



**Interim Condensed Financial Statements
as at and for the period ended 31 March 2019
(Un-audited)**

Grameenphone Ltd.

Interim Condensed Statement of Financial Position As (Un-audited)

at 31 March 2019

	Notes	<u>31 March 2019</u> BDT (000)	<u>31 December 2018</u> BDT (000)
Assets			
Non-current assets			
Property, plant and equipment	4	65,179,288	69,775,619
Intangible assets	5	1,669,409	47,311,582
Right-of-use assets	6	59,898,731	-
Contract cost	7	4,305,207	4,438,240
Other non-current assets		3,827,664	3,819,233
Total non-current assets		134,880,299	125,344,674
Current assets			
Inventories	8	219,533	224,359
Trade receivables and others	9	6,495,097	7,212,047
Cash and cash equivalents	10	14,266,808	5,932,292
Total current assets		20,981,438	13,368,698
Total assets		155,861,737	138,713,372
Equity and liabilities			
Shareholders' equity			
Share capital	12	13,503,000	13,503,000
Share premium	13	7,840,226	7,840,226
Capital reserve	14	14,446	14,446
Deposit from shareholders	15	1,880	1,880
Retained earnings		29,933,671	21,007,530
Total equity		51,293,223	42,367,082
Non-current liabilities			
Lease liabilities		16,145,029	4,708,977
Loans and borrowings	16	2,971,444	2,894,157
Deferred tax liabilities	17	4,821,152	6,032,336
Employee benefits		1,711,623	1,599,122
Other non-current liabilities	18	186,067	3,678,998
Total non-current liabilities		25,835,315	18,913,590
Current liabilities			
Trade payables and others	19	22,989,875	26,393,337
Provisions		14,610,735	14,906,422
Lease liabilities		3,779,668	-
Loans and borrowings	16	5,870,236	5,759,145
Current tax liabilities	20	27,659,332	27,550,278
Other current liabilities	21	3,823,353	2,823,518
Total current liabilities		78,733,199	77,432,700
Total equity and liabilities		155,861,737	138,713,372

The annexed notes 1 to 35 form an integral part of these Interim Condensed Financial Information.

Sd/- _____ Chairman	Sd/- _____ Director	
Sd/- _____ Chief Executive Officer	Sd/- _____ Chief Financial Officer	Sd/- _____ Company Secretary

Dated:
Dhaka, 23 April 2019

Grameenphone Ltd.

Interim Condensed Statement of Profit or Loss and Other Comprehensive Income (Un-audited) For the quarter ended 31 March 2019

	Notes	01 January to 31 March 2019 BDT (000)	01 January to 31 March 2018 BDT (000)
Revenue	22	34,862,299	31,243,586
Cost of material and traffic charges	23	(1,981,939)	(1,695,450)
Salaries and personnel cost	24	(2,658,894)	(1,934,114)
Operation and maintenance	25	(1,655,796)	(1,487,377)
Sales, marketing and commissions	26	(3,145,860)	(3,625,052)
Revenue sharing, spectrum charges and licence fees		(2,404,957)	(2,493,688)
Other operating (expenses)/income	27	(1,582,140)	(2,023,850)
Depreciation and amortisation		(5,747,407)	(6,219,615)
		(19,176,993)	(19,479,146)
Operating profit		15,685,306	11,764,440
Finance (expense)/income	28	(532,275)	(284,122)
Foreign exchange (loss)/gain		(95,990)	(206,361)
		(628,265)	(490,483)
Profit before tax		15,057,041	11,273,957
Income tax expense	29	(6,130,900)	(4,879,612)
Profit after tax		8,926,141	6,394,345
Other comprehensive income		-	-
Total comprehensive income for the period		8,926,141	6,394,345
Earnings per share			
Basic earnings per share (par value BDT 10 each in BDT)	30	6.61	4.74

The annexed notes 1 to 35 form an integral part of these Interim Condensed Financial Information.

Sd/-

Chairman

Sd/-

Director

Sd/-

Chief Executive Officer

Sd/-

Chief Financial Officer

Sd/-

Company Secretary

Dated:
Dhaka, 23 April 2019

Grameenphone Ltd.

Interim Condensed Statement of Changes in Equity (Un-audited)

For the quarter ended 31 March 2019

	Share capital	Share premium	Capital reserve	Deposit from shareholders	Retained earnings	Total
	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Balance as at 01 January 2018	13,503,000	7,840,226	14,446	1,880	13,761,900	35,121,452
Adjustment on initial application of IFRS 15 as at 01 January 2018	-	-	-	-	2,678,149	2,678,149
Restated balance as at 01 January 2018	13,503,000	7,840,226	14,446	1,880	16,440,049	37,799,601
Total comprehensive income for the quarter ended 31 March 2018:						
Profit for the period	-	-	-	-	6,394,345	6,394,345
Other comprehensive income	-	-	-	-	-	-
Balance as at 31 March 2018	13,503,000	7,840,226	14,446	1,880	22,834,394	44,193,946
Balance as at 01 January 2019	13,503,000	7,840,226	14,446	1,880	21,007,530	42,367,082
Total comprehensive income for the quarter ended 31 March 2019:						
Profit for the period	-	-	-	-	8,926,141	8,926,141
Other comprehensive income	-	-	-	-	-	-
Balance as at 31 March 2019	13,503,000	7,840,226	14,446	1,880	29,933,671	51,293,223

Grameenphone Ltd.

Interim Condensed Statement of Cash Flows (Un-audited)

For the quarter ended 31 March 2019

	1 January to 31 March 2019 BDT (000)	1 January to 31 March 2018 BDT (000)
Cash flows from operating activities		
Cash receipts from customers	35,498,008	30,845,510
Payroll and other payments to employees	(1,611,067)	(1,299,285)
Payments to suppliers, contractors and others	(10,759,735)	(10,251,535)
Interest received	41,803	309
Interest paid	(657,663)	(219,609)
Income tax paid	(7,233,030)	(3,416,181)
	<u>(20,219,692)</u>	<u>(15,186,301)</u>
Net cash generated by operating activities	<u>15,278,316</u>	<u>15,659,209</u>
Cash flows from investing activities		
Payment for acquisition of Property, plant and equipment, Right-of-use assets and intangible assets	(5,620,759)	(16,641,378)
Proceeds from sale of Property, plant and equipment	60,810	42,134
Net cash used in investing activities	<u>(5,559,949)</u>	<u>(16,599,244)</u>
Cash flows from financing activities		
Payment of Lease liabilities	(1,383,197)	(354,669)
Net cash used in financing activities	<u>(1,383,197)</u>	<u>(354,669)</u>
Net change in cash and cash equivalents	8,335,170	(1,294,704)
Cash and cash equivalents as at 01 January	5,932,292	12,414,668
Effect of exchange rate fluctuations on cash held	(654)	1,747
Cash and cash equivalents as at 31 March	<u>14,266,808</u>	<u>11,121,711</u>

Grameenphone Ltd.

Notes to the interim condensed financial statements As at and for the quarter ended 31 March 2019

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 Information 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 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 2018, the year for which the last full financial statements were prepared. These unconsolidated financial statements present the financial position and performance of Grameenphone and Grameenphone's 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 31 March 2019. 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 Information were authorised for issue by the Board of Directors of the company on 23 April 2019.

3 Significant accounting policies

Other than the disclosed accounting policies as a result of adoption of IFRS 16 Leases which is effective from 1 January 2019, same accounting policies and methods of computation have been followed in these condensed interim financial information as were applied in the preparation of the financial statements of Grameenphone as at and for the year ended 31 December 2018.

3.1 Changes in significant accounting policies

3.1.1 IFRS 16 Leases

3.1.1.1 Nature and effect of changes

(a) Definition of a lease

Previously, Grameenphone determined at contract inception whether an arrangement is or contains a lease under IFRIC 4. Under IFRS 16, Grameenphone assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note 3.1.1.2.

On transition to IFRS 16, Grameenphone evaluated all types of contracts to assess whether a contract is or contains, a lease at the date of initial application.

As a Lessee

As a lessee, Grameenphone previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to Grameenphone. Under IFRS 16, Grameenphone recognises Right-of-use assets and Lease liabilities for all leases.

(i) Leases classified as operating leases under IAS 17

At transition, Lease liabilities were measured at the present value of the remaining lease payments, discounted at Grameenphone's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

(ii) Leases previously classified as finance leases

For leases that were classified as finance leases under IAS 17, the carrying amount of the right-of-use asset and the lease liability at 1 January 2019 are determined at the carrying amount of the lease asset and lease liability under IAS 17.

As a lessor

Grameenphone is not required to make any adjustments on transitions to IFRS 16 for leases in which it acts as a lessor.

Telecom licence and spectrum

Grameenphone decided to apply IFRS 16 on telecom licence and spectrum and reclassified the carrying amounts of intangible assets to right-of-use assets at 1 January 2019. Annual licence renewal fees for the remaining of the licence periods have also been capitalised as right-of-use assets at 1 January 2019.

Impacts on financial statements

Grameenphone has lease contracts related to the mobile networks (mainly space in BTS), land, rooftop, buildings and fiber optic network. The table below show the impacts arising from IFRS 16 on the opening balance.

Leases	As at 01 January 2019 BDT (000)			
	Lease liabilities	Prepayments	Lease Equalization Reserve	ROU assets
Annual licence renewal fees	864,156	89,105	-	953,260
Base transceiver station - Green Field	1,448,156	130,050	814,400	763,806
Base transceiver station - Roof Top	2,735,928	235,113	128,717	2,842,324
Infrastructure sharing site	5,923,282	-	-	5,923,282
Office/residential space	609,725	112,224	41,031	680,918
	11,581,246	566,493	984,148	11,163,591
Transfer/Reclassification				
Fiber optical network (Bangladesh railway)	4,931,494	-	-	4,826,005
Telecom licence and spectrum	4,743,695	-	-	45,693,526
	9,675,189	-	-	50,519,532
Total	21,256,435	566,493	984,148	61,683,122

As at 1 January 2019:

- Right-of-use assets of BDT 61,683,122,418 were recognised and presented separately in the statement of financial position. This includes the lease assets recognised previously under finance leases of BDT 4,826,005,298 that were reclassified from Property, plant and equipment and telecom licence and spectrum of BDT 45,693,526,284 that were reclassified from Intangible assets.

- Additional Lease liabilities of BDT 11,581,245,963 were recognised and liabilities related to spectrum of BDT 4,743,694,827 was reclassified to Lease liabilities.
- Lease liabilities of BDT 9,675,189,146 for Fiber optical network and Telecom license and spectrum were reclassified from Trade payables and others to Lease liabilities.
- Prepayments of BDT 566,492,544 and lease equalisation reserve of BDT 984,147,671 related to previous operating leases were adjusted with lease liability to arrive at right-of-use asset.

When measuring Lease liabilities, Grameenphone discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted-average rate applied is 10.10%.

Operating lease commitment as of 31 December 2018, based on IAS 17, is discounted using the incremental borrowing rate as at 01 January 2019, resulting in BDT 2,636,776,023. Lease liabilities recognised in the statement of financial position as of 01 January 2019 amounts to BDT 21,256,435,109. The difference between these amounts is due to lease liabilities of BDT 8,080,314,292 arising from remaining period of the lease term other than non-cancellable period, Lease liabilities of BDT 864,155,648 arising from Annual licence renewal fees, Finance lease liabilities of BDT 4,931,494,319 and reclassified liability for spectrum of BDT 4,743,694,827.

Reconciliation

	BDT (000)
Operating lease commitment as at 31 December 2018 as disclosed in the financial statements	4,147,111
Discounted using the incremental borrowing rate at 01 January 2019	2,636,776
Finance lease liabilities recognised as at 31 December 2018	4,931,494
Liability for spectrum acquisition	4,743,695
Lease liabilities for remaining lease term other than non-cancellable period	8,080,314
Lease liability for annual licence renewal fees	864,156
Lease liabilities recognised as at 01 January 2019	21,256,435

- (b) The following summarises the impacts of adopting IFRS 16 on Grameenphone's Interim Condensed Statement of Financial Position as at 31 March 2019, Interim Condensed Statement of Profit or Loss and Other Comprehensive Income and Interim Condensed Statement of Cash Flows for the period then ended for each of the line items affected.

Impact on the Interim Condensed Statement of Financial Position As at 31 March 2019

	As reported	Adjustments	Amounts without adoption of IFRS 16
	BDT (000)	BDT (000)	BDT (000)
Assets			
Non-current assets			
Property, plant and equipment	65,179,288	4,699,980	69,879,268
Intangible assets	1,669,409	44,474,100	46,143,509
Right-of-use assets	59,898,731	(59,898,731)	-
Total non-current assets	134,880,299	(10,724,651)	124,155,648
Current assets			
Trade receivables and others	6,495,097	625,079	7,120,176
Total current assets	20,981,438	625,079	21,606,517
Total assets	155,861,737	(10,099,572)	145,762,165
Equity and liabilities			
Shareholders' equity			
Retained earnings	29,933,671	31,587	29,965,258
Total equity	51,293,223	31,587	51,324,810
Non-current liabilities			
Lease liabilities	16,145,029	(11,500,542)	4,644,487
Deferred tax liabilities	4,821,152	21,057	4,842,209
Other non-current liabilities	186,067	2,389,605	2,575,672
Total non-current liabilities	25,835,315	(9,089,880)	16,745,435
Current liabilities			
Trade payables and others	22,989,875	2,738,389	25,728,264
Lease liabilities	3,779,668	(3,779,668)	-
Total current liabilities	78,733,199	(1,041,279)	77,691,920
Total equity and liabilities	155,861,737	(10,099,572)	145,762,165

**Impact on the Interim Condensed Statement of Profit or Loss and Other Comprehensive Income
For the quarter ended 31 March 2019**

	<u>As reported</u> <u>BDT (000)</u>	<u>Adjustments</u> <u>BDT (000)</u>	<u>Amounts</u> <u>without</u> <u>adoption of</u> <u>IFRS 16</u> <u>BDT (000)</u>
Revenue	34,862,299	-	34,862,299
Operation and maintenance	(1,655,796)	(2,753)	(1,658,549)
Revenue sharing, spectrum charges and licence fees	(2,404,957)	(32,188)	(2,437,145)
Other operating (expenses)/income	(1,582,140)	(782,628)	(2,364,768)
Depreciation and amortisation	(5,747,407)	590,174	(5,157,233)
Operating profit	15,685,306	(227,395)	15,457,911
Finance (expense)/income	(532,275)	280,040	(252,235)
Profit before tax	15,057,041	52,645	15,109,686
Income tax expense	(6,130,900)	(21,058)	(6,151,958)
Profit after tax	8,926,141	31,587	8,957,728
Total comprehensive income for the period	8,926,141	31,587	8,957,728

**Impact on the Interim Condensed Statement of Cash Flows
For the quarter ended 31 March 2019**

	<u>As reported</u> <u>BDT (000)</u>	<u>Adjustments</u> <u>BDT (000)</u>	<u>Amounts</u> <u>without</u> <u>adoption of</u> <u>IFRS 16</u> <u>BDT (000)</u>
Cash flows from operating activities			
Cash receipts from customers	35,498,008	-	35,498,008
Payments to suppliers, contractors and others	(10,759,735)	(446,155)	(11,205,890)
Interest paid	(657,663)	59,601	(598,062)
Net cash generated by operating activities	15,278,316	(386,554)	14,891,762
Cash flows from investing activities			
Payment for acquisition of Property, plant and equipment, right of use and intangible assets	(5,620,759)	25,574	(5,595,185)
Net cash used in investing activities	(5,559,949)	25,574	(5,534,375)
Cash flows from financing activities			
Payment of Lease liabilities	(1,383,197)	360,980	(1,022,217)
Net cash used in financing activities	(1,383,197)	360,980	(1,022,217)
Net change in cash and cash equivalents	8,335,170	-	8,335,170
Cash and cash equivalents as at 01 January	5,932,292	-	5,932,292
Effect of exchange rate fluctuations on cash held	(654)	-	(654)
Cash and cash equivalents as at 31 March	14,266,808	-	14,266,808

3.1.1.2 Accounting policy

Grameenphone has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The impact of changes is disclosed in Note 3.1.1.1 (b).

Policy applicable from 1 January 2019

At inception of a contract, Grameenphone assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, Grameenphone assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- Grameenphone has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- Grameenphone has the right to direct the use of the asset. Grameenphone has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, Grameenphone has the right to direct the use of the asset if either:
 - (i) Grameenphone has the right to operate the asset; or
 - (ii) Grameenphone designed the asset in a way that predetermines how and for what purpose it will be used.

The policy is applied to contracts entered into, or changed, on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, Grameenphone allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. As a practical expedient, fixed non-lease components embedded in the lease contract are not separated and recognised as part of Lease liabilities and Right-of-use assets.

Telecom licence and spectrum

Grameenphone has chosen to apply IFRS 16 on telecom license and spectrum which was earlier accounted for under IAS 38 Intangible Assets.

Grameenphone as a lessee

Grameenphone recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is depreciated using the straight line methods from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Grameenphone's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index rate as the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that Grameenphone is reasonably certain to exercise, lease payments in an optional renewal period if Grameenphone is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Grameenphone is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Grameenphone's estimate of the amount expected to be payable under a residual value guarantee, or if Grameenphone changes its assessment of whether it will exercise purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right to use asset, or is recorded in profit or loss if the carrying amount of the right to use asset has been reduced to zero.

Grameenphone presents Right-of-use assets and Lease liabilities as separate captions in the statement of financial position.

Short-term leases and leases of low-value assets

Grameenphone has elected not to recognise Right-of-use assets and Lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets for which the underlying asset is of BDT 400,000 or less. Grameenphone recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

Grameenphone determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Grameenphone applies judgement in evaluating whether it is reasonably certain to exercise an option not to terminate the lease and an option to renew a lease contract. Grameenphone considers all relevant factors before exercising any option. After the commencement date, Grameenphone reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the options (e.g. a change in business strategy).

Grameenphone considered the lease term for active leases at the date of initial application as maximum of 5 years or remaining non-cancellable period from 1 January 2019 by considering changes in technology, development in regulatory environment etc. Leases which will expire before 5 years from 1 January 2019, the lease term has been considered upto the expiry of lease.

Leases which commence on or after 1 January 2019, the lease term will be limited to either their non-cancellable period or 31 December 2023 whichever is later.

Grameenphone as a lessor

When Grameenphone acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, Grameenphone makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, Grameenphone considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, Grameenphone applies IFRS 15 to allocate the consideration in the contract.

Grameenphone recognises lease payments received under operating leases as income on a straight-line basis over the lease term.

Sub lease

When Grameenphone is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which Grameenphone applies the exemption described in "Short-term leases and leases of low-value assets", then it classifies the sub-lease as an operating lease.

Grameenphone as an intermediate lessor accounts for the sublease as follows:

- (i) if the sublease is classified as an operating lease, Grameenphone continues to account for the lease liability and right-of-use asset on the head lease like any other lease; or
- (ii) if the sublease is classified as a finance lease, Grameenphone derecognises the right-of-use asset on the head lease at the sublease commencement date and continues to account for the original lease liability in accordance with the lessee accounting model. Grameenphone, as the sublessor, recognises a net investment in the sublease.

The accounting policies applicable to Grameenphone as a lessor in the comparative period were not different from IFRS 16. However, when Grameenphone was an intermediate lessor the sub-leases were classified with reference to the underlying asset.

4 Property, plant and equipment

Name of assets	Cost					Depreciation					Carrying amount	
	As at 01 January 2019	Reclassification	Addition during the period	Disposal/ Adjustment during the period	As at 31 March 2019	As at 1 January 2019	Reclassification	Charged during the period	Disposal/ Adjustment during the period	As at 31 March 2019	As at 31 March 2019	As at 31 December 2018
	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	807,050	-	-	-	807,050	-	-	-	-	-	807,050	807,050
Building	4,048,914	-	4,297	-	4,053,211	1,603,206	-	53,055	-	1,656,261	2,396,950	2,445,708
Base station	130,659,066	-	2,694,310	(2,740,834)	130,612,542	84,989,725	-	2,498,231	(2,740,833)	84,747,123	45,865,419	45,669,341
Transmission equipment	37,321,905	-	313,630	-	37,635,535	31,180,206	-	687,721	-	31,867,927	5,767,608	6,141,699
Computers and other IT equipment	7,965,572	-	289,112	(104,340)	8,150,344	6,061,439	-	249,158	(103,863)	6,206,734	1,943,610	1,904,133
Furniture and fixtures (including office equipment)	3,014,847	-	43,243	(12,466)	3,045,624	2,573,176	-	53,395	(12,466)	2,614,105	431,519	441,671
Vehicles	1,835,407	-	-	(313,362)	1,522,045	1,190,735	-	38,460	(249,414)	979,781	542,264	644,672
	185,652,761	-	3,344,592	(3,171,002)	185,826,351	127,598,487	-	3,580,020	(3,106,576)	128,071,931	57,754,420	58,054,274
Capital work in progress	6,895,340	-	3,874,121	(3,344,593)	7,424,868	-	-	-	-	-	7,424,868	6,895,340
	192,548,101	-	7,218,713	(6,515,595)	193,251,219	127,598,487	-	3,580,020	(3,106,576)	128,071,931	65,179,288	64,949,614
Fibre Optic Network under finance lease (Note 6)	10,384,982	(10,384,982)	-	-	-	5,558,977	(5,558,977)	-	-	-	-	4,826,005
	202,933,083	(10,384,982)	7,218,713	(6,515,595)	193,251,219	133,157,464	(5,558,977)	3,580,020	(3,106,576)	128,071,931	65,179,288	69,775,619

5 Intangible assets

Name of assets	Cost					Amortisation					Carrying amount	
	As at 01 January 2019	Reclassification	Addition during the period	Disposal/ Adjustment during the period	As at 31 March 2019	As at 1 January 2019	Reclassification	Charged during the period	Disposal/ Adjustment during the period	As at 31 March 2019	As at 31 March 2019	As at 31 December 2018
	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	10,245,735	-	83,325	-	10,329,060	8,924,554	-	220,084	-	9,144,638	1,184,422	1,321,181
Telecom licence and spectrum (Note 5.1)	70,187,066	(70,187,066)	-	-	-	24,493,540	(24,493,540)	-	-	-	-	45,693,526
	80,432,801	(70,187,066)	83,325	-	10,329,060	33,418,094	(24,493,540)	220,084	-	9,144,638	1,184,422	47,014,707
Capital work in progress	296,875	-	271,436	(83,324)	484,987	-	-	-	-	-	484,987	296,875
	80,729,676	(70,187,066)	354,761	(83,324)	10,814,047	33,418,094	(24,493,540)	220,084	-	9,144,638	1,669,409	47,311,582

5.1 Telecom licence and spectrum

IFRS 16 permits recognition of telecom licence and spectrum as Right-of-use assets instead of recognition as intangible assets. Accordingly, Grameenphone decided to recognize its telecom licence and spectrum as Right-of-use assets.

6 Right-of-use assets

Name of assets	Cost						Depreciation					Carrying amount	
	As at 01 January 2019	Reclassification	Adjustment on initial application of IFRS 16 as at 01 January 2019	Addition during the period	Disposal/ adjustment during the period	As at 31 March 2019	As at 01 January 2019	Reclassification	Charged during the period	Disposal/ adjustment during the period	As at 31 March 2019	As at 31 March 2019	As at 31 December 2018
	BDT (000)	BDT (000)	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 (Note 4)	-	10,384,982	-	11,677	-	10,396,659	-	5,558,977	137,702	-	5,696,679	4,699,980	-
Telecom licence, annual licence renewal fees and spectrum	-	70,187,066	953,260	-	-	71,140,326	-	24,493,540	1,242,783	-	25,736,323	45,404,003	-
Base transceiver station - Green Field	-	-	763,806	24,011	(1,162)	786,655	-	-	40,151	(106)	40,045	746,610	-
Base transceiver station - Roof Top	-	-	2,842,324	124,203	(7,260)	2,959,267	-	-	171,924	(1,296)	170,628	2,788,639	-
Infrastructure sharing site	-	-	5,923,282	8,703	-	5,931,985	-	-	303,433	-	303,433	5,628,552	-
Office/residential space	-	-	680,918	14,255	(13,918)	681,255	-	-	51,311	(1,002)	50,308	630,947	-
	-	80,572,048	11,163,590	182,849	(22,340)	91,896,147	-	30,052,517	1,947,304	(2,404)	31,997,416	59,898,731	-

6.1 Right-of-use assets addition

Right-of-use assets addition for the quarter ended 31 March 2019 is BDT 182,849,576. BDT 25,573,843 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 157,275,733 will be paid in the future when due for payment and shall be classified as part of financing activities.

7 Contract cost

	As at 31 March 2019 BDT (000)	As at 31 December 2018 BDT (000)
Opening balance	4,438,240	-
Adjustment on initial application of IFRS 15 as at 1 January 2018	-	4,171,201
Reclassification of deferred costs related to connection revenue	-	859,145
Additions during the period	451,550	2,193,703
Amortisation during the period	(584,583)	(2,785,809)
	<u>4,305,207</u>	<u>4,438,240</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 Inventories

	As at 31 March 2019 BDT (000)	As at 31 December 2018 BDT (000)
Handset, data card and other devices	56,001	89,437
SIM card	148,482	117,263
Scratch card	15,050	17,659
	<u>219,533</u>	<u>224,359</u>

9 Trade receivables and others

Trade receivables

Trade receivables, gross	6,198,746	7,196,312
Impairment loss allowance	(1,763,948)	(1,763,556)
	<u>4,434,798</u>	<u>5,432,756</u>

Other receivables

Interest receivable	169,899	-
Receivables from employees	10,078	5,530
Other non-interest-bearing receivables	1,155,228	1,183,343
	<u>1,335,205</u>	<u>1,188,873</u>

Other non-financial assets

Prepaid expenses	725,094	590,418
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Total trade receivables and others

	<u>6,495,097</u>	<u>7,212,047</u>
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10 Cash and cash equivalents

Cash in hand	3,616	6,898
Cash at bank	14,263,192	5,925,394
	<u>14,266,808</u>	<u>5,932,292</u>

10.1 Restricted cash balance

Cash at bank as at 31 March 2019 include BDT 30,725,756 (2018: BDT 25,893,574) equivalent to unused Mobicash points in customer wallet and is therefore treated as restricted cash balance.

Additionally, Cash at bank as at 31 March 2019 included BDT 119,048,448 (2018: BDT 111,272,241) equivalent to dividend unclaimed amount and BDT 12,761,511 (2018: 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.

11 Net asset value per share

	As at 31 March 2019 BDT (000)	As at 31 December 2018 BDT (000)
Net Asset (BDT)	51,293,223,257	42,367,082,000
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>37.99</u>	<u>31.38</u>

12 Share capital

	As at 31 March 2019 BDT (000)	As at 31 December 2018 BDT (000)
Authorised:		
4,000,000,000 ordinary shares of BDT 10 each	40,000,000	40,000,000
	<u>40,000,000</u>	<u>40,000,000</u>
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 year.

12.1 Shareholding position

a) Percentage of shareholdings	% of holding		Value of shares (BDT)		Date of issue/ Transfer of Shares
	As at		As at		
	31 March 2019	31 December 2018	31 March 2019	31 December 2018	
Name of shareholders					
Telenor Mobile Communications AS, Norway	55.8%	55.8%	7,534,077,240	7,534,077,240	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
Nye Telenor Mobile Communications II AS, Norway	0.0%	0.0%	2,150	2,150	31 May 2007 15 July 2008
Nye Telenor Mobile Communications III AS, Norway	0.0%	0.0%	2,150	2,150	31 May 2007 15 July 2008
Telenor Asia Pte Ltd, Singapore	0.0%	0.0%	2,150	2,150	31 May 2007 15 July 2008
Grameen Telecom, Bangladesh	34.2%	34.2%	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	0.0%	0.0%	220	220	31 May 2007 15 July 2008 02 July 2009
Grameen Shakti, Bangladesh	0.0%	0.0%	220	220	31 May 2007 15 July 2008 02 July 2009
General public, GP employees and institutional	10.0%	10.0%	1,351,252,000	1,351,252,000	28 Oct 2009
	<u>100%</u>	<u>100%</u>	<u>13,503,000,220</u>	<u>13,503,000,220</u>	

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

Shareholding range	No. of shareholders		No. of shares	
	As at		As at	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
1-500	22,845	24,438	4,362,746	4,658,294
501-5,000	5,110	5,680	8,201,226	9,108,800
5,001-10,000	432	492	3,139,584	3,557,895
10,001-20,000	226	252	3,179,320	3,591,203
20,001-30,000	85	82	2,068,628	2,020,320
30,001-40,000	42	40	1,488,131	1,392,897
40,001-50,000	31	33	1,459,673	1,544,832
50,001-100,000	75	82	5,503,390	6,194,611
100,001-1,000,000	126	120	37,151,215	36,400,256
1,000,001-	21	21	1,283,746,109	1,281,830,914
	<u>28,993</u>	<u>31,240</u>	<u>1,350,300,022</u>	<u>1,350,300,022</u>

13 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.

14 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.

15 Deposit from shareholders

Deposit from shareholders as at the statement of financial position date represents balance of the share money received from Telenor Mobile Communications AS, Norway, which has not been used against issuance of shares.

16 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 first seven installments have been repaid since October 2015 and principal portion of outstanding loan balance is USD 103.50 Million (2018: USD 103.50 Million). The final installment is scheduled to be 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 includes part of the above long-term syndicated loan falling due for repayment in next 12 months. As at 31 March 2019 and 31 December 2018 there was no short-term bank loan outstanding.

17 Deferred tax liabilities

	As at 31 March 2019 BDT'000	As at 31 December 2018 BDT'000
Taxable temporary differences	34,727,982	28,533,218
Deductible temporary differences	<u>(22,675,102)</u>	<u>(13,452,379)</u>
	12,052,880	15,080,839
Deferred tax liabilities @ 40% tax rate	<u>4,821,152</u>	<u>6,032,336</u>
18 Other non-current liabilities		
Liability for spectrum acquisition (Note 18.1)	-	3,445,913
Asset retirement obligations	146,287	144,275
Other non-current liabilities	<u>39,780</u>	<u>88,810</u>
	<u>186,067</u>	<u>3,678,998</u>

18.1 Liability for spectrum acquisition

The liability for spectrum acquisition fees of BDT 3,445,913,416 has been reclassified to non-current portion of Lease liabilities as at 01 January 2019.

19 Trade payables and others

	As at 31 March 2019 BDT'000	As at 31 December 2018 BDT'000
Financial liabilities		
Trade payables including liability for capital expenditure	11,056,318	12,450,949
Accrued expenses	4,974,709	6,274,734
Finance lease obligation	-	222,517
Indirect taxes	<u>1,615,984</u>	<u>1,766,718</u>
	<u>17,647,011</u>	<u>20,714,918</u>
Other non-financial liabilities		
Deferred connection revenue	483,725	581,943
Unearned revenue	<u>4,859,139</u>	<u>5,096,476</u>
	<u>5,342,864</u>	<u>5,678,419</u>
Total trade payables and others	<u>22,989,875</u>	<u>26,393,337</u>

20 Current tax liabilities

Movement of current tax liabilities is shown as under:

Opening balance	27,550,278	26,435,242
Provision made during the period including transactions for other comprehensive income	7,331,806	24,685,498
	34,882,084	51,120,740
Paid during the period (incl. tax deducted at source)	<u>(7,233,030)</u>	<u>(20,872,955)</u>
Adjustment for previous periods	10,278	(2,697,507)
Closing balance	<u>27,659,332</u>	<u>27,550,278</u>

21 Other current liabilities

Accruals for profit sharing plan	1,030,798	277,946
Payable for bills pay receipts	557,517	541,580
Dividend unclaimed	119,048	111,272
Security deposits from subscribers and channel partners	501,683	491,614
Others	<u>1,614,307</u>	<u>1,401,106</u>
	<u>3,823,353</u>	<u>2,823,518</u>

22 Revenue	01 January to 31 March 2019 BDT (000)	01 January to 31 March 2018 BDT (000)
The following is an analysis of revenue for the period:		
Revenue from contract with customers (Note 22.1)	34,459,185	30,827,493
Lease revenues	403,114	416,093
	<u>34,862,299</u>	<u>31,243,586</u>
22.1 Disaggregation of revenue from contract with customers		
Type of good/ services		
Revenue from mobile communication	34,381,310	30,748,002
Revenue from customer equipment	52,262	37,467
Other revenues	25,613	42,024
	<u>34,459,185</u>	<u>30,827,493</u>
Type of subscription		
Prepaid	32,993,289	29,585,362
Contract	1,388,021	1,162,640
Other	77,875	79,491
	<u>34,459,185</u>	<u>30,827,493</u>
Type of customer		
Consumer	30,375,025	26,617,504
Business	4,084,160	4,209,989
	<u>34,459,185</u>	<u>30,827,493</u>
23 Cost of material and traffic charges		
Traffic charges	1,661,827	1,424,230
Cost of materials and services	320,112	271,220
	<u>1,981,939</u>	<u>1,695,450</u>
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 for the quarter ended 31 March 2019 includes BDT 517,954,628 (2018: BDT 12,572,596) for voluntary retirement of employees during the period. The WPPF expense for the quarter ended 31 March 2019 is BDT 752,852,018 (2018: BDT 563,697,860).		
	01 January to 31 March 2019 BDT (000)	01 January to 31 March 2018 BDT (000)
25 Operation and maintenance		
Service maintenance fee	982,696	1,207,493
Vehicle maintenance expense	89,835	95,096
Other operation and maintenance	583,265	184,788
	<u>1,655,796</u>	<u>1,487,377</u>
26 Sales, marketing and commissions		
Sales, marketing and representation costs	92,355	727,342
Advertisement and promotional expenses	379,584	391,457
Commissions	2,673,921	2,506,253
	<u>3,145,860</u>	<u>3,625,052</u>
27 Other operating expenses/(income)		
Consultancy and professional services	242,518	206,495
Rental expense for Property, plant and equipment	138,693	845,594
Fuel and energy costs	945,422	777,059
Impairment loss on trade receivables	36,624	29,080
Rental and other income	(35,374)	(50,569)
(Gain)/loss on disposal of Property, plant and equipment and Right-of-use assets	587	(23,369)
Others	253,670	239,560
	<u>1,582,140</u>	<u>2,023,850</u>
28 Finance expense/(income)		
Interest income	(211,701)	(174,044)
Interest expense	135,555	416,238
Net interest cost on defined benefit obligation	28,008	10,985
Interest expenses on Lease Liabilities	549,477	-
Other finance expenses	30,936	30,943
	<u>532,275</u>	<u>284,122</u>

29 Income tax expense

	01 January to 31 March 2019	01 January to 31 March 2018
	BDT (000)	BDT (000)
<i>Current tax expense</i>		
Income tax expenses for the period	7,331,806	6,415,025
Adjustment for previous periods	10,279	-
	7,342,085	6,415,025
<i>Deferred tax (expense)/income</i>		
Deferred tax (expense)/income relating to origination and reversal of temporary differences, net	(1,211,185)	(1,535,413)
	6,130,900	4,879,612

30 Earnings per share

	BDT	BDT
Profit attributable to ordinary shareholders (BDT)	8,926,140,839	6,394,345,265
Weighted average number of ordinary shares outstanding during the period	1,350,300,022	1,350,300,022
Basic earnings per share (par value BDT 10 each) (BDT)	6.61	4.74

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 31 March 2019	01 January to 31 March 2018
	BDT (000)	BDT (000)
Profit after tax	8,926,141	6,394,345
Income tax expense	6,130,900	4,879,612
Profit before tax	<u>15,057,041</u>	<u>11,273,957</u>
Adjustment for:		
Depreciation & Amortization	5,747,407	6,219,615
(Gain)/Loss on Sale of Fixed Assets	587	(23,369)
Finance (expense)/income, net	532,275	284,122
Other adjustments	2,175,964	(395,038)
	<u>23,513,274</u>	<u>17,359,287</u>
Changes in:		
Inventories	4,826	284,989
Trade and other receivables	716,950	422,396
Trade and other payables	(1,811,992)	815,580
Provisions	(295,687)	503,154
Other current liabilities	999,835	(90,716)
Cash generated from operating activities	<u>23,127,206</u>	<u>19,294,690</u>
Interest received	41,803	309
Interest paid	(657,663)	(219,609)
Income tax paid	(7,233,030)	(3,416,181)
Net cash generated by operating activities	<u><u>15,278,316</u></u>	<u><u>15,659,209</u></u>

32 Net operating cash flow per share

	BDT (000)	BDT (000)
Net operating cash flow (BDT)	<u>15,278,315,895</u>	<u>15,659,209,462</u>
Weighted average number of ordinary shares outstanding during the period	<u>1,350,300,022</u>	<u>1,350,300,022</u>
Net operating cash flow per share (par value BDT 10 each) (BDT)	<u><u>11.31</u></u>	<u><u>11.60</u></u>

33 Related party disclosures

During the quarter ended 31 March 2019, 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

<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>31 March 2019</u>	<u>31 March 2018</u>
			<u>BDT (000)</u>	<u>BDT (000)</u>
Grameen Telecom	Shareholder	Commission expense	48,395	45,274
Telenor ASA	Telenor group entity	Consultancy and professional service fee	270,511	280,003
		IT support cost	-	24,239
		Software acquisition cost	82,688	-
Telenor Global Services AS	Telenor group entity	Consultancy and professional service fee	9,555	8,153
Telenor Global Shared Services AS	Telenor group entity	Consultancy and professional service fee	83,937	134,032
Telenor Go Pte Ltd.	Telenor group entity	Consultancy and professional service fee including compensation of key management personnel where relevant	72,176	64,409
Telenor Digital AS	Telenor group entity	Consultancy and professional service fee	81,473	184,005
Telenor Health AS	Telenor group entity	Cost of service	41,449	7,615
Telenor Procurement Company	Telenor group entity	Cost of service	136,613	45,914
Telenor Norge AS	Joint venture of Telenor group	Consultancy and professional service fee	55,055	-
Tapad Incorporation	Telenor group entity	Consultancy and professional service fee	20,212	-
Telenor Southeast Asia Investment Limited	Telenor group entity	Technical and Support Maintenance Fees	36,271	-
Telenor India Private Limited	Telenor group entity	Technical and Support Maintenance Fees	5,320	-

<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>31 March 2019</u>	<u>31 March 2018</u>
			<u>BDT (000)</u>	<u>BDT (000)</u>
Telenor Norway	Telenor group entity	Roaming revenue net of discount	(189)	(181)
		Roaming cost net of discount	26	5
Telenor Sweden	Telenor group entity	Roaming revenue net of discount	(65)	(219)
		Roaming cost net of discount	8	2
Telenor Denmark	Telenor group entity	Roaming revenue net of discount	(106)	240
		Roaming cost net of discount	38	2
Telenor Hungary	Telenor group entity till 31 July 2018	Roaming revenue net of discount	-	0
		Roaming cost net of discount	-	1
Telenor Serbia	Telenor group entity till 31 July 2018	Roaming revenue net of discount	-	48
		Roaming cost net of discount	-	0.3
Telenor Montenegro	Telenor group entity till 31 July 2018	Roaming revenue net of discount	-	(1)
		Roaming cost net of discount	-	-
Telenor Bulgaria	Telenor group entity till 31 July 2018	Roaming revenue net of discount	-	(0.4)
Telenor Pakistan	Telenor group entity	Roaming revenue net of discount	(1)	(0.2)
		Roaming cost net of discount	14	5
Telenor India	Telenor group entity	Roaming cost net of discount	-	(61)
Telenor Myanmar	Telenor group entity	Roaming revenue net of discount	(24)	(52)
		Roaming cost net of discount	30	5
Dtac Thailand	Telenor group entity	Roaming revenue net of discount	(60)	(121)
		Roaming cost net of discount	921	370
Digi Malaysia	Telenor group entity	Roaming revenue net of discount	(1,218)	(1,595)
		Roaming cost net of discount	240	64
Grameen Distribution	Related to Grameen Telecom through Grameen Telecom Trust	Cost of products	111	-
		Purchase of handsets	1,171	-

33.2 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>31 March 2019</u>	<u>31 December 2018</u>
			<u>BDT (000)</u>	<u>BDT (000)</u>
Grameen Telecom	Shareholder	Accounts receivable	5,230	-
		Accounts payable	(32,437)	(15,758)
Accenture Communications Infrastructure Solutions Ltd.	Associate	Accounts receivable	5,084	6,360
		Accounts payable	(6,360)	(6,360)
Telenor ASA	Telenor group entity	Accounts receivable	13,941	11,371
		Accounts payable	(2,014,767)	(1,714,261)
Telenor Consult AS	Telenor group entity	Accounts payable	(2,001)	(2,089)
Telenor Global Services AS	Telenor group entity	Accounts receivable	40,778	44,228
		Accounts payable	(65,070)	(57,517)
Telenor Global Shared Services AS	Telenor group entity	Accounts payable	(1,435,903)	(1,499,612)
Telenor Go Pte Ltd	Telenor group entity	Accounts receivable	50,191	50,191
		Accounts payable	(83,042)	(61,969)
Telenor Digital AS	Telenor group entity	Accounts receivable	5,546	3,290
		Accounts payable	(617,485)	(572,054)
Telenor Health AS	Telenor group entity	Accounts receivable	62,436	110,194
		Accounts payable	(49,251)	(15,661)
Telenor Procurement Company	Telenor group entity	Accounts payable	(483,751)	(348,551)
Telenor Norge AS	Telenor group entity	Accounts payable	(207,982)	(159,694)
Tapad Incorporation	Telenor group entity	Accounts payable	(82,645)	(62,397)
Telenor Southeast Asia Investment Limited	Telenor group entity	Accounts payable	(100,066)	(63,758)
Telenor India Pvt Limited	Telenor group entity	Accounts payable	(21,278)	(15,614)
Telenor Norway	Telenor group entity	Accounts receivable	1,450	1,291
		Accounts payable	(12)	(9)
Telenor Sweden	Telenor group entity	Accounts receivable	582	442
		Accounts payable	(2)	(1)
Telenor Denmark	Telenor group entity	Accounts receivable	324	319
		Accounts payable	(2)	(2)

<u>Name of related parties</u>	<u>Nature</u>	<u>Nature of transactions</u>	<u>As at</u>	<u>As at</u>
			<u>31 March 2019</u>	<u>31 December 2018</u>
			<u>BDT (000)</u>	<u>BDT (000)</u>
Telenor Pakistan	Telenor group entity	Accounts receivable	1	0.6
		Accounts payable	(4)	(9.4)
Telenor India	Telenor group entity	Accounts receivable	3,616	3,616
Telenor Myanmar	Telenor group entity	Accounts receivable	6,050	5,959
		Accounts payable	(28)	(16)
Dtac Thailand	Telenor group entity	Accounts receivable	1,085	896
		Accounts payable	(564)	(431)
Digi Malaysia	Telenor group entity	Accounts receivable	8,650	9,139
		Accounts payable	(658)	(517)
Grameen Distribution	Related to Grameen Telecom through Grameen Telecom Trust	Accounts payable	(1,171)	(81)
Grameen Solutions Limited	Related to Grameen Telecom	Accounts payable	(26)	(146)
Snehasish Mahmud & Co.	Associated entity of a member of Board of Directors	Accounts payable	(273)	(273)

34 Commitments

	As at 31 March 2019 BDT (000)	As at 31 December 2018 BDT (000)
Capital commitment (open purchase order) for Property, plant and equipment	3,896,813	3,485,181
Capital commitment (open purchase order) for Intangible assets	367,524	228,923

35 Contingencies

Except as disclosed below there has been no development of the events disclosed in the financial statements for the year ended 31 December 2018.

(a) BTRC audit

With regard to the latest audit, on 02 April 2019, Grameenphone has received a demand from Bangladesh Telecommunication Regulatory Commission (BTRC) for payment of BDT 84,940,104,730 (including interest of BDT 61,943,079,371 till Dec 2017) to BTRC and BDT 40,859,371,405 to National Board of Revenue (NBR), total demand amounting to BDT 125,799,476,135. Grameenphone has been asked to make the payments within 10 working days from the date of issuance of the demand. Grameenphone disputes the claim and replied against the demand in a letter on 16 April 2019 and awaiting response.

(b) SIM tax on replacement SIMs

With regard to the demand for the period July 2012 to June 2015, the appeal hearing concluded before the VAT Appellate Tribunal on 05 March 2019 and we are awaiting judgment.

With regard to the demand for the period January 2012 to June 2012, the hearing before the LTU-VAT Commissioner concluded on 31 January 2019 and we are awaiting decision.