

bKash Limited

Financial statements as at and
for the period ended 30 September 2017

bKash Limited
Statement of financial position

In Taka	Note	30 September 2017	31 December 2016
Assets			
Property, plant and equipment	1	750,053,668	708,337,120
Intangible assets	2	432,001,292	269,453,715
Deferred tax assets	3	138,626	1,338,020
Non-current assets		1,182,193,586	979,128,855
Operational and other receivables	4	851,751,673	219,966,379
Advances, deposits and prepayments	5	297,002,208	218,267,016
Advance income tax	6	437,670,154	366,946,533
Airtime balance	7	698,410,212	797,587,267
Restricted cash and cash equivalents	8	19,422,116,552	17,506,568,895
Investment in Fixed deposits	9	1,571,800,000	1,620,000,000
Cash and cash equivalents	10	233,642,274	299,582,196
Current assets		23,512,393,073	21,028,918,286
Total assets		24,694,586,658	22,008,047,141
Equity			
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		780,105,035	415,549,081
Total equity		2,956,520,493	2,591,964,539
Liabilities			
Employee benefits	15	150,265,120	118,480,000
Other non-current liabilities	19	7,145,802	7,145,802
Finance lease liabilities - non-current	20	45,281,260	18,519,200
Non-current liabilities		202,692,182	144,145,002
Customer deposits	16	13,659,495,643	11,487,721,167
Other deposits	17	5,652,393,743	5,800,892,990
Operational and other payables	18	633,040,006	672,970,358
Finance lease liabilities - current	20	17,097,265	6,206,558
Grant funds	21	35,508,405	49,464,389
Accrued expenses	22	961,119,936	902,986,476
Provision for tax	23	576,718,985	351,695,662
Current liabilities		21,535,373,983	19,271,937,600
Total liabilities		21,738,066,164	19,416,082,602
Total equity and liabilities		24,694,586,658	22,008,047,141

The notes 1 to 30 are an integral part of these financial statements.

Dhaka, 18 October 2017


Chief Executive Officer

Kamal S Quadir
Chief Executive Officer
bKash Limited


Chief Financial Officer

Molnuddin Mohammed Rahgir
Chief Financial Officer
bKash Limited

bKash Limited

Statement of profit or loss and other comprehensive income

		For the period ended 30 September 2017			
In Taka	Note	January - September 2017	January - September 2016	July - September 2017	July - September 2016
Gross revenue		12,020,462,205	10,040,856,576	3,852,633,466	3,371,572,630
Less: VAT		1,525,797,806	1,275,548,605	487,423,146	427,441,276
Net revenue	24	10,494,664,399	8,765,307,971	3,365,210,319	2,944,131,355
Cost of services	25	(8,322,534,496)	(7,119,645,074)	(2,655,980,211)	(2,367,869,475)
Gross profit		2,172,129,903	1,645,662,897	709,230,108	576,261,880
Other income	26	1,002,801,080	808,425,435	355,363,293	296,795,693
Donor grants	29	15,651,552	28,388,209	13,583,707	-
Operating and administrative expenses	27	(1,766,850,815)	(1,339,195,764)	(649,042,814)	(544,336,432)
Marketing and promotional expenses	28	(783,190,787)	(676,348,067)	(230,568,024)	(216,969,992)
Utilisation of donor grants	29	(15,651,552)	(28,388,209)	(13,583,707)	-
Foreign exchange loss		(4,571,775)	(265,074)	(1,742,946)	(16,603)
Profit before contribution to WPPF		620,317,605	438,279,427	183,239,617	111,734,546
Contribution to WPPF		(29,538,934)	(20,870,449)	(8,725,696)	(5,320,693)
Profit before tax		590,778,671	417,408,978	174,513,921	106,413,853
Income tax expenses	30	(226,222,717)	(164,716,945)	(69,835,889)	(41,970,549)
Net profit		364,555,954	252,692,033	104,678,032	64,443,304

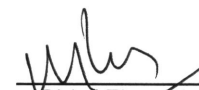
The notes 1 to 30 are an integral part of these financial statements.

Dhaka, 18 October 2017



Chief Executive Officer

Kamal S Quadir
Chief Executive Officer,
bKash Ltd



Chief Financial Officer

Moinuddin Mohammed Rahgir
Chief Financial Officer
bkash Limited

bKash Limited
Statement of changes in equity

In Taka	Ordinary shares	Convertible preference shares	Share premium	For the period ended 30 September 2017		
				Share money deposit	Retained earnings	Total equity
Balance at 1 January 2017	38,194,900	4,097,000	2,133,618,396	505,162	415,549,081	2,591,964,539
Total comprehensive income						
Profit for the period	-	-	-	-	364,555,954	364,555,954
Other comprehensive income/(expense) - net of tax	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	364,555,954	364,555,954
Balance at 30 September 2017	38,194,900	4,097,000	2,133,618,396	505,162	780,105,035	2,956,520,493

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

The notes 1 to 30 are an integral part of these financial statements.

bKash Limited
Statement of cash flows

For the period ended 30 September 2017

In Taka	2017	2016
Cash flows from operating activities		
Cash receipt from customers	12,529,712,137	12,662,239,187
Cash paid to suppliers, employees and others	(10,565,008,959)	(9,332,984,129)
Cash generated from operating activities	1,964,703,179	3,329,255,058
Interest received from deposits	360,938,844	266,739,038
Income taxes paid	(70,723,621)	(52,718,404)
Net cash flows from operating activities	2,254,918,402	3,543,275,692
Cash flows from investing activities		
Acquisition of property, plant and equipment	(277,299,309)	(100,167,710)
Acquisition of intangible assets	(167,972,122)	(13,936,069)
Encashment of fixed deposits	48,200,000	500,000,000
Net cash used in investing activities	(397,071,431)	385,896,221
Cash flows from financing activities		
Finance lease liabilities - non-current	(8,239,236)	(1,436,440)
Net cash used in financing activities	(8,239,236)	(1,436,440)
Net increase in cash and cash equivalents	1,849,607,735	3,927,735,473
Cash and cash equivalents (including restricted cash and cash equivalents) at 1 January	17,806,151,091	11,478,010,236
Cash and cash equivalents including restricted cash and cash equivalents as at 30 September	19,655,758,826	15,405,745,709
Less: Restricted cash and cash equivalents	19,422,116,552	14,973,196,820
Cash and cash equivalents as at 30 September	233,642,274	432,548,888

The notes 1 to 30 are an integral part of these financial statements.

Notes to the financial statements

1 Property, plant and equipment

In Taka	IT equipment	Laptop & Computer	Motor vehicles	Motor vehicles- Leased	Office furniture	Office equipment	Leasehold Improvements	Work in progress	Total
Cost									
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)	-
Balance at 31 December 2016	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
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	68,162,894	6,247,032	-	50,511,159	5,544,453	6,427,510	1,595,073	50,778,280	189,266,400
Reclassification	-	-	-	-	-	-	-	(35,155,647)	(35,155,647)
Write off & adjustments	-	(1,617,395)	-	-	(245,000)	(141,000)	-	(3,170,058)	(5,173,453)
Transfer from work in progress	75,116,510	-	-	-	-	1,668,327	5,667,933	(82,452,770)	-
Balance at 30 September 2017	533,324,476	88,375,269	2,000,000	81,648,602	48,554,458	47,223,808	85,541,453	206,113,336	1,092,781,403
Accumulated depreciation									
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)
Balance at 31 December 2016	139,437,232	52,105,944	1,999,999	3,130,833	7,299,245	14,768,193	16,765,535	-	235,506,982
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	61,895,899	15,772,235	-	8,641,819	3,464,302	6,560,318	12,599,554	-	108,934,127
Write off	-	(1,569,987)	-	-	(68,187)	(75,200)	-	-	(1,713,374)
Balance at 30 September 2017	201,333,131	66,308,192	1,999,999	11,772,653	10,695,360	21,253,311	29,365,089	-	342,727,735
Carrying amounts									
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 September 2017	331,991,345	22,067,077	1	69,875,950	37,859,099	25,970,497	56,176,364	206,113,336	750,053,668

Notes to the financial statements (Continued)

2 Intangible assets

In Taka	Software	Work in progress	Total
Cost			
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)	-
Balance at 31 December 2016	469,940,954	10,285,078	480,226,032
Balance at 1 January 2017	469,940,954	10,285,078	480,226,032
Additions	94,131,448	119,644,065	213,775,513
Reclassification	-	35,155,647	35,155,647
Writeoff	(110,516,999)	-	(110,516,999)
Transfer from work in progress	46,903,441	(46,903,441)	-
Balance at 30 September 2017	500,458,844	118,181,349	618,640,193
Accumulated amortisation			
Balance at 1 January 2016	112,997,031	-	112,997,031
Amortisation	97,775,287	-	97,775,287
Balance at 31 December 2016	210,772,318	-	210,772,318
Balance at 1 January 2017	210,772,318	-	210,772,318
Amortisation	86,383,582	-	86,383,582
Write Off	(110,516,999)	-	(110,516,999)
Balance at 30 September 2017	186,638,902	-	186,638,902
Carrying amounts			
At 31 December 2016	259,168,636	10,285,078	269,453,715
At 30 September 2017	313,819,943	118,181,349	432,001,292

Notes to the financial statements (Continued)

3 Deferred tax assets/(liabilities)

<i>In Taka</i>	<i>Note</i>	30 September 2017	31 December 2016
Balance at 1 January		1,338,020	(59,233,683)
Deferred tax income/(expense) for the year		(1,199,394)	60,571,703
Closing Balance		138,626	1,338,020

<i>In Taka</i>	Carrying amount on reporting date	Tax base	Taxable/ (deductible) temporary difference
At 30 September 2017			
Property, plant and equipment	519,933,132	467,476,197	52,456,935
Intangible assets	313,819,943	206,180,621	107,639,321
Preliminary Expenses	-	10,227,211	(10,227,211)
Gratuity	150,265,120	-	(150,265,120)
Taxable/(deductible) temporary differences	984,018,195	683,884,029	(396,074)

Applicable tax rate 35%

Deferred tax assets 138,626

At 31 December 2016			
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)
Taxable/(deductible) temporary differences	795,240,615	562,103,531	(3,822,915)

Applicable tax rate 35%

Deferred tax assets 1,338,020

4 Operational and other receivables

<i>In Taka</i>	<i>Note</i>	30 September 2017	31 December 2016
Operational receivables			
Related party - BRAC Bank Limited		714,410	572,894
Other than related parties		675,852	12,589,877
		1,390,262	13,162,771
Less: Provision for doubtful debts		-	-
		1,390,262	13,162,771
Other receivables			
Accrued interest on fixed deposits		850,361,411	206,803,608
		851,751,673	219,966,379

5 Advances, deposits and prepayments

<i>In Taka</i>	<i>Note</i>	30 September 2017	31 December 2016
Advances			
Staffs		12,579,254	2,213,388
Suppliers		33,903,581	6,424,790
Office rent		102,420,574	94,900,273
VAT current account		1,533,881	1,127,271
		150,437,290	104,665,722
Deposits			
Deposit against rent		6,247,300	6,672,400
		6,247,300	6,672,400
Prepayments			
Expenses		78,709,634	55,116,195
Agent commission		61,607,984	51,812,699
		140,317,618	106,928,894
		297,002,208	218,267,016

6 Advance income tax

<i>In Taka</i>	<i>Note</i>	30 September 2017	31 December 2016
Balance at 1 January		366,946,533	225,305,584
Deducted at source		70,723,621	141,640,949
Closing Balance		437,670,154	366,946,533

Notes to the financial statements (Continued)

7	Airtime balance			30 September	31 December
	<i>In Taka</i>	<i>Note</i>		2017	2016
	Airtime balance				
	Robi Axiata Limited			92,404,188	19,965,991
	Banglalink Digital Communications Ltd.			35,258,207	15,364,457
	Grameenphone Ltd.			83,626,026	29,535,985
	Teletalk Ltd			23,004,126	5,631,858
				234,292,548	70,498,291
	Airtime proceeds in transit			464,117,664	727,088,976
				698,410,212	797,587,267
8	Restricted cash and cash equivalents			30 September	31 December
	<i>In Taka</i>	<i>Note</i>		2017	2016
	Restricted cash at bank			5,972,116,549	6,006,568,895
	Fixed deposits - Restricted Cash			13,450,000,003	11,500,000,000
				19,422,116,552	17,506,568,895
9	Investment in Fixed deposits			30 September	31 December
	<i>In Taka</i>			2017	2016
	Fixed deposits- Operational			1,571,800,000	1,620,000,000
				1,571,800,000	1,620,000,000
10	Cash and cash equivalents			30 September	31 December
	<i>In Taka</i>	<i>Note</i>		2017	2016
	Cash in hand			1,053,566	687,850
	Cash at digital wallet			8,503,797	5,754,959
	Cash at banks			224,084,911	293,139,387
				233,642,274	299,582,196
11	Ordinary shares			30 September	31 December
	<i>In Taka</i>	<i>No. of share</i>	<i>Note</i>	2017	2016
	Authorised				
	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
	Percentage of shareholdings			30 September	31 December
	<i>In Taka</i>	<i>No. of share</i>	<i>%</i>	2017	2016
	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
		381,949	100.00%	38,194,900	38,194,900
12	Convertible preference shares			30 September	31 December
	<i>In Taka</i>	<i>No. of share</i>	<i>%</i>	2017	2016
	Authorised				
	Authorised (par value of Tk. 100 each)	1,000,000	100%	10,000,000	10,000,000
	Paid up			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.

Notes to the financial statements (Continued)

13	Share premium				
	<i>In Taka</i>	No. of share	Premium per share (rounded off)	30 September 2017	31 December 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>		<i>Note</i>	30 September 2017	31 December 2016
	Balance at 1 January			118,480,000	6,873,005
	Service cost		15.1	36,840,000	111,897,900
	Benefits paid			(5,054,880)	(290,905)
	Closing Balance			150,265,120	118,480,000
15.1	Defined benefit plan charge to profit or loss and other comprehensive income				
	<i>In Taka</i>		<i>Note</i>	30 September 2017	31 December 2016
	Profit or loss				
	Current service cost			36,840,000	32,297,900
	Interest accrued on defined benefit obligation			-	540,000
				36,840,000	32,837,900
	Other comprehensive (income)/expense				
	Actuarial (gain)/loss recognised directly in equity			-	79,060,000
				36,840,000	111,897,900
16	Customer deposits				
	<i>In Taka</i>		<i>Note</i>	30 September 2017	31 December 2016
	Balance at 1 January			11,487,721,167	7,346,784,052
	Net addition during the year			2,171,774,476	4,140,937,115
	Closing Balance			13,659,495,643	11,487,721,167
	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>		<i>Note</i>	30 September 2017	31 December 2016
	Agent deposit			4,411,794,604	1,020,631,106
	Distributor deposit			692,288,125	3,923,497,092
	Merchant deposit			79,104,456	130,966,336
	Deposit in transit			469,206,558	725,798,456
				5,652,393,743	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.				
18	Operational and other payables				
	<i>In Taka</i>		<i>Note</i>	30 September 2017	31 December 2016
	Operational payables		18.1	266,132,520	257,902,187
	Other payables		18.2	363,063,508	413,891,830
	Unearned revenue		18.3	3,843,978	1,176,341
				633,040,006	672,970,358
18.1	Operational payables				
	<i>In Taka</i>		<i>Note</i>	30 September 2017	31 December 2016
	Related parties				
	BRAC Bank Limited			1,088,287	2,922,647
	BRAC IT Services Limited			-	2,614,465
	Other than related parties			265,044,233	252,365,075
				266,132,520	257,902,187

Notes to the financial statements (Continued)

18.2 Other payables

<i>In Taka</i>	<i>Note</i>	30 September 2017	31 December 2016
VAT payable		126,522,234	172,300,587
Withholding tax payable		82,166,287	103,518,577
Incentive to agency, agent and distributor		106,423,313	76,920,176
Interest on customer wallet balance		31,429,983	39,542,655
Security deposit from distributors & agents		14,850,000	15,725,000
Other security deposits		1,080,030	5,003,292
Others		591,661	881,544
		363,063,508	413,891,830

18.3 Unearned revenue

<i>In Taka</i>	<i>Note</i>	30 September 2017	31 December 2016
Airtime top-up			
Robi Axiata Limited		909,146	342,015
Airtel Bangladesh Limited		518,035	-
Banglalink Digital Communications Limited		528,872	230,467
Grameenphone Limited		1,246,253	434,903
Teletalk Bangladesh Limited		641,673	168,956
		3,843,978	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>	30 September 2017	31 December 2016
Money in Motion LLC, USA			
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.

20 Finance lease liabilities

<i>In Taka</i>	30 September 2017	31 December 2016
Finance lease liabilities - non current	45,281,260	18,519,200
Finance lease liabilities - current	17,097,265	6,206,558
	62,378,524	24,725,758

21 Grant funds

<i>In Taka</i>	<i>Note</i>	30 September 2017	31 December 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		(15,651,552)	(49,014,345)
Closing balance	21.2	35,508,405	49,464,389

21.1 Fund received during the year

<i>In Taka</i>	<i>Note</i>	30 September 2017	31 December 2016
Bill & Melinda Gates Foundation		-	69,513,107
		-	69,513,107

21.2 Closing balance

<i>In Taka</i>	<i>Note</i>	30 September 2017	31 December 2016
International Finance Corporation		78,444	78,444
Bill & Melinda Gates Foundation		35,429,961	49,385,945
		35,508,405	49,464,389

Notes to the financial statements (Continued)

22	Accrued expenses		30 September 2017	31 December 2016
	<i>In Taka</i>	<i>Note</i>		
	Distributors commission		181,075,713	210,275,139
	Capital expenditure		126,661,883	167,220,013
	Mobile network operator service charges		279,084,779	156,163,125
	Other Employee benefits		151,375,855	150,937,182
	Advertisement		71,866,669	121,020,173
	Printing and material development cost		17,888,991	29,687,645
	Other accrued expenses		45,371,947	24,449,811
	Alternative channel marketing		22,733,245	10,904,866
	Rent expenses		10,648,700	7,398,100
	Car rent		19,522,732	6,363,535
	Market research		5,007,540	5,893,790
	Training expenses		1,101,965	4,764,189
	Customer acquisition cost		3,786,057	2,979,194
	Audit fee		-	1,145,000
	Corporate event and marketing expenses		17,359,372	1,789,160
	Travelling expenses		1,199,558	1,416,751
	Business promotion expenses		6,434,930	578,803
			961,119,936	902,986,476
23	Provision for tax		30 September 2017	31 December 2016
	<i>In Taka</i>	<i>Note</i>		
	Balance at 1 January		351,695,662	84,243,608
	Provision made during the year		225,023,323	260,011,729
	Adjustment on completion of assessment for prior years		-	7,440,325
	Closing Balance		576,718,985	351,695,662

Notes to the financial statements (Continued)

24 Net revenue

<i>In Taka</i>	<i>Note</i>	30 September 2017	30 September 2016
Service fees on			
Cash out through agent		9,632,056,848	8,086,669,290
Person to person (P2P)		461,824,796	370,131,635
Cash out through ATM		977,953	1,228,600
Merchants - collection		75,520,518	44,726,248
Merchants - disbursement		1,383,081	821,273
Western Union - remittance		222,177	80,323
Commission on airtime purchase	24.1	322,679,026	261,650,602
		10,494,664,399	8,765,307,971

24.1 Commission on airtime purchase

<i>In Taka</i>	<i>Note</i>	30 September 2017	30 September 2016
Robi Axiata Limited		51,600,175	47,449,333
Airtel Bangladesh Limited		21,373,374	26,368,450
Banglalink Digital Communications Limited		68,166,094	61,081,768
Grameenphone Ltd.		155,757,150	123,493,390
Teletalk Bangladesh Limited		25,782,233	3,257,662
		322,679,026	261,650,602

25 Cost of services

<i>In Taka</i>	<i>Note</i>	30 September 2017	30 September 2016
Agent commission on cash in		2,895,702,122	2,461,722,349
Agent commission on cash out		2,727,688,462	2,326,251,360
Distributor commission on cash in		1,023,420,067	893,235,411
Distributor commission on cash out		963,981,213	843,288,836
Mobile Network Operators service charges		711,611,762	595,041,667
ATM cash out charges		97,543	93,403
Western Union service cost		33,327	12,048
		8,322,534,496	7,119,645,074

Notes to the financial statements (Continued)

26 Other income

<i>In Taka</i>	<i>Note</i>	30 September 2017	30 September 2016
Interest on fixed deposits		750,597,231	646,068,549
Interest on bank balance		250,715,424	162,356,886
Miscellaneous income		1,488,425	-
		1,002,801,080	808,425,435

27 Operating and administrative expenses

<i>In Taka</i>	<i>Note</i>	30 September 2017	30 September 2016
Salary and allowances	27.1	838,445,344	631,572,539
Depreciation and amortisation	27.2	195,317,709	134,987,160
Office rent		114,979,156	89,767,359
Office maintenance		28,534,029	25,555,955
Conveyance charges		18,382,007	16,548,953
Business development expenses		29,445,575	19,322,573
Call center cost		305,124	-
Professional and legal fees		17,756,423	10,978,894
Audit fee		3,474,550	46,000
Motor car expenses		88,654,251	64,247,640
Communication expenses		27,714,406	23,860,983
Software and other maintenance charge	27.3	188,670,075	151,119,838
Printing and stationery		5,497,053	8,498,662
Insurance expenses		10,361,159	8,746,324
Travelling expenses	27.4	37,927,515	21,616,584
Interest on customer wallet balance		79,493,619	45,303,225
Interest expense - finance lease		3,255,003	695,529
Other operating and administrative expenses	27.5	78,637,817	86,327,548
		1,766,850,815	1,339,195,764

27.1 Salary and allowances

<i>In Taka</i>	<i>Note</i>	30 September 2017	30 September 2016
Salary and allowances - regular		741,264,065	541,522,016
Salary and allowances - contractual		32,788,896	25,128,445
Employer's contribution to Gratuity Fund		36,840,000	45,000,000
Employer's contribution to Provident Fund		27,552,383	19,922,078
		838,445,344	631,572,539

27.2 Depreciation and amortisation

<i>In Taka</i>	<i>Note</i>	30 September 2017	30 September 2016
Depreciation - property, plant and equipment	1	108,934,127	71,566,814
Amortisation - intangible assets	2	86,383,582	63,420,346
		195,317,709	134,987,160

27.3 Software and other maintenance charge

<i>In Taka</i>	<i>Note</i>	30 September 2017	30 September 2016
Annual maintenance charge for software		144,907,252	127,061,827
Other maintenance charge		43,762,823	24,058,011
		188,670,075	151,119,838

Annual maintenance charge is incurred mostly for regular maintenance of the core operating software.

27.4 Travelling expenses

<i>In Taka</i>	<i>Note</i>	30 September 2017	30 September 2016
Travelling expenses - overseas		24,783,553	11,260,124
Travelling expenses - local		13,143,962	10,356,460
		37,927,515	21,616,584

Notes to the financial statements (Continued)

27.5 Other operating and administrative expenses

<i>In Taka</i>	<i>Note</i>	30 September 2017	30 September 2016
Bank charges		21,200,141	39,556,829
Utility		15,134,956	13,930,463
Entertainment		10,879,936	9,667,046
Training and workshop		7,730,800	8,327,702
Security charges		10,150,187	7,397,076
Board meeting attendance fee		1,135,051	815,343
Revenue assets		3,729,573	3,252,756
Newspaper and magazine		140,160	113,736
Rent, rate and taxes		193,279	142,925
Write off of property, plant and equipment		290,021	1,150
Donation		7,953,170	-
Miscellaneous expenses		100,543	3,122,521
		78,637,817	86,327,548

28 Marketing and promotional expenses

<i>In Taka</i>	<i>Note</i>	30 September 2017	30 September 2016
Incentive		271,220,411	164,468,411
Customer acquisition cost		105,901,346	67,408,487
Printing and material development cost		119,434,191	120,488,570
Alternative channel marketing		73,551,541	70,882,257
Advertisement		160,727,828	174,294,511
Corporate event management		33,726,646	52,549,873
Agent training cost		4,756,500	13,500,238
Market research		13,872,324	12,755,720
		783,190,787	676,348,067

29 Utilisation of donor grants

<i>In Taka</i>	<i>Note</i>	30 September 2017	30 September 2016
Printing and material development cost		810,425	766,705
Incentive		951,060	-
Salary and allowances		-	19,818,979
Customer Acquisition Cost		50,660	6,052,741
Cash out and bank charge		6,692,922	-
Business development expenses		270,670	-
Events and sponsorship		6,843,931	-
Other expenses		31,884	1,749,784
		15,651,552	28,388,209

30 Income tax expenses

<i>In Taka</i>	<i>Note</i>	30 September 2017	30 September 2016
Current tax expense			
Current year		225,023,323	190,581,852
		225,023,323	190,581,852
Deferred tax expense/(income)	30.1	1,199,394	(25,864,907)
		226,222,717	164,716,945

30.1 Deferred tax expense/(income)

<i>In Taka</i>	<i>Note</i>	30 September 2017	30 September 2016
Deferred tax assets / (liabilities) at the beginning of the year		1,338,020	(59,233,683)
Decrease in (assets) / liabilities deferred tax liabilities at the end of the year		(138,626)	33,368,776
		1,199,394	(25,864,907)
Deferred tax attributable to actuarial loss recognised directly in equity		-	-
Deferred tax expense/(income) recognised directly in profit		1,199,394	(25,864,907)