INFORMATION SERVICES NETWORK LIMITED

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

BALANCE SHEET (UN-AUDITED)

AS AT 30TH SEPTEMBER, 2016

PARTICULARS	30th September, 2016	30th June, 2016
NET ASSETS:		
Non-Current Assets	**121,554,690**	**120,020,227**
Tangible Fixed Assets, Net of accumulated depreciation	119,547,274	117,896,452
Investment (at cost)	960,184	960,184
Deferred Expenditure	1,047,232	1,163,591
Current Assets	**130,757,503**	**131,359,729**
Accounts Receivable	117,367,160	116,410,217
Accrued Loan Interest	809,544	809,544
Loans, Advances and Deposits	11,937,321	12,098,290
Cash and Cash Equivalents	643,478	2,041,678
Current Liabilities and Provisions	**58,852,329**	**56,827,891**
Accrued Expenses	6,047,191	5,677,525
Liabilities for other Finance	12,510,045	12,094,694
Short Term Loan	39,905,025	38,715,025
Provision for Income Tax	390,067	340,647
Net Current Assets	**71,905,175**	**74,531,838**
Non-Current Liabilities.		
Long Term Loan	**(32,374,828)**	**(33,256,078)**
Deferred Tax Liabilities	**(620,339)**	**(620,339)**
Net Assets	**160,464,698**	**160,675,648**
FINANCED BY:		
Shareholders Equity	**160,464,698**	**160,675,648**
Share capital	109,200,035	109,200,035
Retained Earnings-As per Profit and Loss Account	(7,342,739)	(7,823,022)
General Reserve	2,000,000	2,000,000
Dividend Equalization Fund	1,000,000	1,000,000
Inflation and Currency Fluctuation	1,000,000	1,000,000
Capital Reserve	54,607,402	55,298,635
	160,464,698	**160,675,648**

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE 1ST QUARTER ENDED 30TH SEPTEMBER, 2016

Particulars	30th Sept., 2016	30th Sept., 2015
Share Capital	109,200,035	109,200,035
General Reserve	2,000,000	2,000,000
Capital Reserve	54,607,402	55,224,009
Dividend Equalization Fund	1,000,000	1,000,000
Inflation & Currency Fluctuation Fund	1,000,000	1,000,000
Retained Earnings	(7,342,739)	(4,517,248)
Shareholders' Equity at 30th Sept.,2016	**160,464,698**	**163,906,796**

PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE 1ST QUARTER ENDED 30TH SEPTEMBER, 2016

PARTICULARS	July-September 2016			July - September 2015
	Unit-1 ISP	Unit-2 IPTSP	Total	
Operating Revenue	14,574,644	879,747	15,454,391	14,271,224
Operating Expenses	(7,600,250)	(403,337))	(8,003,587)	(6,351,498)
Gross Profit	**6,974,394**	**476,410**	**7,450,804**	**7,919,726**
Other Income	**3,472,026**	-	**3,472,026**	**2,626,566**
	10,446,420	**476,410**	**10,922,830**	**10,546,292**
Other Expenses	**(10,338,642)**	**(745,718)**	**(11,084,360)**	**(11,128,745)**
Administrative Expenses	(8,026,685)	(658,350)	(8,685,035)	(10,151,807)
Financial Expenses	(2,282,966)	-	(2,282,966)	(860,579)
Amortization of Def. Exp	(28,991)	(87,368)	(116,359)	(116,359)
Net profit before Tax for the period	**107,778**	**(269,308)**	**(161,530)**	**(582,453)**
Deferred Tax Expenses	-	-	-	-
Provision for Income Tax for the period	(49,420)	-	(49,420)	(43,814)
Net profit after Tax for the period	**58,358**	**(269,308)**	**(210,950)**	**(626,267)**
Profit / (Loss) brought forward	(7,410,494)	(412,528)	(7,823,022)	(3,890,981)
Balance transferred to Balance sheet	**(7,352,136)**	**(681,836)**	**(8,033,972)**	**(4,517,248)**
Earning Per Share (Per Value Tk. 10/-)			**(0.02)**	**(0.06)**

CASH FLOW STATEMENT (UN-AUDITED)

FOR THE 1ST QUARTER ENDED 30TH SEPTEMBER, 2016

	Particulars	July-Sept. 2016	July-Sept. 2015
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Collection from Turnover and other Income	19,709,919	13,463,958
	Payment for Cost and Expenses	(16,988,128)	(20,127,358)
	Total Cash Flow from Operating Activities	**2,721,791**	**(6,663,400)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Acquisition of Fixed Assets	(4,499,550)	(5,382,798)
	Share Investment	-	-
	Total Cash Flow from Investing Activities	**(4,499,550)**	**(5,382,798)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Dividend Paid	-	-
	Earnest Money	13,636	-
	Short Term Loan	308,750	14,710,468
	Advance & deposit	57,173	(704,266)
	Total Cash Flow from Financing Activities	**379,559**	**14,006,202**
	Net cash inflow/ (Outflows) for the year	(1,398,200)	1,960,004
	Opening Cash and Bank Balance	2,041,678	2,124,837
	Closing Cash and Bank Balance **Total Tk.**	**643,478**	**4,084,841**

Md. Nuruzzaman
Company Secretary

Habibul Alam, *Bir Pratik*
Managing Director

The details of the published 1st quarter financial statements are available at Company's website. The address of the website is http://www.bangla.net/english/financial_statement.php

Selected Notes to the Financial Statement (Un-audited) for the 1st Quarter ended 30th September, 2016

1. Reporting Entity

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.
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. It has gone into commercial operation from 6th August, 1996.

2. Basis of Preparation of Financial Statements

These interim Financial statements should be read in conjunction with the Financial Statements for the year ended June 30, 2016 (hereafter referred to as the "Annual Financial Statements"), as they provide an update to previously reported information. The accounting policies used are consistent with those used in the Annual Financial Statements. The Financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs).The presentation of the Interim Financial Statements is consistent with the Annual Financial Statements. Where necessary, the comparatives have been reclassified or extended to take into account any presentational changes made in the Annual Financial Statements. The preparation of the Interim Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities at the date of the Interim Financial Statements. If in the future such estimates and assumptions, which are based on management's best judgment at the date of the Interim Financial Statements, deviate from the actual, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

3.00 Fixed assets: Tk.119,547,274

The above amount is made up as follows

	30.09.2016	30.06.2016
Opening Balance at Cost	270,755,819	263,901,418
Add : Re-valuation surplus	-	-
Add : Addition during the period	4,499,550	6,854,401
Closing Balance at cost	**275,255,369**	**270,755,819**
Less: Accumulated depreciation	155,708,095	152,859,367
Written down value	**119,547,274**	**117,896,452**

4.00 Investment (at cost) : Tk.960,184

The above amount is made up as follows

	30.09.2016	30.06.2016
Investment in subsidiary	102,000	102,000
Investment in shares	858,184	858,184
	960,184	**960,184**

5.00 Deferred expenditure : Tk. 1,047,232

The above amount is made up as follows

	30.09.2016	30.06.2016
IPTSP Project	786,311	873,679
Share Issue Expenditure	260,921	289,912
	1,047,232	**1,163,591**

6.00 Accounts receivable: Tk. 117,367,160

This is arrived at as under :	30.09.2016	30.06.2016
Opening Balance	116,410,217	112,703,936
Add: Addition during the period	6,440,680	8,210,087
	122,850,897	**120,914,023**
Less : Received during the period	5,483,737	4,503,806
Closing Balance	**117,367,160**	**116,410,217**
Internet Bill (DSL)	28,967,065	26,995,429
Internet Bill (D/U)	17,362,114	17,362,114
Software Sales	22,575,738	23,481,438
Networking & IT Solutions	16,225,516	16,757,556
IP Phone Bill	3,756,042	3,467,863
Data Service Bill	8,209,546	7,700,349
Fax Bill	107,470	107,470
Web Hosting & Development	11,418,178	12,207,858
VAT from party	8,745,491	8,330,140
	117,367,160	**116,410,217**

7.00 Advances, deposits and prepayments: Tk.11,937,321

This is made up as follows :

	30.09.2016	30.06.2016
Loan to subsidiary company	1,635,343	1,635,343
Other Advance and Prepayments	10,301,978	10,462,947
	11,937,321	**12,098,290**

8.00 Accrued expenses: Tk. 6,047,191

This is made up as under:

	30.09.2016	30.06.2016
Opening Balance	5,677,525	3,477,425
Add: Addition during the period	2,827,653	5,409,752
	8,505,178	**8,887,177**
Less : Paid/adjustment during the period	2,457,987	3,209,652
Closing Balance	**6,047,191**	**5,677,525**

9.00 Liabilities for other finance: Tk.12,510,045

The above amount is made up as follows:

	30.09.2016	30.06.2016
Security money (Internet)	372,476	372,476
Security money (Fax)	448,847	448,847
VAT	8,745,491	8,330,140
Provision for diminution of share value	154,706	154,706
Shareholders dividend	2,788,525	2,788,525
	12,510,045	**12,094,694**

10.00 Short Term Loan : Tk.39,905,025

The above amount is made up as follows:

	30.09.2016	30.06.2016
CC(Hypo.)-FBL	19,984,925	19,984,925
Loan from Others parties	8,750,000	8,750,000
Loan from Managing Director	6,070,100	4,880,100
HRC Shipping	2,500,000	2,500,000
Others party	2,600,000	2,600,000
	39,905,025	**38,715,025**

11.00 Operating revenue: Tk.15,454,391

This is made up as following

	30.09.2016	30.09.2015
Internet bill (D/U)	65,660	319,470
Internet bill (DSL/UUCP A/C)	11,005,380	7,108,394
Data Service bill	1,260,678	1,831,800
IP Phone Bill	1,011,710	1,985,098
	13,343,428	**11,244,762**
Less : VAT	1,740,447	1,466,708

Net sales after VAT	**11,602,981**	**9,778,054**
Sales of software	2,453,000	2,293,170
Networking and IT solutions	1,398,410	2,200,000
Total	**15,454,391**	**14,271,224**

12.00 Operating expenses: TK.8,003,587

This consists of as follows :

	30.09.2016	**30.09.2015**
Bandwidth charge	3,721,505	1,902,177
Data Connectivity Exp.	431,070	568,626
Telephone line rental	2,503	15,957
Call carring charge	176,852	283,173
Salary & Allowance	2,031,897	1,783,526
Depreciation	1,639,760	1,798,039
	8,003,587	**6,351,498**

13.00 Other income: TK.3,472,026

This consists of as follows :

	30.09.2016	**30.09.2015**
Connectivity	384,600	76,500
Web Hosting & Development	1,375,860	1,258,781
Re-installation & Servicing	143,337	149,737
Domain Registration	28,000	41,228
Miscellaneous	1,100	-
Email Forward	384,690	384,690
Hardware sale	716,628	275,150
Insurance claim	20,000	-
Revenue from office rent	371,911	351,608
Spamwall Income	31,500	58,000
VPN Charge	14,400	30,000
Dividend Received	-	872
	3,472,026	**2,626,566**

Sl.	Particulars	30.09.2016 (Taka)	30.09.2015 (Taka)
1.00	Earnings Per Share (EPS)	(0.02)	(0.06)
2.00	Net Assets Value (NAV)	14.69	15.01
3.00	Net Operating Cash Flow (NOCFPS)	0.25	(0.61)

Md.Nuruzzaman
Company Secretary

Habibul Alam, Bir Pratik
Managing Director