written off significantly through statement of profit or loss and other comprehensive income amounting tk 92,947,273 as per the decision the Board of Directors in its meeting No. 110th, held on 12th October 2021. Another main reason is increasing in Networking Expense. During this period we increased our networking coverage capacity in several district. We had to spend a lot to run the new connectivity. Another thing is that, both of 'DNCC' and 'DSCC' cut off a lot of network cables. Due to which our networking cost increases a lot. We have also incurred additional costs in running all our activities as an emergency service during country wide Lockdown. On the other hand, various cost increased proportionately during the period of July 2020 to June 2021. That is why the expense is much higher than the revenue we have earned.

32.00 Net Operating Cash Flow per Share (NOCPS)**The computation of NOCPS is given below:**

Net Operating Cash Flow	18,772,429	18,836,625
Number of ordinary shares	10,920,003	10,920,003
Basic EPS	1.72	1.72

33.00 Tax Assessment Status

Accounting Year	Assessment Year	Provision for Income Tax	Status
2014	2015-2016	252,003	Finalized
2015-2016	2016-2017	247,710	Finalized
2016-2017	2017-2018	372,263	Finalized
2017-2018	2018-2019	1,542,740	Finalized
2018-2019	2019-2020	884,343	Finalized
2019-2020	2020-2021	380,896	Under Process of Assessment
2020-2021	2021-2022	1,652,470	To be filled

34.00 Reconciliation of Cash flows form 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 2020-2021	Amount in Taka 2019-2020
Operating activities		
Net profit after tax	(92,288,604)	1,969,449
Adjustment of non-cash item		
Depreciation	10,014,754	9,787,574
Amortization of intangible assets	1,105,371	1,034,970
Bad & Doubtful Debt	2,444,887	-
Advances, deposit and prepayments Adjustment	7,061,785	-
	(71,661,807)	12,791,993
(Increase)/Decrease of Account receivable	91,152,029	(1,312,235)
(Increase)/Decrease of Accrued interest	(13,173)	158,075
(Increase)/Decrease of Advance deposit prepayments	(8,108,879)	530,152
Increase/(Decrease) of Accrued Expenses	787,612	1,622,909
Increase/(Decrease) of Financial Expense	7,123,054	6,588,179
Increase/Decrease of tax	(500,000)	(1,478,919)
Increase/Decrease of deferred tax	(6,407)	(63,529)
Net cash flow from operating activities	18,772,429	18,836,625

35.00 Collection from turnover and other income

Revenue from sales and services	103,796,791	86,760,686
Other Operating Income	5,409,380	3,804,597
Total Revenue	109,206,171	90,565,283
Less: Receivable Addition during the year	(4,555,922)	(2,477,000)
Add: Cash Received during the year	1,108,208	256,001
Add: Interest received during the year	15,889	249,853
Less: Interest Accrued during the year	(29,062)	(91,778)
	105,745,284	88,502,359

36.00 Payment for cost and expenses

Operating Expenses	52,278,742	42,838,802
Administrative Expenses	140,446,916	38,851,486
Total Expenses	192,725,658	81,690,288
Depreciation Expense	(10,014,754)	(9,787,572)
Depreciation of Intangible asset	(1,105,371)	(1,034,970)
Add: Payable Paid /adjustment during the period	3,761,339	3,310,707
Less: Payable Addition during the period	(4,548,951)	(5,589,618)
Advances, deposits and prepayments	(7,061,785)	-
Bad & Doubtful Debt	(92,947,273)	328,000
Loan to GKISN (Written off)	(1,635,343)	-
Interest Receivable from GKISN (Written off)	(809,544)	-
	78,363,976	68,916,835

37.00 Subsequent Event:**(i) COVID -19 Pandemic**

COVID-19 was declared a global pandemic on the 11th March of the last year by World Health Organization (WHO). The government of Bangladesh was declared countrywide Lockdown on March 22, 2020. Since then Lockdown or restriction on movements have been imposed several times. Being a corporate customer based entity, COVID-19 has had a significant impact on ISN Ltd.

(ii) As per the decision of the Board of Directors in its meeting No. 110th, held on 12th October 2021, Tk. 92,947,273 of Accounts Receivable deemed to be uncollectible or irrecoverable or no longer recoverable has been written off through statement of profit or loss and other comprehensive income, Tk. 7,061,785 of Advances, Deposits and Prepayments and Tk. 10,322,522 of Accrued expenses has been restated with the head of 'Retained Earnings' due to related with prior year's preceding years. Besides of this there has been no other significant event between Statement of Financial Position date and the date of the Financial Statement was authorized for issue by the Board of Directors.

(iii) The board of directors recommended **No Dividend** for the financial year ended 30 June, 2021 in their meeting held on 27 October, 2021 to 28 October, 2021.

INFORMATION SERVICES NETWORK LIMITED
SCHEDULE OF PROPERTY, PLANT & EQUIPMENT
AS ON 30TH JUNE, 2021

Annexure - A

Particulars	Cost				Rate of Dep.	Depreciation				Written down value as on 30.06.2021
	Balance as on 01.07.2020	Addition during the year	Adjustment during the year	Balance as on 30.06.2021		Balance as on 01.07.2020	Charged during the year	Adjustment during the year	Balance as on 30.06.2021	
Internet equipment	152,947,969	10,460,719	-	163,408,688	15%	108,172,732	7,474,804	-	115,647,536	47,761,152
Office equipment	19,784,444	1,020,648	-	20,805,092	15%	16,439,862	560,798	-	17,000,660	3,804,432
Telephone installation and intercom	5,191,442	5,965	-	5,197,407	5%	4,599,567	29,643	-	4,629,210	568,197
Vehicles	5,020,408	-	-	5,020,408	15%	3,574,232	216,926	-	3,791,158	1,229,250
Furniture and fixture	2,782,512	184,820	-	2,967,332	15%	2,223,821	95,155	-	2,318,976	648,356
Building Flat (With revaluation)	29,982,900	-	-	29,982,900	5%	3,599,822	1,319,154	-	4,918,976	25,063,924
Sundry assets	2,084,384	206,898	-	2,291,282	15%	1,196,630	146,591	-	1,343,221	948,061
Total as on 30.06.2021	217,794,059	11,879,050	-	229,673,109		139,806,666	9,843,071	-	149,649,737	80,023,372
Total as on 30.06.2020	208,954,955	8,839,104	-	217,794,059		130,221,073	9,585,594	-	139,806,666	77,987,393

Allocation of depreciation:

Cost of service	7,474,804
Administrative Expense	2,368,267
Total	9,843,071

AS ON 30TH JUNE, 2020

Particulars	Cost				Rate of Dep.	Depreciation				Written down value as on 30.06.2020
	Balance as on 01.07.19	Addition during the year	Adjustment during the year	Balance as on 30.06.2020		Balance as on 01.07.19	Charged during the year	Adjustment during the year	Balance as on 30.06.2020	
Internet equipment	144,850,335	8,097,634	-	152,947,969	15%	101,063,245	7,109,487	-	108,172,732	44,775,237
Office equipment	19,099,874	684,570	-	19,784,444	15%	15,889,465	550,397	-	16,439,862	3,344,582
Telephone installation and intercom	5,190,492	950	-	5,191,442	5%	4,568,450	31,117	-	4,599,567	591,875
Vehicles	5,020,408	-	-	5,020,408	15%	3,319,025	255,207	-	3,574,232	1,446,176
Furniture and fixture	2,726,562	55,950	-	2,782,512	15%	2,129,682	94,139	-	2,223,821	558,691
Building Flat (With revaluation)	29,982,900	-	-	29,982,900	5%	2,211,239	1,388,583	-	3,599,822	26,383,078
Sundry assets	2,084,384	-	-	2,084,384	15%	1,039,967	156,663	-	1,196,630	887,754
Total as on 30.06.2020	208,954,955	8,839,104	-	217,794,059	-	130,221,073	9,585,594	-	139,806,666	77,987,393
Total as on 30.06.2019	202,168,926	10,303,359	(3,517,330)	208,954,955		123,494,766	9,454,467	(2,728,160)	130,221,073	78,733,883

Allocation of depreciation:

Cost of service	7,109,487
Administrative Expense	2,476,107
Total	9,585,594

INFORMATION SERVICES NETWORK LIMITED
FIXED ASSET SCHEDULE OF PROJECT- IPTSP
AS ON 30TH JUNE, 2021

Annexure-B

Particulars	Cost			Rate of Dep.	Depreciation			Written down value as on 30.06.2021
	Opening balance as on 01.07.2020	Addition during the Year	Closing balance as on 30.06.2021		Opening balance as on 01.07.2020	Charged during the Year	Closing balance as on 30.06.2021	
Switch (Cisco)	54,000	-	54,000	15%	42,431	1,735	44,166	9,834
Online UPS	412,000	-	412,000	15%	323,731	13,240	336,971	75,029
Server	1,993,527	-	1,993,527	15%	1,532,388	69,171	1,601,559	391,968
Computer	363,750	-	363,750	15%	237,912	18,876	256,788	106,962
VOIP Switch	454,738	-	454,738	15%	357,312	14,614	371,926	82,812
Media converter	9,000	-	9,000	15%	7,071	289	7,360	1,640
Linksys (ATA)	416,541	-	416,541	15%	320,084	14,469	334,553	81,988
Digium	588,436	-	588,436	15%	462,366	18,910	481,276	107,160
Musk and hub	580,511	-	580,511	15%	456,140	18,656	474,796	105,715
Modem	5,000	-	5,000	15%	3,929	161	4,090	910
Video IP phone	43,600	-	43,600	15%	34,259	1,401	35,660	7,940
Scanner	3,500	-	3,500	15%	2,750	112	2,862	638
Office equipment	1,510	-	1,510	15%	1,186	49	1,235	275
Total as on 30.06.2021	4,926,113	-	4,926,113		3,781,559	171,683	3,953,242	972,871

Total as on 30.06.2020	4,926,113	-	4,926,113	-	3,579,579	201,980	3,781,559	1,144,554
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Allocation of depreciation:

Cost of service	99,576
Administrative Expense	72,107
Total	171,683

AS ON 30TH JUNE, 2020

Particulars	Cost			Rate of Dep.	Depreciation			Written down value as on 30.06.2020
	Opening balance as on 01.07.2019	Addition during the Year	Closing balance as on 30.06.2020		Opening balance as on 01.07.2019	Charged during the Year	Closing balance as on 30.06.2020	
Switch (Cisco)	54,000	-	54,000	15%	40,389	2,041.67	42,431	11,569
Online UPS	412,000	-	412,000	15%	308,154	15,576.93	323,731	88,269
Server	1,993,527	-	1,993,527	15%	1,451,011	81,377.39	1,532,388	461,139
Computer	363,750	-	363,750	15%	215,706	22,206.64	237,912	125,838
VOIP Switch	454,738	-	454,738	15%	340,119	17,192.83	357,312	97,426
Media converter	9,000	-	9,000	15%	6,731	340.35	7,071	1,929
Linksys (ATA)	416,541	-	416,541	15%	303,062	17,021.87	320,084	96,457
Digium	588,436	-	588,436	15%	440,119	22,247.61	462,366	126,070
Musk and hub	580,511	-	580,511	15%	434,192	21,947.90	456,140	124,371
Modem	5,000	-	5,000	15%	3,740	189.06	3,929	1,071
Video IP phone	43,600	-	43,600	15%	32,611	1,648.43	34,259	9,341
Scanner	3,500	-	3,500	15%	2,618	132.28	2,750	750
Office equipment	1,510	-	1,510	15%	1,129	57.14	1,186	324
Total as on 30.06.2020	4,926,113	-	4,926,113	-	3,579,579	201,980	3,781,559	1,144,554

Total as on 30.06.2019	4,926,113	-	4,926,113	-	3,341,956	237,623	3,579,579	1,346,534
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Allocation of depreciation:

Cost of service	117,148
Administrative Expense	84,832
Total	201,980

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

Directors Interest in other Companies:

Name	Design 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

No related party transaction has occurred during the period.

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, 2021.
- There was no material capital expenditure authorized by the Board or contracted for as at 30 June, 2021.

Claim acknowledgement

There was no claim against the Company not acknowledged as debt as on June 30, 2021.

Contingent Liability

There is no contingent liability of the company as on June 30, 2021.

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/-	43	75	-	124

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	109,206,171
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 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	103,796,791
3(i)(g) Opening and closing stocks, purchases, sales and consumption of raw materials with value & quantity	N/A
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	1,652,470
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 expense are disclosed under administrative expenses

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

Name of Directors	Designation	Remuneration	Tax Deduction	Net Payment
Mr. Sayeed Hossain Chowdhury	Chairman	16,667	1,667	15,000
Mrs. Shirin Huq	Director	14,445	1,445	13,000
Mr. Sajedur Seraj	Director	21,112	2,112	19,000
Dr. Mostafa Akbar	Director	21,112	2,112	19,000
Dr. Kaisar Ali Talukdar	Director	21,111	2,111	19,000
Mr. Al-Amin	Director	21,111	2,111	19,000
Mr. Md. Jahangir Alam	Managing Director (Acting)	12,222	1,222	11,000
Total		127,780	12,780	115,000

Disclosers 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 %)	
	2021	2020	2021	2020	2021	2020
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 ISN Ltd. in last financial year are shown below:

Name	Designation	2021	2020
		Tk.	Tk.
Mr. Md. Jahangir Alam	GM Operation	95,000	87,500
Mr. Mohibur Rahman	Senior System Administrator	71,500	66,000
Mr. Md. Mangurul Islam	Senior manager network	63,500	59,000
Mr. Md. Intiajul Huq	Senior manager support	62,000	57,500
Mr. Md. Shariful Hoque	Senior manager sales & marketing	60,000	56,000

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

Particular	Nature of payment	2021	2020
		Tk.	Tk.
Directors	Board Meeting Attendance Fees	127,780	44,448
Directors	Remuneration	-	-
Officers	Salary & Other Allowances	26,864,741	25,530,614

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	30.06.2021 (Taka)	30.06.2020 (Taka)
Advance, Deposit and Prepayments exceeding 6 months	192,472	63,615
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	16,004,102	23,782,993
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 13,132,804 as on 30 June 2021.

(iii) Debt due by directors of the company

There is no such debt in this respect as on 30 June 2021.

INFORMATION SERVICES NETWORK LIMITED
Statement of Fixed Deposit
For the year ended 30 June 2021

Annexure-C

SI 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	8.50%	08.12.19	08.12.20	320,000	-	12,996	24,880	1,299.60	11,696
2	One Bank Limited	1 Year	7.50%	11.04.19	11.04.20	100,000	-	1,850	5,764	185.00	1,665
	One Bank Limited	1 Year	5.00%	20.09.20	20.09.21	420,000		17,445	-	1,744.50	15,701
4	MBL (Closed)	1 Year	6.00%	14.06.20	14.06.21	201,000	-		32,421	-	-
Sub Total						1,041,000		32,291	63,065	3,229	29,062

INFORMATION SERVICES NETWORK LIMITED
Statement of Fixed Deposit
For the year ended 30 June 2020

SI 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	8.50%	08.12.19	08.12.20	320,000	-	15,277	-	1,527.70	13,749
2	One Bank Limited	1 Year	7.50%	11.04.19	11.04.20	100,000	-	1,849	7,500	184.90	1,664
3	Mercantile Bank Limited	1 Year	6.00%	14.06.20	14.06.21	201,000	-	528	31,925	52.80	475
4	One Bank Limited (Closed-10.12.19)	1 Year	9.25%	01.01.18		2,000,000	-		210,428	-	-
Sub Total						2,621,000		17,654	249,853	1,765	15,889

INFORMATION SERVICES NETWORK LIMITED

Statement of Fixed Deposit

For the year ended 30 June 2021

SI No.		FDR NO	ISSUE DATE	Amount	Renewed Rate Of interest	Duration	Days	Annexure-D	
								Interest Receivable	
1	One Bank Limited	A/c. No.053414001292	08.12.20	344,480	8.50%	08.12.19-30.06.20	162	12,996	
2	One Bank Limited	A/c. No.0534140000992	11.04.19	112,514	7.50%	11.04.20-30.06.20	80	1,850	
3	One Bank Limited	A/c. No.0534140001452	20.09.20	450,000	5.00%	20.09.20-30.06.21	283	17,445	
Total				906,994				32,291	

INFORMATION SERVICES NETWORK LIMITED

Statement of Fixed Deposit

For the year ended 30 June 2020

SI No.		FDR NO	ISSUE DATE	Amount	Renewed Rate Of interest	Duration	Days	Annexure-D	
								Net Interest Receivable	
1	One Bank Limited	A/c. No.053414001292	08.12.20	320,000	8.50%	08.12.19-30.06.20	205	15,277	
2	One Bank Limited	A/c. No.0534140000992	11.04.19	106,750	7.50%	11.04.20-30.06.20	90	1,849	
3	Mercantile Bank LTD	A/c. No.113441324922558	14.06.20	232,925	6.00%	14.06.20-30.06.20	16	528	
Total				659,675				17,654	

INFORMATION SERVICES NETWORK LIMITED
Schedule of Tax Base Written Down Value of Property, Plant and Equipment
As on 30th June, 2021

Annexure - E

Particulars	ITWDV as on 01.07.2020	Addition During the Year	Adjustment	Total as on 30.06.2021	Rate of Dep.	Charged for the year	Depreciation Adjustment	ITWDV as on 30.06.2021
Internet Equipment	42,411,809	10,460,719	-	52,872,528	15.00%	7,930,879	-	44,941,649
Office Equipment	3,678,648	1,020,648	-	4,699,296	15.00%	704,894	-	3,994,402
Telephone Installation & Intercom	538,332	5,965	-	544,297	10.00%	54,430	-	489,867
Vehicle	607,615	-	-	607,615	20.00%	121,523	-	486,092
Furniture & Fixture	653,363	184,820	-	838,183	10.00%	83,818	-	754,365
Building Flat	1,472,629	-	-	1,472,629	5.00%	73,631	-	1,398,998
Sundry Assets	979,901	206,898	-	1,186,799	10.00%	118,680	-	1,068,120
IPTSP	1,346,534	-	-	1,346,534	15.00%	201,980	-	1,144,554
Total	51,688,832	11,879,050	-	63,567,882		9,289,836	-	54,278,046

Proxy Form

I/We

Of being shareholder (s) of **Information Services Network Limited** and entitled to vote hereby appoint Mr./Ms. as my/our proxy to attend and votes for me/us and on my/our behalf at the **26th Annual General Meeting** of the Company to be held on **Thursday, 23rd December, 2021** and adjournment thereof and the poll as witness my/our hand this Day of 2021.

Signature of Shareholder (s)

Folio/BO ID No.

Signature of Proxy

No. of Shares held

Date:

Signature of witness

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

ATTENDANCE

I hereby record my/our presence **at the 26th Annual General Meeting of Information Services Network Limited on 23rd December 2021 at 11:30 a.m.** through the Link <https://isn.virtualagmbd.com> .

Full Name of the Shareholder/Proxy

(In block Letter)

Register Folio/BO ID No.

Holding of Ordinary Shares of Information services Network Limited.

Signature of Shareholders (s)/Proxy

ISN Branches



Head Office : TMC Building (4th floor)
52, New Eskaton Road, Dhaka-1000
Bangladesh, Tel: 0960200001-3
880 2 848322785-8
Fax : 880 2 9345460, URL : www.bangla.net



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



Gulshan Office :
SHEBA House (8th floor)
Golden Plaza Shopping Complex, Plot # 34
Road # 46, Gulshan-2, Dhaka-1212
Tel : 09602000014
880 2 9887945, 880 2 9885470



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



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



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



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



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

Hot Line :

01937-999998
0960200001-3