

Grameenphone Ltd.

Audit report and interim condensed financial statements as at
and for the six-month period ended 30 June 2021

**Independent Auditor's Report
To the Board of Directors of Grameenphone Ltd.**

Report on the Audit of the Interim Condensed Financial Statements

Opinion

We have audited the interim condensed financial statements of Grameenphone Ltd. (the Company), which comprise the interim condensed statement of financial position as at 30 June, 2021, and the interim condensed statement of profit or loss and other comprehensive income, interim condensed statement of changes in equity and interim condensed statement of cash flows for the half-year then ended, and notes to the interim condensed financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying interim condensed financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2021, and of its financial performance and its cash flows for the half-year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the interim condensed financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the interim condensed financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without qualifying our opinion as above, we draw attention to note # 35 (a) to the interim condensed financial statements, wherein the management has disclosed the update of the Bangladesh Telecommunication Regulatory Commission (BTRC) audit after the disclosures made in the audited financial statements for the year ended 31 December 2020. Based on the information system audit on Grameenphone since inception, i.e., 1997 to 2014, BTRC sent a demand notice dated 02 April 2019 for payment of BDT 125.80 billion. As stated in the same note, Grameenphone filed a Title Suit against the Audit Demand. Subsequently Grameenphone filed appeal and review petition to the Hon'ble High Court Division (HCD) and the Hon'ble Appellate Division (AD) for stay order and injunction and also for ensuring that Grameenphone is allowed to carry on its business without any hindrance. As per order of the AD, Grameenphone deposited BDT 20 billion which included in 'Other non-current assets', as stated in note # 8 to the interim condensed financial statements. Detailed disclosures have been given in the audited financial statements for the year ended 31 December 2020.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the interim condensed financial statements of the current period. These matters were addressed in the context of our audit of the interim condensed financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our Response to the Risk
1. Regulatory matters	
<p>Referring to note # 35 (a) to the interim condensed financial statements, the Company is subject to a number of significant claims and litigations. The amounts of claims are significant and estimates of the amounts of provisions or contingent liabilities are subject to significant management judgment.</p> <p>These claims and litigations matters were a key audit matter due to the amounts involved, potential consequences, and the inherent difficulty in assessing the outcome. The assessment of whether a liability should be recognised involves prudent judgment from management.</p>	<p>We understood the process of identifying claims, litigations, and contingent liabilities and identified key controls in the process. For selected controls, we have performed tests of controls. Moreover, we have gained an understanding of management's decision process to disclose contingent matters in the interim condensed financial statements.</p> <p>Our procedures also included among others:</p> <ul style="list-style-type: none"> • Discussed material legal cases with the Company's Legal Department; • Analysed responses received from the Legal Department / external Legal Counsel of the Company; • Reviewed and analysed management's detailed assessment of the probability of outcome substantiated by those legal opinions; • Read the minutes of meetings of the Board of Directors and the Board Audit Committee; • Analysed contingent liabilities and changes in provisions for claims and litigations; • Assessed the circumstances which contributed to the significant uncertainties in management estimate of provisions together with the impact of the outcome of each matter; and • Assessed disclosures in the interim condensed financial statements of material contingencies nature and their measurement.
See note # 35 (a) to the interim condensed financial statements.	
2. Revenue recognition	
<p>Referring to note # 22 to the interim condensed financial statements, Revenue of BDT 70.58 billion is recognised in the interim condensed statement of profit or loss and other comprehensive income of Grameenphone Ltd. This material item is subject to considerable inherent risk due to the complexity of the systems necessary for properly recording and identifying revenue and the impact of ever-changing business,</p>	<p>In light of the fact that the high degree of complexity and estimates and assumptions give rise to an increased risk of accounting misstatements, we assessed the Company's processes and controls for recognising revenue as part of our audit.</p> <p>Our audit approach included testing of the controls and substantive audit procedures as below:</p>

Risk	Our Response to the Risk
<p>price and tariff models (including tariff structures, customer loyalty rewards, and bundled subscription-based products). Against this background, the proper application of the accounting standards is considered to be complex and to a certain extent based on estimates and assumptions made by management.</p>	<ul style="list-style-type: none"> • Assessed the relevant systems supporting the accounting of revenue; • Tested sample controls relating to recognition of revenue; • Assessed the invoicing and measurement systems up to entries in the general ledger on a sample basis; • Analysed and tested customer contracts, invoices and receipts on a sample basis; • Conducted analytical procedures such as trend analysis, ratio analysis, and variance analysis on a sample basis; and • Analysed the revenue charging model against the regulatory guidelines on a sample basis. <p>We read and analysed the disclosures made in the interim condensed financial statements.</p>
<p>See note # 22 to the interim condensed financial statements.</p>	
<p>3. Uncertain tax positions</p>	
<p>Referring to note # 35 (b) of the interim condensed financial statements, the Company is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business that could eventually require payments of taxes and possible additional charges. The assessment of uncertainty and risk of one or more unfavourable outcomes involve prudent judgement from management.</p> <p>These uncertain tax positions were a key audit matter because of the amounts involved and because of the uncertainty in estimating the final outcome of these matters.</p> <p>The Company records provisions for uncertain liabilities, including tax contingencies, when it is more likely than not that a liability has been incurred, and the amount can be reliably estimated.</p>	<p>We took into consideration the complexity of accounting and tax issues, internal controls, and gained an understanding over the entity's accounting for taxes and management's process for assessing the effectiveness of internal controls over the significant income tax accounts and the related interim condensed financial statement disclosures.</p> <p>Our procedures also included:</p> <ul style="list-style-type: none"> • Obtained a listing of all ongoing tax litigations, each above BDT 200 million; • Discussed with the management regarding tax matters, tax jurisdictions and tax communications; • Identified and tested relevant controls over tax accounts and interim condensed financial statement disclosures; • Obtained, read and analysed opinions by the Company from the tax consultants and external counsels of the Company as shared by the management; • Verified account reconciliations and traced demand amounts, amounts paid under protest and considered recoverable and amounts charged off on a sample basis to the underlying supporting demand notices, invoices, bank payments and trial balance; • Analysed the technical merits of each demand based on applicable tax provisions and considered settled tax positions in determining estimate of tax contingency made by the management and

Risk	Our Response to the Risk
	<ul style="list-style-type: none"> Obtained and read the disclosures made in the accompanying interim condensed financial statements.
See note # 35 (b) to of the interim condensed financial statements.	
4. IT systems and controls	
<p>The Company's key financial accounting and reporting processes are significantly dependent on the automated controls over the Company's information systems. As such that there exist risks of gaps in the IT control environment, including automated accounting procedures, IT dependent manual controls and controls preventing unauthorized access to systems and data could result in the financial accounting and reporting records being materially misstated.</p> <p>The IT systems and controls, as they impact the financial recording and reporting of transactions, is a key audit matter.</p>	<p>We performed audit procedures to assess IT systems and controls over financial reporting, which included the following:</p> <ul style="list-style-type: none"> Tested sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access, system change management and computer operations; Assessed the management's evaluation of access rights granted to applicants relevant to financial accounting and reporting systems, and tested resolution of a sample of exceptions and some IT General Controls as per ICFR guidelines; Assessed the operating effectiveness of controls over granting, removal and appropriateness of access rights; and Tested sample of specific application controls for key financial reporting controls. <p>In addition, we also reviewed IT Governance of the Company on a sample basis.</p>

Other Matter

The financial statements of the Company for the year ended 31 December 2020 were audited by A. Qasem & Co. Chartered Accountants, who expressed an unmodified opinion on those statements on 27 January 2021.

Other Information

Management is responsible for the other information. However, since the Company is not required to prepare any other half-yearly report for the shareholders, no other opinion needs to be expressed by us.

Responsibilities of Management and Those Charged with Governance for the Interim Condensed Financial Statements

Management is responsible for the preparation and fair presentation of the interim condensed financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of interim condensed financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the interim condensed financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's interim condensed financial reporting process.

Auditor's responsibilities for the audit of the Interim Condensed Financial Statements

Our objectives are to obtain reasonable assurance about whether the interim condensed financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these interim condensed financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the interim condensed financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the interim condensed financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the interim condensed financial statements, including the disclosures, and whether the interim condensed financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the interim condensed financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

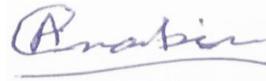
Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) The statement of interim condensed financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- d) The expenditure incurred was for the purposes of the Company's business.

Dated, Dhaka

ACNABIN, Chartered Accountants



Abu Sayed Mohammed Nayeem, FCA
Partner
ICAB Enrolment # 0353



Grameenphone Ltd.

Interim condensed statement of financial position As at 30 June 2021

	Notes	30 June 2021 BDT (000)	31 December 2020 BDT (000)
Assets			
Non-current assets			
Property, plant and equipment	4	58,889,548	56,901,192
Intangible assets	5	2,592,309	2,316,587
Right-of-use assets	6	62,862,529	53,532,673
Contract cost	7	5,531,135	4,934,438
Other non-current assets	8	20,568,456	20,568,456
Total non-current assets		150,443,977	138,253,346
Current assets			
Inventories	9	282,960	201,068
Trade receivables and others	10	7,252,372	7,131,165
Cash and cash equivalents	11	6,732,005	2,598,738
Total current assets		14,267,337	9,930,971
Total assets		164,711,314	148,184,317
Equity and liabilities			
Shareholders' equity			
Share capital	13	13,503,000	13,503,000
Share premium	14	7,840,226	7,840,226
Capital reserve	15	14,446	14,446
Retained earnings		28,582,060	30,749,942
Total equity		49,939,732	52,107,614
Non-current liabilities			
Lease liabilities		20,041,185	14,146,840
Deferred tax liabilities	17	1,412,273	3,350,834
Employee benefits		1,900,662	1,641,383
Other non-current liabilities	18	297,286	281,272
Total non-current liabilities		23,651,406	19,420,329
Current liabilities			
Trade payables and others	19	23,733,329	23,988,115
Provisions		14,096,378	14,402,559
Lease liabilities		8,422,827	6,328,697
Loans and borrowings	16	12,330,000	1,240,000
Current tax liabilities	20	27,180,899	24,870,650
Other current liabilities	21	5,209,139	5,690,023
Unclaimed dividend		147,604	136,330
Total current liabilities		91,120,176	76,656,374
Total equity and liabilities		164,711,314	148,184,317

The annexed notes 1 to 36 form an integral part of these interim condensed financial statements.



Director



Director



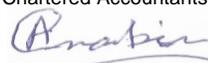
Chief Executive Officer



Company Secretary

As per our report of same date.

ACNABIN
Chartered Accountants



Abu Sayed Mohammed Nayeem, FCA
Engagement Partner
ICAB Enrolment Number: 0353



Dated: Dhaka, 14 July 2021

Grameenphone Ltd.

Interim condensed statement of profit or loss and other comprehensive income For the six-month period ended 30 June 2021

		01 January to 30 June 2021	01 January to 30 June 2020	01 April to 30 June 2021	01 April to 30 June 2020
Notes		BDT (000)	BDT (000)	BDT (000)	BDT (000)
Revenue	22	70,575,283	69,237,551	35,762,712	33,069,033
Cost of material and traffic charges	23	(4,745,354)	(4,357,385)	(2,384,180)	(2,173,068)
Salaries and personnel cost	24	(5,325,769)	(5,033,410)	(2,895,543)	(2,700,472)
Operation and maintenance	25	(2,509,061)	(2,750,050)	(1,131,898)	(1,327,323)
Sales, marketing and commissions	26	(6,695,862)	(5,969,938)	(3,619,892)	(2,741,101)
Revenue sharing and spectrum charges		(5,235,626)	(4,980,302)	(2,800,604)	(2,393,863)
Other operating (expenses)/income	27	(2,735,958)	(3,191,799)	(1,256,092)	(1,689,117)
Depreciation and amortisation		(11,339,151)	(11,828,065)	(5,883,640)	(5,956,006)
		(38,586,781)	(38,110,949)	(19,971,849)	(18,980,950)
Operating profit		31,988,502	31,126,602	15,790,863	14,088,083
Finance (expense)/income	28	(1,085,157)	(1,315,593)	(550,670)	(709,189)
Foreign exchange gain/(loss)		15,851	366,230	10,640	(436,021)
		(1,069,306)	(949,363)	(540,030)	(1,145,210)
Profit before tax		30,919,196	30,177,239	15,250,833	12,942,873
Income tax expense	29	(13,507,728)	(12,221,923)	(6,745,629)	(5,677,340)
Profit after tax		17,411,468	17,955,316	8,505,204	7,265,533
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		17,411,468	17,955,316	8,505,204	7,265,533
Earnings per share					
Basic earnings per share (par value BDT 10 each in BDT)	30	12.89	13.30	6.30	5.38

The annexed notes 1 to 36 form an integral part of these interim condensed financial statements.



Director



Chief Executive Officer



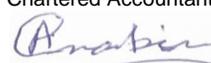
Director



Company Secretary

As per our report of same date.

ACNABIN
Chartered Accountants



Abu Sayed Mohammed Nayeem, FCA
Engagement Partner
ICAB Enrolment Number: 0353

Dated: Dhaka, 14 July 2021

Grameenphone Ltd.

Interim condensed statement of changes in equity For the six-month period ended 30 June 2021

	Share capital BDT (000)	Share premium BDT (000)	Capital reserve BDT (000)	Deposit from shareholders BDT (000)	Retained earnings BDT (000)	Total BDT (000)
Balance as at 01 January 2020	13,503,000	7,840,226	14,446	1,880	16,987,853	38,347,405
Transfer of deposit from shareholder to other income:	-	-	-	(1,880)	-	(1,880)
Transactions with the equity holders:						
Final dividend for 2019	-	-	-	-	(5,401,200)	(5,401,200)
Total comprehensive income for the six-month period ended 30 June 2020:						
Profit for the period	-	-	-	-	17,955,316	17,955,316
Other comprehensive income	-	-	-	-	-	-
Balance as at 30 June 2020	13,503,000	7,840,226	14,446	-	29,541,969	50,899,641
Balance as at 01 January 2021	13,503,000	7,840,226	14,446	-	30,749,942	52,107,614
Transactions with the equity holders:						
Final dividend for 2020	-	-	-	-	(19,579,350)	(19,579,350)
Total comprehensive income for the six-month period ended 30 June 2021:						
Profit for the period	-	-	-	-	17,411,468	17,411,468
Other comprehensive income	-	-	-	-	-	-
Balance as at 30 June 2021	13,503,000	7,840,226	14,446	-	28,582,060	49,939,732



Grameenphone Ltd.

Interim condensed statement of cash flows For the six-month period ended 30 June 2021

	1 January to 30 June 2021 BDT (000)	1 January to 30 June 2020 BDT (000)
Cash flows from operating activities		
Cash receipts from customers	70,615,596	68,886,064
Payroll and other payments to employees	(3,402,755)	(2,477,057)
Payments to suppliers, contractors and others	(23,321,234)	(41,133,585)
Interest received	75,434	238,151
Interest paid	(1,289,967)	(1,514,026)
Income tax paid	(13,136,040)	(15,716,195)
	(41,074,562)	(60,602,712)
Net cash generated by operating activities	29,541,034	8,283,352
Cash flows from investing activities		
Payment for acquisition of property, plant and equipment, right-of-use assets and intangible assets	(12,740,966)	(5,173,591)
Proceeds from sale of property, plant and equipment	29,797	40,273
Net cash used in investing activities	(12,711,169)	(5,133,318)
Cash flows from financing activities		
Proceeds from/(payment of) short-term bank loan	11,090,000	5,040,000
Payment of dividend	(21,205,049)	(8,208,492)
Payment of long-term loan	-	(2,973,210)
Payment of lease liabilities	(2,582,639)	(2,407,518)
Net cash used in financing activities	(12,697,688)	(8,549,220)
Net change in cash and cash equivalents	4,132,177	(5,399,186)
Cash and cash equivalents as at 01 January	2,598,738	13,760,677
Effect of exchange rate fluctuations on cash held	1,090	137
Cash and cash equivalents as at 30 June	6,732,005	8,361,628



Grameenphone Ltd.

Notes to the interim condensed financial statements For the six-month period ended 30 June 2021

1 Corporate information

Grameenphone Ltd. (hereinafter referred to as "Grameenphone"/"GP"/"the Company") is a public limited company incorporated in Bangladesh in 1996 under the Companies Act 1994 and has its registered address at GPHOUSE, Bashundhara, Baridhara, Dhaka 1229. Grameenphone was initially registered as a private limited company and subsequently converted into a public limited company on 25 June 2007. During November 2009, Grameenphone listed its shares with both Dhaka and Chittagong Stock Exchanges. The immediate parent of Grameenphone is Telenor Mobile Communications AS and the ultimate parent is Telenor ASA; both the companies are incorporated in Norway.

The Company is primarily involved in providing mobile telecommunication services (voice, data and other related services), along with digital services in Bangladesh. The company also provides international roaming services through international roaming agreements with various operators of different countries across the world.

2 Basis of preparation

These interim condensed financial statements are individual financial statements of Grameenphone, and have been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*, the Companies Act 1994, the Securities and Exchange Rules 1987, relevant guidelines issued by the Bangladesh Securities and Exchange Commission, Financial Reporting Act, 2015 and other applicable laws in Bangladesh and should be read in conjunction with the financial statements of Grameenphone Ltd. as at and for the year ended 31 December 2020, the year for which the last full financial statements were prepared. These unconsolidated financial statements present the financial position and performance of Grameenphone and its investment in Accenture Communications Infrastructure Solutions Ltd. (ACISL) being accounted for under the equity method in accordance with IAS 28 *Investment in Associates and Joint Ventures*.

In accordance with the requirements of IAS 36 *Impairment of Assets*, the carrying amount of investment in ACISL as at 31 October 2016 had been fully impaired and no further share of loss has been recognised in line with paragraph 39 of IAS 28 *Investment in Associates and Joint Ventures*. The assessment of recoverable amount from investment in associate remained unchanged as at 30 June 2021. Hence, for understanding of Grameenphone's stand-alone financial performance, a separate statement of profit or loss and other comprehensive income is not necessary.

These financial statements have been prepared on going concern basis. Unless otherwise specifically mentioned, historical cost principle has been followed for the purpose of these financial statements. The amounts in these financial statements have been rounded off to the nearest BDT in thousand (BDT'000) except otherwise indicated. As a result of these rounding off, in some instances the totals may not match the sum of individual balances.

Authorisation for issue

These interim condensed financial statements were authorised for issue by the Board of Directors of the Company on 14 July 2021.

3 Significant accounting policies

The same accounting policies and methods of computation have been followed in these interim condensed financial statements as were applied in the preparation of the financial statements of Grameenphone Ltd. as at and for the year ended 31 December 2020.



4 Property, plant and equipment

Name of assets	Cost				Depreciation				Carrying amount	
	As at 01 January 2021	Addition during the period	Disposal/ Adjustment during the period	As at 30 June 2021	As at 1 January 2021	Charged during the period	Disposal/ Adjustment during the period	As at 30 June 2021	As at 30 June 2021	As at 31 December 2020
	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Land	1,054,130	15,506	-	1,069,636	-	-	-	-	1,069,636	1,054,130
Building	4,051,020	13,462	-	4,064,482	2,002,027	88,814	-	2,090,841	1,973,641	2,048,993
Base station	135,337,861	4,457,606	(39,027)	139,756,440	92,854,211	4,770,205	(25,695)	97,598,721	42,157,719	42,483,650
Transmission equipment	21,537,389	426,284	-	21,963,673	18,897,972	848,547	-	19,746,519	2,217,154	2,639,417
Computers and other IT equipment	7,457,619	218,409	(3,171)	7,672,857	5,226,439	373,110	(3,016)	5,596,533	2,076,324	2,231,180
Furniture and fixtures (including office equipment)	2,845,757	24,084	-	2,869,841	2,546,324	69,352	-	2,615,676	254,165	299,433
Vehicles	1,032,658	33,748	(145,434)	920,972	599,240	50,196	(114,748)	534,688	386,284	433,418
	173,316,434	5,189,099	(187,632)	178,317,901	122,126,213	6,200,224	(143,459)	128,182,978	50,134,923	51,190,221
Capital work in progress	5,710,971	8,232,753	(5,189,099)	8,754,625	-	-	-	-	8,754,625	5,710,971
	179,027,405	13,421,852	(5,376,731)	187,072,526	122,126,213	6,200,224	(143,459)	128,182,978	58,889,548	56,901,192

4.1 Change in estimates

Useful lives of Lithium-ion batteries (Base station) and IT hardware (Computers & other IT equipment) have been increased to 7 years from 3 years and to 5 years from 4 years respectively based on technical assessment. Impact of such change on expected depreciation for the current and future years is as follows:

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Later</u>
	BDT'000	BDT'000	BDT'000	BDT'000	BDT'000	BDT'000
Base Station	(673,558)	(129,275)	193,197	241,169	227,812	140,655
Computer & other IT equipment	(148,595)	(96,693)	72,939	109,511	62,837	-
	(822,154)	(225,967)	266,136	350,680	290,649	140,655



5 Intangible assets

Name of assets	Cost				Amortisation			Carrying amount		
	As at 01 January 2021	Addition during the period	Disposal/ Adjustment during the period	As at 30 June 2021	As at 1 January 2021	Charged during the the period	Disposal/ Adjustment during the period	As at 30 June 2021	As at 30 June 2021	As at 31 December 2020
	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Software and others	12,697,021	390,598	-	13,087,619	10,941,210	293,272	-	11,234,482	1,853,137	1,755,811
Capital work in progress	560,776	568,994	(390,598)	739,172	-	-	-	-	739,172	560,776
	13,257,797	959,592	(390,598)	13,826,791	10,941,210	293,272	-	11,234,482	2,592,309	2,316,587

5.1 Change in estimates

Useful life of software (software & others) has been increased to 5 years from 3 years based on technical assessment. Impact of such change on expected amortisation for the current and future years is as follows:

	<u>2021</u> BDT'000	<u>2022</u> BDT'000	<u>2023</u> BDT'000	<u>2024</u> BDT'000	<u>2025</u> BDT'000
Software and others	(452,843)	(99,516)	250,678	239,729	61,952



6 Right-of-use assets

Name of assets	Cost				Amortisation			Carrying amount		
	As at 01 January 2021	Addition during the period	Disposal/ adjustment during the period	As at 30 June 2021	As at 01 January 2021	Charged during the period	Disposal/ adjustment during the period	As at 30 June 2021	As at 30 June 2021	As at 31 December 2020
	BDT (000)	BDT (000)		BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Fibre Optic Network	10,651,922	197,296	-	10,849,218	6,679,902	292,168	-	6,972,070	3,877,148	3,972,020
Telecom licence, annual licence renewal fees and spectrum	75,200,846	10,961,074	-	86,161,920	35,000,421	3,257,783	-	38,258,204	47,903,716	40,200,425
Base transceiver station - Green Field	1,325,522	546,686	(17,264)	1,854,944	303,710	143,527	(2,689)	444,548	1,410,396	1,021,812
Base transceiver station - Roof Top	4,239,319	115,549	(69,097)	4,285,771	1,369,290	362,627	(40,957)	1,690,960	2,594,811	2,870,029
Infrastructure sharing site	7,340,201	2,359,194	(328,595)	9,370,800	2,388,854	694,256	(328,595)	2,754,515	6,616,285	4,951,347
Office/residential space	823,047	46,058	(26,646)	842,459	306,007	95,294	(19,015)	382,286	460,173	517,040
	99,580,857	14,225,857	(441,602)	113,365,112	46,048,184	4,845,655	(391,256)	50,502,583	62,862,529	53,532,673

6.1 Right-of-use assets addition

Right-of-use assets addition for the six-month period ended 30 June 2021 is BDT 14,225,857,000. BDT 3,399,556,000 has been paid at the time of acquisition and has been classified as part of investing activities in the interim condensed statement of cash flows. The remaining amount of BDT 10,826,301,000 will be paid in the future when due for payment and shall be classified as part of financing activities.

6.1.1 10.4 MHz new spectrum purchased

On 8 March 2021, Bangladesh Telecommunication Regulatory Commission (BTRC) conducted a Radio Frequency Auction for 2*7.4 MHz in 1800 MHz band and 2*15 MHz in 2100 MHz band to existing telecom operators. GP participated in that auction and secured 0.4 MHz in 1800 MHz band and 10MHz in 2100 MHz band effective from 9 April 2021 to 10 November 2026.

The total amount to be paid for the assigned spectrum is BDT 12,365,112,387 and 7.5% non-recoverable VAT to be added to this amount which leads to a total of BDT 13,292,495,816 including VAT. GP already paid BDT 3,323,123,954 and rest of the amount will be paid in 5 equal yearly instalments of BDT 1,993,874,372 (including VAT) starting from 9 April 2022 till 9 April 2026. GP also had to pay BDT 1,075,000 (including VAT) as application processing fee for participating in the auction.

The new spectrum has been capitalized on 9 April 2021 with ROU assets of BDT 11,075,869,777.



7 Contract cost

	As at 30 June 2021 BDT (000)	As at 31 December 2020 BDT (000)
Opening balance	4,934,438	4,480,157
Additions during the period	1,813,430	2,653,445
Amortisation during the period	(1,216,733)	(2,199,164)
	<u>5,531,135</u>	<u>4,934,438</u>

This includes deferred customer acquisition cost mainly in the form of SIM cost, different commissions and other directly attributable costs related to acquisition of customers.

8 Other non-current assets

Other non-current assets include deposit of BDT 20,000,000,000 to Bangladesh Telecommunication Regulatory Commission (BTRC) in pursuant to the order of Hon'ble Appellate Division of the Supreme Court of Bangladesh.

9 Inventories

	As at 30 June 2021 BDT (000)	As at 31 December 2020 BDT (000)
Handset, data card and other devices	70,841	53,122
SIM card	178,657	122,694
Scratch card	33,462	25,252
	<u>282,960</u>	<u>201,068</u>

10 Trade receivables and others

	As at 30 June 2021 BDT (000)	As at 31 December 2020 BDT (000)
Trade receivables		
Trade receivables, gross	6,810,209	6,762,952
Impairment loss allowance	(1,742,422)	(1,741,410)
	<u>5,067,787</u>	<u>5,021,542</u>
Other receivables		
Interest receivable	1,672	-
Receivables from employees	27,073	1,175
Other non-interest-bearing receivables	1,700,476	1,892,978
Impairment loss allowance	(116,481)	(297,804)
	<u>1,612,740</u>	<u>1,596,349</u>
Other non-financial assets		
Prepaid expenses	571,844	513,274
Total trade receivables and others	<u>7,252,371</u>	<u>7,131,165</u>

11 Cash and cash equivalents

	As at 30 June 2021 BDT (000)	As at 31 December 2020 BDT (000)
Cash in hand	56,606	78,141
Cash at bank	6,675,399	2,520,597
	<u>6,732,005</u>	<u>2,598,738</u>

11.1 Restricted cash balance

Cash at bank as at reporting date includes BDT 49,336,706 (2020: BDT 52,593,221) equivalent to unused Mobicash points in customer wallet and is therefore treated as restricted cash balance.

Additionally, Cash at bank as at reporting date includes BDT 147,603,933 (2020: BDT 136,329,943) equivalent to dividend unclaimed amount, BDT 3,289,218 as accrued interest thereon (as per recent BSEC Directive dated 14 January 2021) and BDT 12,759,497 (2020: BDT 12,759,497) equivalent to unclaimed IPO subscription amount.



12 Net asset value per share

	As at 30 June 2021 BDT (000)	As at 31 December 2020 BDT (000)
Net Asset (BDT)	49,939,732,000	52,107,614,000
Weighted average number of ordinary shares outstanding during the period	1,350,300,022	1,350,300,022
Net asset value per share (par value BDT 10 each) (BDT)	<u>36.98</u>	<u>38.59</u>

13 Share capital

	As at 30 June 2021 BDT (000)	As at 31 December 2020 BDT (000)
Authorised:		
4,000,000,000 ordinary shares of BDT 10 each	40,000,000	40,000,000
Issued, subscribed, called up and paid up:		
1,350,300,022 ordinary shares of BDT 10 each	13,503,000	13,503,000
	<u>13,503,000</u>	<u>13,503,000</u>

The Company was initially registered with ordinary shares of BDT 43.00 each. These shares were subsequently converted into BDT 10 shares through a 43:1 split at the 16th EGM (held on 15 July 2008) and 1:10 reverse split at the 19th EGM (held on 2 July 2009).

There has been no change in share capital during the current and comparative period.

13.1 Shareholding position

a) Percentage of shareholdings

Name of shareholders	% of holding		Value of shares (BDT)		Date of issue/ Transfer of Shares
	As at 30 June 2021	As at 31 December 2020	As at 30 June 2021	As at 31 December 2020	
Telenor Mobile Communications AS, Norway	55.80%	55.80%	7,534,081,540	7,534,081,540	10 October 1996 24 September 1997 25 August 1998 7 December 1998 19 April 2004 21 October 2004 21 December 2004 31 May 2007 15 July 2008 02 July 2009 31 October 2019
Grameen Telecom, Bangladesh	34.20%	34.20%	4,617,664,090	4,617,664,090	10 October 1996 24 September 1997 25 August 1998 7 December 1998 19 April 2004 21 October 2004 27 November 2004 31 May 2007 15 July 2008 02 July 2009
Grameen Kalyan, Bangladesh	0.00%	0.00%	220	220	31 May 2007 15 July 2008 02 July 2009
Grameen Shakti, Bangladesh	0.00%	0.00%	220	220	31 May 2007 15 July 2008 02 July 2009
General public, GP employees and institutions	10.01%	10.01%	1,351,254,150	1,351,254,150	28 October 2009 28 October 2019
	<u>100.00%</u>	<u>100.00%</u>	<u>13,503,000,220</u>	<u>13,503,000,220</u>	



A total of 430 shares had been transferred to Telenor Mobile Communications AS, Norway from Nye Telenor Mobile Communications II AS, Norway and Nye Telenor Mobile Communications III AS, Norway. Further, another 215 shares had been reclassified under institutional shareholders from Telenor Asia Pte Ltd, Singapore as per regulatory direction.

b) Classification of shareholders by range of number of shares held

Shareholding range	No. of shareholders		No. of shares	
	As at	As at	As at	As at
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
1-500	24,774	22,931	4,212,168	4,269,788
501-5,000	5,240	5,475	8,547,334	8,834,026
5,001-10,000	508	495	3,652,807	3,608,406
10,001-20,000	254	259	3,576,309	3,649,396
20,001-30,000	110	88	2,780,278	2,199,488
30,001-40,000	70	54	2,444,950	1,894,561
40,001-50,000	37	28	1,702,929	1,294,514
50,001-100,000	98	90	7,060,729	6,366,353
100,001-1,000,000	119	125	36,792,799	38,393,777
1,000,001-1,000,000,000	19	17	1,279,529,719	1,279,789,713
	31,229	29,562	1,350,300,022	1,350,300,022

14 Share premium

Total amount of BDT 8,384,003,437 was received as share premium in respect of shares issued to shareholders. Net issue cost of BDT 543,777,495 was set off against share premium as per IAS 32 *Financial Instruments: Presentation*.

15 Capital reserve

In 1999, Grameenphone issued 5,086,779 preference shares of BDT 45.84 each, which were converted into ordinary shares of BDT 43.00 each in 2004. The balance of BDT 2.84 per share was transferred to capital reserve account. The conversion was in accordance with provisions of Articles of Association of Grameenphone. This amount is not distributable as dividend as per the Companies Act 1994.

16 Loans and borrowings

Current portion of loans and borrowings includes short-term bank loan of BDT 12,330,000,000 (2020: BDT 1,240,000,000).

17 Deferred tax liabilities

	As at 30 June 2021 BDT'000	As at 31 December 2020 BDT'000
Taxable temporary differences	39,809,035	34,413,810
Deductible temporary differences	(36,278,353)	(26,036,725)
Net taxable temporary differences	3,530,682	8,377,085
Deferred tax liabilities @ 40% tax rate	1,412,273	3,350,834

18 Other non-current liabilities

	As at 30 June 2021 BDT (000)	As at 31 December 2020 BDT (000)
Asset retirement obligations	152,490	151,400
Other non-current liabilities	144,796	129,872
	297,286	281,272



19 Trade payables and others

	As at 30 June 2021 BDT'000	As at 31 December 2020 BDT'000
Financial liabilities		
Trade payables including liability for capital expenditure	9,673,774	10,033,121
Accrued expenses	6,292,908	6,649,806
Indirect taxes	2,125,436	1,831,080
	18,092,118	18,514,007
Other non-financial liabilities		
Deferred connection revenue	6,816	13,805
Unearned revenue	5,634,395	5,460,303
	5,641,211	5,474,108
Total trade payables and others	23,733,329	23,988,115

20 Current tax liabilities

	As at 30 June 2021 BDT'000	As at 31 December 2020 BDT'000
Movement of current tax liabilities is shown as under:		
Opening balance	24,870,650	28,137,225
Provision made during the period including transactions for other comprehensive income	15,420,832	28,407,143
	40,291,482	56,544,368
Paid during the period (incl. tax deducted at source)	(13,136,040)	(30,432,387)
Adjustments/provision released during the period	25,457	(1,241,331)
Closing balance	27,180,899	24,870,650

21 Other current liabilities

	As at 30 June 2021 BDT'000	As at 31 December 2020 BDT'000
Accruals for profit sharing plan	1,545,960	314,004
Payable for bills pay receipts	259,047	328,603
Security deposits from subscribers and channel partners	566,957	566,584
Dividend payable	-	1,625,698
Others	2,837,175	2,855,134
	5,209,139	5,690,023



22 Revenue

	01 January to 30 June 2021 BDT (000)	01 January to 30 June 2020 BDT (000)	01 April to 30 June 2021 BDT (000)	01 April to 30 June 2020 BDT (000)
The following is an analysis of revenue for the period:				
Revenue from contract with customers (Note 22.1)	69,750,128	68,465,802	35,344,666	32,680,830
Lease revenues	825,155	771,749	418,046	388,203
	70,575,283	69,237,551	35,762,712	33,069,033

22.1 Disaggregation of revenue from contract with customers

Type of good/services

Revenue from mobile communication	69,489,342	68,358,120	35,155,321	32,642,282
Revenue from customer equipment	206,349	48,715	159,809	16,904
Other revenues	54,437	58,967	29,536	21,644
	69,750,128	68,465,802	35,344,666	32,680,830

Type of subscription

Prepaid	66,390,912	65,117,351	33,597,324	30,997,470
Contract	3,098,430	3,240,769	1,557,997	1,644,811
Other	260,786	107,682	189,345	38,549
	69,750,128	68,465,802	35,344,666	32,680,830

Type of customer

Consumer	61,792,071	60,148,300	31,369,254	28,603,085
Business	7,958,057	8,317,502	3,975,412	4,077,745
	69,750,128	68,465,802	35,344,666	32,680,830

23 Cost of material and traffic charges

	01 January to 30 June 2021 BDT (000)	01 January to 30 June 2020 BDT (000)	01 April to 30 June 2021 BDT (000)	01 April to 30 June 2020 BDT (000)
Traffic charges	3,865,742	3,702,851	1,976,908	1,801,206
Cost of materials and services	879,612	654,534	407,272	371,862
	4,745,354	4,357,385	2,384,180	2,173,068

24 Salaries and personnel cost

Salaries and personnel cost includes salaries, bonuses, different employment benefits including provident, gratuity, profit sharing (WPPF), employee share programme for employees, long term incentive programme for key personnel, training and other related costs. Additionally, gratuity expense includes BDT 851,531,868 (2020: BDT 669,856,580) for restructuring expense during the six-month period ended 30 June 2021. The WPPF expense for the same period is BDT 1,545,959,885 (2020: BDT 1,508,895,857).

25 Operation and maintenance

	01 January to 30 June 2021 BDT (000)	01 January to 30 June 2020 BDT (000)	01 April to 30 June 2021 BDT (000)	01 April to 30 June 2020 BDT (000)
Service maintenance fee	1,638,841	1,648,432	749,193	814,168
Vehicle maintenance expense	123,386	148,171	101,266	65,360
Other operation and maintenance	746,834	953,447	281,439	447,795
	2,509,061	2,750,050	1,131,898	1,327,323



26 Sales, marketing and commissions

	01 January to 30 June 2021	01 January to 30 June 2020	01 April to 30 June 2021	01 April to 30 June 2020
	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Sales, marketing and representation costs	382,626	240,441	218,989	70,826
Advertisement expenses	588,705	519,379	311,667	260,439
Promotional expenses	59,433	54,955	14,060	15,404
Commissions	5,665,098	5,155,163	3,075,176	2,394,432
	6,695,862	5,969,938	3,619,892	2,741,101

27 Other operating expenses/(income)

	01 January to 30 June 2021	01 January to 30 June 2020	01 April to 30 June 2021	01 April to 30 June 2020
	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Consultancy and professional services	384,214	437,797	228,319	209,967
Rental expense for property, plant and equipment	125,432	179,341	26,231	94,731
Fuel and energy costs	2,046,769	1,923,451	992,671	915,431
Impairment loss/(loss reversal) on trade receivables	(85,567)	91,762	(133,682)	51,699
Rental and other income	(98,470)	(97,710)	(49,401)	(46,984)
(Gain)/loss on disposal of assets	11,074	(39,374)	12,039	(21,534)
Others	352,506	696,532	179,915	485,807
	2,735,958	3,191,799	1,256,092	1,689,117

28 Finance expense/(income)

	01 January to 30 June 2021	01 January to 30 June 2020	01 April to 30 June 2021	01 April to 30 June 2020
	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Interest income	(77,106)	(238,151)	(31,931)	(70,401)
Interest expense	(32,882)	495,138	(106,504)	275,364
Net interest cost on defined benefit obligation	52,977	45,850	26,488	22,925
Interest expenses on lease liabilities	1,106,329	954,815	643,609	456,213
Other finance expenses	35,839	57,941	19,008	25,088
	1,085,157	1,315,593	550,670	709,189

29 Income tax expense

	01 January to 30 June 2021	01 January to 30 June 2020	01 April to 30 June 2021	01 April to 30 June 2020
	BDT (000)	BDT (000)	BDT (000)	BDT (000)
<i>Current tax expense</i>				
Income tax expenses for the period	15,420,832	14,437,625	7,709,227	6,526,699
Adjustments/provision released during the period	25,457	(746,594)	25,457	-
	15,446,289	13,691,031	7,734,684	6,526,699
<i>Deferred tax expense/(income)</i>				
Deferred tax expense/(income) relating to origination and reversal of temporary differences, net	(1,938,561)	(1,469,108)	(989,055)	(849,359)
	13,507,728	12,221,923	6,745,629	5,677,340



29.1 Reconciliation of effective tax rate

	01 January to 30 June 2021		01 January to 30 June 2020		01 April to 30 June 2021		01 April to 30 June 2020	
	Percentage	BDT (000)	Percentage	BDT (000)	Percentage	BDT (000)	Percentage	BDT (000)
Profit before tax		30,919,196		30,177,239		15,250,833		12,942,873
Tax using the Company's tax rate	40.00%	12,367,679	40.00%	12,070,896	40.00%	6,100,333	40.00%	5,177,149
Tax effect of:								
Provision for non-deductible expenses	3.69%	1,140,049	2.97%	897,621	4.23%	645,296	3.86%	500,191
Adjustments/provision released during the period	-	-	-2.47%	(746,594)	-	-	-	-
	43.69%	13,507,728	40.50%	12,221,923	44.23%	6,745,629	43.86%	5,677,340

30 Earnings per share (EPS)

	01 January to 30 June 2021	01 January to 30 June 2020	01 April to 30 June 2021	01 April to 30 June 2020
	BDT	BDT	BDT	BDT
Profit attributable to ordinary shareholders (BDT) outstanding during the period	17,411,468,000	17,955,316,000	8,505,204,000	7,265,533,000
Basic EPS (par value BDT 10 each) (BDT)	<u>1,350,300,022</u>	<u>1,350,300,022</u>	<u>1,350,300,022</u>	<u>1,350,300,022</u>
	12.89	13.30	6.30	5.38

No diluted earnings per share is required to be calculated for the periods presented as Grameenphone has no dilutive potential ordinary shares.



31 Reconciliation of net operating cash flow

	01 January to 30 June 2021 BDT (000)	01 January to 30 June 2020 BDT (000)
Profit after tax	17,411,468	17,955,316
Income tax expense	13,507,728	12,221,923
Profit before tax	<u>30,919,196</u>	<u>30,177,239</u>
Adjustment for:		
Depreciation & Amortization	11,339,151	11,828,065
(Gain)/Loss on sale of property, plant and equipment	11,074	(39,374)
Finance (expense)/income, net	1,085,157	1,315,593
Other adjustments	112,686	(19,434,162)
	<u>43,467,264</u>	<u>23,847,361</u>
Changes in:		
Inventories	(81,892)	96,352
Trade receivables and others	(93,687)	(590,717)
Trade payables and others	(441,701)	89,023
Provisions	(103,191)	(191,481)
Other current liabilities	1,144,814	2,024,884
Cash generated from operating activities	<u>43,891,607</u>	<u>25,275,422</u>
Interest received	75,434	238,151
Interest paid	(1,289,967)	(1,514,026)
Income tax paid	(13,136,040)	(15,716,195)
Net cash generated by operating activities	<u>29,541,034</u>	<u>8,283,352</u>

32 Net operating cash flow per share

	01 January to 30 June 2021 BDT	01 January to 30 June 2020 BDT
Net operating cash flow (BDT)	29,541,034,000	8,283,352,000
Weighted average number of ordinary shares outstanding during the period	1,350,300,022	1,350,300,022
Net operating cash flow per share (par value BDT 10 each) (BDT)	<u>21.88</u>	<u>6.13</u>



33 Related party disclosures

During the six-month period ended 30 June 2021, the company entered into a number of transactions with related parties in the normal course of business. The names of the significant related parties, nature of these transactions [expenditures/(revenue)/, receivables/(payables)] and amounts thereof have been set out below in accordance with the provisions of IAS 24 *Related Party Disclosures*. Nature of relationship and significance of the amounts have been considered in giving this disclosure.

33.1 Related party transactions during the period [expense/(income)]

<u>Name of related parties</u>	<u>Nature</u>	<u>Nature of transactions</u>	<u>01 January to</u>	<u>01 January to</u>
			<u>30 June 2021</u>	<u>30 June 2020</u>
			<u>BDT (000)</u>	<u>BDT (000)</u>
Telenor Mobile Communications AS	Shareholder	Dividend payment	12,550,110	5,820,920
Nye Telenor Mobile Communications II AS	Shareholder	Dividend payment	3	2
Nye Telenor Mobile Communications III AS	Shareholder	Dividend payment	3	2
Telenor Asia Pte. Ltd.	Shareholder	Dividend payment	3	2
Grameen Telecom	Shareholder	Commission expense	91,078	109,061
		Connection revenue	-	(2,350)
		Dividend payment	6,695,613	1,847,065
Grameen Kalyan	Shareholder	Dividend payment	0	-
Grameen Shakti		Dividend payment	0	-
Telenor ASA	Telenor group entity	Consultancy, professional and technical support service fee	519,521	465,997
Telenor Global Services AS	Telenor group entity	Consultancy, professional and technical support service fee	27,948	31,636
		A2P Project Revenue and professional service fee	(477,967)	(246,301)
Telenor Global Shared Services AS	Telenor group entity	Consultancy, professional and technical support service fee	112,429	282,816
Telenor Go Pte Ltd.	Telenor group entity	Consultancy and professional service fee including compensation of key management personnel where relevant	126,608	140,714
Telenor Digital AS	Telenor group entity	Consultancy, professional and technical support service fee	37,560	32,630
Telenor Procurement Company	Telenor group entity	Consultancy, professional and technical support service fee	349,771	266,367
		Software acquisition cost	99,952	213,456
Telenor Norway	Telenor group entity	Roaming revenue net of discount	(17)	(295)
		Roaming cost net of discount	2	39
Telenor Norge AS	Joint venture of Telenor group	Consultancy, professional and technical support service fee	151,151	137,922
Tapad Incorporation	Associated companies of Telenor group	Consultancy, professional and technical support service fee	-	40,928
DiGi Telecommunications Sdn Bhd	Telenor group entity	Consultancy, professional and technical support service fee	4,088	-



<u>Name of related parties</u>	<u>Nature</u>	<u>Nature of transactions</u>	<u>01 January to</u>	<u>01 January to</u>
			<u>30 June 2021</u>	<u>30 June 2020</u>
			<u>BDT (000)</u>	<u>BDT (000)</u>
Telenor Sweden	Telenor group entity	Roaming revenue net of discount	(23)	(136)
		Roaming cost net of discount	4	14
Telenor Denmark	Telenor group entity	Roaming revenue net of discount	(160)	(219)
		Roaming cost net of discount	5	91
Telenor Pakistan	Telenor group entity	Roaming revenue net of discount	(0)	(4)
		Roaming cost net of discount	5	12
Telenor Myanmar	Telenor group entity	Roaming revenue net of discount	(51)	(25)
		Roaming cost net of discount	0	38
Dtac Thailand	Telenor group entity	Roaming revenue net of discount	(233)	(50)
		Roaming cost net of discount	84	645
Digi Malaysia	Telenor group entity	Roaming revenue net of discount	(197)	(2,687)
		Roaming cost net of discount	21	214
Grameen Distribution	Related to Grameen Telecom through Grameen Telecom Trust	Cost of products	-	72
		Purchase of handsets	-	-
Grameen Communication	Related to Grameen Telecom	Software solution and maintenance	217	78
Snehasish Mahmud & Co.	Associated entity of a member of Board of Directors	Consultancy, professional and technical support service fee	-	410
Grameen Telecom Trust	Grameenphone's board members nominated by Grameen Telecom are trustee of the entity	Receivable from Commission Expense	2411	17,534



33.2 Receivables/(payables) with other related parties

<u>Name of related parties</u>	<u>Nature</u>	<u>Nature of transactions</u>	As at	As at
			30 June 2021	31 December 2020
			BDT (000)	BDT (000)
Telenor Mobile Communications AS	Shareholder	Dividend payable	-	(1,625,698)
Nye Telenor Mobile Communications II AS	Shareholder	Dividend payable	-	-
Nye Telenor Mobile Communications III AS	Shareholder	Dividend payable	-	-
Telenor Asia Pte. Ltd.	Shareholder	Dividend payable	-	-
Grameen Telecom	Shareholder	Accounts receivable	5	5
		Accounts payable	(200)	(200)
Accenture Communications Infrastructure Solutions Ltd.	Associate	Accounts receivable	-	5,084
		Accounts payable	(6,360)	(6,360)
Telenor ASA	Telenor group entity	Accounts receivable	56,563	47,502
		Accounts payable	(4,244,202)	(3,763,750)
Telenor Consult AS	Telenor group entity	Accounts payable	(2,015)	(2,021)
Telenor Global Services AS	Telenor group entity	Accounts receivable	85,166	127,130
		Accounts payable	(143,867)	(127,903)
Telenor Global Shared Services AS	Telenor group entity	Accounts payable	(1,100,265)	(1,153,765)
Telenor Go Pte Ltd	Telenor group entity	Accounts receivable	74,057	77,034
		Accounts payable	(156,299)	(239,134)
Telenor Digital AS	Telenor group entity	Accounts receivable	181,514	181,514
		Accounts payable	(718,103)	(693,603)
Telenor Health AS	Telenor group entity	Accounts receivable	248	248
		Accounts payable	-	-
Telenor Procurement Company	Telenor group entity	Accounts payable	(1,076,772)	(860,580)
DiGi Telecommunications Sdn Bhd	Telenor group entity	Accounts payable	(10,116)	(14,801)
Telenor Norge AS	Telenor group entity	Accounts receivable	853	853
		Accounts payable	(834,577)	(687,740)
Telenor Southeast Asia Investment Limited	Telenor group entity	Accounts payable	(144,969)	(144,644)



<u>Name of related parties</u>	<u>Nature</u>	<u>Nature of transactions</u>	<u>As at</u>	<u>As at</u>
			<u>30 June 2021</u>	<u>31 December 2020</u>
			<u>BDT (000)</u>	<u>BDT (000)</u>
Tapad Incorporation	Telenor group entity	Accounts payable	(64,685)	(146,065)
Telenor Norway	Telenor group entity	Accounts receivable	23	13
		Accounts payable	(0)	(1)
Telenor Sweden	Telenor group entity	Accounts receivable	23	7
		Accounts payable	(0)	(1)
Telenor Denmark	Telenor group entity	Accounts receivable	201	16
		Accounts payable	(1)	(0)
Telenor Pakistan	Telenor group entity	Accounts receivable	0	0
		Accounts payable	(1)	(2)
Telenor India	Telenor group entity	Accounts receivable	3,616	3,616
Telenor Myanmar	Telenor group entity	Accounts receivable	10,990	9,606
		Accounts payable	-	(0)
Dtac Thailand	Telenor group entity	Accounts receivable	454	52
		Accounts payable	(150)	(8)
Digi Malaysia	Telenor group entity	Accounts receivable	164	48
		Accounts payable	(20)	(4)
Grameen Solutions Limited	Related to Grameen Telecom	Accounts payable	(26)	(26)
Snehasish Mahmud & Co.	Associated entity of a member of Board of Directors	Accounts payable	-	-
Grameen Telecom Trust	Grameenphone's board members nominatec	Accounts receivable	42,492	40,080
		Accounts payable	-	-
Grameen Communication	Related to Grameen Telecom	Accounts payable	10	-
Telenor Connexion AB	Telenor group entity	Accounts payable	(917)	-



34 Commitments

	As at 30 June 2021 BDT (000)	As at 31 December 2020 BDT (000)
Capital commitment (open purchase order) for Property, plant and equipment	2,320,673	4,183,108
Capital commitment (open purchase order) for Intangible assets	483,399	71,549

35 Contingencies

Except as disclosed below there has been no significant development of the events disclosed in the financial statements for the year ended 31 December 2020.

(a) BTRC audit

Regarding the 2011 audit, the hearing of the application for summary dismissal (maintainability petition) of the case was fixed on 8 April 2021 at the District Court. Due to Govt. declared lockdown and consequent Supreme Court notification regarding courts' limited operation, the hearing did not take place and the next date is yet to be fixed.

Regarding the 2016 audit, the Original Title suit pending at the District Court was fixed on 1 June 2021 for the BTRC and auditors to submit reply. Due to Govt. declared lockdown and consequent Supreme Court notification regarding courts' limited operation, the hearing did not take place and the next date is yet to be fixed.

(b) VAT rebate on 2G licence renewal fee

As per the Court direction, on 7 March 2021 Grameenphone submitted its Concise Statements (point of arguments) for 3 (three) separate Appeals.

(c) Interest for delayed payment of Guaranteed Annual Rent to Bangladesh Railway

Against the petition filed by Grameenphone denying the liability in the Certificate Case on 5 November 2020, Bangladesh Railway (BR) submitted a response on 22 February 2021. The Certificate Case was fixed for hearing on 6 April 2021. Due to Govt. declared lockdown and consequent Supreme Court notification regarding courts' limited operation, the hearing did not take place and the next date is yet to be fixed.

Following Grameenphone's Arbitration Notice dated 24 December 2020, on 24 January 2021 BR in reply requested Grameenphone to withdraw the Arbitration Notice without appointing any arbitrator on their behalf. Against this backdrop, on 7 March 2021 Grameenphone filed two applications before the HCD. One is an injunction application under section 7KA of the Arbitration Act 2001 seeking stay on the proceedings of the Certificate Case. Another is an application under section 12 of the Arbitration Act 2001 for appointment of BR's arbitrator. On 14 March 2021, the HCD has admitted both the applications and issued Rule (show cause).

36 Other disclosures

36.1 Dividends

The Board of Directors of Grameenphone Ltd. at its 230th meeting held on 14 July 2021 recommended an interim cash dividend amounting to BDT 16,878,750,275 being 125% of the paid-up capital (i.e. BDT 12.50 per share) for the year 2021. These dividends are subject to final approval by the shareholders at the relevant annual general meeting of the company.

