

# Annual Report

# 2008

Information Services Network Ltd.

 **bangla.net**

First Internet Service Provider in Bangladesh



# bangla.net

First Internet Service Provider in Bangladesh



Internet



Networking



Publishing



AntiVirus



Call Center



Software



Web

**Please Contact for details ...**

### Contact Address

#### Information Services Network Ltd.

TMC Building (4<sup>th</sup> Floor)  
52 New Eskaton Road  
Dhaka -1000, Bangladesh  
Tel: 880 - 2 - 8322785 - 8  
Fax: 880 - 2 - 89345460

#### Khulna Office

25-26 KDA C/A, Upper Jessore Road  
Bangladesh Shilpa Bank Bhaban (5<sup>th</sup> Floor),  
Khulna. Tel. 041 - 732761

#### Uttara Office

Road -14, House - 03 (1<sup>st</sup> Floor)  
Uttara, Sector # 3, Dhaka -1230  
Cell: 01919652682, 01919652666

#### Gulshan Office

SHEBA House (6<sup>th</sup> Floor)  
Golden Plaza Shopping Complex  
Plot # 34, Road # 46, Gulshan - 2, Dhaka-1212  
Tel: 9887945

#### Narayanganj Office

Shop: 157-158 (2<sup>nd</sup> Floor)  
194, B.B Road  
Shomobay New Market  
Chashara, Narayanganj, Code - 1400  
Tel: 7643764

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## **MANAGEMENT APPARATUS**

### **BOARD OF DIRECTORS:**



**Mr. Sayeed Hossain Chowdhury**  
*(Chairman & Sponsor Director)*



**Mr. Mirza Ali Behrouze Ispahani**  
*(Vice - Chairman & Sponsor Director)*



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



**Mr. Abdullah - Hel - Mostafa**  
*(Sponsor Director)*



**Mr. A R Azimul Hoque**  
*(Sponsor Director)*



**Ms Shirin Huq**  
*(Sponsor Director)*



**Ms Najma Enayetullah Khan**  
*(Sponsor Director)*



**Mr. Suman Celine Huq**  
*(Sponsor Director)*



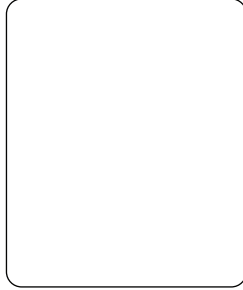
**Mr. Md. Akhtaruzzaman**  
*(Shareholder Director)*

## MANAGEMENT APPARATUS

### BOARD OF DIRECTORS:



**Dr. Kaisar Ali Talukder**  
(Shareholder Director)



**Mr. Azeezur Rahman**  
(Shareholder Director)



**Mr. Asheq Ul Islam**  
(Shareholder Director)



**Mr. M. Munir Hossain**  
(Independent Director)

Company Secretary	:	Shamar Kumar Sutradhar
Head of Finance / CFO	:	Shakhawat Hossain
Head of Technical & Operation	:	H. M. Faruque Ahammad
Head of Administration / HRD	:	Md. Nuruzzaman
In-charge Gulshan Office	:	Md. Hasan Ali
In-charge Khulna Office	:	Md. Jahangir Alam
Corporate Auditors	:	Khan Wahab Shafique Rahman & Co.
Bankers	:	Eastern Bank Ltd. Arab Bangladesh Bank Ltd. National Credit & Commerce Bank Ltd. Mercantile Bank Ltd.
Insurers	:	Paramount Insurance Company Ltd. Reliance Insurance Company Ltd. Bangladesh General Insurance Company
Ltd.		
Stock Exchange	:	Dhaka Stock Exchange Chittagong Stock Exchange

**Chairman's Message**

**In the name of Allah**

Distinguished Shareholders,

It is indeed my privilege and honour to be able to extend a very warm welcome to every single one of you, on the occasion of the 14th Annual General Meeting of your Company.

All of you are aware, 2008 had been a year of uncertainty, even with world's major advanced countries passing through a recession, the effects of which has been felt even in our own economy. In this year, Bangladesh faced natural calamities, political uncertainty, shaken business confidence, labour unrest in RMG sector, increased commodity and oil prices in the international market, resulting in the real GDP growth being less than that of 2007. Despite all these, your Company took bold decisions on network expansion program. This has kept ISN as a forerunner in ISP business of Bangladesh.

You will be pleased to note, against the adverse business environment, 2008 was a satisfactory year for ISN. Your Company maintained a steady growth of 13.34 percent and earned an operating profit of TK 11,039,619.00. Earning per share (EPS) was TK 1.22.

Taking into account our objective of maintaining future growth of your Company, the Board of Directors of ISN has recommended a cash dividend of 5% percent for the financial year ending 31/12/2008.

No business operates in a vacuum. We, and the ISP industry as a whole, face significant challenges into 2009 and beyond. Inevitably, political and economic threats will remain. But I believe Information Service Network Limited is well positioned to navigate through these challenges and to execute our growth strategy. We will also continue our focus on creating shareholder value through our existing business and emerging opportunities.

In 2009, we are raising the Bar with financial targets that are more of a stretch, yet still achievable. Higher sustainable revenue growth shall be our number one priority. Our strategy for growth shall be organic, from both existing clients and new business.

Our ultimate goal is to be one of the most respected and leading ISP Company in Bangladesh, based on long term financial performance and honourable conduct. This commitment starts at the top with our Board of Directors, which provides invaluable guidance. But our ability to live up to our values finally depends on our employees who personify our brand. The every day actions of employees are what which enable us to carry out our strategies and deliver for our customers, partners and shareholders. I believe we have one of the most talented and committed workforce of any ISP Company in the Country. We believe that high level of employee satisfaction and engagement are necessary prerequisites for high levels of customer satisfaction - which, in turn, drive revenue growth and ultimately shareholders' value.

In conclusion, I would like to express my thanks and gratitude to our customers for their continued confidence, to the Registrar of Joint Stock Companies, the Securities and Exchange Commission, the Dhaka Stock Exchange and the Chittagong Stock Exchange for their continued support.

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

 -  
Sayeed Hossain Chowdhury  
Chairman

**INFORMATION SERVICES NETWORK LIMITED (ISN)**

(First Online Internet Service Provider in Bangladesh)  
TMC Building (4<sup>th</sup> Floor), 52, New Eskaton Road, Dhaka-1000.  
Contract No : 8322785-8, Fax: 880-2-9345460, Web: <http://www.bangla.net>

**NOTICE OF THE 14<sup>TH</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the 14<sup>th</sup> Annual General Meeting of the Shareholders of **Information Services Network Ltd.** will be held on **28<sup>th</sup> June 2009 (Sunday)** at 11:30 a.m. at Institute of Diploma Engineers Bangladesh, IDEB Bhaban, 160/A, Kakrail, Dhaka to transact the following agenda:

- 1) To approve the minutes of 13<sup>th</sup> AGM.
- 2) To receive, consider and adopt the Profit and Loss Accounts of the Company for the year ended on 31<sup>st</sup> December 2008 and the Balance Sheet as at that date together with the Reports of the Board and the Auditors thereon.
- 3) To declare cash dividend @5% for the year ended 31<sup>st</sup> December 2008.
- 4) To elect/re-elect Directors in place of those who shall retire in accordance with law/rules.
- 5) To appoint Auditors for the term until the next Annual General Meeting and fix up their remuneration.
- 6) To transact any other related business with the permission of the Chair.

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

**By order of the Board**

Sd/-

(Shamar Kumar Sutradhar)  
Company Secretary

Dated, Dhaka  
26<sup>th</sup> April 2009

**NOTES:**

- a) 27<sup>th</sup> May 2009 has been scheduled as Record Date. The Shareholders whose names would appear in the Register of Members of the Company or in the Depository on the "Record Day" (27<sup>th</sup> May 2009) will be eligible to attend the AGM and qualify for cash dividend.
- b) Any Member of the Company entitled to attend and vote at the general meeting may appoint a proxy to attend and vote on his/her behalf.
- c) The instrument appointing a proxy duly signed by the Member and stamped must be submitted at the Registered Office of the Company at least 48 (forty-eight) hours before the meeting.
- d) For the sake of convenience, Members are requested to submit their queries on the Directors' Report and Audited Accounts, if any, at the Registered Office of the Company preferably 3 days before the date of the Annual General Meeting.
- e) Members are requested to notify change of address, if any, to the Depository Participant in time.

**ANNUAL REPORT 2008****Corporate Operation Results 5 years (2004 – 2008):**

<b>Particulars</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
No. of Authorised Shares	50,000,000	50,000,000	10,000,000	10,000,000	10,000,000
No. of Issued Shares	8,185,757	7,118,050	7,118,050	7,118,050	7,118,050
Paid up Capital(Tk.)	81,857,575	71,180,500	71,180,500	71,180,500	71,180,500
Share Holders Equity(Tk.)	92,722,340	7,6089,652	77,973,608	78,570,135	77,069,654
Share Holders Equity as % Assets	1.14%	1.24%	1.23%	1.06%	1.19%
Total Assets(Tk.)	105,750,668	94,228,934	95,813,191	83,477,632	91,605,656
Total Liabilities(Tk.)	12,977,248	18,089,650	17,839,583	4,907,497	14,536,002
Reserve & Surplus(Tk.)	10,864,765	4,909,152	6,793,108	7,389,635	5,889,154
Net Sales/Net Income (Tk.)	55,034,199	51,314,710	47,469,213	40,756,702	48,988,872
Profit Before Tax(Tk.)	11,039,619	9,739,764	11,051,326	1,500,481	11,138,341
Net Profit After Tax(Tk.)	10,048,492	8,793,119	10,080,548	1,500,481	10,274,976
Book Value Per Share	10.00	10.00	10.00	10.00	10.00
Earning Per Share	1.22	1.08	1.42	0.21	1.44
% of Dividend	5%	15%	15%	-	12%
Current Ratio	4.96:1.00	3.12:1.00	3.06:1.00	8.90:1.00	3.19:1.00
Operating Ratio	100.00:107.00	100:106:69	100:98.09	100:130.59	100:92.96

**Pattern of Shareholding as on 31.12.2008:**

<b>Sl.</b>	<b>Name of the Shareholder</b>	<b>Position</b>	<b>No. of Shares</b>
01	MR. SAYEED HOSSAIN CHOWDHURY	Chairman	759,000
02	MR. MIRZA ALI BEHROUZE ISPAHANI	Vice Chairman	74,750
03	MR. HABIBUL ALAM, BP	Managing Director	23,633
04	MR. A. R. AZIMUL HOQUE	Sponsor Director	100,000
05	MS. SHIRIN HUQ	Sponsor Director	219,002
06	MR. ABDULLAH HEL MOSTAFA	Sponsor Director	25,300
07	MR. SUMON CELINE HUQ	Sponsor Director	249,047
08	MS. NAJMA ENAYETULLAH KHAN	Sponsor Director	15,000
09	MR. ANWAR HOSSAIN	Sponsor	113,850
10	MS. TANYA SHIREEN HUQ	Sponsor	124,524
11	MS. ZINNIA NASREEN HUQ	Sponsor	124,523
12	MRS. FATIMA HUQ	Sponsor	35,578
13	DR. KAISAR ALI TALUKDER	Shareholder Director	3,450
14	MD. AKHTERUZZAMAN	Shareholder Director	2,300
15	MR. AJEEZUR RAHMAN	Shareholder Director	1,150
16	MR. ASHEQ UL ISLAM	Shareholder Director	12,650
17	OTHER SHAREHOLDERS		6,302,000
<b>TOTAL NUMBER OF SHARES</b>			<b>8,185,757</b>

Note : Nobody holds more than 10% share of the company.



## **Directors' Report**

**Dear Shareholders,**

On behalf of the Board of Directors, we would like to extend warm greetings and good wishes to all on the occasion of the 14<sup>th</sup> Annual General Meeting of Information Services Network Limited (**bangla.net**), the first Internet Service Provider in Bangladesh. The Board is privileged to present the audited financial statements of the Company for the year ended December 31, 2008 and the auditors' report thereon for your kind consideration. As the pioneer ISP in the country, we started our journey with a clear vision-to expand our network coverage throughout the country. We are pleased to inform you that during the year 2008 we made a good progress as per plan towards partial successful expansion of our network to strengthen the shareholders' value. With the increase of our network coverage, we also have ensured utmost support to our clientele. Our endeavor is to reach our network, products and services to the doorsteps of our customers.

Financial position of the company has improved to an extent which may bring comfort to the shareholders and employees.

### **Company Operation:**

We would like to express our heartfelt gratitude to our newly elected present government for the declaration to turn Bangladesh into "Digital Bangladesh" in near future. We are happy to inform you that we have been able to expand our network in Narayanganj with unique offer for our valued clients. To keep pace with the growing and changing demand, we have introduced ICT related products and services. Our POP's throughout the country have increased according to the requirement of the company.

### **Gulshan Office:**

ISN-Gulshan Office is now running in full swing. Necessary renovation has been done to provide facilities to employees as well as our clients. Within a very short span of time it has been possible to generate revenue from this office. Proper plan, strategy have been implemented and skilled manpower has been deployed to expand our network and to reach our clients with better service. It is expected that in the coming years Gulshan Office will be able to make better contribution to the Company.

### **Khulna Office:**

During the first half of 2008, there was reshuffling of employees in Khulna Office. The result of this reshuffling was very positive. We have achieved positive success in revenue generation from Khulna Office. During the year we have made a remarkable progress in expanding our network. With the expansion of network number of clients have also increased. Some of our new valuable clients in Khulna are Khulna University, Khulna Development Authority (KDA), Bangladesh NAVY, Jibon Bima Corporation, HSBC Bank etc. You will appreciate that services have also been brought from Khulna to Mongla. We have ensured our dedicated services round the clock through adequate number of phone lines, hassle free technical support, reasonable data transmission speed, availability of service with minimum cost, service security and availability of data, corporate solution at a reasonable cost for this increased number of clients.

From Khulna Office we have a plan to expand its services to Jessore, Noapara, Bagerhat.

**Uttara Office:**

During this year we have expanded our network and with the strategic networking and marketing plan of Business Development, it has been possible to increase our clients in this area. It is expected that necessary revenue shall be generated in near future from this office.

**Narayanganj Office:**

We have launched our business operation on December of this year. Our Business Development team found the business opportunity in Narayanganj is very much positive for ISN. It is expected that in near future it shall be a considerable source of revenue generation.

**CDBL:**

We are happy to announce that from 30<sup>th</sup> March 2008 ISN has switched over to CDS (Central Depository System) with the Company CDBL. This has helped us to convert all physical shares into dematerialization.

**Corporate Management:**

As stated in the last year Corporate Management has been restructured. ISN feels the necessity of maintaining high standard of Corporate Management. As the trusty, on behalf of the shareholders of the company, Board is fully aware of its responsibilities. The Management is engaged to put into operation the decisions of the Board of Directors and supervise day-to-day business activities. The Board appointed Ms. Najma Enayetullah Khan as Executive Director of the Company to supervise and develop Marketing Division and Business Development Division including overall responsibility of day-to-day activities of the company.

**Operation:**

Our technical team is working in search of new scope of investment and introduction of new ICT products. This year a remarkable expansion has been made for Network Coverage. We are happy to inform you that in 2007 our network coverage was approximately 30 Km. In 2008 it has been possible to expand our network coverage by approximately 130 Km in Dhaka alone. We have also replaced some old but potential and valuable equipment to update and provide better support to our clients.

Along with the ISN Employees Provident Fund we have also introduced ISN Employees Welfare Fund to meet the unforeseen requirements and thereby providing further benefits to the employees.

**Administration:**

Our Administration and Human Resources Division continues to focus its strategy of retaining experienced and skilled manpower. We have given emphasis on the appointment of competent personnel with proven track record and providing them with better salary structure and congenial working environment. We have also introduced handsome intensives for our employees for the outstanding performance of their work. The manpower position of ISN is as follows:

<b>Particulars</b>	<b>2008</b>	<b>2007</b>
Number of Employees	112 (including 24 temporary Employees)	85 (including 12 temporary Employees)

**Finance:**

Our Finance Division has taken the responsibility of carrying out financial planning and management, control and budgetary planning etc. Our Finance Division on regular basis maintains communication with our branch offices and receives financial information and data updating itself of the total financial positions of the Company.

**Software:**

At present we have a well-balanced and full-fledged Software Division with highly experienced personnel. During its long operation, it has been possible for the software and web development team to design, develop and deliver a lot of orders including wide range systems like Accounting, Payroll, Personnel Management, Rent Management, Inventory Management, Customer Care, Learning CD's, Marketing Management System and Web Site Development both static & dynamic. Our Software Division has taken initiatives to grip more orders both from foreign market and local market. If everything goes well there is a fair possibility to obtain more order on software development from home and abroad.

**PC World:**

PC World, the ICT decision makers' magazine, helps shape regional and global development. The magazine publishes editions for each of the world's major regions. It generates enthusiasm among the readers and contributes particularly Software sector a lot with innovative approaches. And there are some new ventures to be implemented soon in making the magazine more resourceful. The ventures include readers' comments, experts' articles, news on telecom sector, and PC World juvenile ICT magazine. Essentially, the contents help bring changes in ICT technology impact on how people live and do business.

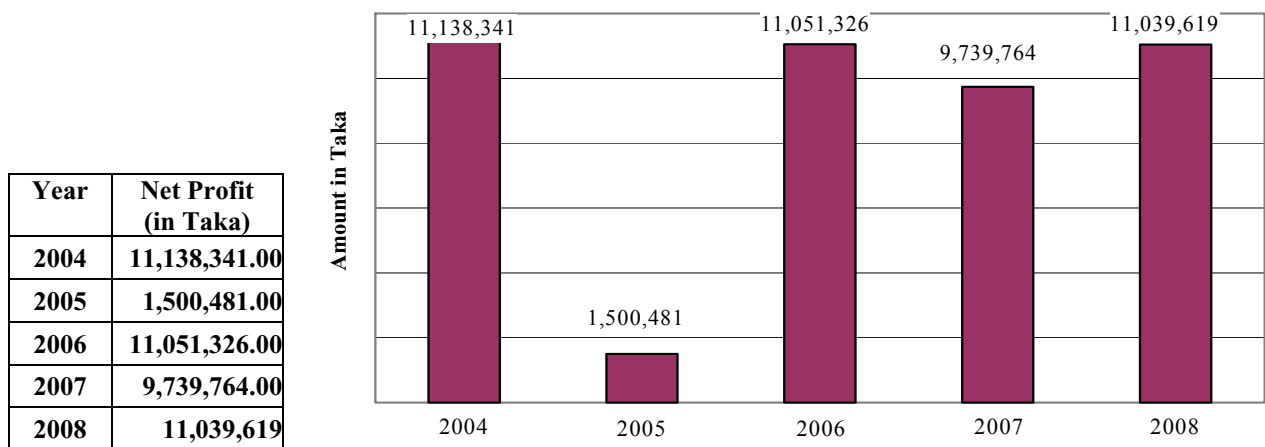
Company Performance: OK

Declaration of Dividend: OK

**Company Performance:**

The company has earned a net profit before tax of Taka 11,039,619.00 (Eleven Million Thirty Nine Thousand and Six Hundred Nineteen only) for the year ended on **31<sup>st</sup> December 2008**.

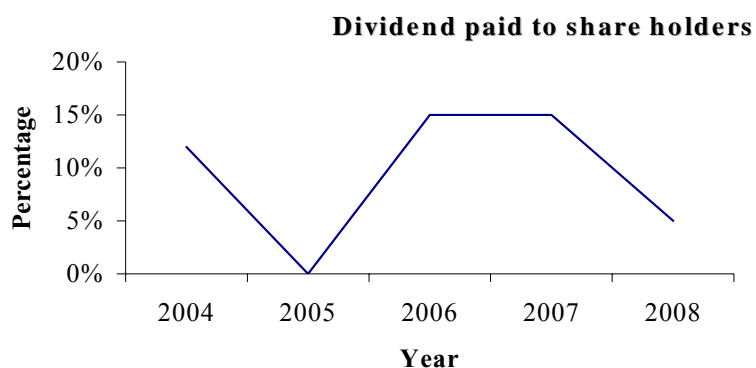
**Net Profit before Tax**



**Declaration of Dividend:**

The Board of Directors is pleased to recommend for the declaration of cash dividend to shareholders at the rate of 5% for the year ended on the 31<sup>st</sup> December 2008.

With this recommendation of dividend declaration year wise dividend will follow the pattern given here:

**Future Plan:**

Business prospects will increase substantially in the forthcoming days as the usage of ICT related products and services is increasing exponentially in the local market. To provide better survive ISN will focus and forecast its business opportunity in every single point of ICT related products and services. It can be hardware, software, network expansion. Not only that, to stay in the Market ISN needs to expose its visibility in today's competitive market. To make it work we have plans to start our Business process with INDEX IT & Top 1 Machine to provide our clients with the *Total IT Solutions*. Moreover, to enhance our value added services, ISN is going to apply for IP Phone services to BTRC which will add special value to our existing Business.

**Board of Directors' Meeting:**

Four Board of Directors meeting were held in 2008. There was one meeting in every quarter of the year. These meetings were attended by 8, 9, 7 and 5 Directors respectively.

**Election of Directors:**

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

1. Mr. Mirza Ali Behrouze Ispahani
2. Mr. A R Azimul Hoque
3. Ms. Najma Enayetullah Khan

**Additional Disclosures:**

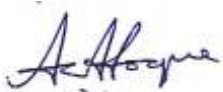
- a) The financial statement prepared by the management presents the company's state of affairs, operational results, cash flow and equity changes.
- b) Proper books of accounts have been maintained.
- c) Appropriate accounting policies have been applied in preparation of the financial statement and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

**Appointment of Auditors:**

The existing auditor Khan Wahab Shafique Rahman & Co retires in this AGM. Saha Mazumder & Co., a renowned auditor has expressed their willingness as auditor of the company for the year to be ended on 31st December 2009. Accordingly the Board of Directors recommended for the appointment as auditor at a fee to be decided in this AGM.

**Management Appreciation:**

We, on behalf of the Board of Directors of the Company, would like to take this opportunity to put on record our appreciation of the devotion and work ethic of the executives and members of the staff. We would also like to express our gratitude and thanks to the investors for their trust and support extended to the Company.



(A. R. Azimul Hoque)  
Director



(Habibul Alam) *Bir Pratik*  
Managing Director

**Status of Securities & Exchange Commission Compliance**

Status of compliance with the conditions imposed by the Commission's Order No. SEC/CMRRDC/2006-158/Admin/02-08 dated 20th February, 2006 issued under section 2CC of the Securities and Exchange Ordinance, 1969.

**(Report under condition No. 5)**

Condition or Clause Number	Title	Compliance Status (Put √ in the appropriate column)		Explanation for non-compliance with the condition
		Complied	Not Complied	
1.1	Board size should be between 5 and 20	√		
1.2 (i)	Independent non-shareholder Director should be 1/10th of Board size	√		
1.2 (ii)	Independent Director appointed by elected Directors	√		
1.3	Chairman and CEO positions filled by different persons	√		
1.4 (a)	Financial statement should present fairly its state of affairs, the result of its operations, cash flow and changes in equity.	√		
1.4 (b)	Proper books of accounts have been maintained by the company.	√		
1.4 (c)	Appropriate accounting policies have been followed consistently and estimates are based on reasonable and prudent judgment.	√		
1.4 (d)	IAS as applicable in Bangladesh has been followed.	√		
1.4 (e)	A sound Internal Control system has been effectively implemented and monitored.	√		
1.4 (f)	That the company is a going concern	√		
1.4 (g)	Significant deviations in operating results from last year should be highlighted and explained.	√		
1.4 (h)	Key operating and financial data of at least last three years should be summarized.	√		
1.4 (i)	Give reasons for not declaring dividend	√		

Condition or Clause Number	Title	Compliance Status (Put ✓ in the appropriate column)		Explanation for non-compliance with the condition
		Complied	Not Complied	
1.4 (j)	Number of Board meetings held during the year and attendance of the Directors	✓		
1.4 (k)	The pattern of shareholding should be reported disclosing the aggregate number of shares along with name wise details	✓		
2.1	Appoint CFO, Head of Internal Audit, and a Company Secretary and define their respective roles and duties.	✓		
2.2	The CFO and Company Secretary should attend meetings of the Board of Directors.	✓		
3.00	The company should have an AUDIT COMMITTEE as a subcommittee of the Board of Directors, which should be responsible to the Board of Directors	✓		
3.1 (i)	The Audit Committee should be composed of at least three members	✓		
3.1 (ii)	The Board of Directors should appoint the Audit Committee from among the Directors of the company of whom at least one should be Independent non-shareholder Director	✓		
3.1 (iii)	The Board of Directors are responsible for filling up any vacancy in the Audit Committee due to expiry, retirement or resignation within on month of such vacancy.	✓		
3.2 (i)	The Board of Director will select the Chairman of the Audit Committee	✓		
3.2 (ii)	The Chairman of the Audit Committee should have a professional qualification and knowledge and experience in accounting and finance	✓		
3.3.1 (i)	The Audit Committee should report on its activities to the Board of Directors.	✓		
3.3.1 (ii) (a)	Report on conflict of interests			Not applicable
3.3.1 (ii) (b)	Suspected or presumed fraud or irregularity or material defect in the internal control system			N/A

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Condition or Clause Number	Title	Compliance Status (Put $\checkmark$ in the appropriate column)		Explanation for non-compliance with the condition
		Complied	Not Complied	
3.3.1 (ii) (c)	Suspected infringement of laws. including securities related laws, rules and regulations			N/A
3.3.1 (ii) (d)	Any other matter which should be disclosed to the Board of Directors immediately.			N/A
3.3.2	Any report by the Audit Committee to the Board of Director which has material impact on the financial condition and results of operation and has agreed with the Board on the rectification measures within a certain period but unreasonably ignored by the Board, then the Audit Committee should report such findings to SEC.			N/A
3.4	Any report by the Audit Committee to the Board of Directors under section 3.3.1 (ii) should be signed by the Chairman of the Audit Committee and disclosed in the Annual Report.			N/A
4.00 (i)	The External / Statutory Auditors should not give appraisal or valuation services, or give fairness opinions, OR	$\checkmark$		
4.00 (ii)	Give financial information systems designs and implementation OR	$\checkmark$		
4.00 (iii)	Bookkeeping or other services related to the accounting records or financial statements OR	$\checkmark$		
4.00 (iv)	Broker-dealer services OR	$\checkmark$		
4.00 (v)	Actuarial Services, OR	$\checkmark$		
4.00 (vi)	Internal Audit services OR	$\checkmark$		
4.00 (vii)	Any other service that the Audit Committee determines	$\checkmark$		
5.00	REPORTING THIS COMPLIANCE IN THE DIRECTOR'S REPORT	$\checkmark$		



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

We have audited the accompanying Balance Sheet of **INFORMATION SERVICES NETWORK LIMITED** as of 31 December 2008 and the related Profit and Loss Account, Cash Flow Statement and Statement of Changes in Equity for the year then ended. The preparation of these financial statements is the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

**Scope**

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


**Opinion**

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS) give a true and fair view of the state of the company's affairs as of 31 December 2008 and of the results of its operations, its Cash Flows and Changes in Equity Statement for the year then ended and comply with the Companies Act, 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

**We also report that:**

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

Date : April 26, 2009

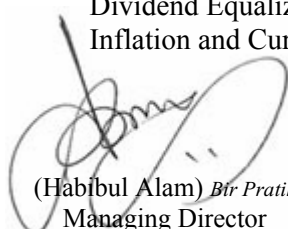
  
**Khan Wahab Shafique Rahman & Co.**  
**Chartered Accountants**




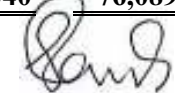
**INFORMATION SERVICES NETWORK LIMITED**

**BALANCE SHEET**  
**AS AT 31ST DECEMBER, 2008**

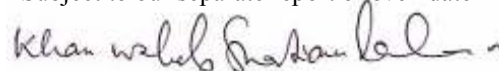
PARTICULARS	NOTES	Amount (in Tk.)	
		2008	2007
<b>NET ASSETS:</b>			
<b>A. Non-Current Assets</b>		<b>41,414,318</b>	<b>37,878,622</b>
Tangible Fixed Assets, Net of accumulated depreciation	21.00	40,493,283	36,842,312
IPO-Expenses	22.00	607,208	910,810
Investment (at cost)	23.00	313,827	125,500
<b>B. Current Assets</b>		<b>64,336,350</b>	<b>56,350,312</b>
Accounts Receivable	24.00	45,684,828	38,795,067
Accrued Loan Interest	25.00	809,544	809,544
Loans, Advances and Deposits	26.00	10,218,182	9,066,685
Cash and Cash Equivalents	27.00	7,623,796	7,679,016
<b>C. Current Liabilities and Provisions</b>		<b>12,977,248</b>	<b>18,089,650</b>
Accrued Expenses	28.00	1,686,797	1,259,745
Liabilities for other Finance	29.00	2,999,268	2,944,205
Proposed Dividend	30.00	4,092,879	10,677,075
Provision for Income Tax	31.00	4,198,304	3,208,625
<b>D. Net Current Assets ( B - C)</b>		<b>51,359,102</b>	<b>38,260,662</b>
<b>E. Non-Current Liabilities.</b>			
Deferred Tax Liabilities	32.00	51,080	49,632
<b>F. Net Assets (A + D - E)</b>	<b>Tk.</b>	<b>92,722,340</b>	<b>76,089,652</b>
<b>FINANCED BY:</b>			
Shareholders Equity	33.00	92,722,340	76,089,652
Share capital	34.00	81,857,575	71,180,500
Retained Earnings-As per Profit and Loss Account		6,864,765	909,152
General Reserve		2,000,000	2,000,000
Dividend Equalization Fund		1,000,000	1,000,000
Inflation and Currency Fluctuation Fund		1,000,000	1,000,000
	<b>Tk.</b>	<b>92,722,340</b>	<b>76,089,652</b>

  
(Habibul Alam) *Bir Pratik*  
Managing Director

  
(A. R. Azimul Hoque)  
Director

  
(Shamar Kumar Sutradhar)  
Company Secretary

Subject to our separate report of even date



**Khan Wahab Shafique Rahman & Co.**  
**Chartered Accountants**



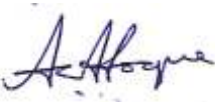
Dhaka, April 26, 2009

**INFORMATION SERVICES NETWORK LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**for the Year ended 31<sup>st</sup> December, 2008**

PARTICULARS	NOTES	Amount (in Tk.)	
		2008	2007
Operating Revenue	35.00	41,268,472	38,968,840
Operating Expenses	36.00	(20,065,998)	(21,069,288)
<b>Gross Profit</b>		<b>21,202,474</b>	<b>17,899,552</b>
<b>Other Income</b>	37.00	<b>13,765,727</b>	<b>12,345,870</b>
		<b>34,968,201</b>	<b>30,245,422</b>
<b>Other Expenses</b>		<b>23,928,582</b>	<b>20,505,658</b>
Administrative Expenses	38.00	23,624,980	20,202,056
Amortization of Share Issue Expenses		303,602	303,602
<b>Net profit before Tax for the year</b>		<b>11,039,619</b>	<b>9,739,764</b>
Deferred Tax Expenses		1,448	49,632
Provision for Income Tax for the year	31.00	989,679	897,013
<b>Net profit after Tax for the year</b>		<b>10,048,492</b>	<b>8,793,119</b>
Profit / (Loss) brought forward		909,152	1,793,108
Dividend Equalization Fund		—	10,00,000
Available for Appropriation		<b>10,957,644</b>	<b>11,586,227</b>
<b><u>Appropriation:</u></b>			
Proposed Dividend	30.00	4,092,879	10,677,075
<b>Balance transferred to Balance Sheet</b>		<b>6,864,765</b>	<b>909,152</b>
Earning Per Share (Per Value Tk. 10/-)		<b>Tk 1.22</b>	<b>1.08</b>

  
(Habibul Alam) *Bir-Pratik*  
Managing Director

  
(A. R. Azimul Hoque)  
Director

  
(Shamar Kumar Sutradhar)  
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Dhaka, April 26, 2009

  
**Khan Wahab Shafiqe Rahman & Co.**  
Chartered Accountants

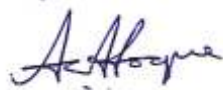


**INFORMATION SERVICES NETWORK LTD****CASH FLOW STATEMENTS**  
**for the Year ended 31<sup>st</sup> December, 2008**

Particulars		Amount (in Tk.)	
		2008	2007
<b>A.</b>	<b><u>CASH FLOW FROM OPERATING ACTIVITIES :</u></b>		
	Collection from Turnover and other Income	51,809,956	47,918,698
	Payment for Cost and Expenses	(42,211,221)	(40,834,007)
	Total Cash Flow from Operating Activities	<b>9,598,735</b>	<b>7,084,691</b>
<b>B.</b>	<b><u>CASH FLOW FROM INVESTING ACTIVITIES :</u></b>		
	Acquisition of Fixed Assets	(10,106,745)	(2,903,567)
	Microbus Slaes	635,000	
	Share Investment	(182,210)	1,760
	Total Cash Flow from Investing Activities	<b>(9,653,955)</b>	<b>(2,901,807)</b>
<b>C.</b>	<b><u>CASH FLOW FROM FINANCING ACTIVITIES :</u></b>		
	Dividend Paid	—	(10,677,075)
	Advance & deposit Refund	—	2,500,000
	Security deposit	—	50,000
	Total Cash Flow from Financing Activities	—	<b>(8,127,075)</b>
	Net cash inflow/ (Outflows) for the year ( A + B + C)	(55,220)	(3,944,191)
	Opening Cash and Bank Balance	7,679,016	11,623,207
	Closing Cash and Bank Balance	<b>7,623,796</b>	<b>7,679,016</b>
	<b>Total Tk.</b>		



(Habibul Alam) *Bir-Pratik*  
Managing Director



(A. R. Azimul Hoque)  
Director



(Shamar Kumar Sutradhar)  
Company Secretary

Dhaka, April 26, 2009

Subject to our separate report of even date



**Khan Wahab Shafique Rahman & Co.**  
Chartered Accountants

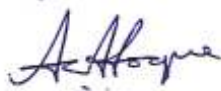


**INFORMATION SERVICES NETWORK LIMITED****STATEMENT OF CHANGES IN EQUITY****For the year ended 31<sup>st</sup> December, 2008**

Particulars	Share Capital	General Reserve	Dividend Equalization Fund	Inflation and Currency Fluctuation Fund	Retained Earnings	Total Taka
At 1st January 2008	71,180,500	2,000,000	1,000,000	1,000,000	909,152	76,089,652
Bonus Share for 2007 credited this year	10,677,075	—	—	—	—	10,677,075
Net Profit for 2008	—	—	—	—	10,048,492	10,048,492
Proposed Dividend	—	—	—	—	(4,092,879)	(4,092,879)
At 31 December 2008	<b>81,857,575</b>	<b>2,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>6,864,765</b>	<b>92,722,340</b>



(Habibul Alam) *Bir Pratik*  
Managing Director



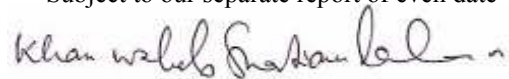
(A. R. Azimul Hoque)  
Director



(Shamar Kumar Sutradhar)  
Company Secretary

Dhaka, April 26, 2009

Subject to our separate report of even date



**Khan Wahab Shafique Rahman & Co.**  
**Chartered Accountants**



**INFORMATION SERVICES NETWORK LIMITED****Notes to the Accounts**  
**For the year ended 31<sup>st</sup> December, 2008****Forming an Integral Part of the Financial Statements :****A. Legal status and Nature of the company - Disclosure under BAS 1 "Presentation of Financial Statements"****1.00 Legal form of the Company:**

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

**2.00 Nature of Business Activities:**

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

**3.00 Number of Employees:**

On the payroll of the Company, there were 80 officers, 33 Staff & workers/technicians.

i) 76 Staff/Officers/Employees drew yearly salary & allowances more than Tk. 36,000.00	Tk. 8,709,225
ii) 37 Staff/Officers/Technicians	Tk. 652,226
— drew yearly salary/wages & allowances less than Tk. 36,000	<hr/>

Total 113

9,361,451

**B. SIGNIFICANT ACCOUNTING POLICES:****1.00 Compliance with Bangladesh Accounting Standards (BASs):**

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

**2.00 Compliance with local Laws:**

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

**3.00 Measurement Bases used in Preparing the Financial Statements:**

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



**4.00 Components of the Financial Statements:**

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

- (i) Balance Sheet as at 31 December 2008.
- (ii) Income Statement (Profit & Loss A/C) for the year ended 31 December 2008.
- (iii) Statement of Changes in Equity for the year ended 31 December 2008.
- (iv) Cash Flow Statements for the year ended 31 December 2008
- (v) Accounting Policies and Explanatory notes.

**5.00 Specific Accounting Policies Selected and Applied for Significant Transactions and Events.**

*Recognition of Property, Plant and Equipment and Depreciation.*

Property, Internet and Office Equipment are stated at their cost less accumulated depreciation in accordance with BAS 16 "Property, Plant and Equipment". Full year's depreciation has been charged on additions irrespective of date when the related assets are put into use. Depreciation on all other fixed assets is computed using the diminishing balance method in amounts sufficient to write off depreciable assets over their estimated useful economic lives. Expenditure of maintenance and repairs are expensed; major replacements, renewals and betterment are capitalized.

The depreciation rates applicable to the principal categories are :

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

**6.00 Cash and Cash Equivalents:**

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

**7.00 Cash Flow Statement:**

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

**8.00 Taxation:**

Tax has been provided in accordance with fiscal regulations applicable. The company is publicly-traded company as per the Income Tax Ordinance 1984. The company qualifies for being treated as a "Publicly Traded Company" for which the rate for tax at 27.50% has been applied for while making provision for income tax on profit which is taxable. The Company's profit on software business is exempted from tax.



**8.01 Proposed Dividend:**

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

**9.00 Revenue Recognition:**

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

**10.00 Foreign Currency Translation:**

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

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

The company calculates Earnings Per Share (EPS) in accordance with BAS 33 "Earnings Per Share" which has shown on the face of Profit and Loss Account and the computation of EPS is stated in Note-39.

Basic Earnings

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

Basic Earnings Per Share

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

Diluted Earnings Per Share

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

**12.00 Assets of the Company:**

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

**13.00 Employee Benefit Obligations:**

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

**14.00 Reporting Period:**

Financial statements of the company cover one calendar year from 01 January 2008 to 31 December, 2008.





**15.00 Acknowledgement of Claims:**

There was no claim against the company not acknowledged as debt as on 31 December 2008.

**16.00 Transactions with Related Parties/Associated Undertaking:**

The company carried a number of transactions with related parties in the normal course of business and on term length basis. The nature of transactions and their total value has been disclosed in Note - 23.01,25 & 26.

**17.00 Reporting Currency and level of Precision:**

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

**18.00 Comparative Information:**

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

**19.00 ADDITIONAL INFORMATION:****19.01 Responsibility for preparation and presentation for Financial Statements:**

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

**19.02 Risk and Uncertainties for use of estimates in preparation of Financial Statements:**

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

**19.03 Operating Revenue:**

The operating revenue has been shown net of VAT.

**19.04 Commission:**

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

**19.05 Brokerage or Discount:**

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

**19.06 Donation & Subscription:**

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

**19.07 Miscellaneous Expenses:**

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

**19.08 Audit Fees:**

As per decision taken in the 13th Annual General Meeting of the company held on 2nd June, 2008 the auditors' remuneration of Tk. 35,000.00 has been provided in the accounts which is the only sum to be paid to auditors' as remuneration.



## **ANNUAL REPORT 2008**

### **19.09 Board Meeting & Members:**

There were 12 members in the Board of Directors of the Company and 4 Board Meeting were held in the year under review.

### **19.10 Credit Facility not Availed of**

There was no other credit facilities available to the company under any contract, other than trade creditors available in the ordinary course of business and not availed as on 31<sup>st</sup> December, 2008.

### **20.00 RATIO AND LIQUIDITY:**

#### **20.01 Gross Profit:**

The gross profit earned during the year is 51.37% of operating revenue as against the gross profit earning at 45.93% during the preceding year.

#### **20.02 Liquidity:**

	<u>December 2008</u>	<u>December 2007</u>
Liquid Assets	64,336,350	56,350,312
Current Liabilities and Provisions	12,977,248	18,089,650
Net Liquid Assets	51,359,102	38,260,662
Net Current Assets	51,359,102	38,260,662

#### **20.03 Current Ratio:**

	<u>December 2008</u>	<u>December 2007</u>
Current Assets	64,336,350	56,350,312
Current Liabilities and Provisions	12,977,248	18,089,650
Ratio	4.96:1.00	3.12:1.00
Standard Ratio	2.00:1.00	2.00:1.00

#### **20.04 Operating Ratio:**

	<u>December 2008</u>	<u>December 2007</u>
Operating Revenue	41,268,472	38,968,840
Operating Expenses	20,065,998	21,069,288
Add: Other Expenses	23,928,582	20,505,658
	<b>43,994,580</b>	<b>41,574,946</b>
Ratio	100.00:107.00	100:106.69

#### **20.05 Return on Equity Ratio:**

$$\text{Return on Equity} = \frac{\text{Net Profit Before Tax}}{\text{Shareholder Equity}} \times 100 = \frac{11,039,616}{92,722,340} \times 100 = 11.91\%$$

### **21.00 FIXED ASSETS (NET BLOCK): Tk. 40,493,283.00**

The above amount is made up as follows

	<u>Taka</u> <u>31-12-2008</u>	<u>Taka</u> <u>31-12-2007</u>
Opening Balance at Cost	88,505,373	85,601,806
Add : Addition during the year	10,431,745	2,903,567
Less : Adjustment	212,992	—
Closing Balance at cost	<b>98,724,126</b>	<b>88,505,373</b>
Less: Accumulated depreciation up to 31-12-2007	51,663,061	45,748,290
	<b>47,061,065</b>	<b>42,757,083</b>
Less : Depreciation Charged for the year	6,567,782	5,914,771
Written down value as on 31-12-2008	<b>40,493,283</b>	<b>36,842,312</b>

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



**22.00 IPO EXPENSES: Tk. 607,208.00**

The amount consists as of IPO related expenses i, e, Issue manager fees, SEC consent fees etc. These expenses are being written off equally over Eight (8) years, which was yearly-amortized @ Tk. 303,602.00 only.

**23.00 INVESTMENT (AT COST): Tk. 313,827.00**

The above amount is made up as follows

	<u>Taka</u>	<u>Taka</u>
	<u>31-12-2008</u>	<u>31-12-2007</u>
Shares of Golden Key ISN Private Ltd. (23.01)	102,000	102,000
Bonus Shares of One Bank Ltd.	29,300	23,500
Keya Cosmetics Ltd. 1500 Shares	108,281	-
Keya Detergent Ltd. 1500 Shares	74,246	-
	<b>313,827</b>	<b>125,500</b>

**23.01 SHARES OF GOLDEN KEY ISN PRIVATE LTD.: Tk. 102,000.00**

The above balance represents investment in 1,020 fully paid ordinary shares of Tk. 100 each in Golden Key ISN Private Ltd. (GKISN Pvt. Ltd.). Golden Key ISN Ltd. was incorporated on 28-12-1999 as a private company limited by shares to provide total computerized solution for large entities and corporate bodies particularly in the banking sector. The total paid up capital of that company is Tk. 2,00,000 consisting of 2,000 ordinary shares of Tk. 100 each. The ISN Ltd. has made the investment in shares of GKISN Pvt. Ltd. at the time of incorporation of the said company. The ISN Ltd. therefore holds 51% of the shares of GKISN Pvt. Ltd. which has become a subsidiary to Information Service Network Limited.

**23.02 BONUS SHARES OF ONE BANK LTD.: Tk. 29,300.00**

During the year under audit the Company has received 58 Bonus shares of Tk. 100.00 each from One Bank Ltd & total bonus share as on 31-12-2008 are 293 of Tk. 100.00 each.

**24.00 ACCOUNTS RECEIVABLE: Tk. 45,684,828.00**

This is arrived at as under :

	<u>Taka</u>	<u>Taka</u>
	<u>31-12-2008</u>	<u>31-12-2007</u>
Balance as on 01-01-2008	38,795,067	31,728,379
Add: Addition during the year	15,751,355	16,612,508
	<b>54,546,422</b>	<b>48,340,887</b>
Less : Received during the year	8,861,594	9,545,820
Balance as on 31-12-2008	<b>45,684,828</b>	<b>38,795,067</b>

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

	<u>31-12-2008</u>		<u>31-12-2007</u>	
	<u>Below six Months</u>	<u>Over six Months</u>	<u>Below six Months</u>	<u>Over six Months</u>
P.C. World Advertisement	379,600	663,100	468,655	480,600
Internet Bill (DSL/UUCP A/C)	2,002,157	1,939,173	1,948,860	1,546,960
Internet Bill (D/U)	1,435,190	9,209,782	1,907,478	8,815,914
Software Sales	3,294,663	14,575,414	5,780,608	7,516,306
Networking & IT Solutions	461,300	5,457,329	1,851,600	3,565,829
Fax Bill	—	107,470	—	107,470
Web Hosting & Development	1,236,000	2,735,705	1,148,700	1,523,205
VAT from party	515,602	1,672,343	709,159	1,423,723
	<b>9,324,512</b>	<b>36,360,316</b>	<b>13,815,060</b>	<b>24,980,007</b>

**25.00 ACCRUED LOAN INTEREST: Tk. 809,544.00**

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



**ANNUAL REPORT 2008****26.00 LOAN, ADVANCES, DEPOSITS AND PRE PAYMENTS: Tk. 10,218,182.00**

This is made up as follows :

	<u>Taka</u> <u>31-12-2008</u>	<u>Taka</u> <u>31-12-2007</u>
Loan to GKISN ( Note 26.01)	1,635,343	1,635,343
Other Advance and Prepayments (Note 26.02)	8,582,839	7,431,342
	<u>10,218,182</u>	<u>9,066,685</u>

**Related Party Disclosure:**

There was related party transaction of loan amount Tk. 1,635,343 to its subsidiary Golden Key ISN Private Limited given in the years from 2000 to 2002.

**26.01 LOAN A/C (GKISN): Tk. 1,635,343.00**

This has been carried forward from the previous year account. No amount was paid during the year under audit :

	<u>Taka</u> <u>31-12-2008</u>	<u>Taka</u> <u>31-12-2007</u>
Opening Balance	1,635,343	1,635,343
Add : Additional during the period	—	—
Closing Balance	<u>1,635,343</u>	<u>1,635,343</u>

**26.02 OTHER ADVANCES AND PRE PAYMENTS: Tk. 8,582,839.00**

This is made up as follows :

	<u>Taka</u> <u>31-12-2008</u>	<u>Taka</u> <u>31-12-2007</u>
Balance as on 01-01-2008	7,431,342	8,826,690
Add : Addition during the year	2,936,797	1,311,702
	<u>10,368,139</u>	<u>10,138,392</u>
Less : Recovered during the year	1,785,300	2,707,050
Balance as on 31-12-2008	<u>8,582,839</u>	<u>7,431,342</u>

The break-up of the above amount of Tk. 8,582,839.00 is as follows :

Sl #	Particular's	Name of the Party	Taka
1.	Security Deposit (Tel)	Bangladesh T & T Board	334,000
2.	Earnest Monty	i) Rajshahi University	770
		ii) PATC, Savar	8,588
		iii) EPZA, Dhaka	4,720
		iv) NACR, Bogra	12,000
		v) RAJUK	11,000
		vi) Shadharan Bima	15,000
			52,078
3.	Security Deposit (DESCO)		5,000
4.	Bandwidth charge (Advance) to BTCL		119,600
5.	Security Deposit (V-SAT/Bandwidth)	i) Tracer Electrocom	2,214,956
		ii) BTCL	728,000
		iii) Mango	270,000
			3,212,956
6.	Office Rent Advance	i) TMC Building (1st Floor)	62,360
		ii) Sheba House	312,187
			374,547
7.	Fax Security to Moondial	Moondial Internet Service	441,657
8.	Advance for Equipment and Hardware & others		964,491
9.	Advance for Income Tax	Bangladesh Bank	2,481,037
10.	Advance for printing (PCW)	Holiday Printers Ltd.	300,000
11.	Security Deposit (Office Rent) Al-haj M.A.Momin, Narayangonj		80,000
12.	Security Deposit-CDBL		200,000
13.	Advance for Share purchase of Keya Cosmetics Ltd.		17,473
		<b>Total</b>	<b>8,582,839</b>

- (i) Security Deposit and Earnest money are made with various authorities for utility services.  
(ii) No amount was due by the director (Including Managing Director), Managing agent, Managers and other officers of the company and any of them severally or jointly with any other person.  
(iii) These amounts are unsecured but all are considered good.

**27.00 CASH AND BANK BALANCE: Tk. 7,623,796.00**

This break up to the above amount is as under :	<b><u>Taka</u></b>	<b><u>Taka</u></b>
	<b><u>31-12-2008</u></b>	<b><u>31-12-2007</u></b>
Cash in hand	1,447,308	1,341,995
AB Bank New Elephant Branch	761,762	4,711,222
NCC Bank Moghbazar Branch	886,207	825,884
Eastern Bank Ltd. Sonargaon Rd. Branch	66,656	236,459
Mercantile Bank, Gulshan Branch	516,686	563,456
Mercantile Bank, Moghbazar Branch	3,945,177	—
<b>Total</b>	<b><u>7,623,796</u></b>	<b><u>7,679,016</u></b>

Bank balances are reconciled in the respective bank statements. Cash in hand certificate has been obtained.

**28.00 ACCRUED EXPENSES: Tk. 1,686,797.00**

This is made up as under	<b><u>Taka</u></b>	<b><u>Taka</u></b>
	<b><u>31-12-2008</u></b>	<b><u>31-12-2007</u></b>
Balance as on 01-01-2008	1,259,745	2,054,315
Add: Addition during the year	1,675,797	1,248,745
	<b><u>2,935,542</u></b>	<b><u>3,303,060</u></b>
Less : Paid/Adjustment during the year	1,248,745	2,043,315
Balance as on 31-12-2008	<b><u>1,686,797</u></b>	<b><u>1,259,745</u></b>

Details have been shown as under :

<b><u>Particulars</u></b>	<b><u>Taka</u></b>	<b><u>Taka</u></b>
	<b><u>31-12-2008</u></b>	<b><u>31-12-2007</u></b>
Salary and Remuneration	974,462	706,930
Telephone Bill	46,019	35,344
Overtime	17,439	18,046
Legal Fees	11,000	11,000
Fuel and Lubricant	—	2,680
Electricity	79,416	54,125
Postage	3,078	8,008
Security Services	—	11,800
Mobile Phone	11,284	29,390
Bandwidth Charge	180,000	180,000
Office Rent	82,072	30,010
Employer P.F. Contribution	45,223	25,386
Audit Fees	35,000	35,000
Maintenance (Office)	23,652	1,358
Water	23,127	5,175
Printing (PCW)	155,025	117,293
<b>Total Tk.</b>	<b><u>1,686,797</u></b>	<b><u>1,259,745</u></b>

- (i) Most of the outstanding liabilities have subsequently been paid.
- (ii) There are no outstanding liabilities due for more than twelve months except legal fees.

**29.00 LIABILITIES FOR OTHER FINANCE: Tk. 2,999,268.00**

The above amount is made up as follows :

	<b><u>Taka</u></b>	<b><u>Taka</u></b>
	<b><u>31-12-2008</u></b>	<b><u>31-12-2007</u></b>
Security Money (Internet)	362,476	362,476
Security Money (Fax)	448,847	448,847
VAT	2,187,945	2,132,882
	<b><u>2,999,268</u></b>	<b><u>2,944,205</u></b>

Security money have been taken form the subscriber against Internet and Fax connection.

**ANNUAL REPORT 2008****30.00 PROPOSED DIVIDEND: Tk. 4,092,879.00**

The amount represents the cash dividend of 5% on paid up share capital Tk. 81,857,575.00 to the shareholders as recommended by the Board of Directors subject to the approval of the shareholders in the 14th Annual General Meeting.

**31.00 PROVISION FOR INCOME TAX: Tk. 4,198,304.00**

Current year provision for Income Tax has been made at the existing rate of 27.50% in respect of taxable income. This is made up as follows :

	<u>Taka</u> <u>31-12-2008</u>	<u>Taka</u> <u>31-12-2007</u>
Opening Balance as on 01-01-2008	3,208,625	2,311,612
Add : Provision made for the year under audit	989,679	897,013
	<u>4,198,304</u>	<u>3,208,625</u>
Less : adjustment during the year	—	—
<b>Total</b>	<u><u>4,198,304</u></u>	<u><u>3,208,625</u></u>

Computation of Provision for Income Tax has been made as under :

Particulars	Internet & Others	Software	Total
Operational Revenue	30,111,909	11,156,563	41,268,472
Other Income	13,765,727	—	13,765,727
Total Revenue	43,877,636	11,156,563	55,034,199
Total Revenue Expenses	40,278,802	3,715,778	43,994,580
Profit before Tax	3,598,834	7,440,785	11,039,619
Provision for Tax	989,679	—	989,679

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

20.27% of total income i.e  $\frac{\text{Software Revenue}}{\text{Total Revenue}} \times 100$  or  $\frac{11,156,563}{55,034,199} \times 100$ .

**32.00 DEFERRED TAX LIABILITIES: TK. 51,080.00**

The company has made Deferred Tax Liabilities to the extent of Tk. 51,080.00 as on 31st December 2008 as per BAS-12, "Income Taxes". This is made up as follows :

<u>Particulars</u>	<u>Amount (Tk.)</u>
<b>A. Fixed Assets</b>	
Carrying amount of Fixed Assets as per Accounts	40,493,283
Less: Tax base-Carrying amount of Fixed Assets	40,307,536
Taxable temporary difference	185,747
<b>B. Provision for Gratuity</b>	
Provision for Gratuity as per Accounts	Nil
Less: Tax base	Nil
Temporary difference	-
<b>C. Provision for Investment</b>	
Provision for Investment as per Accounts	Nil
Less Tax base	Nil
Temporary difference	-
<b>D. Net Taxable temporary difference (A+B+C)</b>	185,747
Tax Rate	27.50%
<b>E. Deferred Tax liabilities as on 31st December, 2008</b>	51,080
<b>F. Deferred Tax Liabilities recognised as on 31st December, 2007</b>	49,632
<b>G. Deferred Tax Expenses/ (Income) to be recognised (E - F)</b>	<u>1,448</u>

**33.00 SHAREHOLDERS EQUITY: Tk. 92,722,340.00**

**33.01 Authorized Capital: Tk. 500,000,000**

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

**34.00 SHARE CAPITAL: Tk. 81,857,575.00**

**34.01 Issued, subscribed and Paid-up: Tk. 81,847,575.00**

This is as follows :

Paid up Capital balance as on 01-01-2008	Tk. 71,180,500
Bonus share credited during the year	<u>Tk. 10,677,075</u>
Paid up capital balance as on 31-12-2008	<u><b>Tk. 81,857,575</b></u>

**34.02 The percentage of shareholding by different categories of shareholders are as follows :**

No. of Holders	Holding	Total Holding %
Nil	Less than 500 shares	Nil
1823	500 to 5,000 shares	27.86
147	5,001 to 10,000 shares	12.46
52	10,001 to 20,000 shares	8.92
17	20,001 to 30,000 shares	5.24
03	30,001 to 40,000 shares	1.28
03	40,001 to 50,000 shares	1.69
10	50,001 to 100,000 shares	8.81
07	100,001 to 1,000,000 shares	33.74
Nil	Over 1,000,000 shares	Nil
<b>2062</b>	<b>Total</b>	<b>100.00</b>

**34.03 COMPOSITION OF SHAREHOLDERS:**

Sl #	Particular	No. of Shares	Value of shares	%	
				2008	2007
01	Directors/Sponsor	1,883,833	1,883,8330	23%	31.31%
02	Institution	2,377,384	2,377,3840	29%	16.74%
03	General Public	3,924,540	3,924,5400	48%	51.95%
<b>Total</b>		<b>8,185,757</b>	<b>81,857,570</b>	<b>100%</b>	<b>100%</b>

**35.00 Operating Revenue: Tk. 41,268,472.00**

This is made up as following

	Taka	Taka
	<u>31-12-2008</u>	<u>31-12-2007</u>
Internet Bill (D/U)	11,619,272	12,408,277
Internet Bill (DSL/UUCP A/C)	19,765,331	15,779,074
	<u>31,384,603</u>	<u>28,187,351</u>
Less : VAT	4,093,644	3,676,611
Net Sales After VAT	<u>27,290,959</u>	<u>24,510,740</u>
Sales of Software (Note-35.01)	11,156,563	10,226,500
Networking & IT Solutions	2,820,950	4,231,600
<b>Total</b>	<u><b>41,268,472</b></u>	<u><b>38,968,840</b></u>



**ANNUAL REPORT 2008****35.01 Software Sales: Tk. 11,156,563.00**

During the year under audit total revenue collected from Software Development are Tk. 11,156,563.00 against of this revenue, an amount of Tk. 37,15,778.00 has been expensed during the year proportionate to revenue earning.

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

<b>Head of Accounts</b>	<b>Amount</b>	
Advertisement	56,173	
AGM Expenses	27,269	
Appeal Fees	253	
Bandwidth charge against usage	444,443	
Bank Charge	7,650	
Books & Paper	4,085	
Carrying	395	
Conveyance	28,520	
CDBL Charge	13,928	
Depreciation	395,142	
Electricity	182,207	
Entertainment	10,472	
Filing Fees	3,977	
Fuel & Lubricant	46,833	
Gas Bill	1,216	
Insurance	15,742	
ISP License Fees	102,363	
Listing Fees	27,037	
MD's Remuneration	243,240	
Maintenance	97,067	
Membership Fees	58,474	
Municipal Taxes	6,248	
Office Rent	116,987	
Overtime	16,445	
Postage	16,925	
Printing (General)	38,239	
House Rent	48,648	
Audit Fees	7,094	
Registration & Renewal	17,592	
Salary of Admin. Share & Marketing Dept.	806,164	
Security Services	4,783	
Stationery	10,189	
Submarine Cable Connection	8,108	
TA & DA	147,390	
Telephone	27,685	
Telephone (Mobile)	35,298	
Water Supply	22,131	
<b>Sub Total</b>		<b>3,096,412</b>
Add. : Own expenses of Software Development Section		
Salary	573,468	
Festival Bonus	25,333	
P. F. Contribution	20,565	
<b>Sub Total</b>		<b>619,366</b>
<b>Grand Total</b>		<b>3,715,778</b>

**36.00 OPERATING EXPENSES: Tk. 20,065,998.00**

This consists of as follows :

	<u>Taka</u>	<u>Taka</u>
	<u>31-12-2008</u>	<u>31-12-2007</u>
Bandwidth charge	12,424,828	14,060,912
Telephone line rental	229,632	431,808
Salary & Allowance	2,793,152	2,479,090
Depreciation	4,618,386	4,097,478
<b>Total</b>	<b>20,065,998</b>	<b>21,069,288</b>





**37.00 OTHER INCOME: Tk. 13,765,727.00**

	<b>Taka-2008</b>	<b>Taka-2007</b>
Connectivity	1,675,569	2,081,155
P.C World sales & subscription	328,770	821,084
P.C World Advertisement	3,186,413	2,456,615
Web Hosting & Development	2,538,925	2,128,659
Re-installation	316,909	210,126
Dividend	6,117	5,462
Domain Registration	191,784	87,900
Bank Interest	2,872	3,996
DV-2010 form sales	4,810,250	4,550,400
Miscellaneous	85,785	473
Insurance Claims	200,325	—
Gain from Microbus Sales	422,008	—
<b>Total</b>	<b>13,765,727</b>	<b>12,345,870</b>

**38.00 ADMINISTRATIVE EXPENSES: Tk. 23,624,980.00**

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

<b>Particulars</b>	<b>Taka-2008</b>	<b>Taka-2007</b>
Advertisement	277,125	170,790
AGM Expenses	134,527	93,588
Appeal Fees	1,250	—
Audit Fees	35,000	35,000
Bandwidth Charge (BTRC)	100,000	100,000
Bandwidth Charge (Ctg. Link)	—	700,350
Bandwidth charges against usage	2,192,617	2,481,337
Bank Charge	37,742	32,041
Books & Paper	20,155	13,360
Carrying	1,950	860
CDBL charge	68,714	—
CNG Conversation	58,000	—
Commission (Internet)	42,127	333,590
Commission (P.C.W)	247,910	154,934
Commission (Prepaid)	6,009	68,665
Connectivity (Bandwidth)	—	360,000
Consultant Fee	485,337	—
Conveyance	140,704	184,784
Cost of Proposal	3,608	1,000
Customs & Clearing	10,303	12,836
Depreciation	1,949,396	1,817,293
Directors Remuneration	1,420,000	1,243,333
Domain Registration	60,658	82,168
Electricity	898,900	842,995
Employees P.F. Contribution	499,164	307,224
Entertainment	51,663	42,532
Festival Bonus	410,899	671,839
Filling Fees	19,620	218,565
Fuel & Lubricant	231,048	199,436
Gas Bill	6,000	4,400
House Rent	240,000	—
Insurance	77,663	33,882
ISP License Fees	505,000	305,000
Listing Fees	133,386	70,000
Maintenance (Office, Telephone, Vehicle, etc.)	478,870	478,322
Membership Fees	288,476	99,000
Municipal Taxes	30,824	31,228
Networking	1,472,425	1,216,696
Office Rent	577,145	451,320
Overtime	81,131	80,727
PCW Royalty	162,000	—
Postage	83,498	112,894
Printing ( General)	188,651	90,443
Printing ( P.C.W)	1,838,779	1,364,969
Registration & Renewal	86,793	43,915
Salary & Remuneration	6,568,299	4,513,044
Security Services	23,600	126,800
Station Charge (BTRC)	140,700	—
Stationery	50,266	56,839
Submarine Cable Connection	40,000	10,000
TA & DA	727,137	277,326
Telephone (Mobile)	174,141	362,866
Telephone (T & T)	136,586	243,460
Water Supply	109,184	60,405
<b>Grand Total</b>	<b>23,624,980</b>	<b>20,202,056</b>



**ANNUAL REPORT 2008****39.00 EARNING PER SHARE (EPS) BASIC:**

The computation of EPS is given below :

$$\text{BasicEPS} = \frac{\text{Earning attributable to the ordinary shareholders}}{\text{Weighted average number of ordinary share outstanding during the year}}$$

2008		2007
10,048,497	-	8,793,119
8,185,757		8,185,757
1.22	=	1.08

**40.00 TAX ASSESSMENT STATUS:**

Accounting Year	Assessment Year	Provision for Income Tax	Liabilities as per Assessment Order	Advance Income Tax Paid/
2005	2006-2007	-	not yet due	237,793
2006	2007-2008	970,778	not yet due	1,001,417
2007	2008-2009	897,013	not yet due	300,702
2008	2009-2010	952,562	not yet due	—

The tax assessment and tax liabilities have been finalised/paid up to the assessment year 2005-2006.

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

**41.00 SOME INFORMATION WITH REGARD TO INCOME AND EXPENDITURE IN FOREIGN CURRENCY ETC.**

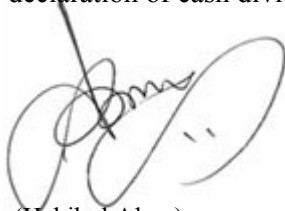
	<u>Dec.31-2008</u>	<u>Dec.31-2007</u>
(a) Value of Import on C & F basis	Nil	Nil
(i) Raw Materials	Nil	Nil
(ii) Packing Materials	Nil	Nil
(iii) Component and Spare Parts	Nil	Nil
(iv) Capital Goods	Nil	Nil
(b) Expenditure in Foreign Currency for Royalty, Technical Fee, Professional Advisory fee, Interest and Others	Nil	Nil
(c) Value of imported Raw Materials, Packing Materials, Stores & Spares consumed with percentage	Nil	Nil
(d) The amount remitted during the year in foreign currencies on account of dividends with a specific mention of the number of non-resident shareholders,	Nil	Nil
(e) Earnings in foreign exchange classified under the following heads, namely :		
(i) Export of goods calculated on F.O.B. basis	Nil	Nil
(ii) Royalty, know-how, professional and consultation fees.	Nil	Nil
(iii) Interest and dividend;	Nil	Nil
(iv) Other income : Software sales revenue received from M/S Rettenwender & de Rooy Limited, Munich, Germany.	Nil	€ 988.50

**42.00 INFORMATION WITH REGARD TO SUBSIDIARY COMPANY-  
Golden Key ISN Private Ltd. (GKISN Pvt. Ltd.)**

- I. Information Services Network Limited is the holder of 51% shares in Golden Key ISN Private Ltd.
- II. The accumulate net loss up to 31.12.2008 of the aforesaid company stood at Tk. 3,346,186.00
- III. As per 37<sup>th</sup> Board Meeting resolution no interest has been charged on loan of Golden Key ISN Private Ltd. for the year under audit.
- IV. The shares held by Information Services Network Limited in Golden Key ISN Private Ltd. has been shown under the head "Investment".

**43.00 SUBSEQUENT EVENT:**

There is no other significant event that has occurred between the Balance Sheet date and the date when the financial statement were authorized for issue by the Board of Directors except declaration of cash dividend @ 5% to share holders as its paid up capital.



(Habibul Alam) *Bir Pratik*  
Managing Director



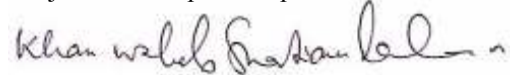
(A. R. Azimul Hoque)  
Director



(Shamar Kumar Sutradhar)  
Company Secretary

Dhaka, April 26, 2009

Subject to our separate report of even date



**Khan Wahab Shafique Rahman & Co.**  
Chartered Accountants



# Information Services Network Ltd.

52 New Eskaton Road, TMC Building (4th Floor), Dhaka-1000.

## *Fixed Assets Schedule* As on 31st December 2008

Particulars	Cost				Rate of Dep.	Depreciation			Written down value as on 31-12-08
	Opening balance as on 01.01.08	Adjustment	Addition during the year	Closing Balance as on 31-12-08		Owning balance as on 01-01-08	Charges for the year ended	Closing balance as on 31-12-08	
Internet Equipment	47,339,984	0	7,576,303	54,916,287		31,809,124	4,618,386	36,427,510	18,488,777
Office Equipment's	21,249,403	0	1,245,614	22,495,017		10,125,967	698,579	10,824,546	11,670,471
Telephone Installation & Intercom	5,129,864	0	4,895	5,134,759		3,310,004	191,160	3,501,164	1,633,595
Vehicles	2,668,000	(212,992)	755,000	3,210,008		1,713,484	224,479	1,272,045	1,485,037
Furniture & Fixture	1,907,576	0	163,600	2,071,176		916,926	117,877	1,036,373	823,381
Building Flat	9,739,210	0	0	9,739,210		3537781	620,143	4,157,924	5,581,286
Sundry Assets	471,336	0	686,333	1,157,669		249,775	97,158	346,933	810,736
<b>Total</b>	<b><u>88,505,373</u></b>	<b><u>(212,992)</u></b>	<b><u>10431745</u></b>	<b><u>98,724,126</u></b>	<b>=</b>	<b><u>51,663,061</u></b>	<b><u>6,567,782</u></b>	<b><u>58,230,843</u></b>	<b><u>40,493,283</u></b>

Note : (I) The basis of charging depreciation has been stated in note.  
(II) Allocation of Depreciation :

	<b><u>Taka</u></b>
Cost of Services	4,618,386
Administrative Expenses	1,949,396
<b>Total</b>	<b><u>6,567,782</u></b>



**লব ল নে কল K i ngব GŪ †Kis**  
**KHAN WAHAB SHAFIQIE RAHMAN & CO.**  
CHARTERED ACCOUNTANTS

**PARTNERS:**

S.M.SHAFIQUE FCA  
MUJIBUR RAHMAN FCA  
MD. ABU SINA FCA  
MD. ANISUR RAHMAN FCA

**HEAD OFFICE:**

55, DILKUSHA COMMERCIAL AREA  
DHAKA-1000. BANGLADESH  
PHONE : 9551663, 9565136  
FAX : 880-2-9551821  
E-mail : kwsr@dhaka.net

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

We have audited the accompanying Balance Sheet of **GOLDEN KEY ISN PRIVATE LIMITED** as of 31 December 2008 and the related Profit and Loss Account, Cash Flow Statement and Statement of Changes in Equity for the year then ended. The preparation of these financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

**Scope**

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

**Opinion**

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS) give a true and fair view of the state of the company's affairs as of 31 December 2008 and of the results of its operations, its Cash Flows and Changes in Equity Statement for the year then ended and comply with the Companies Act, 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

**We also report that:**

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

*Khan Wahab Shafiqie Rahman*

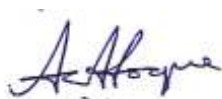
Dhaka, April 26, 2009

**KHAN WAHAB SHAFIQIE RAHMAN & CO.**  
**CHARTERED ACCOUNTANTS**



**GOLDEN KEY ISN PRIVATE LIMITED****BALANCE SHEET AS AT 31ST DECEMBER 2008**

<b><u>SOURCES OF FUNDS</u></b>	<b><u>Note</u></b>	<b><u>31-12-2008</u></b>	<b><u>31-12-2007</u></b>
<b><u>SHAREHOLDERS FUNDS</u></b>			
<b><u>Authorized Capital</u></b>			
5,00,000 Ordinary Shares of Tk. 100.00 each		<b><u>50,000,000.00</u></b>	<b><u>50,000,000.00</u></b>
<b><u>Issued Subscribed and paid up Capital</u></b>			
2,00,000 Ordinary Shares@100.00 each fully paid up in cash	04	200,000.00	200,000.00
<b>UNSECURED LOAN</b>	05	2,648,029.00	2,648,029.00
		<b>Tk. <u>2,848,029.00</u></b>	<b><u>2,848,029.00</u></b>
<b><u>APPLICATION OF FUNDS</u></b>			
<b><u>Fixed Assets (W.D.V)</u></b>			
	06	196,835.00	231,572.00
<b><u>Current Assets</u></b>			
Security Deposits with T & T Board		10,000.00	10,000.00
Cash and Bank Balance	07	111,552.00	117,529.00
		<b>121,552.00</b>	<b>127,529.00</b>
<b>Less : <u>Current Liabilities</u></b>			
Accounts Payable	08	816,544.00	816,544.00
<b>NET CURRENT ASSETS</b>		<b>(694,992.00)</b>	<b>(689,015.00)</b>
<b>PROFIT &amp; LOSS ACCOUNT</b>		<b>3,346,186.00</b>	<b>3,305,472.00</b>
		<b>Tk. <u>2,848,029.00</u></b>	<b><u>2,848,029.00</u></b>


**DIRECTOR**

**MANAGING DIRECTOR**

Signed in terms of our separate report of even date

Dhaka, April 26, 2009

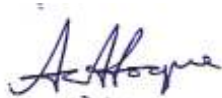
*Khan Wahab Shafique Rahman*  
**Khan Wahab Shafique Rahman & Co.**  
**Chartered Accountants**



**GOLDEN KEY ISN PRIVATE LIMITED**

**PROFIT & LOSS ACCOUNT**  
**for the year ended 31st December 2008**

	<u>Note</u>	<u>31-12-2008</u>	<u>31-12-2007</u>
Turnover		-	-
<b>Less :</b>			
Administrative Expenses	9.00	5,977.00	5,600.00
Depreciation on Fixed Assets (Annexure-A)		34,737.00	40,865.00
Amortization of Preliminary Expenses		-	5,389.00
		<b><u>40,714.00</u></b>	<b><u>51,854.00</u></b>
<b>Net Loss for the year</b>		<b>40,714.00</b>	<b>51,854.00</b>
Add: Balance Brought forward from Previous year		3,305,472.00	3,253,618.00
<b>Accumulated Loss Transferred to Balance Sheet Tk.</b>		<b><u>3,346,186.00</u></b>	<b><u>3,305,472.00</u></b>



**DIRECTOR**



**MANAGING DIRECTOR**

**Subject to our separate report of even date**



**Khan Wahab Shafique Rahman & Co.**  
**Chartered Accountants**

Dhaka, April 26, 2009





**INFORMATION SERVICES NETWORK LTD**

**CONSOLIDATED BALANCE SHEET**

**AS AT 31<sup>ST</sup> DECEMBER 2008**

PARTICULARS	Amount (in Tk.)	
	2008	2007
<b>A. NET ASSETS:</b>		
<b>Non-Current Assets</b>	<b>41,509,153</b>	<b>38,008,194</b>
Tangible Fixed Assets, Net of accumulated depreciation	40,690,118	37,078,884
IPO-Expenses	607,208	910,810
Investment (at cost)	211,827	23,500
<b>B. Current Assets</b>	<b>62,013,015</b>	<b>54,032,954</b>
Accounts Receivable	45,684,828	38,795,067
Loans, Advances and Deposits	8,592,839	7,441,342
Cash and Cash Equivalents	7,735,348	7,796,545
<b>C. Current Liabilities and Provisions</b>	<b>13,996,934</b>	<b>19,109,336</b>
Unsecured Loan	1,012,986	1,012,686
Accrued Expenses	1,693,797	1,266,745
Liabilities for other Finance	2,999,268	2,944,205
Proposed Dividend	4,092,879	10,677,075
Provision for Income Tax	4,198,304	3,208,625
<b>D. Net Current Assets ( B - C)</b>	<b>48,016,081</b>	<b>34,923,618</b>
<b>E. Deferred Tax Liabilities</b>	<b>51,080</b>	<b>49,632</b>
<b>F. Net Assets ( A + D - E)</b>	<b>Tk. 89,474,154</b>	<b>72,882,180</b>
<b>FINANCED BY:</b>		
<b>G. Shareholders Equity</b>	<b>91,015,785</b>	<b>74,403,861</b>
Share capital	81,857,575	71,180,500
Retained Earnings-As per Profit and Loss Account	5,158,210	(776,639)
General Reserve	2,000,000	2,000,000
Dividend Equalization Fund	1,000,000	1,000,000
Inflation and Currency Fluctuation Fund	1,000,000	1,000,000
<b>H. Minority Interest</b>	<b>(1,541,631)</b>	<b>(1,521,681)</b>
	<b>Tk. 89,474,154</b>	<b>72,882,180</b>


  
(Habibul Alam) *Bir Pratik*  
Managing Director

  
(A. R. Azimul Hoque)  
Director

  
(Shamar Kumar Sutradhar)  
Company Secretary

Subject to our separate report of even date

Dhaka, April 26, 2009

  
**Khan Wahab Shafique Rahman & Co.**  
Chartered Accountants






**INFORMATION SERVICES NETWORK LTD.**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

**For the year ended 31st December, 2008**

<b>PARTICULARS</b>	<b>I.S.N.</b>	<b>G.K.I.S.N.</b>	<b>2008</b>
Operating Revenue	41,268,472	-	41,268,472
Operating Expenses	(20,065,998)	-	(20,065,998)
<b>Gross Profit</b>	<b>21,202,474</b>	<b>-</b>	<b>21,202,474</b>
Other Income	13,765,727	-	13,765,727
	<b>34,968,201</b>	<b>-</b>	<b>34,968,201</b>
<b>Other Expenses</b>	<b>(23,928,582)</b>	<b>(40,714)</b>	<b>(23,969,296)</b>
Administrative and Financial Expenses	23,624,980	40,714	23,665,694
Amortization of Pre-operating Expenses	303,602	-	303,602
<b>Net profit before Tax for the year</b>	<b>11,039,619</b>	<b>(40,714)</b>	<b>10,998,905</b>
Deferred Tax Expenses	1,448	-	1,448
Provision for income Tax for the year	989,679	-	989,679
<b>Net profit after tax for the year</b>	<b>10,048,492</b>	<b>(40,714)</b>	<b>10,007,778</b>
Profit (Loss) brought forward	909,152	(3,305,472)	(2,396,320)
	<b>10,957,644</b>	<b>(3,346,186)</b>	<b>7,611,458</b>
Minority Interest	-	1,639,631	1,639,631
<b>Available for Appropriation</b>	<b>10,957,644</b>	<b>(1,706,555)</b>	<b>9,251,089</b>
<b>Appropriation:</b>			
Proposed Dividend	4,092,879	-	4,092,879
<b>Profit/(loss) transferred to Balance Sheet</b>	<b>6,864,765</b>	<b>(1,706,555)</b>	<b>5,158,210</b>
	<b>6,864,765</b>	<b>(1,706,555)</b>	<b>5,158,210</b>


  
(Habibul Alam) *Bir Pratik*  
Managing Director

  
(A. R. Azimul Hoque)  
Director

  
(Shamar Kumar Sutradhar)  
Company Secretary

Subject to our separate report of even date

Dhaka, April 26, 2009

  
**Khan Wahab Shafique Rahman & Co.**  
Chartered Accountants



**NOTES ON**

**Of Consolidated Balance Sheet of INFORMATION SERVICES NETWORK LTD.  
& GOLDEN KEY ISN PRIVATE LIMITED**  
**As of 31 December 2008**

**A Minority Interest : Tk. (1,541,631)**

The break up of the above amount is as under :

	<b>DEC. 2008</b>
Balance of Profit and loss account up to 31 <sup>st</sup> December 2008	(1,639,631
Paid up capital 49% of Tk. 200,000	98,000
<b>Tk.</b>	<b><u><u>(1,541,631)</u></u></b>



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Khulna, Tel : (041) 732761

**Gulshan Office :** SHEBA House (6<sup>th</sup> Floor)  
Golden Plaza Shopping Complex, Plot # 34, Road # 46  
Gulshan-2, Dhaka-1212, Contact No. : 5887945

**Uttara Office :** House # 03 (1<sup>st</sup> Floor)  
Road # 14, Sector # 03, Uttara, Dhaka-1231  
Cell : 01919652692, 01919652666

**Narayanganj Office :** Shop # 157-158  
Shomajoy New Market, (2<sup>nd</sup> Floor), 194, B.A Road  
Deshara, Narayanganj, Code : 1400, Tel. : 7643754