



INFORMATION SERVICES NETWORK LIMITED

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

STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT 31ST DECEMBER, 2016

PARTICULARS	31 st Dec., 2016	30th June, 2016
ASSETS:		
Non-Current Assets	121,692,504	120,020,227
Tangible Fixed Assets, Net of accumulated depreciation	119,861,447	117,896,452
Investment (at cost)	900,184	960,184
Deferred Expenditure	930,873	1,163,591
Current Assets	129,307,075	131,359,729
Accounts Receivable	118,003,507	116,410,217
Accrued Loan Interest	809,544	809,544
Loans, Advances and Deposits	8,922,302	12,098,290
Cash and Cash Equivalents	1,571,722	2,041,678
Total Assets	250,999,579	251,379,956
Equity and Liabilities:		
Shareholders' Equity	160,824,615	160,675,648
Share capital	109,200,035	109,200,035
Retained Earnings-As per Profit and Loss Account	(6,291,589)	(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	53,916,169	55,298,635
Non-Current Liabilities.	31,998,206	33,876,417
Long Term Loan	31,351,644	33,256,078
Deferred Tax Liabilities	646,562	620,339
Current Liabilities and Provisions	58,176,758	56,827,891
Accrued Expenses	7,590,879	5,677,525
Liabilities for other Finance	12,654,047	12,094,694
Short Term Loan	37,494,025	38,715,025
Provision for Income Tax	437,807	340,647
Total Liabilities	90,174,964	90,704,308
Total Equity & Liabilities	250,999,579	251,379,956

CASH FLOW STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED 31ST DECEMBER, 2016

PARTICULARS	Amount (in Tk.)	
	July-Dec. 2016	July-Dec. 2015
CASH FLOW FROM OPERATING ACTIVITIES :		
Collection from Turnover and other Income	39,918,993	30,553,668
Payment for Cost and Expenses	(32,547,140)	(37,993,722)
Total Cash Flow from Operating Activities	7,371,853	(7,440,054)
CASH FLOW FROM INVESTING ACTIVITIES :		
Acquisition of Fixed Assets	(7,800,173)	(12,818,352)
Share Issue Expenses	-	-
Share Investment	60,000	-
Vehicle Sales	-	-
Total Cash Flow from Investing Activities	(7,740,173)	(12,818,352)
CASH FLOW FROM FINANCING ACTIVITIES :		
Dividend Paid	-	(17,300)
Short Term Loan	(625,434)	20,134,054
Earnest Money Refund	13,636	147,640
Advance & Deposits	510,162	(404,199)
Total Cash Flow from Financing Activities	(101,636)	19,860,195
Net Cash Inflow/ (Outflows) for the year (A+B+C)	(469,956)	(398,211)
Opening Cash and Bank Balance	2,041,678	2,124,837
Closing Cash and Bank Balance Total Tk.	1,571,722	1,726,626

STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE HALF YEAR ENDED 31ST DECEMBER, 2016

PARTICULARS	At 31 st Dec., 2016	At 31 st Dec., 2015
Share Capital	109,200,035	109,200,035
General Reserve	2,000,000	2,000,000
Capital Reserve	53,916,169	56,716,549
Dividend Equalization Fund	1,000,000	1,000,000
Inflation & Currency Fluctuation Fund	1,000,000	1,000,000
Retained Earnings	(6,291,589)	(5,611,544)
Shareholders' Equity at 31st Dec. 2016	160,824,615	164,305,040

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

FOR THE HALF YEAR ENDED 31ST DECEMBER, 2016

PARTICULARS	July - December			October-December (2nd quarter)		
	2016			2015	2016	2015
	Unit-1 ISP	Unit-2 IPTSP	Total			
Operating Revenue	29,737,378	1,464,174	31,201,552	28,306,012	15,747,161	14,034,788
Operating Expenses	(15,900,506)	(1,245,481)	(17,145,987)	(13,425,426)	(9,142,400)	(7,073,928)
Gross Profit	13,836,872	218,693	14,055,565	14,880,586	6,604,761	6,960,860
Other Expenses	(20,068,498)	(852,930)	(20,921,428)	(23,146,789)	(9,837,068)	(12,018,044)
Administrative Expenses	(15,677,826)	(678,194)	(16,356,020)	(20,967,633)	(7,670,985)	(10,815,826)
Financial Expenses	(4,332,690)	-	(4,332,690)	(1,791,732)	(2,049,724)	(931,153)
Provision for Diminution of Share	-	-	-	(154,706)	-	(154,706)
Amortization of Deferred Exp.	(57,982)	(174,736)	(232,718)	(232,718)	(116,359)	(116,359)
Other Income	7,138,213	-	7,138,213	5,522,387	3,666,187	2,895,821
Net Profit before Tax	906,587	(634,237)	272,350	(2,743,816)	433,880	(2,161,363)
Deferred Tax Expenses	(26,223)	-	(26,223)	(378,436)	(26,223)	(378,436)
Provision for Income Tax	(97,160)	-	(97,160)	(83,393)	(47,740)	(39,579)
Net Profit after Tax	783,204	(634,237)	148,967	(3,205,645)	359,917	(2,579,378)
Profit / (Loss) Brought Forward	(7,410,494)	(412,528)	(7,823,022)	(2,773,796)	(8,033,972)	(4,517,248)
Balance Transferred to Balance Sheet	(6,627,290)	(1,046,765)	(7,674,055)	(5,979,441)	(7,674,055)	(7,096,626)
Earning Per Share (per value Tk.10/-)			0.01	(0.29)	0.03	(0.24)

Md. Nuruzzaman
Company Secretary

Habibul Alam, Bir Pratik
Managing Director

Selected Notes to the Financial Statement (Un-audited) for the 2nd Quarter ended 31st December, 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 inter alia 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.119,861,447

The above amount is made up as follows

	31.12.2016	30.06.2016
Opening Balance at Cost	270,755,819	263,901,418
Add : Re-valuation surplus	-	-
Add : Addition during the period	7,800,173	6,854,401
Less : Adjustment during the period	-	-
Closing Balance at cost	278,555,992	270,755,819
Less: Accumulated depreciation	158,694,545	152,859,367
Written down value	119,861,447	117,896,452

4.00 Investment (at cost) : Tk.900,184

The above amount is made up as follows

	31.12.2016	30.06.2016
Investment in subsidiary	102,000	102,000
Investment in shares	798,184	858,184
	900,184	960,184

5.00 Deferred expenditure : Tk. 930,873

The above amount is made up as follows

	31.12.2016	30.06.2016
IPTSP Project	698,943	873,679
Share Issue Expenditure	231,930	289,912
	930,873	1,163,591

6.00 Accounts receivable: Tk. 118,003,507

This is arrived at as under :

	31.12.2016	30.06.2016
Opening Balance	116,410,217	112,703,936
Add: Addition during the period	7,077,026	8,210,087
	123,487,243	120,914,023
Less : Received during the period	5,483,736	4,503,806
Closing Balance	118,003,507	116,410,217

Internet Bill (DSL)	29,444,334	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	4,034,999	3,467,863
Data Service Bill	8,006,665	7,700,349
Fax Bill	107,470	107,470
Web Hosting & Development	11,418,178	12,207,858

VAT from party

8,828,493	8,330,140
118,003,507	116,410,217

7.00 Advances, deposits and prepayments: Tk.8,922,302

This is made up as follows :

31.12.2016	30.06.2016
1,635,343	1,635,343
7,286,959	10,462,947
8,922,302	12,098,290

Loan to subsidiary company

Other Advance and Prepayments

8.00 Accrued expenses: Tk. 7,590,879

This is made up as under:

31.12.2016	30.06.2016
5,677,525	3,477,425
4,597,231	5,409,752
10,274,756	8,887,177
2,683,877	3,209,652
7,590,879	5,677,525

Opening Balance

Add: Addition during the period

Less : Paid/adjustment during the period

Closing Balance

9.00 Liabilities for other finance: Tk.12,654,047

The above amount is made up as follows:

31.12.2016	30.06.2016
433,476	372,476
448,847	448,847
8,828,493	8,330,140
154,706	154,706
2,788,525	2,788,525
12,654,047	12,094,694

Security money (Internet)

Security money (Fax)

VAT

Provision for diminution of share value

Shareholders dividend

10.00 Short Term Loan : Tk.37,494,025

The above amount is made up as follows:

	31.12.2016	30.06.2016
CC(Hypo.)-FBL	19,984,925	19,984,925
Loan from Others parties	6,250,000	8,750,000
Loan from Managing Director	6,259,100	4,880,100
HRC Shipping	2,500,000	2,500,000
Others party	2,500,000	2,600,000
	37,494,025	38,715,025

11.00 Operating revenue: Tk.31,201,552

This is made up as following

	31.12.2016	31.12.2015
Internet bill (D/U)	131,766	405,835
Internet bill (DSL/UUCP A/C)	20,824,499	15,662,535
Data Service bill	1,682,598	2,699,600
IP Phone Bill	1,683,800	2,822,822
	24,322,663	21,590,792
Less : VAT	3,172,521	2,816,190
Net sales after VAT	21,150,142	18,774,602
Sales of software	5,953,000	6,030,670
Networking and IT solutions	4,098,410	3,500,740
Total	31,201,552	28,306,012

12.00 Operating expenses: TK.17,145,987

This consists of as follows :

	31.12.2016	31.12.2015
Bandwidth charge	6,544,248	4,350,168
Data Connectivity Exp.	1,686,001	1,992,496
Telephone line rental	18,877	41,318
Call carrying charge		


	961,952	641,709
Salary & Allowance	4,394,048	3,540,093
Depreciation	3,540,861	2,859,642
	17,145,987	13,425,426


13.00 Other income: TK.7,138,213

This consists of as follows :

	31.12.2016	31.12.2015
Connectivity	705,326	140,172
Web Hosting & Development	3,369,650	2,771,617
Re-installation & Servicing	214,016	280,495
Domain Registration	60,214	75,528
Miscellaneous	500	-
Email Forward	512,920	641,150
Hardware sale	1,507,426	743,270
Insurance claim	50,000	-
Revenue from office rent	521,661	660,883
Spamwall Income	52,500	116,000
VPN Charge	144,000	92,400
Dividend Received	-	872
	7,138,213	5,522,387

Particulars	31st December 2016	31st December 2015
Earnings Per Share(EPS)	0.01	(0.29)
Net Operating Cash Flows(NOCFPS)	0.68	(0.68)
	31st December 2016	30th June 2016
Net Assets Value(NAV)	14.73	14.71


Md. Nuruzzaman
 Company Secretary


Habibul Alam, Bir Pratik
 Managing Director