

**bKash Limited**

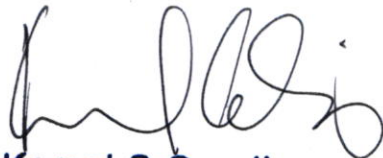
Financial Statements as at and for the  
period ended 30 June 2017


bKash Limited  
Statement of financial position

In Taka	Note	30 June 2017	31 December 2016
<b>Assets</b>			
Property, plant and equipment	1	737,622,373	708,337,120
Intangible assets	2	347,281,712	269,453,714
Deferred tax assets	3	1,661,479	1,338,020
<b>Non-current assets</b>		<b>1,086,565,564</b>	<b>979,128,855</b>
Operational and other receivables	4	498,199,017	219,966,379
Advances, deposits and prepayments	5	321,760,685	218,267,016
Advance income tax	6	420,888,275	366,946,533
Airtime balance	7	569,731,550	797,587,267
Restricted cash and cash equivalents	8	22,744,715,658	17,506,568,895
Investment in Fixed deposits	9	1,571,800,000	1,620,000,000
Cash and cash equivalents	10	600,638,227	299,582,196
<b>Current assets</b>		<b>26,727,733,412</b>	<b>21,028,918,286</b>
<b>Total assets</b>		<b>27,814,298,976</b>	<b>22,008,047,141</b>
<b>Equity</b>			
Ordinary shares	11	38,194,900	38,194,900
Convertible preference shares	12	4,097,000	4,097,000
Share premium	13	2,133,618,396	2,133,618,396
Share money deposit	14	505,162	505,162
Retained earnings		675,427,003	415,549,079
<b>Total equity</b>		<b>2,851,842,461</b>	<b>2,591,964,537</b>
<b>Liabilities</b>			
Employee benefits	15	137,724,120	118,480,000
Other non-current liabilities	19	7,145,802	7,145,802
Finance lease liabilities - non-current	20	39,007,097	18,519,200
<b>Non-current liabilities</b>		<b>183,877,019</b>	<b>144,145,002</b>
Customer deposits	16	15,738,328,725	11,487,721,167
Other deposits	17	6,794,443,625	5,800,892,990
Operational and other payables	18	875,899,405	672,970,358
Finance lease liabilities - current	20	13,796,685	6,206,558
Grant funds	21	49,092,111	49,464,389
Accrued expenses	22	798,612,996	902,986,480
Provision for tax		508,405,949	351,695,662
<b>Current liabilities</b>		<b>24,778,579,496</b>	<b>19,271,937,602</b>
<b>Total liabilities</b>		<b>24,962,456,515</b>	<b>19,416,082,604</b>
<b>Total equity and liabilities</b>		<b>27,814,298,976</b>	<b>22,008,047,141</b>

The notes 1 to 29 are an integral part of these financial statements.

Dhaka, 20 July 2017

  
**Kamal S Quadir**  
Chief Executive Officer  
bKash Ltd.

  
Chief Financial Officer

**Mainuddin Mohammed Rahgir**  
Chief Financial Officer  
bKash Limited


## bKash Limited


## Statement of profit or loss and other comprehensive income

In Taka	Note	For the period ended 30 June 2017			
		January - June 30 2017	January - June 30 2016	April - June 30 2017	April - June 30 2016
Gross revenue		8,167,828,739	6,669,283,946	4,211,036,247	3,535,832,499
Less: VAT		1,038,374,660	848,107,330	535,026,652	450,038,085
Net revenue	23	7,129,454,079	5,821,176,616	3,676,009,594	3,085,794,414
Cost of services	24	(5,666,554,285)	(4,751,775,599)	(2,919,674,709)	(2,495,154,618)
Gross profit		1,462,899,794	1,069,401,017	756,334,885	590,639,796
Other income	25	647,437,787	511,629,742	341,150,370	268,361,454
Donor grants	28	2,067,845	28,388,209	(897,505)	16,328,019
Operating and administrative expenses	26	(1,117,808,001)	(794,859,332)	(620,810,137)	(441,560,762)
Marketing and promotional expenses	27	(552,622,763)	(459,378,075)	(348,362,487)	(242,326,450)
Utilisation of donor grants	28	(2,067,845)	(28,388,209)	897,505	(16,328,019)
Foreign exchange loss		(2,828,829)	(248,471)	(2,019,985)	(193,922)
Profit before contribution to WPPF		437,077,988	326,544,881	126,292,646	174,920,116
Contribution to WPPF		(20,813,238)	(15,549,756)	(6,013,936)	(8,329,529)
Profit before tax		416,264,750	310,995,125	120,278,710	166,590,586
Income tax expenses	29	(156,386,828)	(122,746,396)	(47,943,968)	(70,740,303)
Net profit		259,877,922	188,248,729	72,334,743	95,850,283

The notes 1 to 29 are an integral part of these financial statements.

Dhaka, 20 July 2017

  
**Kamal S Quadir**  
 Chief Executive Officer  
 bKash Ltd.

  
**Moinuddin Mohammed Rahgir**  
 Chief Financial Officer  
 bKash Limited

bKash Limited  
Statement of changes in equity

<i>In Taka</i>						For the period ended 30 June 2017
	Ordinary shares	Convertible preference shares	Share premium	Share money deposit	Retained earnings	Total equity
<b>Balance at 1 January 2017</b>	<b>38,194,900</b>	<b>4,097,000</b>	<b>2,133,618,396</b>	<b>505,162</b>	<b>415,549,081</b>	<b>2,591,964,539</b>
<b>Total comprehensive income</b>						
Profit for the year	-	-	-	-	259,877,922	259,877,922
Other comprehensive income/(expense) - net of tax	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>259,877,922</b>	<b>259,877,922</b>
<b>Balance at 30 June 2017</b>	<b>38,194,900</b>	<b>4,097,000</b>	<b>2,133,618,396</b>	<b>505,162</b>	<b>675,427,003</b>	<b>2,851,842,461</b>

<i>In Taka</i>						For the year ended 31 December 2016
	Ordinary shares	Convertible preference shares	Share premium	Share money deposit	Retained earnings	Total equity
<b>Balance at 1 January 2016</b>	<b>38,194,900</b>	<b>4,097,000</b>	<b>2,133,618,396</b>	<b>505,162</b>	<b>80,396,610</b>	<b>2,256,812,068</b>
<b>Total comprehensive income</b>						
Profit for the year	-	-	-	-	386,541,471	386,541,471
Other comprehensive income/(expense) - net of tax	-	-	-	-	(51,389,000)	(51,389,000)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>335,152,471</b>	<b>335,152,471</b>
<b>Balance at 31 December 2016</b>	<b>38,194,900</b>	<b>4,097,000</b>	<b>2,133,618,396</b>	<b>505,162</b>	<b>415,549,081</b>	<b>2,591,964,539</b>

The notes 1 to 29 are an integral part of these financial statements.

**bKash Limited**  
**Statement of cash flows**

For the period ended 30 June 2017

<b>In Taka</b>	<b>2017</b>	<b>2016</b>
<b>Cash flows from operating activities</b>		
Cash receipt from customers	12,386,029,731	13,408,564,630
Cash paid to suppliers, employees and others	(6,984,159,746)	(6,093,395,104)
<b>Cash generated from operating activities</b>	<b>5,401,869,985</b>	<b>7,315,169,526</b>
Interest received from deposits	358,483,258	218,489,556
Income taxes paid	(53,941,742)	(38,851,515)
<b>Net cash flows from operating activities</b>	<b>5,706,411,502</b>	<b>7,494,807,567</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(168,160,975)	(43,126,476)
Acquisition of intangible assets	(42,402,757)	(45,964,794)
Investment in fixed deposits	48,200,000	200,000,000
<b>Net cash used in investing activities</b>	<b>(162,363,732)</b>	<b>110,908,730</b>
<b>Cash flows from financing activities</b>		
Finance lease liabilities - non-current	(4,844,976)	(415,647)
<b>Net cash used in financing activities</b>	<b>(4,844,976)</b>	<b>(415,647)</b>
Net increase in cash and cash equivalents	5,539,202,794	7,605,300,650
Cash and cash equivalents (including restricted cash and cash equivalents)	17,806,151,091	11,478,010,236
<b>Cash and cash equivalents including restricted cash and cash equivalent</b>	<b>23,345,353,885</b>	<b>19,083,310,886</b>
Less: Restricted cash and cash equivalents	22,744,715,658	18,653,218,203
<b>Cash and cash equivalents as at 30 June</b>	<b>600,638,227</b>	<b>430,092,683</b>

The notes 1 to 29 are an integral part of these financial statements.

Notes to the financial statements (Continued)

1 Property, plant and equipment

In Taka	Note	IT equipment	Laptop & Computer	Motor vehicles	Motor vehicles- Leased	Office furniture	Office equipment	Leasehold Improvements	Work in progress	Total
<b>Cost</b>										
Balance at 1 January 2016		243,769,882	67,530,023	2,000,000	-	37,410,361	25,465,214	56,546,802	92,991,260	525,713,542
Additions		53,358,421	16,507,925	-	31,137,444	8,173,443	14,586,302	22,842,009	276,113,531	422,719,075
Reclassification		-	-	-	-	-	-	(1,110,364)	(62,991)	(1,173,355)
Write off		(11,500)	(292,316)	-	-	(2,328,799)	(782,545)	-	-	(3,415,160)
Transfer from work in progress		92,928,269	-	-	-	-	-	-	(92,928,269)	-
<b>Balance at 31 December 2016</b>		<b>390,045,072</b>	<b>83,745,632</b>	<b>2,000,000</b>	<b>31,137,444</b>	<b>43,255,005</b>	<b>39,268,971</b>	<b>78,278,447</b>	<b>276,113,531</b>	<b>943,844,102</b>
Balance at 1 January 2017		390,045,072	83,745,632	2,000,000	31,137,444	43,255,005	39,268,971	78,278,447	276,113,531	943,844,102
Additions		9,203,122	5,407,838	-	36,234,580	4,647,552	6,335,511	1,426,899	38,625,391	101,880,894
Reclassification		-	-	-	-	-	-	-	-	-
Write off & adjustments		-	(63,210)	-	-	(245,000)	(141,000)	-	(2,534,777)	(2,983,987)
Transfer from work in progress		63,241,076	-	-	-	-	1,668,327	5,667,933	(70,577,336)	-
<b>Balance at 30 June 2017</b>		<b>462,489,270</b>	<b>89,090,261</b>	<b>2,000,000</b>	<b>67,372,023</b>	<b>47,657,557</b>	<b>47,131,809</b>	<b>85,373,279</b>	<b>241,626,810</b>	<b>1,042,741,009</b>
<b>Accumulated depreciation</b>										
Balance at 1 January 2016		78,923,884	23,968,343	1,999,999	-	3,768,486	8,903,914	3,137,234	-	120,701,860
Depreciation		60,523,691	28,177,238	-	3,130,833	4,257,394	6,290,203	13,831,869	-	116,211,228
Adjustments		-	-	-	-	-	-	(203,567)	-	(203,567)
Write off		(10,343)	(39,637)	-	-	(726,635)	(425,924)	-	-	(1,202,539)
<b>Balance at 31 December 2016</b>		<b>139,437,232</b>	<b>52,105,944</b>	<b>1,999,999</b>	<b>3,130,833</b>	<b>7,299,245</b>	<b>14,768,193</b>	<b>16,765,535</b>	<b>-</b>	<b>235,506,982</b>
Balance at 1 January 2017		139,437,232	52,105,944	1,999,999	3,130,833	7,299,245	14,768,193	16,765,535	-	235,506,982
Depreciation		39,062,856	10,852,643	-	5,035,275	2,258,044	4,233,938	8,328,087	-	69,770,843
Write off		-	(15,802)	-	-	(68,187)	(75,200)	-	-	(159,189)
<b>Balance at 30 June 2017</b>		<b>178,500,088</b>	<b>62,942,785</b>	<b>1,999,999</b>	<b>8,166,109</b>	<b>9,489,102</b>	<b>18,926,931</b>	<b>25,093,623</b>	<b>-</b>	<b>305,118,636</b>
<b>Carrying amounts</b>										
At 31 December 2016		250,607,840	31,639,688	1	28,006,610	35,955,760	24,500,778	61,512,912	276,113,531	708,337,120
At 30 June 2017		283,989,182	26,147,476	1	59,205,915	38,168,456	28,204,877	60,279,657	241,626,810	737,622,373

Notes to the financial statements (Continued)

2 Intangible assets

In Taka	Note	Software	Work in progress	Total
<b>Cost</b>				
Balance at 1 January 2016		351,689,135	96,205,132	447,894,267
Additions		38,475,376	10,297,808	48,773,184
Reclassification, net		(6,452,003)	(9,989,415)	(16,441,419)
Transfer from work in progress		86,228,447	(86,228,447)	-
<b>Balance at 31 December 2016</b>		<b>469,940,954</b>	<b>10,285,078</b>	<b>480,226,032</b>
<b>Balance at 1 January 2017</b>		<b>469,940,954</b>	<b>10,285,078</b>	<b>480,226,032</b>
Additions		94,131,448	46,720,126	140,851,574
Reclassification		-	-	-
Writeoff		(110,516,999)		(110,516,999)
Transfer from work in progress		9,496,230	(9,496,230)	-
<b>Balance at 30 June 2017</b>		<b>463,051,634</b>	<b>47,508,974</b>	<b>510,560,608</b>
<b>Accumulated amortisation</b>				
Balance at 1 January 2016		112,997,031	-	112,997,031
Amortisation	32	97,775,287	-	97,775,287
<b>Balance at 31 December 2016</b>		<b>210,772,318</b>	<b>-</b>	<b>210,772,318</b>
<b>Balance at 1 January 2017</b>		<b>210,772,318</b>	<b>-</b>	<b>210,772,318</b>
Amortisation	32	63,023,576	-	63,023,576
Write Off		(110,516,999)	-	(110,516,999)
<b>Balance at 30 June 2017</b>		<b>163,278,895</b>	<b>-</b>	<b>163,278,895</b>
<b>Carrying amounts</b>				
At 31 December 2016		259,168,636	10,285,078	269,453,714
<b>At 30 June 2017</b>		<b>299,772,738</b>	<b>47,508,974</b>	<b>347,281,712</b>



## Notes to the financial statements (Continued)

## 3 Deferred tax assets/(liabilities)

<i>In Taka</i>	<i>Note</i>	2017	2016
Balance at 1 January		1,338,020	(59,233,683)
Deferred tax income/(expense) for the year		323,459	60,571,703
<b>Closing Balance</b>		<b>1,661,479</b>	<b>1,338,020</b>

<i>In Taka</i>	Carrying amount on reporting date	Tax base	Taxable/(deductible) temporary difference
<b>At 30 June 2017</b>			
Property, plant and equipment	474,868,815	441,430,628	33,438,187
Intangible assets	299,772,738	189,730,265	110,042,473
Preliminary Expenses	-	10,503,622	(10,503,622)
Gratuity	137,724,120	-	(137,724,120)
<b>Taxable/(deductible) temporary differences</b>	<b>912,365,673</b>	<b>641,664,515</b>	<b>(4,747,082)</b>

Applicable tax rate 35%

**Deferred tax assets 1,661,479**

<b>At 31 December 2016</b>			
Property, plant and equipment	417,591,978	374,054,363	43,537,615
Intangible assets	259,168,637	176,992,723	82,175,915
Preliminary Expenses	-	11,056,445	(11,056,445)
Gratuity	118,480,000	-	(118,480,000)
<b>Taxable/(deductible) temporary differences</b>	<b>795,240,615</b>	<b>562,103,531</b>	<b>(3,822,915)</b>

Applicable tax rate 35%

**Deferred tax assets 1,338,020**

## 4 Operational and other receivables

<i>In Taka</i>	<i>Note</i>	2017	2016
<b>Operational receivables</b>			
Related party - BRAC Bank Limited		734,993	572,894
Other than related parties <sup>1</sup>		10,320	12,589,877
		<b>745,313</b>	<b>13,162,771</b>
Less: Provision for doubtful debts		-	-
		<b>745,313</b>	<b>13,162,771</b>
<b>Other receivables</b>			
Accrued interest on fixed deposits		497,453,704	206,803,608
		<b>497,453,704</b>	<b>206,803,608</b>
		<b>498,199,017</b>	<b>219,966,379</b>

## 5 Advances, deposits and prepayments

<i>In Taka</i>	<i>Note</i>	2017	2016
<b>Advances</b>			
Staffs		13,645,957	2,213,388
Suppliers		46,435,117	6,424,790
Office rent		115,480,207	94,900,273
VAT current account		2,356,778	1,127,271
		<b>177,918,059</b>	<b>104,665,722</b>
<b>Deposits</b>			
Deposit against rent		6,664,600	6,672,400
		<b>6,664,600</b>	<b>6,672,400</b>
<b>Prepayments</b>			
Expenses		66,193,948	55,116,195
Agent commission		70,984,078	51,812,699
		<b>137,178,026</b>	<b>106,928,894</b>
		<b>321,760,685</b>	<b>218,267,016</b>



## Notes to the financial statements (Continued)

## 6 Advance income tax

<i>In Taka</i>	<i>Note</i>	<b>2017</b>	<b>2016</b>
Balance at 1 January		366,946,533	225,305,584
Deducted at source		53,941,742	141,640,949
<b>Closing Balance</b>		<b>420,888,275</b>	<b>366,946,533</b>

## 7 Airtime balance

<i>In Taka</i>	<i>Note</i>	<b>2017</b>	<b>2016</b>
<b>Airtime balance</b>			
Robi Axiata Limited		66,410,396	19,965,991
Banglalink Digital Communications Ltd.		73,442,291	15,364,457
Grameenphone Ltd.		85,208,961	29,535,985
Teletalk Ltd		87,069,280	5,631,858
		<b>312,130,929</b>	<b>70,498,291</b>
<b>Airtime proceeds in transit</b>		<b>257,600,621</b>	<b>727,088,976</b>
		<b>257,600,621</b>	<b>727,088,976</b>
		<b>569,731,550</b>	<b>797,587,267</b>

## 8 Restricted cash and cash equivalents

<i>In Taka</i>	<i>Note</i>	<b>2017</b>	<b>2016</b>
Restricted cash at bank		9,294,715,655	6,006,568,895
Fixed deposits - Restricted Cash		13,450,000,003	11,500,000,000
		<b>22,744,715,658</b>	<b>17,506,568,895</b>

## 9 Investment in Fixed deposits

<i>In Taka</i>	<i>Note</i>	<b>2017</b>	<b>2016</b>
Fixed deposits- Operational		1,571,800,000	1,620,000,000
		<b>1,571,800,000</b>	<b>1,620,000,000</b>

## 10 Cash and cash equivalents

<i>In Taka</i>	<i>Note</i>	<b>2017</b>	<b>2016</b>
Cash in hand		789,067	687,850
Cash at digital wallet		18,518,574	5,754,959
Cash at banks	10.1	581,330,586	293,139,387
		<b>600,638,227</b>	<b>299,582,196</b>

## 10.1 Cash at banks

<i>In Taka</i>	<i>Note</i>	<b>2017</b>	<b>2016</b>
<b>Cash at banks</b>		<b>581,330,586</b>	<b>293,139,387</b>

## 11 Ordinary shares

<i>In Taka</i>	No. of share	<i>Note</i>	<b>2017</b>	<b>2016</b>
<b>Authorised</b>				
Authorised (par value of Tk. 100 each)	4,900,000		490,000,000	490,000,000

## Paid up

Ordinary shares (par value of Tk. 100 each)	381,949		38,194,900	38,194,900
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## Percentage of shareholdings

<i>In Taka</i>	No. of share	%	<b>2017</b>	<b>2016</b>
BRAC Bank Ltd.	194,800	51.00%	19,480,000	19,480,000
Money in Motion LLC, USA	139,405	36.50%	13,940,500	13,940,500
International Finance Corporation	47,744	12.50%	4,774,400	4,774,400
	<b>381,949</b>	<b>100.00%</b>	<b>38,194,900</b>	<b>38,194,900</b>

Notes to the financial statements (Continued)

12 Convertible preference shares

<i>In Taka</i>	No. of share	%	2017	2016
<b>Authorised</b>				
Authorised (par value of Tk. 100 each)			10,000,000	10,000,000
<b>Paid up</b>			4,097,000	4,097,000
Bill & Melinda Gates Foundation (par value of Tk. 100 each)	40,970	100%	4,097,000	4,097,000

Convertible preference shares were issued as per the shareholder agreement dated 3 February 2014 among bKash Limited, BRAC Bank Limited, Money in Motion LLC, USA and The Bill & Melinda Gates Foundation. Total 40,970 shares of Tk. 100 each was issued with a premium of Tk. 20,684 (rounded off) with the approval of respective authority.

The respective shareholders do not have any voting right associated to the convertible preference shares. At the option of the Bill & Melinda Gates Foundation, such shares shall be converted on a 1:1 basis into ordinary shares.

13 Share premium

<i>In Taka</i>	No. of share	Premium per share (rounded off)	2017	2016
BRAC Bank Limited	49,705	3,000	149,115,000	149,115,000
Money in Motion LLC, USA	122,255	3,000	366,765,000	366,765,000
International Finance Corporation	47,744	16,135	770,325,568	770,325,568
The Bill & Melinda Gates Foundation	40,970	20,684	847,412,828	847,412,828
			2,133,618,396	2,133,618,396

14 Share money deposit

This balance represents share money deposit received from Money in Motion (MIM) LLC, USA and International Finance Corporation (IFC).

15 Employee benefits

<i>In Taka</i>	Note	2017	2016
Balance at 1 January		118,480,000	225,305,584
Service cost	15.1	23,670,000	111,897,900
Benefits paid		(4,425,880)	(290,905)
<b>Closing Balance</b>		<b>137,724,120</b>	<b>118,480,000</b>

15.1 Defined benefit plan charge to profit or loss and other comprehensive income

<i>In Taka</i>	Note	2017	2016
<b>Profit or loss</b>			
Current service cost		23,670,000	32,297,900
Interest accrued on defined benefit obligation		-	540,000
		23,670,000	32,837,900
<b>Other comprehensive (income)/expense</b>			
Actuarial (gain)/loss recognised directly in equity		-	79,060,000
		23,670,000	111,897,900

16 Customer deposits

<i>In Taka</i>	Note	2017	2016
Balance at 1 January		11,487,721,167	7,346,784,052
Net addition during the year		4,250,607,558	4,140,937,115
<b>Closing Balance</b>		<b>15,738,328,725</b>	<b>11,487,721,167</b>

Customer deposits represent the balance maintained by customers in their mobile phone in the form of bKash money.

17 Other deposits

<i>In Taka</i>	Note	2017	2016
Agent deposit		4,483,969,369	1,020,631,106
Distributor deposit		1,976,791,233	3,923,497,092
Merchant deposit		72,666,496	130,966,336
Deposit in transit		261,016,527	725,798,456
		6,794,443,625	5,800,892,990

Other deposit represents the balance maintained by agents, distributors and merchants in their mobile phone in the form of bKash money. Deposit in transit represents the balance to be transferred from restricted float accounts to operational accounts against ATM cash out, sold airtime top up and requested inward remittance through Western Union.

## Notes to the financial statements (Continued)

## 18 Operational and other payables

<i>In Taka</i>	<i>Note</i>	2017	2016
Operational payables	18.1	480,751,604	257,902,187
Other payables	18.2	389,495,594	413,891,830
Unearned revenue	18.3	5,652,207	1,176,341
		875,899,405	672,970,358

## 18.1 Operational payables

<i>In Taka</i>	<i>Note</i>	2017	2016
<b>Related parties</b>			
BRAC Bank Limited		1,425,436	2,922,647
BRAC IT Services Limited		-	2,614,465
<b>Other than related parties</b>			
Visa Cape Town Proprietary Limited		30,882,068	54,515,345
Computer Source Limited		6,104,737	49,560,098
Breakpoint Vantage (Pty) Limited		9,729,666	37,004,081
Computer Services Limited		15,986,466	29,829,966
Nihilent Technologies Limited		23,932,750	28,135,250
Thakral Information System Private Limited		18,992,623	15,154,494
Tech Valley Networks Limited		7,760,586	9,812,574
Express Systems Ltd.		13,553,859	9,091,289
CIBL Technology Consultants Limited		3,429,992	6,415,092
Flora Limited		547,938	5,434,515
Aamra Technologies Limited		2,117,796	1,804,296
Spimytel Private Limited		-	1,125,000
Cerebrus Consultants Private Limited		-	1,032,938
Tech Republic Limited		-	803,250
Teleplan Consulting		800,000	800,000
Rangs Electronics Limited		-	625,462
Tech Valley Solutions Limited		291,575	526,292
Tech One Global (Pvt) Limited		2,109,583	348,333
Aegis Services Limited		-	346,800
Huawei Technologies (Bangladesh) Ltd		43,805,600	-
Others		4,317,429	-
Airtime credit purchase		294,963,500	-
		480,751,604	257,902,187

## 18.2 Other payables

<i>In Taka</i>	<i>Note</i>	2017	2016
VAT payable		190,980,189	172,300,587
Withholding tax payable		3,458,564	103,518,577
Incentive to agency, agent and distributor		126,598,132	76,920,176
Interest on customer wallet balance		50,049,258	39,542,655
Security deposit from distributors & agents		15,500,000	15,725,000
Other security deposits		1,281,158	5,003,292
Others		1,628,293	881,544
		389,495,594	413,891,830

## 18.3 Unearned revenue

<i>In Taka</i>	<i>Note</i>	2017	2016
<b>Airtime top-up</b>			
Robi Axiata Limited		678,870	342,015
Airtel Bangladesh Limited		358,404	-
Banglalink Digital Communications Limited		1,101,634	230,467
Grameenphone Limited		1,269,997	434,903
Teletalk Bangladesh Limited		2,243,302	168,956
		5,652,207	1,176,341

This represents the unearned commission on unsold portion of purchased mobile airtime from different Mobile Network Operators (MNOs).

## 19 Other non-current liabilities

<i>In Taka</i>	<i>Note</i>	2017	2016
<b>Money in Motion LLC, USA</b>			
Solution and requirements workshop (Visa Cape Town Proprietary Ltd)		2,514,308	2,514,308
Consultant (Signal Point)		4,631,494	4,631,494
		7,145,802	7,145,802

The above amounts represent payment made by Money in Motion LLC, USA to Visa Cape Town Proprietary Limited on behalf of bKash in 2010.

## Notes to the financial statements (Continued)

**20 Finance lease liabilities**

<i>In Taka</i>	2017	2016
Finance lease liabilities - non current	39,007,097	18,519,200
Finance lease liabilities - current	13,796,685	6,206,558
	<b>52,803,782</b>	<b>24,725,757</b>

**21 Grant funds**

<i>In Taka</i>	<i>Note</i>	2017	2016
Balance at 1 January		49,464,389	27,155,154
Fund received during the year	21.1	-	69,513,107
Interest on grant funds		1,695,568	1,810,473
Utilisation of fund		(2,067,845)	(49,014,345)
<b>Balance at 30 June</b>		<b>49,092,111</b>	<b>49,464,389</b>

**21.1 Fund received during the year**

<i>In Taka</i>	<i>Note</i>	2017	2016
Bill & Melinda Gates Foundation		-	69,513,107
		-	69,513,107

**21.2 Closing balance**

<i>In Taka</i>	<i>Note</i>	2017	2016
International Finance Corporation		78,444	78,444
Bill & Melinda Gates Foundation		49,013,667	49,385,945
		<b>49,092,111</b>	<b>49,464,389</b>

**22 Accrued expenses**

<i>In Taka</i>	<i>Note</i>	2017	2016
Distributors commission		103,664,811	210,275,139
Capital expenditure		-	167,220,019
Mobile network operator service charges		173,170,599	156,163,125
Other Employee benefits		111,047,955	150,937,182
Advertisement		85,038,335	121,020,173
Printing and material development cost		40,182,783	29,687,645
Other accrued expenses		209,931,177	24,449,811
Alternative channel marketing		22,982,846	10,904,866
Rent expenses		10,230,100	7,398,100
Car rent		13,783,993	6,363,535
Market research		3,310,020	5,893,790
Training expenses		4,465,461	4,764,189
Customer acquisition cost		4,374,245	2,979,194
Audit fee		2,200,000	1,145,000
Corporate event and marketing expenses		10,515,463	1,789,160
Travelling expenses		1,631,558	1,416,751
Business promotion expenses		2,083,650	578,803
		<b>798,612,996</b>	<b>902,986,480</b>

## Notes to the financial statements (Continued)

## 23 Net revenue

<i>In Taka</i>	<i>Note</i>	2017	2016
<b>Service fees on</b>			
Cash out through agent		6,566,885,922	5,376,718,559
Person to person (P2P)		306,052,000	249,563,274
Cash out through ATM		593,031	838,383
Merchants - collection		47,802,341	26,302,955
Merchants - disbursement		1,025,023	608,206
Western Union - remittance		139,415	17,487
Commission on airtime purchase	23.1	206,956,347	167,127,752
		<b>7,129,454,079</b>	<b>5,821,176,616</b>

## 23.1 Commission on airtime purchase

<i>In Taka</i>	<i>Note</i>	2017	2016
Robi Axiata Limited		33,017,450	30,440,528
Airtel Bangladesh Limited		13,218,505	17,446,660
Banglalink Digital Communications Limited		44,725,833	39,781,589
Grameenphone Ltd.		100,063,906	79,458,975
Teletalk Bangladesh Limited		15,930,653	-
		<b>206,956,347</b>	<b>167,127,752</b>

## 24 Cost of services

<i>In Taka</i>	<i>Note</i>	2017	2016
Agent commission on cash in		1,969,310,448	1,632,728,755
Agent commission on cash out		1,859,671,798	1,546,073,202
Distributor commission on cash in		696,011,366	605,170,209
Distributor commission on cash out		657,215,404	572,077,358
Mobile Network Operators service charges		484,270,985	395,659,949
ATM cash out charges		53,372	63,503
Western Union service cost		20,912	2,623
		<b>5,666,554,285</b>	<b>4,751,775,599</b>

## Notes to the financial statements (Continued)

**25 Other income**

<i>In Taka</i>	<i>Note</i>	<b>2017</b>	<b>2016</b>
Interest on fixed deposits		489,444,269	423,154,672
Interest on bank balance		157,703,863	88,475,070
Miscellaneous income		289,655	-
		<b>647,437,787</b>	<b>511,629,742</b>

**26 Operating and administrative expenses**

<i>In Taka</i>	<i>Note</i>	<b>2017</b>	<b>2016</b>
Salary and allowances	26.1	530,575,454	370,832,716
Depreciation and amortisation	26.2	132,794,419	84,303,457
Office rent		73,573,895	58,603,182
Office maintenance		16,072,679	16,056,229
Conveyance charges		12,164,980	11,115,944
Business development expenses		9,012,781	13,924,579
Call center cost		432	-
Professional and legal fees		9,873,189	8,627,430
Audit fee		2,069,550	
Motor car expenses		54,453,360	41,083,314
Communication expenses		17,460,050	15,687,026
Software and other maintenance charge	26.3	124,050,606	80,147,443
Printing and stationery		3,065,482	6,225,197
Insurance expenses		6,511,984	6,076,405
Travelling expenses	26.4	24,199,976	16,875,494
Interest on customer wallet balance		49,367,176	26,493,016
Interest expense - finance lease		1,924,055	203,990
Other operating and administrative expenses	26.5	50,637,933	38,603,910
		<b>1,117,808,001</b>	<b>794,859,332</b>

**26.1 Salary and allowances**

<i>In Taka</i>	<i>Note</i>	<b>2017</b>	<b>2016</b>
Salary and allowances - regular		467,725,274	318,859,231
Salary and allowances - contractual		21,906,683	15,164,621
Employer's contribution to Gratuity Fund		23,670,000	25,000,000
Employer's contribution to Provident Fund		17,273,497	11,808,864
		<b>530,575,454</b>	<b>370,832,716</b>

**26.2 Depreciation and amortisation**

<i>In Taka</i>	<i>Note</i>	<b>2017</b>	<b>2016</b>
Depreciation - property, plant and equipment	1	69,770,843	43,942,098
Amortisation - intangible assets	2	63,023,576	40,361,359
		<b>132,794,419</b>	<b>84,303,457</b>

Notes to the financial statements (Continued)

26.3 Software and other maintenance charge

<i>In Taka</i>	<b>Note</b>	<b>2017</b>	<b>2016</b>
Annual maintenance charge for software		95,092,776	72,393,391
Other maintenance charge		28,957,830	7,754,052
		<b>124,050,606</b>	<b>80,147,443</b>

26.4 Travelling expenses

<i>In Taka</i>	<b>Note</b>	<b>2017</b>	<b>2016</b>
Travelling expenses - overseas		14,611,562	7,779,091
Travelling expenses - local		9,588,414	9,096,403
		<b>24,199,976</b>	<b>16,875,494</b>

26.5 Other operating and administrative expenses

<i>In Taka</i>	<b>Note</b>	<b>2017</b>	<b>2016</b>
Bank charges		18,339,982	6,404,178
Utility		9,590,966	8,252,748
Entertainment		7,762,496	10,849,285
Training and workshop		3,829,583	4,864,264
Security charges		6,786,723	4,665,942
Loss on sale of property, plant and equipment		-	-
Board meeting attendance fee		733,425	599,155
Revenue assets		2,999,080	2,772,010
Newspaper and magazine		106,852	78,731
Rent, rate and taxes		133,229	102,425
Write off of property, plant and equipment		290,021	1,150
Miscellaneous expenses		65,576	14,022
		<b>50,637,933</b>	<b>38,603,910</b>

27 Marketing and promotional expenses

<i>In Taka</i>	<b>Note</b>	<b>2017</b>	<b>2016</b>
Incentive		202,193,449	112,659,597
Customer acquisition cost		60,554,351	42,464,835
Customer Campaigns & CLM communication		8,217,126	-
Printing and material development cost		87,959,497	90,985,704
Alternative channel marketing		48,569,048	42,645,675
Advertisement		102,614,141	116,705,643
Corporate event management		29,308,347	32,169,463
Agent training cost		4,006,500	11,540,188
Market research		9,200,304	9,907,900
Market strategy		-	299,070
		<b>552,622,763</b>	<b>459,378,075</b>



## Notes to the financial statements (Continued)

## 28 Utilisation of donor grants

<i>In Taka</i>	Note	2017	2016
Printing and material development cost		810,425	766,705
Incentive		951,060	-
Salary and allowances		-	19,818,979
Customer Acquisition Cost		-	6,052,741
Cash out and bank charge		15,690	-
Business development expenses		270,670	-
Other expenses		20,000	1,749,784
		<b>2,067,845</b>	<b>28,388,209</b>

## 29 Income tax expenses

<i>In Taka</i>	Note	2017	2016
<b>Current tax expense</b>			
Current year		156,710,287	139,011,394
Deferred tax expense/(income)	29.1	(323,459)	(16,264,998)
		<b>156,386,828</b>	<b>122,746,396</b>

## 29.1 Deferred tax expense/(income)

<i>In Taka</i>	Note	2017	2016
Deferred tax liabilities at the beginning of the period		1,338,020	59,233,683
Less: Deferred tax liabilities at the end of the period		1,661,479	42,968,685
		(323,459)	(16,264,998)
Deferred tax attributable to actuarial loss recognised directly in equity		-	-
Deferred tax expense/(income) recognised directly in profit		(323,459)	(16,264,998)