INFORMATION SERVICES NETWORK LIMITED

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

BALANCE SHEET (UNAUDITED)

AS AT 31st March, 2017

PARTICULARS	31st Mar. 2017	30th Jun. 2016
NET ASSETS:		
Non-Current Assets	**120,209,617**	**120,020,227**
Tangible Fixed Assets, Net of accumulated depreciation	119,173,919	117,896,452
Investment (at cost)	221,184	960,184
Deferred Expenditure	814,514	1,163,591
Current Assets	**128,089,477**	**131,359,729**
Accounts Receivable	118,003,507	116,410,217
Accrued Loan Interest	809,544	809,544
Loans, Advances and Deposits	9,019,045	12,098,290
Cash and Cash Equivalents	257,381	2,041,678
Total Assets:	**248,299,094**	**251,379,956**
FINANCED BY:		
Shareholders Equity	**159,436,868**	**160,675,648**
Share Capital	109,200,035	109,200,035
Retained Earnings-As per Profit and Loss Account	(6,988,103)	(7,823,022)
General Reserve	2,000,000	2,000,000
Dividend Equalization Fund	1,000,000	1,000,000
Inflation & Currency Fluctuation Fund	1,000,000	1,000,000
Capital Reserve	53,224,936	55,298,635
Non-Current Liabilities.	**31,034,234**	**33,876,417**
Long Term Loan	30,310,930	33,256,078
Deferred Tax Liabilities	723,304	620,339
Current Liabilities & Provisions	**57,827,992**	**56,827,891**
Accrued Expenses	7,140,945	5,677,525
Liabilities for other Finance	12,654,047	12,094,694
Short Term Loan	37,546,874	38,715,025
Provision for Income Tax	486,126	340,647
Total Liabilities	**88,862,226**	**90,704,308**
Total Equity & Liabilities:	**248,299,094**	**251,379,956**

CASH FLOW STATEMENTS (UNAUDITED)

FOR THE 3RD QUARTER ENDED 31ST MARCH, 2017

PARTICULARS	Amount (in Tk.) Jul. – Mar. 2016-17	Jul. – Mar. 2015-16
CASH FLOW FROM OPERATING ACTIVITIES :		
Collection from Turnover and other Income	60,381,022	48,411,538
Payment for Cost and Expenses	51,721,206	(55,009,469)
Total Cash Flow from Operating Activities	**8,659,816**	**(6,597,931)**
CASH FLOW FROM INVESTING ACTIVITIES :		
Acquisition of Fixed Assets	(9,933,904)	(16,557,116)
Share Issue Expenses	-	
Share Investment	739,000	(600,000)
Vehicle Sales	-	
Total Cash Flow from Investing Activities	**(9,194,904)**	**(17,157,116)**
CASH FLOW FROM FINANCING ACTIVITIES :		
Dividend Paid		(17,300)
Short Term Loan	(1,613,299)	25,175,731
Earnest Money Deposit/(Refund)	140,914	155,640
Advance & Deposits	223,176	(232,597)
Total Cash Flow from Financing Activities	**(1,249,209)**	**25,081,474**
Net Cash Inflow/ (Outflows) for the year (A+B+C)	(1,784,297)	1,326,427
Opening Cash and Bank Balance	2,041,678	2,124,837
Closing Cash and Bank Balance **Total Tk.**	**257,381**	**3,451,264**

STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE 3RD QUARTER ENDED 31ST MARCH 2017

PARTICULARS	At 31st Mar. 2017	At 31st Mar. 2016
Share Capital	109,200,035	109,200,035
General Reserve	2,000,000	2,000,000
Capital Reserve	53,224,936	56,348,652
Dividend Equalization Fund	1,000,000	1,000,000
Inflation & Currency Fluctuation Fund	1,000,000	1,000,000
Retained Earnings	(6, 988,103)	(7,387,822)
Shareholders Equity at 31st March 2017	**159,436,868**	**162,196,865**

PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE 3RD QUARTER ENDED 31ST MARCH, 2016-2017

PARTICULARS	July-March 2016-2017 Unit-1 ISP	Unit-2 IPTSP	Total	2015-2016	January-March (3rd quarter) 2016-2017	2015-2016
Operating Revenue	43,121,232	2,923,630	46,044,862	43,216,005	14,843,310	14,909,993
Operating Expenses	23,288,182	2,534,080	25,822,262	21,912,035	8,676,275	(8,486,609)
Gross Profit	**19,833,050**	**389,550**	**20,222,600**	**21,303,970**	**6,167,035**	**6,423,384**
Other Income	11,237,482	-	11,237,482	8,800,254	4,099,269	3,277,867
	31,070,532	**389,550**	**31,460,082**	**30,104,224**	**10,266,304**	**9,701,251**
Other Expenses	**31,283,007**	**1,167,451**	**32,450,458**	**34,551,452**	**11,529,030**	**11,404,663**
Administrative Expenses	24,733,380	905,347	25,638,727	30,010,787	9,282,707	9,043,154
Financial Expenses	6,462,654	-	6,462,654	4,036,882	2,129,964	2,245,150
Provision for Diminution of Share Value	-	-	-	154,706	-	-
Amortization of Deferred Expenditure	86,973	262,104	349,077	349,077	116,359	116,359
Net Profit/(Loss) before Tax	**(212,475)**	**(777,901)**	**(990,376)**	**(4,447,228)**	**(1,262,726)**	**(1,703,412)**
Deferred Tax Expenses	102,965	-	102,965	(403,280)	76,742	(24,844)
Provision for Income Tax	145,479	-	145,479	(131,415)	48,319	(48,022)
Net Profit/(Loss) after Tax	**(460,919)**	**(777,901)**	**(1,238,820)**	**(4,981,923)**	**(1,387,787)**	**(1,776,278)**
Profit / (Loss) Brought Forward	(7,410,494)	(412,528)	(7,823,022)	(2,773,796)	(7,674,055)	(5,979,441)
Balance Transferred to Balance Sheet	**(7,871,413)**	**(1,190,429)**	**(9,061,842)**	**(7,755,719)**	**(9,061,842)**	**(7,755,719)**
Earning Per Share (per value Tk.10/-)			**(0.11)**	**(0.46)**	**(0.13)**	**(0.16)**

Mahmud Hasan Choudhury
Company Secretary

Habibul Alam, *Bir Pratik*
Managing Director

Selected Notes to the Financial Statement (Un-audited) for the 3rd Quarter ended 31st March, 2017

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.119,173,919

The above amount is made up as follows

	31.03.2017	30.06.2016
Opening Balance at Cost	270,755,819	263,901,418
Add : Re-valuation surplus	-	-
Add : Addition during the period	9,933,904	6,854,401
Less : Adjustment during the period	-	-
Closing Balance at cost	**280,659,723**	**270,755,819**
Less: Accumulated depreciation	161,515,804	152,859,367
Written down value	**119,173,919**	**117,896,452**

4.00 Investment (at cost) : Tk.221,184

The above amount is made up as follows

	31.03.2017	30.06.2016
Investment in subsidiary	102,000	102,000
Investment in shares	119,184	858,184
	221,184	**960,184**

5.00 Deferred expenditure : Tk. 814,514

The above amount is made up as follows

	31.03.2017	30.06.2016
IPTSP Project	786,706	873,679
Share Issue Expenditure	27,808	289,912
	814,514	**1,163,591**

6.00 Accounts receivable: Tk. 118,003,507

This is arrived at as under :

	31.03.2017	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
	118,007,507	**116,410,217**

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7.00 Advances, deposits and prepayments: Tk.9,019,045

This is made up as follows :

	31.03.2017	30.06.2016
Loan to subsidiary company	1,635,343	1,635,343
Other Advance and Prepayments	7,383,702	10,462,947
	9,019,045	**12,098,290**

8.00 Accrued expenses: Tk. 7,140,945

This is made up as under:

	31.03.2017	30.06.2016
Opening Balance	5,677,525	3,477,425
Add: Addition during the period	4,147,297	5,409,752
	9,824,822	**8,887,177**
Less : Paid/adjustment during the period	2,683,877	3,209,652
Closing Balance	**7,140,945**	**5,677,525**

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

The above amount is made up as follows:

	31.03.2017	30.06.2016
Security money (Internet)	433,476	372,476
Security money (Fax)	448,847	448,847
VAT	8,828,493	8,330,140
Provision for diminution of share value	154,706	154,706
Shareholders dividend	2,788,525	2,788,525
	12,654,047	**12,094,694**

10.00 Short Term Loan : Tk.37,546,874

The above amount is made up as follows:

	31.03.2017	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	6,311,949	4,880,100
HRC Shipping	2,500,000	2,500,000
Others party	2,500,000	2,600,000
	37,546,874	**38,715,025**

11.00 Operating revenue: Tk.46,044,862

This is made up as following

	31.03.2017	31.03.2016
Internet bill (D/U)	199,961	520,803
Internet bill (DSL/UUCP A/C)	30,098,340	27,208,242
Data Service bill	2,311,298	3,389,772
IP Phone Bill	3,362,174	3,548,238
	35,971,773	**34,667,055**
Less : VAT	4,691,970	4,521,790
Net sales after VAT	**31,279,803**	**30,145,265**
Sales of software	8,789,369	8,211,190
Networking and IT solutions	5,975,690	4,859,550
Total	**46,044,862**	**43,216,005**

12.00 Operating expenses: TK.25,822,262

This consists of as follows :

	31.03.2017	31.03.2016
Bandwidth charge	9,033,717	7,947,040
Data Connectivity Exp.	3,151,346	2,811,863
Telephone line rental	29,405	54,380
Call carring charge	1,854,626	924,990
Salary & Allowance	6,538,159	5,525,600
Depreciation	5,215,009	4,648,162
	25,822,262	**21,912,035**

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13.00 Other income: TK.11,237,482

This consists of as follows :

	31.03.2017	31.03.2016
Connectivity	894,891	295,780
Web Hosting & Development	5,319,246	3,871,410
Re-installation & Servicing	440,410	442,372
Domain Registration	100,469	113,056
Miscellaneous	1,700	54,750
Email Forward	1,154,070	1,060,812
Hardware sale	1,896,051	1,649,917
Investment Income	213,614	35,000
Revenue from office rent	724,462	921,637
Spamwall Income	77,000	157,455
VPN Charge	415,569	197,193
Dividend Received	-	872
	11,237,482	**8,800,254**

Particulars	**31st March 2017**	**31st March 2016**
Earnings Per Share(EPS)	(0.11)	(0.46)
Net Operating Cash Flows(NOCFPS)	0.79	(0.60)
	31st March 2017	**30th June 2016**
Net Assets Value(NAV) Per Share	14.60	14.71

Mahmud Hasan Choudhury
Company Secretary

Habibul Alam, Bir Pratik
Managing Director

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