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Auditors' Report
and
Interim Condensed Audited
Financial Statements of
Grameenphone Ltd.
For the six months ended 30 June 2020

Independent Auditor's Report To the Shareholders of Grameenphone Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the interim condensed financial statements (financial statements) of Grameenphone Ltd. (the Company), which comprise the statement of financial position as at 30 June 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the interim condensed financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the Company as at 30 June 2020, and of its financial performance and its cash flows for the half year period 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 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 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

We draw attention to Note 36 (a) to the interim condensed financial statements, wherein the management has explained the status of demand notice dated 02 April, 2019 for payment of BDT 125.80 billion, which was received from Bangladesh Telecommunication Regulatory Commission (BTRC) in relation to the information system audit conducted by BTRC, covering the period from the Company's inception in 1997 to 31 December, 2014 and management's assessment of such claims. Based on legal advice and management's assessment of such demands, the management has contested these demands at the Court of Bangladesh. Having considered the substance, methodologies and procedures of the audit exercise, but pending final outcome of the Court proceedings, management has concluded, through its current assessment, that is no obligation and hence no provision is required for these demands in the accompanying interim condensed financial statements.

Our opinion is not modified in respect of the above matters.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the interim condensed financial statements for the period ending

30 June 2020. These matters were addressed in the context of the audit of the financial statements, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the interim condensed financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

▶ **Regulatory matters**

Referring to Note 36 (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 judgement.

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 judgment from management.

How our audit addressed the key audit matter:

We have gained an understanding of the process of identification of 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 financial statements.

Our procedures also included among others:

- ▶ Discussion of material legal cases with the Company's Legal Department;
- ▶ Analyzed responses in legal letters obtained by the Company from the external legal counsels of the Company;
- ▶ Reviewed and analysed management's detailed assessment of the probability of a outcome substantiated by those legal opinions
- ▶ Sought and obtained confirmations from external legal counsel of the Company
- ▶ Read the minutes of meetings of the Board of Directors and the Board Audit Committee;
- ▶ Analyzed 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
- ▶ Assessed disclosures in the interim condensed financial statements of material contingencies nature and their measurement.

▶ **Revenue recognition**

Referring to Note 23 to the interim condensed financial statements, Revenue of BDT 69.23 billion is recognized in the income statement 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, 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.

How our audit addressed the key audit matter:

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 recognizing revenue as part of our audit. Our audit approach included testing of the controls and substantive audit procedures.

- ▶ We assessed the relevant systems supporting the accounting of revenue,
- ▶ Tested controls for IT-systems and procedures supporting revenue recognition;
- ▶ Assessed the invoicing and measurement systems up to entries in the general ledger.
- ▶ Analyzed and tested customer contracts, invoices and receipts on a sample basis.
- ▶ Analyzed the revenue charging model against the regulatory guidelines on a sample basis.

Furthermore, we assessed the accounting effects of new business and price models. We read and analysed the disclosures made in the financial statements.

▶ **Uncertain tax positions**

Referring to Note 30 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 including indirect taxes and transaction related tax matters that could eventually require payments of taxes and possible additional charges. The assessment of uncertainty and risk of one or more unfavorable outcomes involve judgement from management.

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.

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.

How our audit addressed the key audit matter:

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 control over the significant income tax accounts and the related financial statement disclosures.

Our procedures also included among others:

- ▶ Obtained a listing of all ongoing tax litigations
- ▶ Discussed with the management regarding tax matters, tax jurisdictions and tax communications;



- ▶ Identified and tested relevant controls over tax accounts and financial statement disclosures;
- ▶ Obtained, read and analyzed opinions by the Company from the tax consultants and external counsels of the Company;
- ▶ 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.
- ▶ Analyzed 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.
- ▶ Obtained and read the disclosures made in the accompanying interim condensed financial statements

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

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- ▶ Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the 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 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:

- i) 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;
- ii) 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;
- iii) The statement of 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
- iv) The expenditure incurred was for the purposes of the Company's business.



A. Qasem & Co.
Chartered Accountants

Dhaka, 14 July 2020

Grameenphone Ltd.

Interim condensed statement of financial position As at 30 June 2020

		30 June 2020	31 December 2019
		BDT (000)	BDT (000)
Assets	Notes		
Non-current assets			
Property, plant and equipment	4	57,924,830	62,396,558
Intangible assets	5	1,957,331	2,274,803
Right-of-use assets	6	54,039,214	58,028,533
Contract cost	7	4,086,778	4,480,157
Other non-current assets	8	20,574,726	555,200
Total non-current assets		138,582,879	127,735,251
Current assets			
Inventories	9	129,089	225,441
Trade receivables and others	10	7,603,770	7,013,053
Cash and cash equivalents	11	8,361,628	13,760,677
Total current assets		16,094,487	20,999,171
Total assets		154,677,366	148,734,422
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
Deposit from shareholders	16	-	1,880
Retained earnings		29,541,969	16,987,853
Total equity		50,899,641	38,347,405
Non-current liabilities			
Lease liabilities		11,130,630	13,484,106
Deferred tax liabilities	18	3,746,920	5,216,029
Employee benefits		1,129,695	936,703
Other non-current liabilities	19	408,527	323,957
Total non-current liabilities		16,415,772	19,960,795
Current liabilities			
Trade payables and others	20	21,193,108	22,676,406
Provisions		17,979,603	18,839,102
Lease liabilities		7,329,933	7,349,549
Loans and borrowings	17	5,040,000	2,934,284
Current tax liabilities	21	26,112,061	28,137,225
Other current liabilities	22	9,707,248	10,489,656
Total current liabilities		87,361,953	90,426,222
Total equity and liabilities		154,677,366	148,734,422

The annexed Notes 1 to 37 form an integral part of these interim condensed financial statements.


Director


Director


Chief Executive Officer


Company Secretary

As per our report of same date


Auditor

Dhaka, 14 July 2020

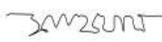


Grameenphone Ltd.

Interim condensed statement of profit or loss and other comprehensive income For the six months ended 30 June 2020

		01 January to 30 June 2020	01 January to 30 June 2019	01 April to 30 June 2020	01 April to 30 June 2019
		BDT (000)	BDT (000)	BDT (000)	BDT (000)
	Notes				
Revenue	23	69,237,551	70,900,535	33,069,033	36,038,237
Cost of material and traffic charges	24	(4,357,385)	(4,053,296)	(2,173,068)	(2,071,357)
Salaries and personnel cost	25	(5,033,410)	(4,939,775)	(2,700,472)	(2,280,882)
Operation and maintenance	26	(2,750,050)	(3,003,328)	(1,327,323)	(1,347,532)
Sales, marketing and commissions	27	(5,969,938)	(6,564,771)	(2,741,101)	(3,275,106)
Revenue sharing, spectrum charges and licence fees		(4,980,302)	(4,886,986)	(2,393,863)	(2,482,029)
Other operating (expenses)/income	28	(3,191,799)	(3,260,492)	(1,689,117)	(1,678,350)
Depreciation and amortisation		(11,828,065)	(11,596,299)	(5,956,006)	(5,848,892)
		(38,110,949)	(38,304,947)	(18,980,950)	(18,984,148)
Operating profit		31,126,602	32,595,588	14,088,083	17,054,089
Finance (expense)/income	29	(1,315,593)	(1,013,861)	(709,189)	(471,662)
Foreign exchange (loss)/gain		366,230	(270,649)	(436,021)	(174,658)
		(949,363)	(1,284,510)	(1,145,210)	(646,320)
Profit before tax		30,177,239	31,311,078	12,942,873	16,407,769
Income tax expense	30	(12,221,923)	(13,261,816)	(5,677,340)	(6,854,941)
Profit after tax		17,955,316	18,049,262	7,265,533	9,552,828
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		17,955,316	18,049,262	7,265,533	9,552,828
Earnings per share					
Basic earnings per share (par value BDT 10 each in BDT)	31	13.30	13.37	5.38	7.07

The annexed Notes 1 to 37 form an integral part of these interim condensed financial statements.


Director


Director


Chief Executive Officer


Company Secretary

As per our report of same date.


Auditor

Dhaka, 14 July 2020



Grameenphone Ltd.

Interim condensed statement of changes in equity For the six months ended 30 June 2020

	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 2019	13,503,000	7,840,226	14,446	1,880	15,476,847	36,836,399
Transactions with the equity holders:						
Final dividend for 2018	-	-	-	-	(20,929,650)	(20,929,650)
Total comprehensive income for the six month period ended 30 June 2019:						
Profit for the period	-	-	-	-	18,049,262	18,049,262
Other comprehensive income	-	-	-	-	-	-
Balance as at 30 June 2019	13,503,000	7,840,226	14,446	1,880	12,596,459	33,956,011
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



Grameenphone Ltd.

Interim condensed statement of cash flows For the six months ended 30 June 2020

	1 January to 30 June 2020	1 January to 30 June 2019
	BDT (000)	BDT (000)
Cash flows from operating activities		
Cash receipts from customers	68,886,064	71,437,186
Payroll and other payments to employees	(2,477,057)	(4,031,747)
Payments to suppliers, contractors and others	(41,133,585)	(23,358,130)
Interest received	238,151	367,063
Interest paid	(1,514,026)	(1,404,490)
Income tax paid	(15,716,195)	(14,732,762)
	<u>(60,602,712)</u>	<u>(43,160,066)</u>
Net cash generated by operating activities	<u>8,283,352</u>	<u>28,277,120</u>
Cash flows from investing activities		
Payment for acquisition of Property, plant and equipment, Right-of-use assets and intangible assets	(5,173,591)	(10,523,673)
Proceeds from sale of Property, plant and equipment	40,273	99,574
Net cash used in investing activities	<u>(5,133,318)</u>	<u>(10,424,100)</u>
Cash flows from financing activities		
Payment of Lease liabilities	(2,407,518)	(1,934,075)
Proceeds from/(repayment of) short-term bank loan	5,040,000	8,200,000
Payment of long-term loan	(2,973,210)	(2,917,085)
Payment of dividend	(8,208,492)	(20,929,650)
Net cash used in financing activities	<u>(8,549,220)</u>	<u>(17,580,811)</u>
Net change in cash and cash equivalents	<u>(5,399,186)</u>	<u>272,209</u>
Cash and cash equivalents as at 01 January	13,760,677	5,932,292
Effect of exchange rate fluctuations on cash held	137	1,962
Cash and cash equivalents as at 30 June	<u>8,361,628</u>	<u>6,206,463</u>



Grameenphone Ltd.

Notes to the interim condensed financial statements For the six months ended 30 June 2020

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 2019, 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 has 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 2020. 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 2020.

3 Significant accounting policies

The same accounting policies and methods of computation have been followed in these condensed interim financial statements as were applied in the preparation of the financial statements of Grameenphone Ltd. as at and for the year ended 31 December 2019.



4 Property, plant and equipment

Name of assets	Cost					Depreciation					Carrying amount	
	As at 01 January 2020	Addition during the period	Disposal during the period	Adjustment during the period	As at 30 June 2020	As at 1 January 2020	Charged during the period	Disposal during the period	Adjustment during the period	As at 30 June 2020	As at 30 June 2020	As at 31 December 2019
	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Land	1,010,608	-	-	-	1,010,608	-	-	-	-	-	1,010,608	1,010,608
Building	4,046,376	4,637	-	-	4,051,013	1,804,327	104,021	-	-	1,908,348	2,142,665	2,242,049
Base station	134,166,845	3,735,762	(5,539,404)	(111,195)	132,252,008	87,852,157	5,365,005	(5,539,404)	(111,195)	87,566,563	44,685,445	46,314,688
Transmission equipment	33,368,535	312,855	(12,501,732)	(4,249)	21,175,409	29,106,971	1,179,879	(12,501,732)	(3,541)	17,781,577	3,393,832	4,261,564
Computers and other IT equipment	8,158,828	619,713	(1,685,581)	-	7,092,960	6,518,470	453,524	(1,685,546)	-	5,286,448	1,806,512	1,640,358
Furniture and fixtures (including office equipment)	2,933,258	66,579	(92,963)	-	2,906,874	2,565,090	83,037	(92,963)	-	2,555,164	351,710	368,168
Vehicles	1,494,650	30,296	(125,318)	-	1,399,628	990,262	55,958	(96,300)	-	949,920	449,708	504,388
	185,179,100	4,769,842	(19,944,998)	(115,444)	169,888,500	128,837,277	7,241,424	(19,915,945)	(114,736)	116,048,020	53,840,480	56,341,823
Capital work in progress	6,054,735	2,719,531	(4,658,807)	(31,109)	4,084,350	-	-	-	-	-	4,084,350	6,054,735
	191,233,835	7,489,373	(24,603,805)	(146,553)	173,972,850	128,837,277	7,241,424	(19,915,945)	(114,736)	116,048,020	57,924,830	62,396,558

5 Intangible assets

Name of assets	Cost					Amortisation					Carrying amount	
	As at 01 January 2020	Addition during the period	Disposal during the period	Adjustment during the period	As at 30 June 2020	As at 1 January 2020	Charged during the period	Disposal during the period	Adjustment during the period	As at 30 June 2020	As at 30 June 2020	As at 31 December 2019
	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Software and others	11,490,298	415,858	(957)	(1,580)	11,903,619	9,906,438	521,310	(957)	(702)	10,426,089	1,477,530	1,583,860
	11,490,298	415,858	(957)	(1,580)	11,903,619	9,906,438	521,310	(957)	(702)	10,426,089	1,477,530	1,583,860
Capital work in progress	690,943	204,061	(410,831)	(4,372)	479,801	-	-	-	-	-	479,801	690,943
	12,181,241	619,919	(411,788)	(5,952)	12,383,420	9,906,438	521,310	(957)	(702)	10,426,089	1,957,331	2,274,803



6 Right-of-use assets

Name of assets	Cost					Depreciation				Carrying amount	
	As at 01 January 2020	Addition during the period	Disposal during the period	Adjustment during the period	As at 30 June 2020	As at 01 January 2020	Charged during the period	Disposal during the period	As at 30 June 2020	As at 30 June 2020	As at 31 December 2019
	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Fibre optic network	10,497,263	72,323	-	-	10,569,586	6,110,443	283,008	-	6,393,451	4,176,135	4,386,820
Telecom licence, annual licence renewal fees and spectrum	74,737,172	-	-	-	74,737,172	29,462,551	2,758,663	-	32,221,214	42,515,958	45,274,621
Base transceiver station - Green Field	805,335	9,496	(9,991)	(1,259)	803,581	161,070	81,799	(3,747)	239,122	564,459	644,265
Base transceiver station - Roof Top	3,215,050	114,309	(74,286)	(8,486)	3,246,587	684,012	373,594	(36,049)	1,021,557	2,225,030	2,531,038
Infrastructure sharing site	5,892,139	27,051	(4,747)	(4,555)	5,909,888	1,216,478	589,321	(981)	1,804,818	4,105,070	4,675,661
Office/residential space	714,671	54,632	(46,204)	(9,294)	713,805	198,543	94,387	(31,687)	261,243	452,562	516,128
	95,861,630	277,811	(135,228)	(23,594)	95,980,619	37,833,097	4,180,772	(72,464)	41,941,405	54,039,214	58,028,533

6.1 Right-of-use assets addition

Right-of-use assets addition for the six months ended 30 June 2020 is BDT 254,217,000. BDT 45,219,166 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 208,997,834 will be paid in the future when due for payment and shall be classified as part of financing activities.



7 Contract cost

	As at 30 June 2020 BDT (000)	As at 31 December 2019 BDT (000)
Opening balance	4,480,157	4,438,240
Additions during the period	675,737	2,231,493
Amortisation during the period	<u>(1,069,116)</u>	<u>(2,189,576)</u>
	<u>4,086,778</u>	<u>4,480,157</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. The details of the dispute are discussed in Note 36 to these financial statements.

9 Inventories

	As at 30 June 2020 BDT (000)	As at 31 December 2019 BDT (000)
Handset, data card and other devices	34,558	78,171
SIM card	76,007	132,610
Scratch card	18,524	14,660
	<u>129,089</u>	<u>225,441</u>

10 Trade receivables and others**Trade receivables**

Trade receivables, gross	7,125,138	6,415,255
Impairment loss allowance	<u>(1,773,848)</u>	<u>(1,763,119)</u>
	<u>5,351,290</u>	<u>4,652,136</u>

Other receivables

Receivables from employees	102	9,007
Other non-interest-bearing receivables	<u>1,583,173</u>	<u>1,720,645</u>
	<u>1,583,275</u>	<u>1,729,652</u>

Other non-financial assets

Prepaid expenses	<u>669,205</u>	<u>631,265</u>
Total trade receivables and others	<u>7,603,770</u>	<u>7,013,053</u>

11 Cash and cash equivalents

Cash in hand	962	4,373
Cash at bank	<u>8,360,666</u>	<u>13,756,304</u>
	<u>8,361,628</u>	<u>13,760,677</u>

11.1 Restricted cash balance

Cash at bank as at 30 June 2020 includes BDT 80,971,213 (2019: BDT 59,551,312) equivalent to unused Mobicash points in customer wallet and is therefore treated as restricted cash balance.

Additionally, Cash at bank as at 30 June 2020 includes BDT 133,067,924 (2019: BDT 126,331,259) equivalent to dividend unclaimed amount, BDT 3,973,383,025 (2019: BDT 6,780,675,321) equivalent to unpaid dividend to foreign shareholders due to pending approval from Bangladesh Bank and BDT 12,759,497 (2019: BDT 12,761,511) equivalent to unclaimed IPO subscription amount. According to Articles of Association (AoA) of Grameenphone, if dividend has not been claimed for three years after passing of either the resolution at a General Meeting declaring the dividend or the resolution of the Board of Directors providing for payment for that dividend, the Board of Directors may invest the unclaimed dividend or use it in some other way for the benefit of the Company until the dividend is claimed.

12 Net asset value per share

	As at 30 June 2020 BDT	As at 31 December 2019 BDT
Net Asset (BDT)	<u>50,899,641,000</u>	<u>38,347,405,000</u>
Weighted average number of ordinary shares outstanding during the period	<u>1,350,300,022</u>	<u>1,350,300,022</u>
Net asset value per share (par value BDT 10 each) (BDT)	<u>37.70</u>	<u>28.40</u>



13 Share capital

	As at 30 June 2020 BDT (000)	As at 31 December 2019 BDT (000)
Authorised:		
4,000,000,000 ordinary shares of BDT 10 each	40,000,000	40,000,000
	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
	13,503,000	13,503,000

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 periods.

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 2020	As at 31 December 2019	As at 30 June 2020	As at 31 December 2019	
	Telenor Mobile Communications AS, Norway	55.80%	55.80%	7,534,081,540	
Nye Telenor Mobile Communications II AS, Norway	-	0.00%	-	2,150	31 May 2007 15 July 2008
Nye Telenor Mobile Communications III AS, Norway	-	0.00%	-	2,150	31 May 2007 15 July 2008
Telenor Asia Pte Ltd, Singapore	-	0.00%	-	2,150	31 May 2007 15 July 2008
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%	-	220	31 May 2007 15 July 2008 02 July 2009
Grameen Shakti, Bangladesh	-	0.00%	-	220	31 May 2007 15 July 2008 02 July 2009
General public, employees and institutions	10.01%	10.01%	1,351,254,590	1,351,252,000	28 Oct 2009
	100%	100%	13,503,000,220	13,503,000,220	

A total of 430 shares have 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 259 shares have been reclassified under institutional shareholders from Telenor Asia Pte Ltd, Singapore, Grameen Kalyan Bangladesh, Grameen Shakti, Bangladesh 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 30 June 2020	As at 31 December 2019	As at 30 June 2020	As at 31 December 2019
1-500	25,870	24,220	4,751,482	4,479,685
501-5,000	6,240	5,412	9,854,002	8,565,541
5,001-10,000	525	467	3,774,096	3,347,114
10,001-20,000	269	237	3,820,328	3,318,103
20,001-30,000	101	99	2,482,060	2,452,984
30,001-40,000	57	49	2,006,123	1,732,404
40,001-50,000	30	34	1,377,200	1,564,380
50,001-100,000	78	71	5,572,325	5,130,538
100,001-1,000,000	127	122	38,917,406	38,467,261
1,000,001-1,000,000,000	15	19	1,277,745,000	1,281,242,012
	33,312	30,730	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 Deposit from shareholders

Deposit from shareholders represents balance of the share money received from Telenor Mobile Communications AS, Norway, which aroused due to conversion of foreign currency remittance into BDT and the amount utilized for issuance of the exact number of shares Telenor intended to subscribe.

During the period, Grameenphone has transferred BDT 1,880,178 into other income from share money deposit as the owner of this money, Telenor Mobile Communications (TMC) AS, Norway ("Telenor") has in written waived their right on this amount.

17 Loans and borrowings

Loans and borrowings include a long-term syndicated loan led by the International Finance Corporation (IFC) of USD 345 Million at 6-month-LIBOR + 3.5% interest rate. The full loan amount of USD 345 Million has been drawn down in multiple tranches, the repayment of which is in 10 installments. The final installment is paid in April 2020. The syndicate members include IFC, DEG, FMO, Proparco, CDC and OFID. This financial liability has been recognized at amortized cost as per IFRS 9 Financial Instruments: Recognition and Measurement.

Current portion of loans and borrowings include short-term bank loan of BDT 5,040,000,000 (2019: BDT 2,934,283,707 as the unpaid portion of long-term syndicated loan led by the International Finance Corporation (IFC)).

18 Deferred tax liabilities

	As at 30 June 2020 BDT (000)	As at 31 December 2019 BDT (000)
Taxable temporary differences	33,273,048	37,395,960
Deductible temporary differences	<u>(23,905,748)</u>	<u>(24,355,888)</u>
	9,367,300	13,040,073
Deferred tax liabilities @ 40% tax rate	<u><u>3,746,920</u></u>	<u><u>5,216,029</u></u>

19 Other non-current liabilities

Asset retirement obligations	153,689	152,391
Other non-current liabilities	<u>254,838</u>	<u>171,566</u>
	<u><u>408,527</u></u>	<u><u>323,957</u></u>

20 Trade payables and others

Financial liabilities

Trade payables including liability for capital expenditure	7,331,053	10,480,455
Accrued expenses	6,961,380	5,648,100
Indirect taxes	<u>1,351,076</u>	<u>1,353,003</u>
	<u><u>15,643,509</u></u>	<u><u>17,481,558</u></u>

Other non-financial liabilities

Deferred connection revenue	72,845	204,860
Unearned revenue	<u>5,476,754</u>	<u>4,989,988</u>
	<u><u>5,549,599</u></u>	<u><u>5,194,848</u></u>

Total trade payables and others

	<u><u>21,193,108</u></u>	<u><u>22,676,406</u></u>
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21 Current tax liabilities

Movement of current tax liabilities is shown as under:

Opening balance	28,137,225	28,563,588
Provision made during the period including transactions for other comprehensive income	<u>14,437,625</u>	<u>29,028,970</u>
	42,574,850	57,592,558
Paid during the period (incl. tax deducted at source)	<u>(15,716,195)</u>	<u>(30,675,929)</u>
Adjustment for previous periods	<u>(746,594)</u>	<u>1,220,596</u>
Closing balance	<u><u>26,112,061</u></u>	<u><u>28,137,225</u></u>

22 Other current liabilities

Accruals for profit sharing plan	1,806,772	297,876
Payable for bills pay receipts	713,681	518,691
Dividend unclaimed	133,068	126,331
Security deposits from subscribers and channel partners	552,248	537,093
Dividend payable	3,973,383	6,780,675
Others	<u>2,528,096</u>	<u>2,228,990</u>
	<u><u>9,707,248</u></u>	<u><u>10,489,656</u></u>



23 Revenue	1 January to 30 June 2020 BDT (000)	1 January to 30 June 2019 BDT (000)	1 April to 30 June 2020 BDT (000)	1 April to 30 June 2019 BDT (000)
The following is an analysis of revenue for the period:				
Revenue from contract with customers (Note 23.1)	68,465,802	70,105,186	32,680,830	35,646,002
Lease revenues	771,749	795,349	388,203	392,235
	69,237,551	70,900,535	33,069,033	36,038,237
23.1 Disaggregation of revenue from contract with customers				
Type of good/ services				
Revenue from mobile communication	68,358,120	69,971,468	32,642,282	35,590,159
Revenue from customer equipment	48,715	87,839	16,904	35,577
Other revenues	58,967	45,879	21,644	20,266
	68,465,802	70,105,186	32,680,830	35,646,002
Type of subscription				
Prepaid	65,117,351	67,077,135	30,997,470	34,083,846
Contract	3,240,769	2,894,333	1,644,811	1,506,312
Other	107,682	133,718	38,549	55,843
	68,465,802	70,105,186	32,680,830	35,646,002
Type of customer				
Consumer	60,148,300	61,721,131	28,603,085	31,346,106
Business	8,317,502	8,384,056	4,077,745	4,299,895
	68,465,802	70,105,186	32,680,830	35,646,002
24 Cost of material and traffic charges				
Traffic charges	3,702,851	3,515,132	1,801,206	1,853,305
Cost of materials and services	654,534	538,164	371,862	218,052
	4,357,385	4,053,296	2,173,068	2,071,357
25 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 for the six month period ended 30 June 2020 includes BDT 669,856,580 (2019: BDT 555,610,575) for restructuring expense during the period. The WPPF expense for the six months ended 30 June 2020 is BDT 1,508,895,857 (2019: BDT 1,565,554,106).				
26 Operation and maintenance				
	1 January to 30 June 2020 BDT (000)	1 January to 30 June 2019 BDT (000)	1 April to 30 June 2020 BDT (000)	1 April to 30 June 2019 BDT (000)
Service maintenance fee	1,648,432	1,801,433	814,168	818,737
Vehicle maintenance expense	148,171	189,662	65,360	99,827
Other operation and maintenance	953,447	1,012,233	447,795	428,968
	2,750,050	3,003,328	1,327,323	1,347,532
27 Sales, marketing and commissions				
Sales, marketing and representation costs	240,441	189,646	70,826	97,290
Advertisement and promotional expenses	574,334	790,045	275,843	410,461
Commissions	5,155,163	5,585,080	2,394,432	2,767,355
	5,969,938	6,564,771	2,741,101	3,275,106
28 Other operating expenses/(income)				
Consultancy and professional services	437,797	538,183	209,967	295,664
Rental expense for Property, plant and equipment	179,341	242,002	94,731	103,309
Fuel and energy costs	1,923,451	1,950,478	915,431	1,005,056
Impairment loss on trade receivables	91,762	57,225	51,699	20,601
Rental and other income	(97,710)	(71,414)	(46,984)	(36,040)
(Gain)/loss on disposal of Property, plant and equipment and Right-of-use assets	(39,374)	56,672	(21,534)	56,084
Others	696,532	487,346	485,807	233,676
	3,191,799	3,260,492	1,689,117	1,678,350



29 Finance expense/(income)	<u>1 January to 30 June 2020</u> BDT (000)	<u>1 January to 30 June 2019</u> BDT (000)	<u>1 April to 30 June 2020</u> BDT (000)	<u>1 April to 30 June 2019</u> BDT (000)
Interest income	(238,151)	(367,063)	(70,401)	(155,362)
Interest expense	495,138	174,110	275,364	28,633
Net interest cost on defined benefit obligation	45,850	56,017	22,925	28,008
Interest expenses on Lease Liabilities	954,815	1,086,410	456,213	536,932
Other finance expenses	57,941	64,387	25,088	33,451
	<u>1,315,593</u>	<u>1,013,861</u>	<u>709,189</u>	<u>471,662</u>
30 Income tax expense				
<u>Current tax expense</u>				
Income tax expenses for the period	14,437,625	15,054,311	6,526,699	7,446,530
Provision released during the period	(746,594)	(188,510)	-	(198,789)
	<u>13,691,031</u>	<u>14,865,801</u>	<u>6,526,699</u>	<u>7,247,741</u>
<u>Deferred tax expense/(income)</u>				
Deferred tax expense/(income) relating to origination and reversal of temporary differences, net	(1,469,108)	(1,603,985)	(849,359)	(392,800)
	<u>12,221,923</u>	<u>13,261,816</u>	<u>5,677,340</u>	<u>6,854,941</u>



30.1 Reconciliation of effective tax rate

	01 January to 30 June 2020		01 January to 30 June 2019		01 April to 30 June 2020		01 April to 30 June 2019	
	Percentage	BDT (000)	Percentage	BDT (000)	Percentage	BDT (000)	Percentage	BDT (000)
Profit before tax		30,177,239		31,311,078		12,942,873		16,407,769
Tax using the Company's tax rate	40.00%	12,070,896	40.00%	12,524,431	40.00%	5,177,149	40.00%	6,563,106
Tax effect of:								
Provision for non-deductible expenses	2.97%	897,621	2.27%	710,251	3.86%	500,191	1.68%	274,980
Adjustments / provision released during the period	-2.47%	(746,594)	-0.55%	(170,732)	0.00%	-	-1.10%	(181,011)
Other components of tax as per Income Tax Ordinance 1984	0.00%	-	0.63%	197,866	0.00%	-	1.21%	197,866
	40.50%	12,221,923	42.36%	13,261,816	43.86%	5,677,340	41.78%	6,854,941

31 Earnings per share (EPS)

	1 January to 30 June 2020	1 January to 30 June 2019	1 April to 30 June 2020	1 April to 30 June 2019
	BDT	BDT	BDT	BDT
Profit attributable to ordinary shareholders (BDT)	17,955,316,000	18,049,261,996	7,265,533,000	9,552,828,000
Weighted average number of ordinary shares outstanding during the period	1,350,300,022	1,350,300,022	1,350,300,022	1,350,300,022
Basic EPS (par value BDT 10 each) (BDT)	13.30	13.37	5.38	7.07

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



32 Reconciliation of net operating cash flow

	01 January to 30 June 2020 BDT (000)	01 January to 30 June 2019 BDT (000)
Profit after tax	17,955,316	18,049,262
Income tax expense	12,221,923	13,261,816
Profit before tax	30,177,239	31,311,078
Adjustment for:		
Depreciation & amortization	11,828,065	11,596,299
(Gain)/loss on sale of fixed assets	(39,374)	56,672
Finance expense/(income), net	1,315,593	1,013,861
Other adjustments	(19,434,162)	(24,935)
	23,847,361	43,952,975
Changes in:		
Inventories	96,352	(17,034)
Trade and other receivables	(590,717)	(34,346)
Trade and other payables	89,023	(605,119)
Provisions	(191,481)	(1,058,996)
Other current liabilities	2,024,884	1,809,829
Cash generated from operating activities	25,275,422	44,047,309
Interest received	238,151	367,063
Interest paid	(1,514,026)	(1,404,490)
Income tax paid	(15,716,195)	(14,732,762)
Net cash generated by operating activities	<u>8,283,352</u>	<u>28,277,120</u>
33 Net operating cash flow per share		
Net operating cash flow (BDT)	8,283,352,000	28,277,119,944
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>6.13</u>	<u>20.94</u>



34 Related party disclosures

During the six months ended 30 June 2020, 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.

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

Name of related parties	Nature	Nature of transactions	01 January to	01 January to
			30 June 2020	30 June 2019
			BDT (000)	BDT (000)
Telenor Mobile Communications AS	Shareholder	Dividend payment	5,820,920	11,677,820
Nye Telenor Mobile Communications II AS	Shareholder	Dividend payment	2	3
Nye Telenor Mobile Communications III AS	Shareholder	Dividend payment	2	3
Telenor Asia Pte. Ltd.	Shareholder	Dividend payment	2	3
Grameen Telecom	Shareholder	Commission expense	109,061	97,374
		Connection revenue	(2,350)	-
		Dividend payment	1,847,065	7,157,379
Grameen Kalyan	Shareholder	Dividend payment	-	0.3
Grameen Shakti	Shareholder	Dividend payment	-	0.3
Telenor ASA	Telenor group entity	Consultancy and professional service fee	465,997	540,890
Telenor Global Services AS	Telenor group entity	Consultancy and professional service fee	31,636	21,567
		A2P Project Revenue and professional service fee	246,301	-
Telenor Global Shared Services AS	Telenor group entity	Consultancy and professional service fee	282,816	197,217
Telenor Go Pte Ltd.	Telenor group entity	Consultancy and professional service fee including	140,714	158,229
Telenor Digital AS	Telenor group entity	Consultancy and professional service fee	32,630	140,782
Telenor Health AS	Telenor group entity	Cost of service	-	80,417
Telenor Procurement Company	Telenor group entity	Cost of service	266,367	207,405
		Software acquisition cost	213,456	-
Telenor Norway	Telenor group entity	Roaming revenue net of discount	(295)	(395)
		Roaming cost net of discount	39	53



Name of related parties	Nature	Nature of transactions	01 January to	01 January to
			30 June 2020	30 June 2019
			BDT (000)	BDT (000)
Telenor Norge AS	Joint venture of Telenor group	Consultancy and professional service fee	137,922	110,127
Tapad Incorporation	Associated companies of Telenor group	Consultancy and professional service fee	40,928	40,577
Telenor Southeast Asia Investment Limited	Telenor group entity	Technical and Support Maintenance Fees	-	58,976
Telenor India Private Limited	Telenor group entity	Technical and Support Maintenance Fees	-	5,340
Telenor Sweden	Telenor group entity	Roaming revenue net of discount Roaming cost net of discount	(136) 14	(235) 22
Telenor Denmark	Telenor group entity	Roaming revenue net of discount Roaming cost net of discount	(219) 91	(217) 155
Telenor Pakistan	Telenor group entity	Roaming revenue net of discount Roaming cost net of discount	(4) 12	(5) 29
Telenor Myanmar	Telenor group entity	Roaming revenue net of discount Roaming cost net of discount	(25) 38	8 59
Dtac Thailand	Telenor group entity	Roaming revenue net of discount Roaming cost net of discount	(50) 645	(88) 1,642
Digi Malaysia	Telenor group entity	Roaming revenue net of discount Roaming cost net of discount	(2,687) 214	(3,796) 453
Grameen Distribution	Related to Grameen Telecom through Grameen Telecom Trust	Cost of products Purchase of handsets	72 -	1,171 200
Grameen Communication	Related to Grameen Telecom	Software solution and maintenance	78	-
Snehasish Mahmud & Co.	Associated entity of a member of Board of Directors	Consultancy and professional service fee	410	-
Grameen Telecom Trust	Grameenphone's board members nominated by Grameen Telecom are trustee of the entity	Commission expense	17,534	-



34.2 Receivables/(payables) with other related parties

<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 2020</u>	<u>31 December 2019</u>
			<u>BDT (000)</u>	<u>BDT (000)</u>
Telenor Mobile Communications AS	Shareholder	Dividend payable	3,973,380	(6,780,670)
Nye Telenor Mobile Communications II AS	Shareholder	Dividend payable	1	(2)
Nye Telenor Mobile Communications III AS	Shareholder	Dividend payable	1	(2)
Telenor Asia Pte. Ltd.	Shareholder	Dividend payable	1	(2)
Grameen Telecom	Shareholder	Accounts receivable	-	-
		Accounts payable	(200)	(200)
Accenture Communications Infrastructure Solutions Ltd.	Associate	Accounts receivable		5,084
		Accounts payable	(5,491)	(6,360)
Telenor ASA	Telenor group entity	Accounts receivable	41,908	30,958
		Accounts payable	(3,016,433)	(2,833,356)
Telenor Consult AS	Telenor group entity	Accounts payable	(1,783)	(1,968)
Telenor Global Services AS	Telenor group entity	Accounts receivable	295,401	50,235
		Accounts payable	(100,245)	(96,676)
Telenor Global Shared Services AS	Telenor group entity	Accounts payable	(932,074)	(1,164,047)
Telenor Go Pte Ltd	Telenor group entity	Accounts receivable	74,057	50,191
		Accounts payable	(148,743)	(59,791)
Telenor Digital AS	Telenor group entity	Accounts receivable	7,686	7,686
		Accounts payable	(666,082)	(686,524)
Telenor Health AS	Telenor group entity	Accounts receivable	174,076	174,076
		Accounts payable	-	(71,418)
Telenor Procurement Company	Telenor group entity	Accounts payable	(1,045,136)	(601,304)
DiGi Telecommunications Sdn Bhd	Telenor group entity	Accounts payable	-	(8,593)
Telenor Norge AS	Telenor group entity	Accounts receivable	853	853
		Accounts payable	(462,708)	(356,607)
Telenor Southeast Asia Investment Limited	Telenor group entity	Accounts payable	(145,242)	(145,157)



<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 2020</u>	<u>31 December 2019</u>
			<u>BDT (000)</u>	<u>BDT (000)</u>
Tapad Incorporation	Telenor group entity	Accounts payable	(167,134)	(126,129)
Telenor Norway	Telenor group entity	Accounts receivable	52	29
		Accounts payable	(5)	(22)
Telenor Sweden	Telenor group entity	Accounts receivable	54	142
		Accounts payable	(7)	(3)
Telenor Denmark	Telenor group entity	Accounts receivable	6	18
		Accounts payable	-	(10)
Telenor Pakistan	Telenor group entity	Accounts receivable	-	1
		Accounts payable	(1)	(9)
Telenor India	Telenor group entity	Accounts receivable	3,616	3,616
Telenor Myanmar	Telenor group entity	Accounts receivable	9,646	9,659
		Accounts payable	(1)	(53)
Dtac Thailand	Telenor group entity	Accounts receivable	112	1,423
		Accounts payable	(27)	(1,071)
Digi Malaysia	Telenor group entity	Accounts receivable	102	1,221
		Accounts payable	(7)	(486)
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	-	(220)
Grameen Telecom Trust	Grameenphone's board members nominated by Grameen Telecom are trustee of the entity	Accounts receivable	36,233	-



35 Commitments

	As at 30 June 2020 BDT (000)	As at 31 December 2019 BDT (000)
Capital commitment (open purchase order) for Property, plant and equipment	485,701	3,202,421
Capital commitment (open purchase order) for Intangible assets	3,047,092	269,993

36 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 2019.

(a) BTRC audit

Regarding the latest audit, on 20 February 2020, in the hearing of a Review Petition filed by Grameenphone on 26 January 2020, the Hon'ble Appellate Division (AD) verbally directed Grameenphone to deposit BDT 10,000,000,000 within 24 February 2020. Following the said verbal order, Grameenphone deposited the money on 23 February 2020 and booked the deposit as non-current receivables as disclosed in Note 8 to these financial statements. On 24 February 2020 the Hon'ble AD directed GP to deposit remaining BDT 10,000,000,000 by 31 May 2020 and in default of the said payment, the interim order of stay and injunction passed by the Hon'ble High Court Division (HCD) shall stand vacated. Further, the Hon'ble AD also directed BTRC to allow GP to carry on its business without any hindrance and fixed the matter on 31 May 2020 for passing further order. On the same day, the Hon'ble HCD adjourned the hearing of the Appeal against the District Court's injunction rejection order till 31 May 2020.

On 19 May 2020, Grameenphone has further deposited BDT 10,000,000,000 in compliance with the direction of Hon'ble AD dated 24 February 2020 and followed the same accounting treatment as did for the first deposit.

Due to outbreak of the COVID-19 pandemic the hearing of Review Petition and Appeal have not taken place on 31 May 2020 at Hon'ble AD and HCD respectively. On 30 May 2020, the Supreme Court notified that due to COVID-19, only virtual hearings will take place in both the Divisions (AD and HCD) till 15 June 2020 which was subsequently extended till further notice. Grameenphone is prepared with the compliance application which will be submitted as and when situation permits.

The original Title suit is pending at the District Court. On 03 March 2020, BTRC appeared in the suit and sought time for submitting reply. BTRC auditor appeared in the suit earlier and has not submitted its reply yet. The next date is fixed on 21 July 2020 for reply of BTRC and Auditor.

After depositing first BDT 10,000,000,000, Grameenphone met with BTRC representatives in several occasions for release of NOC (No Objection Certificate) for equipment import and to address the number (new and recycle) crisis issue. Grameenphone pursued for 7.9 Mn recycle number and allocation of new numbers from "013" prefix/series. BTRC has consented for recycling of 7.9 Mn number. Requests for NOC remained pending at BTRC impacting network expansion and creating challenges for Grameenphone to ensure its network readiness under ongoing COVID-19 context. However, after receiving the court order, so far BTRC released significant part of NOCs and Grameenphone expects BTRC to release the remaining NOCs soon.

Pointing out the errors in the substance, methodologies and procedures of the audit exercise Grameenphone disputed the whole Audit Demand and Grameenphone through its current assessment concluded that there is no such obligation against the audit claims.

37 Other disclosures

37.1 Dividends

The Board of Directors of Grameenphone Ltd. at its 222nd meeting held on 14 July 2020 recommended an interim cash dividend amounting to BDT 17,553,900,286 being 130% of the paid-up capital (i.e. BDT 13.00 per share) for the year 2020. These dividends are subject to final approval by the shareholders at the relevant annual general meeting of the company.

