



# INFORMATION SERVICES NETWORK LIMITED

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

## STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT 31<sup>ST</sup> DECEMBER, 2016

PARTICULARS	31 <sup>st</sup> Dec., 2016	30th June, 2016
<b>ASSETS:</b>		
<b>Non-Current Assets</b>	<b>121,692,504</b>	<b>120,020,227</b>
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
<b>Current Assets</b>	<b>129,307,075</b>	<b>131,359,729</b>
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
<b>Total Assets</b>	<b>250,999,579</b>	<b>251,379,956</b>
<b>Equity and Liabilities:</b>		
<b>Shareholders' Equity</b>	<b>160,824,615</b>	<b>160,675,648</b>
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
<b>Non-Current Liabilities.</b>	<b>31,998,206</b>	<b>33,876,417</b>
Long Term Loan	31,351,644	33,256,078
Deferred Tax Liabilities	646,562	620,339
<b>Current Liabilities and Provisions</b>	<b>58,176,758</b>	<b>56,827,891</b>
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
<b>Total Liabilities</b>	<b>90,174,964</b>	<b>90,704,308</b>
<b>Total Equity &amp; Liabilities</b>	<b>250,999,579</b>	<b>251,379,956</b>

## CASH FLOW STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED 31<sup>ST</sup> DECEMBER, 2016

PARTICULARS	Amount (in Tk.)	
	July-Dec. 2016	July-Dec. 2015
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Collection from Turnover and other Income	39,918,993	30,553,668
Payment for Cost and Expenses	(32,547,140)	(37,993,722)
<b>Total Cash Flow from Operating Activities</b>	<b>7,371,853</b>	<b>(7,440,054)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Acquisition of Fixed Assets	(7,800,173)	(12,818,352)
Share Issue Expenses	-	-
Share Investment	60,000	-
Vehicle Sales	-	-
<b>Total Cash Flow from Investing Activities</b>	<b>(7,740,173)</b>	<b>(12,818,352)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
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)
<b>Total Cash Flow from Financing Activities</b>	<b>(101,636)</b>	<b>19,860,195</b>
<b>Net Cash Inflow/ (Outflows) for the year (A+B+C)</b>	<b>(469,956)</b>	<b>(398,211)</b>
Opening Cash and Bank Balance	2,041,678	2,124,837
<b>Closing Cash and Bank Balance Total Tk.</b>	<b>1,571,722</b>	<b>1,726,626</b>

## STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE HALF YEAR ENDED 31<sup>ST</sup> DECEMBER, 2016

PARTICULARS	At 31 <sup>st</sup> Dec., 2016	At 31 <sup>st</sup> 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)
<b>Shareholders' Equity at 31<sup>st</sup> Dec. 2016</b>	<b>160,824,615</b>	<b>164,305,040</b>

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

FOR THE HALF YEAR ENDED 31<sup>ST</sup> 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)
<b>Gross Profit</b>	<b>13,836,872</b>	<b>218,693</b>	<b>14,055,565</b>	<b>14,880,586</b>	<b>6,604,761</b>	<b>6,960,860</b>
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)
<b>Other Income</b>	<b>7,138,213</b>	<b>-</b>	<b>7,138,213</b>	<b>5,522,387</b>	<b>3,666,187</b>	<b>2,895,821</b>
<b>Net Profit before Tax</b>	<b>906,587</b>	<b>(634,237)</b>	<b>272,350</b>	<b>(2,743,816)</b>	<b>433,880</b>	<b>(2,161,363)</b>
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)
<b>Net Profit after Tax</b>	<b>783,204</b>	<b>(634,237)</b>	<b>148,967</b>	<b>(3,205,645)</b>	<b>359,917</b>	<b>(2,579,378)</b>
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)
<b>Earning Per Share (per value Tk. 10/-)</b>			<b>0.01</b>	<b>(0.29)</b>	<b>0.03</b>	<b>(0.24)</b>

Md. Nuruzzaman  
Company Secretary

Habibul Alam, Bir Pratik  
Managing Director

**Selected Notes to the Financial Statement (Un-audited) for the 2<sup>nd</sup> Quarter ended 31<sup>st</sup> 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

	<b>31.12.2016</b>	<b>30.06.2016</b>
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	-	-
<b>Closing Balance at cost</b>	<b>278,555,992</b>	<b>270,755,819</b>
Less: Accumulated depreciation	158,694,545	152,859,367
<b>Written down value</b>	<b>119,861,447</b>	<b>117,896,452</b>

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

The above amount is made up as follows

	<b>31.12.2016</b>	<b>30.06.2016</b>
Investment in subsidiary	102,000	102,000
Investment in shares	798,184	858,184
	<b>900,184</b>	<b>960,184</b>

**5.00 Deferred expenditure : Tk. 930,873**

The above amount is made up as follows

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

**6.00 Accounts receivable: Tk. 118,003,507**

This is arrived at as under :

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

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
	<b>118,003,507</b>	<b>116,410,217</b>

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

This is made up as follows :

	<b>31.12.2016</b>	<b>30.06.2016</b>
Loan to subsidiary company	1,635,343	1,635,343
Other Advance and Prepayments	7,286,959	10,462,947
	<b>8,922,302</b>	<b>12,098,290</b>

**8.00 Accrued expenses: Tk. 7,590,879**

This is made up as under:

	<b>31.12.2016</b>	<b>30.06.2016</b>
Opening Balance	5,677,525	3,477,425
Add: Addition during the period	4,597,231	5,409,752
	<b>10,274,756</b>	<b>8,887,177</b>
Less : Paid/adjustment during the period	2,683,877	3,209,652
Closing Balance	<b>7,590,879</b>	<b>5,677,525</b>

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

The above amount is made up as follows:

	<b>31.12.2016</b>	<b>30.06.2016</b>
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
	<b>12,654,047</b>	<b>12,094,694</b>

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

The above amount is made up as follows:

	<b>31.12.2016</b>	<b>30.06.2016</b>
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
	<b>37,494,025</b>	<b>38,715,025</b>

**11.00 Operating revenue: Tk.31,201,552**

This is made up as following

	<b>31.12.2016</b>	<b>31.12.2015</b>
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
	<b>24,322,663</b>	<b>21,590,792</b>
Less : VAT	3,172,521	2,816,190
<b>Net sales after VAT</b>	<b>21,150,142</b>	<b>18,774,602</b>
Sales of software	5,953,000	6,030,670
Networking and IT solutions	4,098,410	3,500,740
<b>Total</b>	<b>31,201,552</b>	<b>28,306,012</b>

**12.00 Operating expenses: TK.17,145,987**

This consists of as follows :

	<b>31.12.2016</b>	<b>31.12.2015</b>
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		

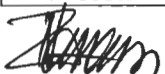
	961,952	641,709
Salary & Allowance	4,394,048	3,540,093
Depreciation	3,540,861	2,859,642
	<b>17,145,987</b>	<b>13,425,426</b>

**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
	<b>7,138,213</b>	<b>5,522,387</b>

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