

Annual Report 2009

First Online Internet Service Provider in Bangladesh



Information Services Network Ltd.



working for tomorrow

ছুটি দেখুন
কথা শুনা
আগ দেশে
আগ বিশ্বে



net
যেখানে
btel
সেখানে



Information Services Network Ltd.
52, New Eskaton Road, TMC Building (4th Floor)
Dhaka-1000, Bangladesh, Phone: 8322785-8
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MANAGEMENT APPARATUS

1. Mr. Sayeed Hossain Chowdhury	:	Chairman & Sponsor Director
2. Mr. Mirza Ali Behrouze Ispahani	:	Vice - Chairman & Sponsor Director
3. Mr. Habibul Alam, <i>Bir Pratik</i>	:	Managing Director & Sponsor Director
4. Mr. Abdullah-Hel-Mostafa	:	Sponsor Director
5. Mr. A R Azimul Hoque	:	Sponsor Director
6. Ms Shirin Huq	:	Sponsor Director
7. Ms Najma Enayetullah Khan	:	Sponsor Director
8. Mr. Suman Celine Huq	:	Sponsor Director
9. Mr. Md. Akhtaruzzaman	:	Shareholder Director
10. Dr. Kaisar Ali Talukder	:	Shareholder Director
11. Mr. Azeezur Rahman	:	Shareholder Director
12. Mr. Asheq Ul Islam	:	Shareholder Director
13. 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 Address

In the name of Allah

Distinguished Shareholders,

On the occasion of the 15th Annual General Meeting of our Company, I am happy to be able to once again report to you.

"Digital Bangladesh and Vision 2021" as dreamt by the present government inspires us to make more investment for network expansion throughout the country. With the increased demand, we shall focus on new products and services. Also work in areas that we have not fully explored in the past.

You will be pleased to note, ISN made major investment during the year, achieved growth of 13.90 percent and earned an operating profit of TK 10,574,367.00. Earning per share (EPS) was TK 1.18.

Mindful of maintaining future growth of your Company, the Board of Directors of ISN has recommended 10% Stock Dividend for the financial year ending 31/12/2009.

You will be delighted to know that your Company had secured Internet Protocol Telephony Service Provider (IPTSP) Licence from Bangladesh Telecommunication Regulatory Commission (BTRC) on 18th August 2009. Hence, ISN will now be able to offer its clients the option to talk through IP Phone within Bangladesh. Besides data services, ISN will also offer its clients the facilities of video calls, call forwarding and audio-video conferencing through IP telephony.

During the year we have also succeeded to attract a good number of new Corporate Clients including Police Head Quarter (PHQ), Dhaka Metropolitan Police (DMP), Dhaka City Corporation (DCC), Bangladesh Air Force (BAF), Bangladesh Investment Board, International Finance Association, Bangladesh Olympic Association, Khulna University, etc.

Our Branch Offices (Gulshan, Uttara, Khulna, Narayanganj, Motijheel) has been restructured and network coverage in these areas has been greatly expanded. We have also introduced ICT Products to meet our clients' requirements. Software Division has been reorganized and it is now expected that the Software Division will earn good revenue for your Company in the coming years. Earnings from PC World Magazine has also increased in the year.

PC World Bangladesh has of late established direct communication with the world's largest technology media company IDG of USA and shall now be able to increase its material coverage to meet the growing demand of the new generation.

PC World Bangladesh is the most circulated English magazine and the second most circulated ICT magazine in Bangladesh. New advertisement, direct sales and subscription network was substantially increased during 2009. PC World has always endeavoured to give its valued clients something new, special, uncommon and essential IT knowledge.

Our vision is to be the most respected and leading ISP Company in Bangladesh, based on good financial standing and honourable conduct. As we continue to grow, we are also improving our efficiency and introducing innovative new ICT Products. In the coming year, ISN's visibility will be increased due to our investment in IP telephony. We also expect to perform better results for our valued Shareholders.

It is people, who define an organization: and any business's success is dependent on the calibre of its staff. 2009 was a demanding year in many respects and it is testament to the talent and professionalism of all my colleagues that ISN successfully met its challenges and excelled in many areas. I would like to take this opportunity to extend my personal thanks to my colleagues as their commitment and expertise have greatly benefited the Company and our Shareholders. My thanks and gratitude also goes to the Securities and Exchange Commission and the Dhaka + Chittagong Stock Exchanges for their continued support.

In closing, I would like to express my deep appreciation for the guidance of my fellow directors, for the trust and faith of our valued customers and shareholders. We are honoured that you are with ISN.

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



Sayeed Hossain Chowdhury
Chairman



INFORMATION SERVICES NETWORK LTD. (ISN)

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

NOTICE OF THE 15TH ANNUAL GENERAL MEETING

Notice is hereby given that the 15th Annual General Meeting of the Shareholders of **Information Services Network Ltd.** will be held on **21st June 2010 (Monday)** at 11:00 a.m. at Institution of Diploma Engineers Bangladesh, IDEB Bhaban, 160/A, Kakrail, Dhaka to transact the following agenda:

- 1) To approve the minutes of 14th AGM.
- 2) To receive, consider and adopt the Profit and Loss Accounts of the Company for the year ended on 31st December 2009 and the Balance Sheet as at that date together with the Reports of the Board and the Auditors thereon.
- 3) To declare stock dividend @10% for the year ended 31st December 2009.
- 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
29th April 2010

NOTES:

- a) 10th May 2010 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" (10th May 2010) will be eligible to attend the AGM and qualify for receiving bonus share.
- 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.

Corporate Operation Results 5 years (2005 – 2009):

Particulars	2009	2008	2007	2006	2005
No. of Authorised Shares	50,000,000.00	50,000,000.00	50,000,000.00	10,000,000.00	10,000,000.00
No. of Issued Shares	8,185,757.00	8,185,757.00	7,118,050.00	7,118,050.00	7,118,050.00
Paid up Capital(Tk.)	81,857,575.00	81,857,575.00	71,180,500.00	71,180,500.00	71,180,500.00
Share Holders Equity(Tk.)	155,213,283.00	92,722,340.00	7,6089,652.00	77,973,608.00	78,570,135.00
Share Holders Equity as % Assets	1.90	1.14%	1.24%	1.23%	1.06%
Total Assets(Tk.)	166,326,606.00	105,750,668.00	94,228,934.00	95,813,191.00	83,477,632.00
Total Liabilities(Tk.)	11,049,312.00	12,977,248.00	18,089,650.00	17,839,583.00	4,907,497.00
Reserve & Surplus(Tk.)	73,355,708.00	10,864,765.00	4,909,152.00	6,793,108.00	7,389,635.00
Net Sales/Net Income (Tk.)	66,624,154.00	55,034,199.00	51,314,710.00	47,469,213.00	40,756,702.00
Profit Before Tax(Tk.)	10,574,367.00	11,039,619.00	9,739,764.00	11,051,326.00	1,500,481.00
Net Profit After Tax(Tk.)	9,664,740.00	10,048,492.00	8,793,119.00	10,080,548.00	1,500,481.00
Book Value Per Share	10.00	10.00	10.00	10.00	10.00
Earning Per Share	1.18	1.22	1.08	1.42	0.21
% of Dividend	10% B	5%	15%	15%	-
Current Ratio	6.10:1.00	4.96:1.00	3.12:1.00	3.06:1.00	8.90:1.00
Operating Ratio	100.00:119.00	100.00:107.00	100:106:69	100:98.09	100:130.59

Pattern of Shareholding as on 31.12.2009:

Sl.	Name of the Shareholder	Position	No. of Shares
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	24,132
04	MR. A. R. AZIMUL HOQUE	Sponsor Director	100,000
05	MS. SHIRIN HUQ	Sponsor Director	119,502
06	MR. ABDULLAH HEL MOSTAFA	Sponsor Director	2,000
07	MR. SUMON CELINE HUQ	Sponsor Director	249,047
08	MS. NAJMA ENAYETULLAH KHAN	Sponsor Director	16,000
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. ASHEQ UL ISLAM	Shareholder Director	2,650
16	OTHER SHAREHOLDERS		6,434,451
TOTAL NUMBER OF SHARES			8,185,757

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

Directors' Report

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 15th Annual General Meeting of Information Services Network Limited (**bangla.net**), the first Internet Service Provider in Bangladesh. The Board is pleased to present the audited financial statements of the Company for the year ended 31st December 2009 and the auditors' report thereon for your kind consideration.

Company Operation:

The present Government's vision of Digital Bangladesh by 2021 and a lot of emphasizes on digitalization throughout the country will definitely bring out better opportunities for all ISP's in our country. Though in 2009 there remained an unstable world economy, price hike of necessary commodities, higher inflation rate, scarcity of power and above all threat of Wi-MAX, Mobile Internet, unexpected reduction of bandwidth price, we did not waiver in our longstanding commitment to create value for our clients - delivering maximum support through a combination of clients' intimacy, service and product technology (ICT Products).

We continued to invest in key growth initiatives to secure our future, including the expansion of our network coverage, hardware business and import of essential equipment with the permission of Regulatory Bodies which was the largest investment of its kind in ISN history. We finalized a substantial upgrade to our software business and continued to invest in ISN-PC World Bangladesh from which a good output will be visible in the coming year. Our constant efforts are to protect our relationships with our clients by providing their requirement time to time.

We are pleased to inform you that amidst the reduced price offers competition in the market along with global recession, ISN have been able to increase a great number of Corporate Clients including Police Head Quarter (PHQ), Dhaka Metropolitan Police (DMP), Dhaka City Corporation (DCC), Bangladesh Air Force (BFF), Bangladesh Investment Board, International Finance Association, Bangladesh Olympic Association, Khulna University, CSS, SOS, CARITAS Bangladesh, Khulna Engineering University, M&H Telecom, Jibonbima Khulna, First Security Islami Bank Ltd Khulna, Khulna Club, United Airways etc.

Gulshan Office:

You are all aware that Gulshan is the focal point for ISP business. In line with this marketing strategy, ensuring innovative ICT products as well as service to valued clients and applying skill and knowledge of our employees, ISN-Gulshan Office has been able to generate proper revenue amidst the global recession and severe competition in the market. Along with the network expansion, a good number of dedicated and individual clients has been increased in comparison to the previous years.

Khulna Office:

ISN is the number one ISP in Khulna area. It has been possible to generate maximum revenue in 2009. ISN has got the opportunity to provide internet service to more than 150 number of corporate clients and a good number of dedicated clients. We have been able to extend more than 65.0 km Fiber Optical Layout from Shiromony to Labonchora, Rupsha with Nirala Residential Area. We have also reached our Network in some parts of Jessore district at NoaPara and Mongla port area in Bagerhat district. With the increasing demand of Internet User, ISN has already put significant investment at Khulna by expanding new area coverage with Fiber Optical PoP stations. It is expected that all the districts of Khulna Division will be brought under our Network Coverage with Total IT solution.

Uttara Office:

Uttara is now the raising market for internet and other IT products. With this strategy Network coverage has been extensively expanded and Value Added Service is also introduced to the valued clients. Both Corporate and Individual Clients’ response enhanced our network expansion in Uttara.

Narayanganj Office:

Narayanganj was always a prospective business center even before Dhaka and it is still a vital and revenue earning business point. ISN - Narayanganj started as a small-scale at the end of 2008 but it is now fully functional and has emerged as an independent Internet service provider organization at Narayanganj. Besides providing Internet Service we are providing total IT solution to valued clients ensuring Hardware requirement & Software solution.

IPTSP:

The year 2009 has been consequential with the achievement of IPTSP licence from Bangladesh Telecommunication Regulatory Commission (BTRC). ISN will provide IP Telephony Services branding “BTEL” into Bangladeshi market. BTEL IP Telephony solutions deliver affordable local voice, long distance call and Internet access, all over BTEL’s reliable state-of-the-art IP network. Customers will benefit from significant cost savings, increased productivity, easy communication, and flexibility in businesses need with BTEL. In addition, customers will get everything on one bill and will have a single point of contact for service facilities round the clock.

Corporate Management:

Our Corporate Management ensures operations of the Company with efficiency, integrity and self-compliance with regulatory norms. They also seek to balance entrepreneurship, control and transparency, while supporting the Company’s success by ensuring efficient decision making process. Our Management always emphasis on the interest and value of the shareholders and for all the stakeholders.

Marketing & Business Development:

With an aim to achieving goals and objectives ISN marketing team continues heart and soul to accomplish its target within the time frame. As a part of strategic initiative ISN is going to start its operation at Motijheel & Mirpur soon. Considering strong business possibility in Chittagong ISN plans to expand its network coverage in this potential area very soon.

Administration:

Administration and Human Resources Development Division feels the necessity to give importance to its human resource. Admin and HR is always determined to employ the right person in the right place and ensure congenial environment for work. The manpower position of ISN is as follows:

Particulars	2009	2008	2007
Number of Employees	135	113	83

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Finance:

Finance Division seeks the guidelines of Securities and Exchange Commissions (SEC) and continues to comply with Notification, Directives and Orders for preparation of the Company's Financial Statements and submit it in time. This year Third Quarter (Q3) Financial Statement as per Securities and Exchange Commissions (SEC) Notification dated September 27, 2009 has been submitted to Commissions and Stock Exchanges and published in National dailies for honorable shareholders. Our latest Financial Statements and all other price sensitive information will be available in our website http://www.bangla.net/english/financial_statement.php

Software:

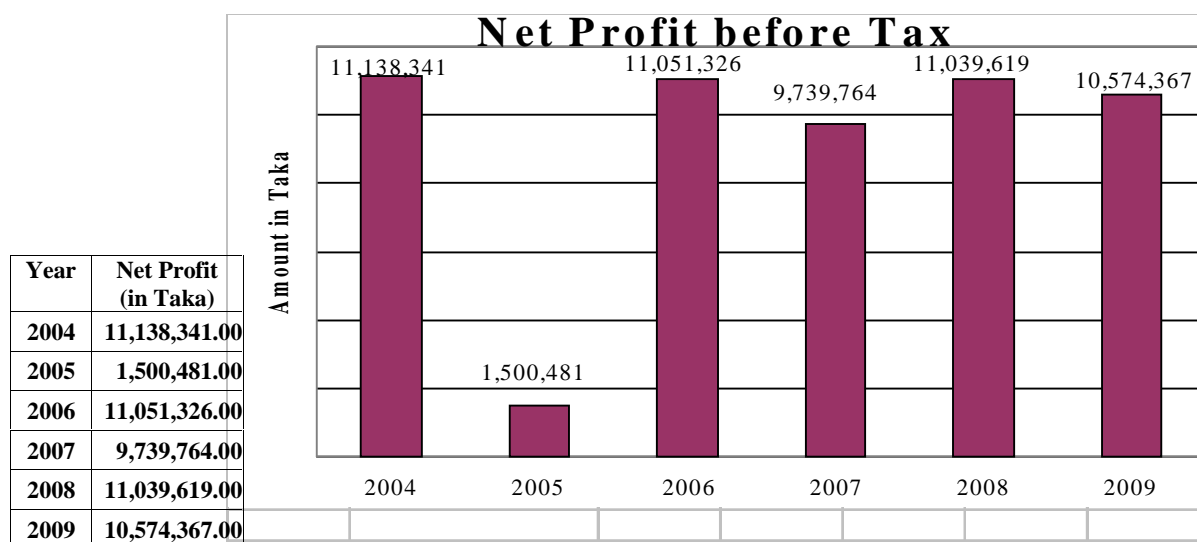
Software Division has been re-structured and developed by skilled and trained employees. It is expected that the coming year Software Team will make better performance and a good revenue will be generated from this division.

PC World:

PC World Bangladesh has achieved the prestige of well-known and most circulated English language ICT Magazine in Bangladesh. 2009 has been remarkable for PC World due to its design, features, and introduction of PCW Forum. New advertisement, direct sales and subscription network have been increased than those of the previous years. PC World has the possibility to present to valued clients something new, special, uncommon and essential IT knowledge in near future. It is expected that very soon PC World Bangladesh with the support of IDG will be coming into a new Magazine GamePro for the young people in Bangladesh.

Company Performance:

The company has earned a net profit before tax of Tk. 10,574,367.00 for the year ended on 31st December 2009.



Declaration of Dividend:

The Board of Directors is pleased to recommend for the declaration of Stock Dividend (Bonus Share) to shareholders at the rate of 10% for the year ended on the 31st December 2009.

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



Future Plan:

ISN is a full range of business application development service provider which helps our clients maximize the use of information technology. Our expertise on a variety of platforms allows us to develop solutions that are not tied to a specific vendor or product. Our services have to encompass all stages of development, from conceptualization to implementation. We will lay the role of specialists in mission-critical financial applications, e-commerce, e-marketing systems, data management systems, business intelligence, reporting systems and business automation. As mobile market grows, we will pay special attention to leveraging our expertise in providing added value mobile applications.

ISN as a full IT service provider envisions to provide complete IT services that will ensure the most value for our customers. First we will evaluate our client's needs, analyze the purposes of software creation, the environment where it functions and the other factors influencing its effectiveness. Only then development, coding and general design are initiated. This concerns developing new software and re-engineering existing ones.

Development tools and technologies that we use are .NET, Java (J2EE, J2me, and MIDP), C/C++, RealBasic, Delphi and others.

ISN's goal is to keep the image of the best ISP by providing our customers with excellent quality, competitive rates, good management tools and a suite of products that can be resold under our own brand by providing the best quality and service to our customers we consistently strive to be ahead as a leader in the industry. Every member of the team is well informed on the latest changes that exist and it keeps the company in a stable position in a volatile market. Our vision is to keep growing in the extremely dynamic market of ICT services. Thanks to our Aggressive Pricing Policies and always sales-driven marketing tactics, we hope to be stable in this market, offering excellent rates, good service and high customer satisfaction experience.

Board of Directors' Meeting:

Four Board of Directors meeting were held in 2009. There was one meeting in every quarter of the year. These meetings were attended by 9, 7, 6 and 6 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. Sayeed Hossain Chowdhury
2. Mr. Abdullah Hel Mostafa
3. Mr. Asheq Ul Islam
4. Mr. Suman Celine Huq

Additional Disclosures:

The Directors confirm, to the best of their knowledge-

- a) The financial statement prepared by the management presents the company's state of affairs, operational results, 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 Saha Mazumder & Co., Chartered Accountants shall retire in this AGM. This Firm has expressed their willingness as auditor of the company for the year to be ended on 31st December 2010. Accordingly the Board of Directors recommended for the re-appointment as auditor at a fee to be decided in this AGM.

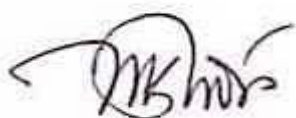
Management Appreciation:

We, on behalf of the Board of Directors of ISN, would like to take this opportunity to put on record our appreciation to the esteemed shareholders 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), Securities and Exchange Commission (SEC), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE) and other Government & Regulatory Agencies for their valuable guidance and continued support provided to ISN throughout the year. The Board of Directors are also grateful to the valued customers, stakeholders and public at large for their patronage and confidence reposed in the Company.

The Board of directors place on record their great appreciation of the commitment, sense of involvement and dedication exhibited by each staff member in the overall development, growth and prosperity of the Company and look forward to their continued support and whole-hearted co-operation for realization of the goals in the year ahead.

Thanking you all with warm regards.

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



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

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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

Condition or Clause Number	Title	Compliance Status (Put √ 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	√		
4.00 (ii)	Give financial information systems designs and implementation OR	√		
4.00 (iii)	Bookkeeping or other services related to the accounting records or financial statements OR	√		
4.00 (iv)	Broker-dealer services OR	√		
4.00 (v)	Actuarial Services, OR	√		
4.00 (vi)	Internal Audit services OR	√		
4.00 (vii)	Any other service that the Audit Committee determines	√		
5.00	REPORTING THIS COMPLIANCE IN THE DIRECTOR'S REPORT	√		

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 2009 and the related Profit and Loss Account, Cash Flow Statement and Statement of Changes in Equity for the year than ended. We have also audited the attached consolidated balance sheet, income statement, and a summary of significant accounting policies and other explanatory notes as at 31st December 2009. The financial statements of one subsidiary disclosed in note 42 are not audited by us. 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.

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 miss-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.

In our opinion the financial statements prepared in accordance with the applicable Bangladesh Accounting Standards and Bangladesh Financial Reporting Standards give a true and fair view of the state of the Company's affairs as of 31 December 2009 and of the results of its operations, its cash flows and Changes in Equity statement for the year ended and comply with the Companies Act, 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We report that,

- a) We have obtained all the information and explanations which to the best of our knowledge and belief 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 have been kept by the Company so far as it appeared from our examination of those books;
- c) The Company's Balance Sheet and Profit and Loss account dealt with by the report are in agreement with the books of account; and
- d) The expenditure incurred was for the purposes of the Company's business.

Date : April 29, 2010


SAHA MAZUMDER & CO.
Chartered Accountants

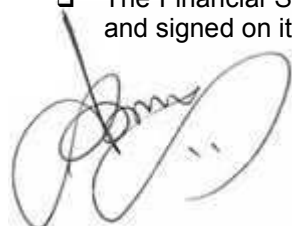
INFORMATION SERVICES NETWORK LIMITED

52, New Eskaton Road, Dhaka-1000.

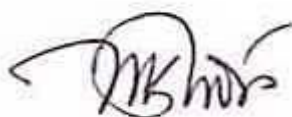
BALANCE SHEET**AS AT 31 DECEMBER, 2009**

PARTICULARS	NOTES	AMOUNT IN TK.	
		DEC-2009	DEC-2008
NET ASSETS:			
A. Non-Current Assets		98,852,815	41,414,318
Fixed Assets	21.00	98,201,582	40,493,283
IPO-Expenses	22.00	303,606	607,208
Investment (at cost)	23.00	347,627	313,827
B. Current Assets		67,473,791	64,336,350
Accounts Receivable	24.00	50,903,474	45,684,828
Accrued Loan Interest	25.00	809,544	809,544
Loans, Advances and Deposits	26.00	11,654,009	10,218,182
Cash and Cash Equivalents	27.00	4,106,764	7,623,796
C. Current Liabilities and Provisions		11,049,312	12,977,248
Accrued Expenses	28.00	2,529,278	1,686,797
Liabilities for other Finance	29.00	3,425,034	2,999,268
Proposed Dividend	30.00	--	4,092,879
Provision for Income Tax	31.00	5,095,000	4,198,304
D. Net Current Assets (B - C)		56,424,479	51,359,102
E. Non-Current Liabilities.			
Deferred Tax Liabilities	32.00	64,011	51,080
F. Net Assets (A + D - E)	Tk.	155,213,283	92,722,340
FINANCED BY:			
Shareholders Equity	33.00	155,213,283	92,722,340
Share capital	34.00	81,857,575	81,857,575
Retained Earnings-As per Profit and Loss Account		16,529,505	6,864,765
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
Capital Reserve		52,826,203	--
	Tk.	155,213,283	92,722,340

- The accounting policies and other notes from 1 to 43 form an integral part of the Financial Statements.
- The Financial Statements were authorised for issue by the Board of Directors on 29.04.2010 and signed on its behalf by :



(Habibul Alam) *Bir Pratik*
Managing Director



(Dr. Kaisar Ali Talukder)
Director



(Shamar Kumar Sutradhar)
Company Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS :

This is the Balance Sheet referred to in our annexed report.

Dated: 29 April, 2010



SAHA MAZUMDER & CO.
Chartered Accountants

INFORMATION SERVICES NETWORK LIMITED


52, New Eskaton Road, Dhaka-1000.

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER, 2009

PARTICULARS	NOTES	AMOUNT IN TK.	
		DEC-2009	DEC-2008
Operating Revenue	35.00	47,006,667	41,268,472
Operating Expenses	36.00	(26,105,102)	(20,065,998)
Gross Profit		20,901,565	21,202,474
Other Income	37.00	19,617,487	13,765,727
		40,519,052	34,968,201
Other Expenses		29,944,685	23,928,582
Administrative Expenses	38.00	29,641,083	23,624,980
Amortization of Share Issue Expenses		303,602	303,602
Net profit before Tax for the year		10,574,367	11,039,619
Deferred Tax Expenses		12,931	1,448
Provision for Income Tax for the year	31.00	896,696	989,679
Net profit after Tax for the year		9,664,740	10,048,492
Profit / (Loss) brought forward		6,864,765	909,152
Available for Appropriation		16,529,505	10,957,644
Appropriation:			
Proposed Dividend	30.00	--	4,092,879
Balance transferred to Balance Sheet		16,529,505	6,864,765
Earning Per Share (Per Value Tk. 10/-)		Tk 1.18	1.22

- The accounting policies and other notes from 1 to 43 form an integral part of the Financial Statements.
- The Financial Statements were authorised for issue by the Board of Directors on 29.04.2010 and signed on its behalf by :



(Habibul Alam) *Bir Pratik*
Managing Director



(Dr. Kaisar Ali Talukder)
Director



(Shamar Kumar Sutradhar)
Company Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS :

This is the Trading and Profit & Loss Account referred to in our annexed report.

Dated: 29 April, 2010



SAHA MAZUMDER & CO.
Chartered Accountants

INFORMATION SERVICES NETWORK LIMITED
52, New Eskaton Road, Dhaka-1000.

CASH FLOW STATEMENTS


FOR THE YEAR ENDED 31 DECEMBER, 2009

Particulars	AMOUNT IN TK.	
	DEC- 2009	DEC- 2008
A. <u>CASH FLOW FROM OPERATING ACTIVITIES :</u>		
Collection from Turnover and other Income	65,648,500	51,809,956
Payment for Cost and Expenses	(52,954,288)	(42,211,221)
Total Cash Flow from Operating Activities	12,694,212	9,598,735
B. <u>CASH FLOW FROM INVESTING ACTIVITIES :</u>		
Acquisition of Fixed Assets	(12,295,381)	(10,106,745)
Microbus Slaes	--	635,000
Share Investment	(21,671)	(182,210)
Total Cash Flow from Investing Activities	(12,317,052)	(9,653,955)
C. <u>CASH FLOW FROM FINANCING ACTIVITIES :</u>		
Dividend Paid	(4,092,879)	--
Advance & deposit Refund	198,687	--
Total Cash Flow from Financing Activities	(3,894,192)	--
Net cash inflow/ (Outflows) for the year (A + B + C)	(3,517,032)	(55,220)
Opening Cash and Bank Balance	7,623,796	7,679,016
Closing Cash and Bank Balance	4,106,764	7,623,796

- The accounting policies and other notes from 1 to 43 form an integral part of the Financial Statements.
- The Financial Statements were authorised for issue by the Board of Directors on 29.04.2010 and signed on its behalf by :



(Habibul Alam) *Bir Pratik*
Managing Director



(Dr. Kaiser Ali Talukder)
Director



(Shamar Kumar Sutradhar)
Company Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS :

This is the Cash Flow Statements referred to in our annexed report.

Dated: 29 April, 2010


SAHA MAZUMDER & CO.
Chartered Accountants

INFORMATION SERVICES NETWORK LIMITED

52, New Eskaton Road, Dhaka-1000.

STATEMENT OF CHANGES IN EQUITY**FOR THE YEAR ENDED 31 DECEMBER, 2009**

Particulars	Share Capital	General Reserve	Capital Reserve	Dividend Equalization Fund	Inflation and Currency Fluctuation Fund	Retained Earnings	Total Taka
At 1st January 2009	81,857,575	2,000,000	--	1,000,000	1,000,000	6,864,765	92,722,340
Net Profit for 2009	--	--	--	--	--	9,664,740	9,664,740
Capital Reserve	--	--	52,826,203	--	--	--	52,826,203
At 31 December 2009	81,857,575	2,000,000	52,826,203	1,000,000	1,000,000	16,529,505	155,213,283

- ❑ The accounting policies and other notes from 1 to 48 form an integral part of the Financial Statements.
- ❑ The Financial Statements were authorised for issue by the Board of Directors on 29.04.2010 and signed on its behalf by :



(Habibul Alam) *Bir Pratik*
Managing Director



(Dr. Kaiser Ali Talukder)
Director



(Shamar Kumar Sutradhar)
Company Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS :

This is the Statement of Changes in Equity referred to in our annexed report.

Dated: 29 April, 2010



SAHA MAZUMDER & CO.
Chartered Accountants

INFORMATION SERVICES NETWORK LIMITED

NOTES TO THE ACCOUNTS For the year ended 31st December, 2009

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)	98	Staff/Officers/Employees drew yearly salary & allowances more than Tk. 36,000	Tk. 10,694,582
ii)	37	Staff/Officers/Technicians drew yearly salary/wages & allowances less than Tk. 36,000	Tk. 413,181
Total	<u>135</u>		<u>11,107,763</u>

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 2009.
- (ii) Income Statement (Profit & Loss A/C) for the year ended 31 December 2009.
- (iii) Statement of Changes in Equity for the year ended 31 December 2009.
- (iv) Cash Flow Statements for the year ended 31 December 2009.
- (v) Accounting Policies and Explanatory notes.

5.00 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.

5.01 Revaluation of Property, Plant and Equipment

The Company has revalued its Property, Plant and Equipment and those assets have been stated at revalued amounts as on 31-12-2009. The disclosures under Para 77 of BAS -16 are as under:

- a) The revaluation has been made effective on and from 31-12-2009.
- b) The Independent Valuer viz. BALIC CONTROL (BD) Ltd. was involved for this purpose.
- c) The present market value of Property, Plant and Equipment has been taken as the basis of determination of present cost. The physical existence of such assets has been ensured by the aforesaid Independent Valuer. Due consideration has been attached to depreciation and impairment of all the assets before determining the present cost.
- d) The revaluation surplus i.e. the difference between present cost and the historical cost minus depreciation has been shown as Capital Reserve.
- e) As the net present cost (present cost minus depreciation) determined by the aforesaid Independent Valuer on 29-11-2009 and the Company recognized the same on 31-12-2009, no depreciation has been charged on the net present value.

5.02 Depreciation:

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 -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:

As per 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.

12.0 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.

13.0 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.

14.0 Reporting Period:

Financial statements of the company cover one calendar year from 01 January 2009 to 31 December, 2009.

15.0 Acknowledgement of Claims:

There was no claim against the company not acknowledged as debt as on 31 December 2009.

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 28th June, 2009 the auditors' remuneration of Tk. 35,000 has been provided in the accounts which is the only sum to be paid to auditors' as remuneration.

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 31st December, 2009.



ANNUAL REPORT 2009**20.00 RATIO AND LIQUIDITY:**20.01 Gross Profit:

The gross profit earned during the year is 45% of operating revenue as against the gross profit earning at 51.37% during the preceding year.

20.02 Liquidity:

	<u>December 2009</u>	<u>December 2008</u>
Liquid Assets	67,473,791	64,336,350
Current Liabilities and Provisions	11,049,312	12,977,248
Net Liquid Assets	56,424,479	51,359,102
Net Current Assets	56,424,479	51,359,102

20.03 Current Ratio:

	<u>December 2009</u>	<u>December 2008</u>
Current Assets	67,473,791	64,336,350
Current Liabilities and Provisions	11,049,312	12,977,248
Ratio	6.10:1.00	4.96:1.00
Standard Ratio	2.00:1.00	2.00:1.00

20.04 Operating Ratio:

	<u>December 2009</u>	<u>December 2008</u>
Operating Revenue	47,006,667	41,268,472
Operating Expenses	26,105,102	20,065,998
Add: Other Expenses	29,944,685	23,928,582
	56,049,787	43,994,580
Ratio	100.00:119.00	100.00:107.00

20.05 Return on Equity Ratio:

$$\text{Return on Equity} = \frac{\text{Net Profit Before Tax}}{\text{Shareholder Equity}} \times 100 = \frac{10,574,367}{155,213,283} \times 100 = 6.81\%$$

20.06 Others:

	<u>Taka</u> <u>31-12-2009</u>	<u>Taka</u> <u>31-12-2008</u>
Net Operating cash Flow per share	1.55	1.17
Net Assets Value (NAV) per share	18.96	11.33

21.00 Fixed Assets: Tk. 98,201,582

The above amount is made up as follows

	<u>Taka</u> <u>31-12-2009</u>	<u>Taka</u> <u>31-12-2008</u>
Opening Balance at Cost	98,724,126	88,505,373
Add : Addition during the year	12,363,381	10,431,745
Less : Adjustment	—	212,992
Closing Balance at cost	111,087,507	98,724,126
Less: Accumulated depreciation up to 31-12-2009	58,230,843	51,663,061
	52,856,664	47,061,065
Less : Depreciation Charged for the year	7,481,285	6,567,782
Written down value as on 31-12-2009	45,375,379	40,493,283
Add: Re-valuation surplus	52,826,203	—
Total	98,201,582	40,493,283

Details have been shown in "Annexure-A"



22.00 IPO Expenses: Tk. 303,606

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 only.

23.00 Investment (At Cost): Tk. 347,627

The above amount is made up as follows

	Taka - 31-12-2009			Taka
	No. Of Share	Acquisition price	Market price	31-12-2008
Shares of Golden Key ISN Private Ltd. (23.01)	1,020	102,000	102,000	102,000
Bonus Shares of One Bank Ltd.	351	35,100	157,950	29,300
Keya Cosmetics Ltd.	1500	108,281	123,000	108,281
Keya Detergent Ltd.	1500	74,246	87,000	74,246
Grameen Phone Ltd.	400	28,000	70,000	--
		347,627	539,950	313,827

23.01 Shares Of Golden Key Isn Private Ltd.: Tk. 102,000

The above balance represents investment in 1,020 fully paid ordinary shares of Tk. 100 each in Golden Key ISN Private Ltd. (GKISN Pvt. Ltd.). Golden Key ISN Ltd. was incorporated on 28-12-1999 as a private company limited by shares to provide total computerized solution for large entities and corporate bodies particularly in the banking sector. The total paid up capital of that company is Tk. 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. 35,100

The break up of above bonus share is as follows :

	No of Share	Amount
Opening Balance	293	29,300
Add: Bonus received during the year	53	5,800
	351	35,100

Principal Share of One Bank Ltd. already sold.

24.00 Accounts Receivable: Tk. 50,903,474

This is arrived at as under :

	Taka 31-12-2009	Taka 31-12-2008
Balance as on 01-01-2009	45,684,828	38,795,067
Add: Addition during the year	18,902,612	15,751,355
	64,587,440	54,546,422
Less : Received during the year	13,683,966	8,861,594
Balance as on 31-12-2009	50,903,474	45,684,828

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

	31-12-2009		31-12-2008	
	Below six Months	Over six Months	Below six Months	Over six Months
P.C. World Advertisement	574,500	599,900	379,600	663,100
Internet Bill (DSL)	3,568,100	3,024,180	2,002,157	1,939,173
Internet Bill (D/U)	1,134,560	9,631,232	1,435,190	9,209,782
Software Sales	2,979,300	15,737,287	3,294,663	14,575,414
Networking & IT Solutions	1,279,400	6,193,329	461,300	5,457,329
Fax Bill	-	107,470	-	107,470
Web Hosting & Development	1,580,000	1,890,505	1,236,000	2,735,705
VAT from party	705,400	1,898,311	515,602	1,672,343
	11,821,260	39,082,214	9,324,512	36,360,316



ANNUAL REPORT 2009**25.00 Accrued Loan Interest: Tk. 809,544**

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.

26.00 Loan, Advances, Deposits And Pre Payments: Tk. 11,654,009

This is made up as follows :

	<u>Taka</u> <u>31-12-2009</u>	<u>Taka</u> <u>31-12-2008</u>
Loan to GKISN (Note 26.01)	1,635,343	1,635,343
Other Advance and Prepayments (Note 26.02)	10,018,666	8,582,839
	<u>11,654,009</u>	<u>10,218,182</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 (Gkisin): Tk. 1,635,343

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

	<u>Taka</u> <u>31-12-2009</u>	<u>Taka</u> <u>31-12-2008</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. 10,018,666

This is made up as follows :

	<u>Taka</u> <u>31-12-2009</u>	<u>Taka</u> <u>31-12-2008</u>
Balance as on 01-01-2009	8,582,839	7,431,342
Add : Addition during the year	3,741,995	2,936,797
	<u>12,324,834</u>	<u>10,368,139</u>
Less : Recovered during the year	2,306,168	1,785,300
Balance as on 31-12-2009	<u>10,018,666</u>	<u>8,582,839</u>



The break-up of the amount of Tk. 10,018,666 is as follows :

Sl No	Particular's	Name of the Party	Taka
1.	Security Deposit (Tel)	BTCL	336,000
2.	Earnest Money	i) Rajshahi University	770
		ii) PATC, Savar	8,588
		iii) EPZA, Dhaka	4,720
		iv) Police Head Quarter	114,248
		v) RAJUK	18,000
		vi) Dhaka City Corporation	29,370
			175,696
3.	Security Deposit (DESCO)		5,000
4.	Bandwidth charge (Advance) to BTCL		180,000
5.	Security Deposit (V-SAT/Bandwidth)	i) Tracer Electrocom	1,398,125
		ii) BTCL	1,116,000
		iii) Mango	144,000
			2,658,125
6.	Office Rent Advance	i) TMC Building (1st Floor)	62,360
		ii) Sheba House	128,962
		iii) Hasan Holding	59,400
			250,722
7.	Fax Security to Moondial	Moondial Internet Service	441,657
8.	Advance for Equipment and Hardware & others		1,181,119
9.	Advance for Income Tax	Bangladesh Bank	4,093,474
10.	Advance for printing (PCW)	Holiday Printers Ltd.	300,000
11.	Security Deposit (Office Rent)	i) Narayangonj	80,000
		ii) Hasan Holding	59,400
		iii) Farida Begum, Uttara	40,000
			179,400
12.	Security Deposit-CDBL		200,000
13.	Balance with BO A/C No. 1201910000147345 with SES Company Ltd.		17,473
Total			10,018,666

- (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 Balances: Tk. 4,106,764

This break up to the above amount is as under :

	<u>Taka</u> <u>31-12-2009</u>	<u>Taka</u> <u>31-12-2008</u>
Cash in hand	1,787,040	1,447,308
AB Bank New Elephant Branch	(29,407)	761,762
NCC Bank Moghbazar Branch	411,408	886,207
Eastern Bank Ltd. Sonargaon Rd. Branch	623,492	66,656
Mercantile Bank, Gulshan Branch	388,068	516,686
Mercantile Bank, Moghbazar Branch	926,163	3,945,177
Total	4,106,764	7,623,796

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



ANNUAL REPORT 2009**28.00 Accrued Expenses: Tk. 2,529,278**

This is made up as under:	Taka	Taka
	31-12-2009	31-12-2008
Balance as on 01-01-2009	1,686,797	1,259,745
Add: Addition during the year	2,518,278	1,675,797
	4,205,075	2,935,542
Less : Paid/Adjustment during the year	1,675,797	1,248,745
Balance as on 31-12-2009	2,529,278	1,686,797

Details have been shown as under:

Particulars	Taka	Taka
	31-12-2009	31-12-2008
Salary and Remuneration	1,113,558	974,462
Telephone Bill	21,214	46,019
Overtime	17,629	17,439
Legal Fees	11,000	11,000
Electricity	56,843	79,416
Postage	--	3,078
POP Rent	13,000	--
Mobile Phone	38,117	11,284
Bandwidth Charge	936,000	180,000
Office Rent	41,562	82,072
Employer P.F. Contribution	59,500	45,223
Audit Fees	35,000	35,000
Maintenance (Office)	12,223	23,652
Water	21,632	23,127
Printing (PCW)	152,000	155,025
Total Tk.	2,529,278	1,686,797

- (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. 3,425,034

The above amount is made up as follows:	Taka	Taka
	31-12-2009	31-12-2008
Security Money (Internet)	372,476	362,476
Security Money (Fax)	448,847	448,847
VAT	2,603,711	2,187,945
	3,425,034	2,999,268

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

30.0 Proposed Stock Dividend:

The stock dividend @ 10% on paid up share to the shareholders as recommended by the Board of Director subject to the approval of the shareholders in the 15th Annual General Meeting.



31.00 Provision For Income Tax: Tk. 5,095,000

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>31-12-2009</u>	<u>Taka</u> <u>31-12-2008</u>
Opening Balance as on 01-01-2009	4,198,304	3,208,625
Add : Provision made for the year under audit	896,696	989,679
	5,095,000	4,198,304
Less : adjustment during the year	--	--
Total	5,095,000	4,198,304

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

Particulars	Internet & Others	Software	Total
Operational Revenue	35,757,367	11,249,300	47,006,667
Other Income	19,617,487	--	19,617,487
Total Revenue	55,374,854	11,249,300	66,624,154
Total Revenue Expenses	52,114,140	3,935,647	56,049,787
Profit before Tax	3,260,714	7,313,653	10,574,367
Provision for Tax	896,696	--	896,696

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

$$16.88\% \text{ of total income i.e. } \frac{\text{Software Revenue}}{\text{Total Revenue}} \times 100 \text{ or } \frac{11,249,300}{66,624,154} \times 100$$

32.00 Deferred Tax Liabilities: Tk. 64,011

The company has made Deferred Tax Liabilities to the extent of Tk. 64,011 as on 31st December 2009 as per BAS-12, "Income Taxes". This is made up as follows :

<u>Particulars</u>	<u>Amount in</u> <u>(Tk.)</u>
A. Fixed Assets	
Carrying amount of Fixed Assets as per Accounts	45,375,379
Less: Tax base-Carrying amount of Fixed Assets	45,142,613
Taxable temporary difference	232,766
Tax Rate	27.50%
B. Deferred Tax liabilities as on 31st December, 2008	64,011
C. Deferred Tax Liabilities recognised as on 31st December, 2008	51,080
D. Deferred Tax Expenses/ (Income) to be recognised (E - F)	12,931



ANNUAL REPORT 2009**33.00 Shareholders Equity: Tk. 155,213,283****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**34.01 Issued, Subscribed and Paid-Up: Tk. 81,847,575**

This is as follows :

Paid up Capital balance as on 01-01-2009	Tk. 81,857,575
Addition during the year	Tk. -----
Paid up capital balance as on 31-12-2009	<u>Tk. 81,857,575</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
2,473	500 to 5,000 shares	33.59
136	5,001 to 10,000 shares	10.05
47	10,001 to 20,000 shares	7.66
13	20,001 to 30,000 shares	4.21
11	30,001 to 40,000 shares	4.79
06	40,001 to 50,000 shares	3.40
11	50,001 to 100,000 shares	8.23
07	100,001 to 1,000,00 shares	28.07
Nil	Over 1,000,00 shares	Nil
2,704	Total	100.00

34.03 Composition Of Shareholders:

SI No.	Particular	No. of Shares	Value of shares	%	
				2009	2008
01	Directors/Sponsors	1,751,306	17,513,060	21.39	23.00
02	Institution	1,702,183	17,021,830	20.80	29.00
03	General Public	4,732,269	47,322,690	57.81	48.00
	Total	8,185,758	81,857,580	100.00	100.00

35.00 Operating Revenue: Tk. 47,006,667

This is made up as following

	Taka <u>31-12-2009</u>	Taka <u>31-12-2008</u>
Internet Bill (D/U)	8,673,880	11,619,272
Internet Bill (DSL/UUCP A/C)	24,702,107	19,765,331
	33,375,987	31,384,603
Less : VAT	4,353,390	4,093,644
Net Sales After VAT	29,022,597	27,290,959
Sales of Software (Note-35.01)	11,249,300	11,156,563
Networking & IT Solutions	6,734,770	2,820,950
Total	<u>47,006,667</u>	<u>41,268,472</u>



35.01 **Software Sales: Tk. 11,249,300**

During the year under audit total revenue collected from Software Development are Tk. 11,249,300 against of this revenue, an amount of Tk. 3,935,647 has been expensed during the year proportionate to revenue earning.

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

Head of Accounts	Amount	
Directors' Remuneration	312,280	
Advertisement	41,316	
AGM Expenses	29,776	
Appeal Fees	208	
Bandwidth charge against usage	515,852	
Bank Charge	7,755	
Books & Paper	3,196	
Conveyance	25,730	
CDBL Charge	9,503	
Depreciation	339,636	
Electricity	169,989	
Entertainment	11,146	
Trade License	3,681	
Fuel & Lubricant	37,688	
Gas Bill	852	
Insurance	18,260	
ISP License Fees	17,724	
Listing Fees	13,504	
Maintenance	79,315	
Membership Fees	50,355	
Municipal Taxes	5,203	
Office Rent	136,823	
Overtime	12,312	
Postage	13,233	
Printing (General)	165,979	
House Rent	81,024	
Audit Fees	5,908	
Registration & Renewal	8,632	
Salary of Admin. Share & Marketing Dept.	794,854	
Station Charge	3,393	
Stationery	9,854	
Submarine Cable Connection	6,752	
TA & DA	32,961	
Telephone	13,952	
Telephone (Mobile)	67,617	
Water Supply	24,700	
Sub Total		3,070,963
Add. : Own expenses of Software Development Section		
Salary	819,386	
Festival Bonus	16,000	
P. F. Contribution	29,298	
Sub Total		864,684
Grand Total		3,935,647



ANNUAL REPORT 2009**36.00 Operating Expenses: Tk. 26,105,102**

This consists of as follows :

	<u>Taka</u>	<u>Taka</u>
	<u>31-12-2009</u>	<u>31-12-2008</u>
Bandwidth charge	17,317,293	12,424,828
Telephone line rental	218,592	229,632
Salary & Allowance	3,099,993	2,793,152
Depreciation	5,469,224	4,618,386
Total	<u>26,105,102</u>	<u>20,065,998</u>

37.00 Other Income: Tk. 19,617,487

	<u>Taka-2009</u>	<u>Taka-2008</u>
Connectivity	1,205,980	1,675,569
P.C World sales & subscription	352,228	328,770
P.C World Advertisement	3,172,476	3,186,413
Web Hosting & Development	5,743,523	2,538,925
Re-installation	345,556	316,909
Dividend	13,659	6,117
Domain Registration	190,255	191,784
Bank Interest	2,914	2,872
DV-2010 form sales	5,665,100	4,810,250
Miscellaneous	42,970	85,785
Insurance Claims	120,000	200,325
Gain from Microbus Sales	1,067,397	--
Software Manual Printing	--	422,008
Antivirus CD Sales	1,563,555	--
POP Rent	131,874	--
Total	<u>19,617,487</u>	<u>13,765,727</u>

38.00 Administrative Expenses: Tk. 29,641,083

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

Particulars	<u>Taka-2009</u>	<u>Taka-2008</u>
Advertisement	244,764	277,125
AGM Expenses	176,400	134,527
Appeal Fees	1,230	1,250
Bandwidth charges against usage	3,055,993	2,192,617
Bank Charge	45,943	37,742
Books & Paper	18,933	20,155
CDBL charge	56,300	68,714
Commission (P.C.W)	237,405	247,910
Consultant Fee	185,400	485,337
Conveyance	152,429	140,704
Customs & Clearing	7,336	10,303
Depreciation	2,012,061	1,949,396
Domain Registration	13,300	60,658
Electricity	1,007,045	898,900
Employees P.F. Contribution	628,670	499,164
Entertainment	66,030	51,663
Fuel & Lubricant	223,271	231,048
ISP License Fees	105,000	505,000
Page Total	<u>8,237,510</u>	<u>7,812,213</u>



B/F (Page Total)	8,237,510	7,812,213
Light, Heat & Power	5,050	6,000
Listing Fees	80,000	133,386
Maintenance (Office, Telephone, Vehicle, etc.)	469,875	478,870
Membership Fees	298,314	288,476
Municipal Taxes	30,824	30,824
Networking	1,074,810	1,472,425
Office Rent	810,564	577,145
Overtime	72,936	81,131
Postage	78,395	83,498
Printing (General)	983,289	188,651
Printing (P.C.W)	1,970,271	1,838,779
Registration & Renewal	51,140	86,793
Salary & Remuneration	8,007,770	6,568,299
Station Charge (BTRC)	20,100	140,700
Stationery	58,377	50,266
Submarine Cable Connection	40,000	40,000
TA & DA	195,269	727,137
Telephone (Mobile)	400,575	174,141
Telephone (T & T)	82,657	136,586
Festival Bonus	370,275	410,899
House Rent	480,000	240,000
Audit Fees	35,000	35,000
Water Supply`	146,326	109,184
Business Development	62,000	--
Data Connectivity	390,017	--
Insurance	108,174	77,663
IP Telephone License Fees	1,000,000	--
ODU Rent	144,000	--
POP Rent	385,659	--
Antivirus CD Purchase	1,680,101	--
Trade License	21,805	--
Bandwidth Charge (BTRC)	--	100,000
Carrying	--	1,950
CNG Conversation	--	58,000
Commission (Internet)	--	42,127
Commission (Prepaid)	--	6,009
Directors Remuneration	1,850,000	1,420,000
Cost of Proposal	--	3,608
Filling Fees	--	19,620
PCW Royalty	--	162,000
Security Services	--	23,600
Grand Total	<u>29,641,083</u>	<u>23,624,980</u>

39.00 Earning Per Share (Eps) Basic:

The computation of EPS is given below :

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

2009	2008
9,664,740	10,048,497
8,185,757	8,185,757
1.18	1.22



40.00 Tax Assessment Status:

Accounting Year	Assessment Year	Provision for Income Tax	Liabilities as per Assessment Order	Advance Income Tax Paid/
2003	2004-2005	604,750	--	737,228
2004	2005-2006	863,365	--	1,003,897
2005	2006-2007	--	not yet due	237,793
2006	2007-2008	970,778	not yet due	1,101,417
2007	2008-2009	897,013	not yet due	898,702
2008	2009-2010	952,562	not yet due	254,713
2009	2010-2011	896,696	not yet due	106,739

The tax assessment and tax liabilities have been finalised/paid up to the assessment year 2002-2003.

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.

	DEC- 2009	DEC- 2008
(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 manual sales received from M/S Rettenwender & de Rooy Limited, Munich, Germany.	€ 11,865.98	Nil



**42.00 Information With Regard To Subsidiary Company Golden Key ISN Private Ltd.
(Gkisin 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 31.12.2009 of the aforesaid company stood at Tk. 3,381,860.
- III. As per 37th 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:

- a) The Board of Director has recommended @ 10% stock dividend to the shareholders subject to the approval of the shareholders in the Annual General Meeting
- b) 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.



(Habibul Alam) *Bir Pratik*
Managing Director



(Dr. Kaisar Ali Talukder)
Director



(Shamar Kumar Sutradhar)
Company Secretary

Dated: 29 April, 2010



INFORMATION SERVICES NETWORK LIMITED

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

Fixed Assets Schedule **As on 31 December 2009**

Particulars	Cost			Rate of Dep.	Depreciation			Amount Re- valuation over written down value	Written down value with Re- valuation as on 31-12-09
	Opening balance as on 01.01.09	Addition during the year	Closing Balance as on 31-12-09		Opening balance as on 01-01-09	Charges for the year	Closing balance as on 31-12-09		
Internet Equipment	54,916,287	10,287,671	65,203,958		36,427,510	5,469,224	41,896,734	-	23,307,224
Office Equipment's	22,495,017	1,165,310	23,660,327		10,824,546	768,588	11,593,134	-	12,067,193
Telephone Installation & Intercom	5,134,759	2,000	5,136,759		3,501,164	170,942	3,672,106	-	1,464,653
Vehicles	3,210,008	810,900	4,020,908		1,937,963	312,442	2,250,405	-	1,770,503
Furniture & Fixture	2,071,176	97,500	2,168,676		1,034,803	115,471	1,150,274	-	1,018,402
Building Flat	9,739,210	--	9,739,210		4,157,924	558,129	4,716,053	52,826,203	57,849,360
Sundry Assets	1,157,669	--	1,157,669		346,933	86,489	433,422	-	724,247
Total	98,724,126	12,363,381	111,087,507		58,230,843	7,481,285	65,712,128	52,826,203	98,201,582

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

Cost of Services
Administrative Expenses

	<u>Taka</u>
	5,469,224
	2,012,061
Total	<u>7,481,285</u>



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 2009 and the related Profit and Loss Account for the year than ended. 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.

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 miss-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.

In our opinion the financial statements prepared in accordance with the applicable Bangladesh Accounting Standards and Bangladesh Financial Reporting Standards give a true and fair view of the state of the Company's affairs as of 31 December 2009 and of the results of its operations, its cash flows and Changes in Equity statement for the year ended and comply with the Companies Act, 1994, and other applicable laws and regulations.

We report that,

- a) We have obtained all the information and explanations which to the best of our knowledge and belief 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 have been kept by the Company so far as it appeared from our examination of those books;
- c) The Company's Balance Sheet and Profit and Loss account dealt with by the report are in agreement with the books of account.

Dhaka : 29 April, 2010

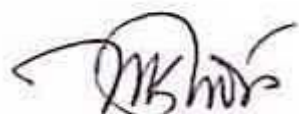

SAHA MAZUMDER & CO.
Chartered Accountants

GOLDEN KEY ISN PRIVATE LIMITED
52, New Eskaton Road, Dhaka-1000.

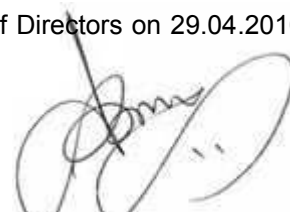
BALANCE SHEET
AS AT 31 DECEMBER 2009

PARTICULARS	NOTE	AMOUNT IN TK.	
		<u>DEC-2009</u>	<u>DEC-2008</u>
<u>SOURCES OF FUNDS:</u>			
<u>SHAREHOLDERS FUNDS:</u>			
<u>Authorized Capital</u>			
500,000 Ordinary Shares of Tk. 100.00 each		<u>50,000,000</u>	<u>50,000,000</u>
<u>Issued Subscribed and paid up Capital</u>			
2,000 Ordinary Shares @100.00 each fully paid up in cash	04	200,000	200,000
UNSECURED LOAN	05	<u>2,648,029</u>	<u>2,648,029</u>
	Tk.	<u>2,848,029</u>	<u>2,848,029</u>
<u>APPLICATION OF FUNDS:</u>			
<u>Fixed Assets (W.D.V)</u>	06	167,311	196,835
<u>Current Assets</u>			
Security Deposits with T & T Board		10,000	10,000
Cash and Bank Balance	07	105,402	111,552
		<u>115,402</u>	<u>121,552</u>
Less : <u>Current Liabilities</u>			
Accounts Payable	08	816,544	816,544
NET CURRENT ASSETS/(LIABILITIES)		<u>(701,142)</u>	<u>(694,992)</u>
PROFIT & LOSS ACCOUNT		<u>3,381,860</u>	<u>3,346,186</u>
	Tk.	<u>2,848,029</u>	<u>2,848,029</u>

- The accounting policies and other notes from 1 to 9 form an integral part of the Financial Statements.
- The Financial Statements were authorised for issue by the Board of Directors on 29.04.2010 and signed on its behalf by :



(Dr. Kaisar Ali Talukder)
Director



(Habibul Alam) *Bir Pratik*
Managing Director

AUDITORS' REPORT TO THE SHAREHOLDERS :

This is the Balance Sheet referred to in our annexed report.

Dated: 29 April, 2010


SAHA MAZUMDER & CO.
Chartered Accountants

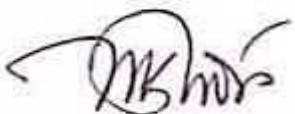
GOLDEN KEY ISN PRIVATE LIMITED

52, New Eskaton Road, Dhaka-1000.

PROFIT AND LOSS ACCOUNT**FOR THE YEAR ENDED 31 DECEMBER 2009.**

PARTICULARS	Note	AMOUNT IN TK.	
		DEC-2009	DEC-2008
Turnover		-	-
Less :			
Administrative Expenses	9.00	6,150	5,977
Depreciation on Fixed Assets (Annexure-A)		29,524	34,737
		35,674	40,714
Net Loss for the year		35,674	40,714
Add: Balance Brought forward from Previous year		3,346,186	3,305,472
Accumulated Loss Transferred to Balance Sheet	Tk.	<u>3,381,860</u>	<u>3,346,186</u>

- The accounting policies and other notes from 1 to 9 form an integral part of the Financial Statements.
- The Financial Statements were authorised for issue by the Board of Directors on 29.04.2010 and signed on its behalf by :



(Dr. Kaisar Ali Talukder)
Director



(Habibul Alam) *Bir Pratik*
Managing Director

AUDITORS' REPORT TO THE SHAREHOLDERS :

This is the Profit & Loss Account referred to in our annexed report.

Dated: 29 April, 2010



SAHA MAZUMDER & CO.
Chartered Accountants

INFORMATION SERVICES NETWORK LIMITED

52, New Eskaton Road, Dhaka-1000.

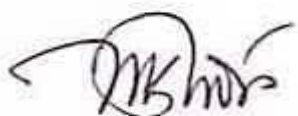
CONSOLIDATED BALANCE SHEET**AS AT 31 DECEMBER 2009.**

PARTICULARS	AMOUNT IN TK.	
	DEC- 2009	DEC- 2008
A. NET ASSETS:		
Non-Current Assets	98,918,126	41,509,153
Tangible Fixed Assets, Net of accumulated	98,368,893	40,690,118
IPO-Expenses	303,606	607,208
Investment (at cost)	245,627	211,827
B. Current Assets	65,144,306	62,013,015
Accounts Receivable	50,903,474	45,684,828
Loans, Advances and Deposits	10,028,666	8,592,839
Cash and Cash Equivalents	4,212,166	7,735,348
C. Current Liabilities and Provisions	12,133,009	14,048,014
Unsecured Loan	1,012,686	1,012,686
Accrued Expenses	2,536,278	1,693,797
Liabilities for other Finance	3,425,034	2,999,268
Proposed Dividend	--	4,092,879
Provision for Income Tax	5,095,000	4,198,304
Deferred Tax Liabilities	64,011	51,080
D. Net Current Assets (B - C)	53,011,297	47,965,001
E. Net Assets (A + D)	Tk. 151,929,423	89,474,154
FINANCED BY:		
F. Shareholders Equity	153,488,534	91,015,785
Share capital	81,857,575	81,857,575
Retained Earnings-As per Profit and Loss Account	14,804,756	5,158,210
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
Capital Reserve	52,826,203	-
G. Minority Interest	(1,559,111)	(1,541,631)
	Tk. 151,929,423	89,474,154

- The accounting policies form an integral part of the Financial Statements.
- The Financial Statements were authorised for issue by the Board of Directors on 29.04.2010 and signed on its behalf by :



(Habibul Alam) *Bir Pratik*
Managing Director



(Dr. Kaisar Ali Talukder)
Director



(Shamar Kumar Sutradhar)
Company Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS :

This is the Consolidated Balance Sheet referred to in our annexed report.

Dated: 29 April, 2010



SAHA MAZUMDER & CO.
Chartered Accountants

INFORMATION SERVICES NETWORK LIMITED
52, New Eskaton Road, Dhaka-1000.

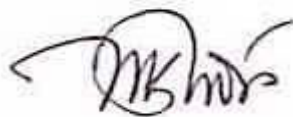
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER, 2009

PARTICULARS	I.S.N.	G.K.I.S.N.	DEC- 2009
Operating Revenue	47,006,667	-	47,006,667
Operating Expenses	(26,105,102)	-	(26,105,102)
Gross Profit	20,901,565	-	20,901,565
Other Income	19,617,487	-	19,617,487
	40,519,052	-	40,519,052
Other Expenses	(29,944,685)	(35,674)	(29,980,359)
Administrative and Financial Expenses	29,641,083	35,674	29,676,757
Amortization of Pre-operating Expenses	303,602	-	303,602
Net profit before Tax for the year	10,574,367	(35,674)	10,538,693
Deferred Tax Expenses	12,931	-	12,931
Provision for income Tax for the year	896,696	-	896,696
Net profit after tax for the year	9,664,740	(35,674)	9,629,066
Profit (Loss) brought forward	6,864,765	(3,346,186)	3,518,579
	16,529,505	(3,381,860)	13,147,645
Minority Interest	-	1,657,111	1,657,111
Available for Appropriation	16,529,505	(1,724,749)	14,804,756
Appropriation:			
Proposed Dividend	-	-	-
Profit/(loss) transferred to Balance Sheet	-	(1,724,749)	14,804,756
	16,529,505	(1,724,749)	14,804,756

- The accounting policies an integral part of the Financial Statements.
 The Financial Statements were authorised for issue by the Board of Directors on 29.04.2010 and signed on its behalf by :



(Habibul Alam) *Bir Pratik*
Managing Director



(Dr. Kaisar Ali Talukder)
Director



(Shamar Kumar Sutradhar)
Company Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS :

This is the Consolidated Profit & Loss Account referred to in our annexed report.

Dated: 29 April, 2010


SAHAR MAZUMDER & CO.
Chartered Accountants

NOTES ON

OF
CONSOLIDATED BALANCE SHEET
OF
INFORMATION SERVICES NETWORK LIMITED
AND
GOLDEN KEY ISN PRIVATE LIMITED
AS OF 31 DECEMBER 2009.

A Minority Interest : Tk. (1,559,111)

The break up of the above amount is as under :

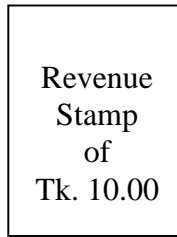
	DEC- 2009
Balance of Profit and loss account up to 31 st December 2009	(1,657,111)
Paid up capital 49% of Tk. 200,000	98,000
Tk.	<u>(1,559,111)</u>



PROXY FORM

I/We.....of
being Member 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 15th Annual General Meeting of the Company
to be held on Monday, 21st June, 2010 and adjournment thereof and the poll as witness my/our hand
this day of 2010.

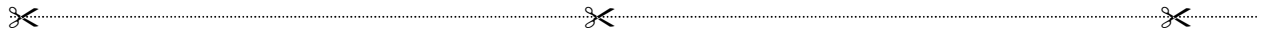
Signature of Member(s)
BO / Folio No.
No. of Shares
Date



Signature of Proxy

Signature of Witness

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



ATTENDANCE

I hereby record my presence at the 15th Annual General Meeting of Information Services Network Limited at the Institute of Diploma Engineers Bangladesh, IDEB Bhaban, 160/A, Kakrail, Dh.aka

Full Name of the Shareholder

(in block letter)

BO / Folio No. holding of

Ordinary Shares of Information Services Network Limited.

Signature of Member/Proxy

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

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Information Services Network Ltd.

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BANGLADESH

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Khulna Office: Bangladesh Shilpa Bank Bhaban (BSB)
5th Floor, 25-26 KDA C/A, Upper Assore Road, Khulna,
Tel: (041) 732761

Gulshan Office: SHEBA House (6th Floor)
Golden Plaza Shopping Complex, Plot # 34, Road # 46,
Gulshan-2, Dhaka-1212, Tel: 02-9885470, 9687945

Uttara Office: House # 57 (2nd Floor)
Road # 07, Sector # 04, Uttara, Dhaka-1230
Tel: 02-7911592

Narayanganj Office: 43/12, Bagan Assat Masjid Road
North Chashara, Narayanganj, Code-1400
Tel: 02-7643764

Motijheel Office: Baitul Homan Building
Room No. 902, 27 Dilkusha (8th Floor)
Dhaka-1000, Tel: 02-7125536 Fax: 02-7121881

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