INFORMATION SERVICES NETWORK LIMITED

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

BALANCE SHEET (UNAUDITED)

AS AT 31st MARCH, 2018

PARTICULARS	31st March 2018	30th Jun. 2017
NET ASSETS:		
Non-Current Assets	**88,830,226**	**117,836,726**
Tangible Fixed Assets, Net of accumulated depreciation	88,315,598	116,973,021
Investment (at cost)	165,550	165,550
Deferred Expenditure	349,078	698,155
Current Assets	**119,296,723**	**118,689,956**
Accounts Receivable	102,027,464	103,575,480
Accrued Loan Interest	809,544	809,544
Loans, Advances and Deposits	13,485,448	13,046,196
Cash and Cash Equivalents	2,974,267	1,258,736
Total Assets:	**208,126,949**	**236,526,682**
FINANCED BY:		
Shareholders Equity	**130,559,659**	**155,025,612**
Share Capital	109,200,035	109,200,035
Retained Earnings-As per Profit and Loss Account	(11,326,615)	(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
Revaluation Surplus	28,686239	52,533,703
Non-Current Liabilities.	**28,304,889**	**30,091,494**
Long Term Loan	27,914,592	29,295,584
Deferred Tax Liabilities	390,297	795,910
Current Liabilities & Provisions	**49,262,401**	**51,409,576**
Accrued Expenses	5,952,894	6,537,372
Liabilities for other Finance	4,009,920	3,789,920
Short Term Loan	38,290,776	40,369,374
Provision for Income Tax	1,008,811	712,910
Total Liabilities	**77,567,290**	**81,501,070**
Total Equity & Liabilities:	**208,126,949**	**236,526,682**

CASH FLOW STATEMENTS (UNAUDITED)

FOR THE 3RD QUARTER ENDED 31ST MARCH, 2017-2018

PARTICULARS	Amount (in Tk.) Jan. – Mar. 2017-18	Jan. – Mar. 2016-17
CASH FLOW FROM OPERATING ACTIVITIES :		
Collection from Turnover and other Income	65,554,919	60,381,022
Payment for Cost and Expenses	(56,515,863)	(51,721,206)
Total Cash Flow from Operating Activities	**9,039,056**	**8,659816**
CASH FLOW FROM INVESTING ACTIVITIES :		
Acquisition of Fixed Assets	(3,435,865)	(9,933,904)
Share Issue Expenses	-	-
Share Investment	-	739,000
Vehicle Sales	-	-
Total Cash Flow from Investing Activities	**(3,435,865)**	**(9,194,904)**
CASH FLOW FROM FINANCING ACTIVITIES :		
Dividend Paid		-
Short Term Loan	(3,459,590)	(1,613,299)
Earnest Money Deposit/(Refund)	35,000	140,914
Advance & Deposits	(463,070)	223,176
Total Cash Flow from Financing Activities	**(3,887,660)**	**(1,249,209)**
Net Cash Inflow/ (Outflows) for the year (A+B+C)	1,715,531	(1,784,297)
Opening Cash and Bank Balance	1,258,736	2,041,678
Closing Cash and Bank Balance Total Tk.	2,974,267	257,381

STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE 3RD QUARTER ENDED 31ST MARCH, 2017-2018

PARTICULARS	At 31st Mar. 2018	At 31st Mar. 2017
Share Capital	109,200,035	109,200,035
General Reserve	2,000,000	2,000,000
Revaluation Surplus	28,686,239	53,224,936
Dividend Equalization Fund	1,000,000	1,000,000
Inflation & Currency Fluctuation Fund	1,000,000	1,000,000
Retained Earnings	(11,326,615)	(6,988,103)
Shareholders Equity at 31st Dec 2017	**130,559,659**	**159,436,868**

PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE 3RD QUARTER ENDED 31ST MARCH 2017-2018

PARTICULARS	July-March 2017-2018 Unit-1 ISP	Unit-2 IPTSP	Total	2016-2017	January- March (3rd quarter) 2017-2018	2016-2017
Operating Revenue	44,890,721	3,449,445	48,340,166	46,044,862	17,390,437	14,843,310
Operating Expenses	25,733,409	2,618,501	28,351,910	25,822,262	10,018,378	8,676,275
Gross Profit	**19,157,312**	**830,944**	**19,988,256**	**20,222,600**	**7,372,059**	**6,167,035**
Other Income	10,874,899	-	10,874,899	11,237,482	3,297,767	4,099,269
	30,032,211	**830,944**	**30,863,155**	**31,460,082**	**10,669,826**	**10,266,304**
Other Expenses	(30,084,147)	(695,982)	(30,780,129)	(32,450,458)	(9,406,889)	(11,529,030)
Administrative Expenses	(23,790,161)	(434,478)	(24,224,639	(25,638,727)	(7,769219)	(9,282,707)
Financial Expenses	(6,206,413)	-	(6,206,413)	(6,462654)	(1,521,311)	(2,129,964)
Provision for Diminution of Share Value	-	-	-		-	-
Amortization of Deferred Expenditure	(87,573)	(261,504)	(349,077)	(349,077)	(116,359)	(116,359)
Net Profit/(Loss) before Tax	**(51,936)**	**134,962**	**83.026**	**(990,376)**	**1,262,936**	**(1,262,726)**
Deferred Tax Income / (Expenses)	(405,613)	-	(405,613)	(102,965)	(422,628)	(76,742)
Provision for Income Tax	(295,902)		(295,902)	(145,479)	(102,217)	(48,319)
Net Profit/(Loss) after Tax	**(753,451)**	**134,962**	**(618,489)**	**(1,238,820)**	**738,091**	**(1,387,787)**
Profit / (Loss) Brought Forward	(9,686,269)	(1,021,857)	(10,708,126)	(7,823,022)	(7,674,055)	(7,674,055)
Balance Transferred to Balance Sheet	**(10,439,720)**	**(886,895)**	**(11,326,615)**	**(9,061,842)**	**(6,935964)**	**(9,061,842)**
Earning Per Share (per value Tk.10/-)	**(0.06)**	**0.01**	**(0.05)**	**(0.11)**	**0.07**	**(0.13)**

Abul Kalam Azad
Chief Financial Officer (cc)

Md. Mahmudul Hasan
Company Secretary(cc)

A.H.M. Al-Faruq
Independent Director

Information Services Network Ltd.

52, New Eskaton Road, Dhaka-1000.

Selected Notes to the Financial Statement (Un-audited) for the 3rd Quarter ended 31st March, 2018

1.00 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.

2.00 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.88,315,598.00

The above amount is made up as follows

	31.03.2018	30.06.2017
Opening Balance at Cost	281,395,160	270,755,819
Add : Addition during the period	3,435,865	10,639,342
Less : Carrying amount is decreased as a result of a revaluation	**(67,777,929)**	-
Closing Balance at cost	**217,053,096**	**281,395,161**
Less: Accumulated Depreciation	128,737,498	164,422,140
Written down value	**88,315,598**	**116,973,021**

Notes: The Board of Directors of the Company in their 89th Board Meeting held on March 27, 2018 decided to revalue its Assets (only floor space measuring an area of 5879 sft). Therefore, carrying amount has been decreased by Tk. 67,777,929/= as a result of revaluation report dated February 22, 2018 conducted through ATA Khan & Co. Chartered Accountants with the tecnical assitance of Daniel Surveyors, Dhaka. Current revalued amount stands at Tk. 29,982,900/= in place of BDT 97,760,829/= (written down value of the this property was for Tk.53,830,363/=as on December 31,2017)

4.00 Investment (at cost) : Tk.165,550.00

The above amount is made up as follows

	31.03.2018	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. 349,078.00

The above amount is made up as follows

	31.03.2018	30.06.2017
IPTSP Project	262,703	524,207
Share Issue Expenditure	86,375	173,948
	349,078	**698,155**

6.00 Accounts Receivable: Tk. 102,027,464.00

This is arrived at as under :

	31.03.2018	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.13,485,448.00

This is made up as follows :

	31.03.2018	30.06.2017
Loan to subsidiary company	1,635,343	1,635,343
Other Advance and Prepayments	11,850,105	11,410,853
	13,485,448	**13,046,196**

8.00 Accrued Expenses: Tk. 5,952,894.00

This is made up as under:

	31.03.2018	30.06.2017
Opening Balance	6,537,370	5,677,527
Add: Addition during the period	3,785,357	3,885,197
	10,322,727	**9,562,724**
Less : Paid/adjustment during the period	4,369,833	3,025,352
Closing Balance	**5,952,894**	**6,537,372**

AMARSTOCK

.00 Liabilities for other finance: Tk.4,009,920.00

The above amount is made up as follows:

	31.03.2018	30.06.2017
Security money (Internet)	673,476	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
	4,009,920	**3,789,920**

10.00 Short Term Loan : Tk.38,290,776.00

The above amount is made up as follows:

	31.03.2018	30.06.2017
CC(Hypo.)-FBL	19,961,667	19,984,925
Loan from Others parties	8,750,000	8,750,000
Loan from Managing Director	4,579,109	6,634,449
HRC Shipping	2,500,000	2,500,000
Loan From Directors (GP Project)	2,500,000	2,500,000
	38,290,776	**40,369,374**

11.00 Operating Revenue: Tk.48,340,166.00

This is made up as following

	31.03.2018	31.03.2017
Internet bill (D/U)	153,365	199,961
Internet bill (DSL/UUCP A/C)	30,816,725	30,098,340
Data Service bill	1,643,724	2,311,298
IP Phone Bill	3,966,862	3,362,174
	36,580,676	**35,971,773**
Less : VAT	4,771,393	4,691,970
Net sales after VAT	**31,809,283**	**31,279,803**
Sales of software	9,898,015	8,789,369
Networking and IT solutions	6,632,868	5,975,690
Total	**48,340,166**	**46,044,862**

12.00 Operating expenses: TK. 28,351,910.00

This consists of as follows :

	31.03.2018	31.03.2017
Bandwidth charge	7,803,047	9,033,717
Data Connectivity Exp.	6,446,666	3,151,346
Telephone line rental	27,563	29,405
Call carring charge	1,934,906	1,854,626
Salary & Allowance	6,835,951	6,538,159
Depreciation	5,303,777	5,215,009
	28,351,910	**25,822,262**

AMARSTOCK

13.00 Other income: TK. 10,874,899.00

This consists of as follows :

	31.03.2018	31.03.2017
Connectivity	625,782	894,891
Web Hosting & Development	4,981,919	5,319,246
Re-installation & Servicing	586,998	440,410
Domain Registration	155,025	100,469
Miscellaneous	17,000	1,700
Email Forward	1,154,070	1,154,070
Hardware sale	1,771,959	1,896,051
Investment Income	360,560	213,614
Office rent (Revenue)	850,064	724,462
Spamwall Income	31,500	77,000
VPN Charge	261,570	415,569
Insurance Claim	78,400	-
Dividend received	52	-
	10,874,899	**11,237,482**

Sl.	Particulars	1st July 2017 to 31st March 2018 (Taka)	1st July 2016 to 31st March 2017 (Taka)
1.00	Earnings Per Share (EPS)	(0.05)	(0.11)
2.00	Net Operating Cash Flow (NOCFPS)	0.83	0.79
		As on 31st March-2018	**As on 30th June-2017**
3.00	Net Assets Value (NAV)	11.96	14.20

Abul Kalam Azad
Chief Financial Officer (cc)

Md. Mahmudul Hasan
Company Secretary(cc)

A.H.M. Al-Faruq
Independent Director