INFORMATION SERVICES NETWORK LIMITED

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

BALANCE SHEET (UNAUDITED)

AS AT 31st December, 2017

PARTICULARS	31st Dec. 2017	30th Jun. 2017
NET ASSETS:		
Non-Current Assets	**114,048,312**	**117,836,726**
Tangible Fixed Assets, Net of accumulated depreciation	113,417,326	116,973,021
Investment (at cost)	165,550	165,550
Deferred Expenditure	465,437	698,155
Current Assets	**118,126,499**	**118,689,956**
Accounts Receivable	102,027,464	103,575,480
Accrued Loan Interest	809,544	809,544
Loans, Advances and Deposits	13,170,472	13,046,196
Cash and Cash Equivalents	2,119,019	1,258,736
Total Assets:	**232,174,811**	**236,526,682**
FINANCED BY:		
Shareholders Equity	**153,669,030**	**155,025,612**
Share Capital	109,200,035	109,200,035
Retained Earnings-As per Profit and Loss Account	(10,751,365)	(10,708,126)
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	51,220,360	52,533,703
Non-Current Liabilities.	**29,763,474**	**30,091,494**
Long Term Loan	28,984,579	29,295,584
Deferred Tax Liabilities	778,895	795,910
Current Liabilities & Provisions	**48,742,307**	**51,409,576**
Accrued Expenses	6,266,758	6,537,372
Liabilities for other Finance	4,004,920	3,789,920
Short Term Loan	37,564,034	40,369,374
Provision for Income Tax	906,595	712,910
Total Liabilities	**78,505,781**	**81,501,070**
Total Equity & Liabilities:	**232,174,811**	**236,526,682**

CASH FLOW STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED 31ST DECEMBER, 2017-2018

PARTICULARS	Amount (in Tk.) Jul. – Dec. 2017-18	Jul. – Dec. 2016-17
CASH FLOW FROM OPERATING ACTIVITIES :		
Collection from Turnover and other Income	43,281,625	39,918,993
Payment for Cost and Expenses	(37,093,465)	(32,547,140)
Total Cash Flow from Operating Activities	**6,188,160**	**7,371,853**
CASH FLOW FROM INVESTING ACTIVITIES :		
Acquisition of Fixed Assets	(2,116,950)	(7,800,173)
Share Issue Expenses	-	-
Share Investment	-	60,000
Vehicle Sales	-	-
Total Cash Flow from Investing Activities	**(2,116,950)**	**(7,740,173)**
CASH FLOW FROM FINANCING ACTIVITIES :		
Dividend Paid		-
Short Term Loan	(3,116,345)	(625,434)
Earnest Money Deposit/(Refund)	-	13,636
Advance & Deposits	(94,582)	510,162
Total Cash Flow from Financing Activities	**(3,210,927)**	**(101,636)**
Net Cash Inflow/ (Outflows) for the year (A+B+C)	860,283	(469,956)
Opening Cash and Bank Balance	1,258,736	2,041,678
Closing Cash and Bank Balance **Total Tk.**	**2,119,019**	**1,571,722**

STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE HALF YEAR ENDED 31ST DECEMBER, 2017-2018

PARTICULARS	At 31st Dec. 2017	At 31st Dec. 2016
Share Capital	109,200,035	109,200,035
General Reserve	2,000,000	2,000,000
Capital Reserve	51,220,360	53,916,169
Dividend Equalization Fund	1,000,000	1,000,000
Inflation & Currency Fluctuation Fund	1,000,000	1,000,000
Retained Earnings	(10,751,365)	(6,291,589)
Shareholders Equity at 31st Dec 2017	**153,669,030**	**160,824,615**

PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE HALF YEAR ENDED 31ST DECEMBER,, 2017-2018

PARTICULARS	July-December-2017				October-December (2nd quarter)	
	2017-2018			2016-2017	2017-2018	2016-2017
	Unit-1 ISP	Unit-2 IPTSP	Total			
Operating Revenue	28,732,727	2,217,002	30,949,729	31,201,552	15,353,761	15,747,161
Operating Expenses	16,483,420	1,850,112	18,333,532	(17,145,987)	9,316,151	(9,142,400)
Gross Profit	**12,249,307**	**366,890**	**12,616,197**	**14,055,565**	**6,037,610**	**6,604,761**
Other Income	7,577,132	-	7,577,132	7,138,213	3,432714	3,666,187
	19,826,439	**366,890**	**20,193,329**	**21,193,778**	**9,470,324**	**10,270,948**
Other Expenses	(20,908,852)	(464,388)	(21,373,240)	(20,921,428)	(8,490,128)	(9,837,068)
Administrative Expenses	(16,165,768)	(289,652)	(16,455,420)	(16,356,020)	5,477,949	(7,670,985)
Financial Expenses	(4,685,102)	-	(4,685,102)	(4,332,690)	(2,895,820)	(2,049,724)
Provision for Diminution of Share Value	-	-	-	-	-	-
Amortization of Deferred Expenditure	(57,982)	(174,736)	(232,718)	(232,718)	(116,359)	(116,359)
Net Profit/(Loss) before Tax	**(1,082,413)**	**(97,498)**	**(1,179,911)**	**272,350**	**980,196**	**433,880**
Deferred Tax Expenses	(17,015)	-	(17,015)	(26,223)	(17,015)	(26,223)
Provision for Income Tax	(180,383)	(13,302)	(193,685)	(97160)	(98,486)	(47,740)
Net Profit/(Loss) after Tax	**(1,245,781)**	**(110,800)**	**(1,356,581)**	**148,967**	**898,725**	**359,917**
Profit / (Loss) Brought Forward	(9,686,269)	(1,021,857)	(10,708,126)	(7,823,022)	(7,674,055)	(8,033,972)
Balance Transferred to Balance Sheet	**(10,932,050)**	**(1,132,657)**	**(12,064,707)**	**(7,674,055)**	**(6,775,330)**	**(7,674,055)**
Earning Per Share (per value Tk.10/-)			**(0.12)**	**0.01**	**0.08**	**0.03**

Samiron Saha
Chief Financial Officer

Md. Mahmudul Hasan
Company Secretary(cc)

A.H.M. Al-Faruq
Independent Director

Selected Notes to the Financial Statement (Un-audited) for the 2nd Quarter ended 31st December, 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, 2017 (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.113,417,326

The above amount is made up as follows

	31.12.2017	30.06.2017
Opening Balance at Cost	281,395,161	270,755,819
Add : Re-valuation surplus		-
Add : Addition during the period	2,116,950	10,639,342
Less : Adjustment during the period		-
Closing Balance at cost	**283,512,111**	**281,395,161**
Less: Accumulated depreciation	170,094,785	164,422,140
Written down value	**113,417,326**	**116,973,021**

4.00 Investment (at cost) : Tk.165,550

The above amount is made up as follows

	31.12.2017	30.06.2017
Investment in subsidiary	102,000	102,000
Investment in shares	63,550	63,550
	165,550	**165,550**

5.00 Deferred expenditure : Tk. 465,437

The above amount is made up as follows

	31.12.2017	30.06.2017
IPTSP Project	349,471	524,207
Share Issue Expenditure	115,966	173,948
	465,437	**698,155**

6.00 Accounts receivable: Tk. 102,027,464

This is arrived at as under :

	31.12.2017	30.06.2017
Opening Balance	103,575,480	116,410,217
Add: Addition during the period	4,735,185	6,235,964
	108,310,665	**122,646,181**
Less : Received during the period	**6,283,201**	**15,576,301**
	102,027,464	**107,069,880**
Less : Bad & Doubtful Debt		3,494,400
Closing Balance	**102,027,464**	**103,575,480**
Internet Bill (DSL)	27,876,944	28,578,797
Internet Bill (D/U)	16,759,630	16,760,430
Software Sales	20,433,853	20,839,103
Networking & IT Solutions	14,921,022	15,188,476
IP Phone Bill	3,995,188	3,918,921
Data Service Bill	7,715,547	7,744,895
Fax Bill	103,746	103,746
Web Hosting & Development	10,221,534	10,441,112
	102,027,464	**103,575,480**

7.00 Advances, deposits and prepayments: Tk.13,170,472

This is made up as follows :

	31.12.2017	30.06.2017
Loan to subsidiary company	1,635,343	1,635,343
Other Advance and Prepayments	11,535,129	11,410,853
	13,170,472	**13,046,196**

8.00 Accrued expenses: Tk. 6,266,758

This is made up as under:

	31.12.2017	30.06.2017
Opening Balance	6,537,372	5,677,527
Add: Addition during the period	4,063,219	3,885,197
	10,600,591	**9,562,724**
Less : Paid/adjustment during the period	4,333,833	3,025,352
Closing Balance	**6,266,758**	**6,537,372**

9.00 Liabilities for other finance: Tk.4,004,920

The above amount is made up as follows:

	31.12.2017	30.06.2017
Security money (Internet)	668,476	453,476
Security money (Fax)	448,847	448,847
Dividend Payable	2,788,525	2,788,525
Provision for share value decrese	99,072	99,072
	4,004,920	**3,789,920**

10.00 Short Term Loan : Tk.37,564,034

The above amount is made up as follows:

	31.12.2017	30.06.2017
CC(Hypo.)-FBL	19,984,925	19,984,925
Loan from Others parties	8,750,000	8,750,000
Loan from Managing Director	3,829,109	6,634,449
HRC Shipping	2,500,000	2,500,000
Loan from Directors(GP Project)	2,500,000	2,500,000
	37,564,034	**40,369,374**

11.00 Operating revenue: Tk.30,949,729

This is made up as following

	31.12.2017	31.12.2016
Internet bill (D/U)	84,640	131,766
Internet bill (DSL/UUCP A/C)	20,058,022	20,824,499
Data Service bill	1,138,749	1,682,598
IP Phone Bill	2,549,552	1,683,800
	23,830,963	**24,322,663**
Less : VAT	3,108,386	3,172,521
Net sales after VAT	**20,722,577**	**21,150,142**
Sales of software	6,245,999	5,953,000
Networking and IT solutions	3,981,153	4,098,410
Total	**30,949,729**	**31,201,552**

12.00 Operating expenses: TK.18,333,532

This consists of as follows :

	31.12.2017	31.12.2016
Bandwidth charge	5,687,545	6,544,248
Data Connectivity Exp.	3,735,265	1,686,001
Telephone line rental	4,858	18,877
Call carring charge	1,326,851	961,952
Salary & Allowance	4,075,437	4,394,048
Depreciation	3,503,576	3,540,861
	18,333,532	**17,145,987**

13.00 Other income: TK.7,577,132

This consists of as follows :

	31.12.2017	31.12.2016
Connectivity	338,416	705,326
Web Hosting & Development	3,217,340	3,369,650
Re-installation & Servicing	431,801	214,016
Domain Registration	103,595	60,214
Miscellaneous	17,000	500
Email Forward	769,380	512,920
Hardware sale	1,618,665	1,507,426
Investment Income	360,560	50,000
Office rent (Revenue)	430,153	521,661
Spamwall Income	21,000	52,500
VPN Charge	190,770	144,000
Insurance Claim	78,400	
Dividend received	52	
	7,577,132	**7,138,213**

Sl.	Particulars	01.07.17 to 31.12.17 (Taka)	01.07.16 to 31.12.16 (Taka)
1.00	Earnings Per Share (EPS)	(0.12)	0.01
2.00	Net Operating Cash Flow (NOCFPS)	0.57	0.68
		As on 31st Dec 2017	**As on 30th June 2017**
3.00	Net Assets Value (NAV)	14.07	14.20

Samipon Saha
Chief Financial Officer

Md. Mahmudul Hasan
Company Secretary(cc)

A.H.M. Al-Faruq
Independent Director