



**Interim Condensed Financial Statements  
as at and for the period ended 31 March 2020  
(Un-audited)**

## Grameenphone Ltd.

### Interim Condensed Statement of Financial Position As at 31 March 2020

	Notes	31 March 2020 BDT (000)	31 December 2019 BDT (000)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	59,244,914	62,396,558
Intangible assets	5	2,029,641	2,274,803
Right-of-use assets	6	55,990,774	58,028,533
Contract cost	7	4,222,136	4,480,157
Other non-current assets	8	10,574,726	555,200
<b>Total non-current assets</b>		<b>132,062,191</b>	<b>127,735,251</b>
<b>Current assets</b>			
Inventories	9	190,866	225,441
Trade receivables and others	10	7,821,918	7,013,053
Cash and cash equivalents	11	7,531,302	13,760,677
<b>Total current assets</b>		<b>15,544,086</b>	<b>20,999,171</b>
<b>Total assets</b>		<b>147,606,277</b>	<b>148,734,422</b>
<b>Equity and liabilities</b>			
<b>Shareholders' equity</b>			
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		27,677,633	16,987,853
<b>Total equity</b>		<b>49,035,305</b>	<b>38,347,405</b>
<b>Non-current liabilities</b>			
Lease liabilities		11,781,547	13,484,106
Deferred tax liabilities	18	4,596,286	5,216,029
Employee benefits		1,031,085	936,703
Other non-current liabilities	19	396,010	323,957
<b>Total non-current liabilities</b>		<b>17,804,928</b>	<b>19,960,795</b>
<b>Current liabilities</b>			
Trade payables and others	20	20,177,439	22,676,406
Provisions		18,668,286	18,839,102
Lease liabilities		7,234,608	7,349,549
Loans and borrowings	17	2,998,033	2,934,284
Current tax liabilities	21	26,307,250	28,137,225
Other current liabilities	22	5,380,428	10,489,656
<b>Total current liabilities</b>		<b>80,766,044</b>	<b>90,426,222</b>
<b>Total equity and liabilities</b>		<b>147,606,277</b>	<b>148,734,422</b>

The annexed notes 1 to 37 form an integral part of these Interim Condensed Financial Information.

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Director

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Company Secretary

As per our report of same date.

Dated:  
Dhaka, 21 April 2020

\_\_\_\_\_  
**A. Qasem & Co.**  
Chartered Accountants

## Grameenphone Ltd.

### Interim Condensed Statement of Profit or Loss and Other Comprehensive Income For the quarter ended 31 March 2020

	Notes	01 January to	01 January to
		31 March 2020	31 March 2019
		BDT (000)	BDT (000)
			Restated
<b>Revenue</b>	23	36,168,518	34,862,299
Cost of material and traffic charges	24	(2,184,318)	(1,981,939)
Salaries and personnel cost	25	(2,332,938)	(2,658,894)
Operation and maintenance	26	(1,422,726)	(1,655,796)
Sales, marketing and commissions	27	(3,228,837)	(3,289,664)
Revenue sharing, spectrum charges and licence fees		(2,586,440)	(2,404,957)
Other operating (expenses)/income	28	(1,502,683)	(1,582,140)
Depreciation and amortisation		(5,872,060)	(5,747,407)
		<u>(19,130,002)</u>	<u>(19,320,797)</u>
<b>Operating profit</b>		<b>17,038,516</b>	<b>15,541,502</b>
Finance (expense)/income	29	(606,404)	(542,197)
Foreign exchange (loss)/gain		802,251	(95,990)
		<u>195,847</u>	<u>(638,187)</u>
<b>Profit before tax</b>		<b>17,234,363</b>	<b>14,903,315</b>
Income tax expense	30	(6,544,583)	(6,406,875)
<b>Profit after tax</b>		<b>10,689,780</b>	<b>8,496,440</b>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the period</b>		<b>10,689,780</b>	<b>8,496,440</b>
<b>Earnings per share</b>			
Basic earnings per share (par value BDT 10 each in BDT)	31	<u>7.92</u>	<u>6.29</u>

The annexed notes 1 to 37 form an integral part of these Interim Condensed Financial Information.

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Director

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Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

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Company Secretary

As per our report of same date.

Dated:  
Dhaka, 21 April 2020

\_\_\_\_\_  
**A. Qasem & Co.**  
Chartered Accountants

## Grameenphone Ltd.

### Interim Condensed Statement of Changes in Equity For the quarter ended 31 March 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)
					Restated	
<b>Restated balance as at 01 January 2019</b>	<b>13,503,000</b>	<b>7,840,226</b>	<b>14,446</b>	<b>1,880</b>	<b>15,476,847</b>	<b>36,836,399</b>
Total comprehensive income for the quarter ended 31 March 2019:						
Profit for the period (restated)	-	-	-	-	8,496,440	8,496,440
Other comprehensive income	-	-	-	-	-	-
<b>Balance as at 31 March 2019</b>	<b>13,503,000</b>	<b>7,840,226</b>	<b>14,446</b>	<b>1,880</b>	<b>23,973,287</b>	<b>45,332,839</b>
<b>Balance as at 01 January 2020</b>	<b>13,503,000</b>	<b>7,840,226</b>	<b>14,446</b>	<b>1,880</b>	<b>16,987,853</b>	<b>38,347,405</b>
Transfer of deposit from shareholder to other income:	-	-	-	(1,880)	-	(1,880)
Total comprehensive income for the quarter ended 31 March 2020:						
Profit for the period	-	-	-	-	10,689,780	10,689,780
Other comprehensive income	-	-	-	-	-	-
<b>Balance as at 31 March 2020</b>	<b>13,503,000</b>	<b>7,840,226</b>	<b>14,446</b>	<b>-</b>	<b>27,677,633</b>	<b>49,035,305</b>

## Grameenphone Ltd.

### Interim Condensed Statement of Cash Flows For the quarter ended 31 March 2020

	<b>1 January to 31 March 2020 BDT (000)</b>	<b>1 January to 31 March 2019 BDT (000)</b>
<b>Cash flows from operating activities</b>		
Cash receipts from customers	36,192,244	35,498,008
Payroll and other payments to employees	(1,461,860)	(1,611,067)
Payments to suppliers, contractors and others	(21,095,504)	(10,759,735)
Interest received	30,919	41,803
Interest paid	(839,555)	(657,663)
Income tax paid	(8,994,307)	(7,233,030)
	<u>(32,360,307)</u>	<u>(20,219,692)</u>
<b>Net cash generated by operating activities</b>	<b><u>3,831,937</u></b>	<b><u>15,278,316</u></b>
<b>Cash flows from investing activities</b>		
Payment for acquisition of Property, plant and equipment, Right-of-use assets and intangible assets	(2,601,392)	(5,620,759)
Proceeds from sale of Property, plant and equipment	26,888	60,810
<b>Net cash used in investing activities</b>	<b><u>(2,574,504)</u></b>	<b><u>(5,559,949)</u></b>
<b>Cash flows from financing activities</b>		
Payment of interim dividend for the year 2019	(5,820,926)	-
Payment of Lease liabilities	(1,665,930)	(1,383,197)
<b>Net cash used in financing activities</b>	<b><u>(7,486,856)</u></b>	<b><u>(1,383,197)</u></b>
<b>Net change in cash and cash equivalents</b>	<b>(6,229,423)</b>	<b>8,335,170</b>
<b>Cash and cash equivalents as at 01 January</b>	<b>13,760,677</b>	<b>5,932,292</b>
<b>Effect of exchange rate fluctuations on cash held</b>	<b>48</b>	<b>(654)</b>
<b>Cash and cash equivalents as at 31 March</b>	<b><u>7,531,302</u></b>	<b><u>14,266,808</u></b>

# Grameenphone Ltd.

## Notes to the Interim Condensed Financial Statements As at and for the quarter ended 31 March 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 31 March 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 21 April 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.

### 3.1 Correction of errors

In June 2019, Grameenphone has discovered some erroneous omissions with regards to sales, marketing and commission payments and associated costs relating to non-deductible expenses for prior periods. As a consequence, its sales, marketing and commission expenses and associated non-deductible costs were understated. The errors have been corrected by restating each of the affected financial statements line items.

The following table summarizes the impacts on the GP's financial statements for the quarter ended 31 March 2019.

#### Interim Condensed Statement of Profit or Loss and Other Comprehensive Income

For the quarter ended 31 March 2019

	Impact of correction of error		
	As previously reported	Adjustments	As restated
	BDT (000)	BDT (000)	BDT (000)
Sales, marketing and commissions	(3,145,860)	(143,804)	(3,289,664)
Finance (expense)/income	(532,275)	(9,922)	(542,197)
Income tax expense	(6,130,900)	(275,975)	(6,406,875)
Other	18,735,176	-	18,735,176
<b>Profit</b>	<u>8,926,141</u>	<u>(429,701)</u>	<u>8,496,440</u>
<b>Total comprehensive income</b>	<u>8,926,141</u>	<u>(429,701)</u>	<u>8,496,440</u>

4 Property, plant and equipment

Name of assets	Cost				Depreciation				Carrying amount	
	As at 01 January 2020	Addition during the period	Disposal/ Adjustment during the period	As at 31 March 2020	As at 1 January 2020	Charged during the period	Disposal/ Adjustment during the period	As at 31 March 2020	As at 31 March 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)
Land	1,010,608	-	-	1,010,608	-	-	-	-	1,010,608	1,010,608
Building	4,046,376	3,748	-	4,050,124	1,804,327	51,989	-	1,856,316	2,193,808	2,242,049
Base station	134,166,845	1,748,451	(5,539,404)	130,375,892	87,852,157	2,636,932	(5,539,404)	84,949,685	45,426,207	46,314,688
Transmission equipment	33,368,535	16,980	(12,501,732)	20,883,783	29,106,971	545,659	(12,501,732)	17,150,898	3,732,885	4,261,564
Computers and other IT equipment	8,158,828	437,246	(1,669,362)	6,926,712	6,518,470	227,826	(1,669,348)	5,076,948	1,849,764	1,640,358
Furniture and fixtures (including office equipment)	2,933,258	51,177	(92,963)	2,891,472	2,565,090	41,531	(92,963)	2,513,658	377,814	368,168
Vehicles	1,494,650	10,010	(63,720)	1,440,940	990,262	32,051	(48,493)	973,820	467,120	504,388
	185,179,100	2,267,612	(19,867,181)	167,579,531	128,837,277	3,535,988	(19,851,940)	112,521,325	55,058,206	56,341,823
Capital work in progress	6,054,735	394,511	(2,262,538)	4,186,708	-	-	-	-	4,186,708	6,054,735
	<b>191,233,835</b>	<b>2,662,123</b>	<b>(22,129,719)</b>	<b>171,766,239</b>	<b>128,837,277</b>	<b>3,535,988</b>	<b>(19,851,940)</b>	<b>112,521,325</b>	<b>59,244,914</b>	<b>62,396,558</b>

5 Intangible assets

Name of assets	Cost				Amortisation				Carrying amount	
	As at 01 January 2020	Addition during the period	Disposal/ Adjustment during the period	As at 31 March 2020	As at 1 January 2020	Charged during the period	Disposal/ Adjustment during the period	As at 31 March 2020	As at 31 March 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)
Software and others	11,490,298	186,194	(957)	11,675,535	9,906,438	240,088	(957)	10,145,569	1,529,966	1,583,860
	11,490,298	186,194	(957)	11,675,535	9,906,438	240,088	(957)	10,145,569	1,529,966	1,583,860
Capital work in progress	690,943	-	(191,268)	499,675	-	-	-	-	499,675	690,943
	<b>12,181,241</b>	<b>186,194</b>	<b>(192,225)</b>	<b>12,175,210</b>	<b>9,906,438</b>	<b>240,088</b>	<b>(957)</b>	<b>10,145,569</b>	<b>2,029,641</b>	<b>2,274,803</b>



## 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 31 March 2020	As at 01 January 2020	Charged during the period	Disposal during the period	As at 31 March 2020	As at 31 March 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	36,161	-	-	10,533,424	6,110,443	140,888	-	6,251,331	4,282,093	4,386,820
Telecom licence, annual licence renewal fees and spectrum	74,737,172	-	-	-	74,737,172	29,462,551	1,379,332	-	30,841,883	43,895,289	45,274,621
Base transceiver station - Green Field	805,335	3,118	(3,801)	(227)	804,425	161,070	40,830	(1,608)	200,292	604,133	644,265
Base transceiver station - Roof Top	3,215,050	50,282	(28,719)	(3,957)	3,232,656	684,012	187,704	(14,038)	857,678	2,374,978	2,531,038
Infrastructure sharing site	5,892,139	16,882	-	(16,127)	5,892,894	1,216,478	297,534	-	1,514,012	4,378,882	4,675,661
Office/residential space	714,671	9,561	(28,198)	(9,946)	686,088	198,543	49,694	(17,548)	230,689	455,399	516,128
	<b>95,861,630</b>	<b>116,004</b>	<b>(60,718)</b>	<b>(30,257)</b>	<b>95,886,659</b>	<b>37,833,097</b>	<b>2,095,982</b>	<b>(33,194)</b>	<b>39,895,885</b>	<b>55,990,774</b>	<b>58,028,533</b>

### 6.1 Right-of-use assets addition

Right-of-use assets addition for the quarter ended 31 March 2020 is BDT 85,748,003. BDT 15,616,766 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 70,131,237 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 2020 BDT (000)	As at 31 December 2019 BDT (000)
Opening balance	4,480,157	4,438,240
Additions during the period	277,261	2,231,493
Amortisation during the period	(535,282)	(2,189,576)
	<u>4,222,136</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 10,000,000,000 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 this interim financial statements.

**9 Inventories**

	As at 31 March 2020 BDT (000)	As at 31 December 2019 BDT (000)
Handset, data card and other devices	51,539	78,171
SIM card	127,101	132,610
Scratch card	12,226	14,660
	<u>190,866</u>	<u>225,441</u>

**10 Trade receivables and others**

	As at 31 March 2020 BDT (000)	As at 31 December 2019 BDT (000)
<b>Trade receivables</b>		
Trade receivables, gross	6,850,013	6,415,255
Impairment loss allowance	(1,760,378)	(1,763,119)
	<u>5,089,635</u>	<u>4,652,136</u>
<b>Other receivables</b>		
Interest receivable	136,831	-
Receivables from employees	8,629	9,007
Other non-interest-bearing receivables	1,749,116	1,720,645
	<u>1,894,576</u>	<u>1,729,652</u>
<b>Other non-financial assets</b>		
Prepaid expenses	837,707	631,265
<b>Total trade receivables and others</b>	<u>7,821,918</u>	<u>7,013,053</u>

**11 Cash and cash equivalents**

	As at 31 March 2020 BDT (000)	As at 31 December 2019 BDT (000)
Cash in hand	1,035	4,373
Cash at bank	7,530,267	13,756,304
	<u>7,531,302</u>	<u>13,760,677</u>

**11.1 Restricted cash balance**

Cash at bank as at 31 March 2020 includes BDT 46,345,715 (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 31 March 2020 includes BDT 133,192,126 (2019: BDT 126,331,259) equivalent to dividend unclaimed amount, BDT 959,749,549 (2019: BDT 6,780,675,321) equivalent to unpaid dividend to foreign shareholders due to pending approval from Bangladesh Bank and BDT 12,761,511 (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 31 March 2020 BDT (000)	As at 31 December 2019 BDT (000)
Net Asset (BDT)	49,035,305,000	38,347,405,000
Weighted average number of ordinary shares outstanding during the period	1,350,300,022	1,350,300,022
Net asset value per share (par value BDT 10 each) (BDT)	<u>36.31</u>	<u>28.40</u>

13 Share capital

	As at 31 March 2020 BDT (000)	As at 31 December 2019 BDT (000)
<b>Authorised:</b>		
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>
<b>Issued, subscribed, called up and paid up:</b>		
1,350,300,022 ordinary shares of BDT 10 each	13,503,000	13,503,000
	<u>13,503,000</u>	<u>13,503,000</u>

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

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

13.1 Shareholding position

a) Percentage of shareholdings	% of holding		Value of shares (BDT)		Date of issue/ Transfer of Shares
	As at	As at	As at	As at	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019	
Telenor Mobile Communications AS, Norway	55.80%	55.80%	7,534,081,540	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	-	0.00%	-	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
	<u>100.00%</u>	<u>100.00%</u>	<u>13,503,000,220</u>	<u>13,503,000,220</u>	

A total of 430 shares 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	As at	As at	As at
	29 February 2020*	31 December 2019	29 February 2020*	31 December 2019
1-500	25,051	24,220	4,609,925	4,479,685
501-5,000	5,811	5,412	9,191,490	8,565,541
5,001-10,000	490	467	3,553,329	3,347,114
10,001-20,000	247	237	3,489,894	3,318,103
20,001-30,000	98	99	2,417,975	2,452,984
30,001-40,000	56	49	1,973,562	1,732,404
40,001-50,000	27	34	1,239,016	1,564,380
50,001-100,000	81	71	5,623,475	5,130,538
100,001-1,000,000	129	122	41,007,202	38,467,261
1,000,001-1,000,000,000	15	19	1,277,194,154	1,281,242,012
	<b>32,005</b>	<b>30,730</b>	<b>1,350,300,022</b>	<b>1,350,300,022</b>

\*Due to COVID-19 outbreak, we are unable to get classification of shareholders by range of number of shares held information as at 31 March 2019 from Central Depository Bangladesh Limited's database. We have the latest available information as at 29 February 2020 which are disclosed in this financial statements.

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 this quarter, 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 first nine installments have been repaid since October 2015 and current outstanding loan balance is USD 34.5 Million (2019: USD 34.5 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 include the final installment of the above long-term syndicated loan falling due for repayment in next April 2020. Apart from this, as at 31 March 2020 there was no short-term bank loan (2019: Nil) outstanding.

18 Deferred tax liabilities

	As at 31 March 2020 BDT'000	As at 31 December 2019 BDT'000
Taxable temporary differences	35,148,806	37,395,960
Deductible temporary differences	(23,658,091)	(24,355,888)
Net taxable temporary differences	11,490,715	13,040,073
Deferred tax liabilities @ 40% tax rate	<b>4,596,286</b>	<b>5,216,029</b>

19 Other non-current liabilities

	As at 31 March 2020 BDT (000)	As at 31 December 2019 BDT (000)
Asset retirement obligations	153,016	152,391
Other non-current liabilities	242,994	171,566
	<b>396,010</b>	<b>323,957</b>

**20 Trade payables and others**

	As at 31 March 2020 BDT'000	As at 31 December 2019 BDT'000
<b>Financial liabilities</b>		
Trade payables including liability for capital expenditure	6,710,686	10,480,455
Accrued expenses	6,075,467	5,648,100
Indirect taxes	1,791,123	1,353,003
	<u>14,577,276</u>	<u>17,481,558</u>
<b>Other non-financial liabilities</b>		
Deferred connection revenue	131,934	204,860
Unearned revenue	5,468,229	4,989,988
	<u>5,600,163</u>	<u>5,194,848</u>
<b>Total trade payables and others</b>	<u>20,177,439</u>	<u>22,676,406</u>

**21 Current tax liabilities**

	As at 31 March 2020 BDT'000	As at 31 December 2019 BDT'000
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	7,910,926	29,028,970
	36,048,151	57,592,558
Paid during the period (incl. tax deducted at source)	(8,994,307)	(30,675,929)
Adjustment for previous periods	(746,594)	1,220,596
Closing balance	<u>26,307,250</u>	<u>28,137,225</u>

**22 Other current liabilities**

	As at 31 March 2020 BDT'000	As at 31 December 2019 BDT'000
Accruals for profit sharing plan	1,159,594	297,876
Payable for bills pay receipts	461,700	518,691
Dividend unclaimed	133,192	126,331
Security deposits from subscribers and channel partners	547,343	537,093
Dividend payable	959,750	6,780,675
Others	2,118,849	2,228,990
	<u>5,380,428</u>	<u>10,489,656</u>

**23 Revenue**

<b>01 January to 31 March 2020</b>	<b>01 January to 31 March 2019</b>
<b>BDT (000)</b>	<b>BDT (000)</b>

The following is an analysis of revenue for the period:

Revenue from contract with customers (Note 23.1)	35,784,971	34,459,185
Lease revenues	383,547	403,114
	<b><u>36,168,518</u></b>	<b><u>34,862,299</u></b>

**23.1 Disaggregation of revenue from contract with customers****Type of good/ services**

Revenue from mobile communication	35,715,838	34,381,310
Revenue from customer equipment	31,810	52,262
Other revenues	37,323	25,613
	<b><u>35,784,971</u></b>	<b><u>34,459,185</u></b>

**Type of subscription**

Prepaid	34,119,880	32,993,289
Contract	1,595,958	1,388,021
Other	69,133	77,875
	<b><u>35,784,971</u></b>	<b><u>34,459,185</u></b>

**Type of customer**

Consumer	31,545,214	30,375,025
Business	4,239,757	4,084,160
	<b><u>35,784,971</u></b>	<b><u>34,459,185</u></b>

**24 Cost of material and traffic charges**

<b>01 January to 31 March 2020</b>	<b>01 January to 31 March 2019</b>
<b>BDT (000)</b>	<b>BDT (000)</b>

Traffic charges	1,901,646	1,661,827
Cost of materials and services	282,672	320,112
	<b><u>2,184,318</u></b>	<b><u>1,981,939</u></b>

**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 quarter ended 31 March 2020 includes BDT 10,302,800 (2019: BDT 517,954,628) for voluntary retirement of employees during the period. The WPPF expense for the quarter ended 31 March 2020 is BDT 861,718,146 (2019: BDT 752,852,018).

**26 Operation and maintenance**

<b>01 January to 31 March 2020</b>	<b>01 January to 31 March 2019</b>
<b>BDT (000)</b>	<b>BDT (000)</b>

Service maintenance fee	834,263	982,696
Vehicle maintenance expense	82,811	89,835
Other operation and maintenance	505,652	583,265
	<b><u>1,422,726</u></b>	<b><u>1,655,796</u></b>

**27 Sales, marketing and commissions**

	<b>01 January to 31 March 2020</b>	<b>01 January to 31 March 2019</b>
	<b>BDT (000)</b>	<b>BDT (000)</b>
		Restated
Sales, marketing and representation costs	169,615	92,355
Advertisement and promotional expenses	298,491	379,584
Commissions	2,760,731	2,817,725
	<b>3,228,837</b>	<b>3,289,664</b>

**28 Other operating expenses/(income)**

	<b>01 January to 31 March 2020</b>	<b>01 January to 31 March 2019</b>
	<b>BDT (000)</b>	<b>BDT (000)</b>
Consultancy and professional services	227,830	242,518
Rental expense for property, plant and equipment	84,610	138,693
Fuel and energy costs	1,008,021	945,422
Impairment loss on trade receivables	40,063	36,624
Rental and other income	(50,726)	(35,374)
(Gain)/loss on disposal of property, plant and equipment and right-of-use assets	(17,840)	587
Others	210,725	253,670
	<b>1,502,683</b>	<b>1,582,140</b>

**29 Finance expense/(income)**

	<b>01 January to 31 March 2020</b>	<b>01 January to 31 March 2019</b>
	<b>BDT (000)</b>	<b>BDT (000)</b>
		Restated
Interest income	(167,750)	(211,701)
Interest expense	219,774	145,477
Net interest cost on defined benefit obligation	22,925	28,008
Interest expenses on lease liabilities	498,602	549,477
Other finance expenses	32,853	30,936
	<b>606,404</b>	<b>542,197</b>

**30 Income tax expense**

	<b>01 January to 31 March 2020</b>	<b>01 January to 31 March 2019</b>
	<b>BDT (000)</b>	<b>BDT (000)</b>
		Restated
<i>Current tax expense</i>		
Income tax expenses for the period	7,910,926	7,607,781
Adjustment for previous periods	(746,594)	10,279
	7,164,332	7,618,060
<i>Deferred tax (expense)/income</i>		
Deferred tax (expense)/income relating to origination and reversal of temporary differences, net	(619,749)	(1,211,185)
	<b>6,544,583</b>	<b>6,406,875</b>

### 30.1 Reconciliation of effective tax rate

	01 January to 31 March 2020		01 January to 31 March 2019	
	Percentage	BDT (000)	Percentage Restated	BDT (000) Restated
Profit before tax		17,234,363		14,903,315
Tax using the Company's tax rate	40.00%	6,893,745	40.00%	5,961,326
Tax effect of:				
Provision for non-deductible expenses	2.31%	397,432	2.92%	435,270
Adjustments / provision released during the period	-4.33%	(746,594)	0.07%	10,279
	<b>37.97%</b>	<b>6,544,583</b>	<b>42.99%</b>	<b>6,406,875</b>

### 31 Earnings per share (EPS)

	01 January to 31 March 2020	01 January to 31 March 2019
	BDT	BDT Restated
Profit attributable to ordinary shareholders (BDT)	10,689,780,000	8,496,440,000
Weighted average number of ordinary shares outstanding during the period	1,350,300,022	1,350,300,022
Basic EPS (par value BDT 10 each) (BDT)	<b>7.92</b>	<b>6.29</b>
Impact of correction of errors: basic EPS (in BDT)	-	<b>0.32</b>
Basic EPS reported in the Interim Condensed Financial Statements	-	<b>6.61</b>

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**

	<b>01 January to 31 March 2020</b>	<b>01 January to 31 March 2019</b>
	<b>BDT (000)</b>	<b>BDT (000)</b>
		Restated
<b>Profit after tax</b>	10,689,780	8,496,440
Income tax expense	6,544,583	6,406,875
<b>Profit before tax</b>	17,234,363	14,903,315
<b>Adjustment for:</b>		
Depreciation & Amortization	5,872,060	5,747,407
(Gain)/Loss on sale of property, plant and equipment	(17,840)	587
Finance (expense)/income, net	606,404	542,197
Other adjustments	(9,519,043)	2,175,964
	14,175,944	23,369,470
<b>Changes in:</b>		
Inventories	34,575	4,826
Trade receivables and others	(808,865)	716,950
Trade payables and others	(624,072)	(1,811,992)
Provisions	145,601	(151,883)
Other current liabilities	711,697	999,835
Cash generated from operating activities	13,634,880	23,127,206
Interest received	30,919	41,803
Interest paid	(839,555)	(657,663)
Income tax paid	(8,994,307)	(7,233,030)
<b>Net cash generated by operating activities</b>	<b>3,831,937</b>	<b>15,278,316</b>

**33 Net operating cash flow per share**

	<b>01 January to 31 March 2020</b>	<b>01 January to 31 March 2019</b>
	<b>BDT (000)</b>	<b>BDT (000)</b>
Net operating cash flow (BDT)	3,831,937,000	15,278,316,043
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)	<b>2.84</b>	<b>11.31</b>

### 34 Related party disclosures

During the quarter ended 31 March 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
			31 March 2020	31 March 2019
			BDT (000)	BDT (000)
Telenor Mobile Communications AS	Shareholder	Dividend payment	5,820,920	-
Nye Telenor Mobile Communications II AS	Shareholder	Dividend payment	2	-
Nye Telenor Mobile Communications III AS	Shareholder	Dividend payment	2	-
Telenor Asia Pte. Ltd.	Shareholder	Dividend payment	2	-
Grameen Telecom	Shareholder	Commission expense	55,220	48,395
		Connection revenue	(2,350)	-
Telenor ASA	Telenor group entity	Consultancy and professional service fee	230,191	270,511
		IT support cost	-	-
		Software acquisition cost	-	82,688
Telenor Global Services AS	Telenor group entity	Consultancy and professional service fee	10,396	9,555
		A2P Project Revenue and professional service fee	55,944	-
Telenor Global Shared Services AS	Telenor group entity	Consultancy and professional service fee	182,815	83,937
Telenor Go Pte Ltd.	Telenor group entity	Consultancy and professional service fee including compensation of key management personnel where relevant	42,168	72,176
Telenor Digital AS	Telenor group entity	Consultancy and professional service fee	7,471	81,473
Telenor Health AS	Telenor group entity	Cost of service	-	41,449
Telenor Procurement Company	Telenor group entity	Cost of service	162,836	136,613
		Software acquisition cost	197,039	-
Telenor Norway	Telenor group entity	Roaming revenue net of discount	(152)	(189)
		Roaming cost net of discount	15	26
Telenor Norge AS	Joint venture of Telenor group	Consultancy and professional service fee	65,053	55,055
Tapad Incorporation	Associated companies of Telenor group	Consultancy and professional service fee	20,462	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

Name of related parties	Nature	Nature of transactions	01 January to	01 January to
			31 March 2020	31 March 2019
			BDT (000)	BDT (000)
Telenor Sweden	Telenor group entity	Roaming revenue net of discount	(65)	(65)
		Roaming cost net of discount	9	8
Telenor Denmark	Telenor group entity	Roaming revenue net of discount	(178)	(106)
		Roaming cost net of discount	28	38
Telenor Pakistan	Telenor group entity	Roaming revenue net of discount	(3)	(1.0)
		Roaming cost net of discount	12	14
Telenor Myanmar	Telenor group entity	Roaming revenue net of discount	(15)	(24)
		Roaming cost net of discount	19	30
Dtac Thailand	Telenor group entity	Roaming revenue net of discount	(23)	(60)
		Roaming cost net of discount	427	921
Diqi Malaysia	Telenor group entity	Roaming revenue net of discount	(1,523)	(1,218)
		Roaming cost net of discount	154	240
Grameen Distribution	Related to Grameen Telecom through Grameen Telecom Trust	Cost of products	72	111
		Purchase of handsets	-	1,171
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	450	

### 34.2 Receivables/(payables) with other related parties

Name of related parties	Nature	Nature of transactions	As at	As at
			31 March 2020 BDT (000)	31 December 2019 BDT (000)
Telenor Mobile Communications AS	Shareholder	Dividend payable	(959,750)	(6,780,670)
Nye Telenor Mobile Communications II AS	Shareholder	Dividend payable	-	(2)
Nye Telenor Mobile Communications III AS	Shareholder	Dividend payable	-	(2)
Telenor Asia Pte. Ltd.	Shareholder	Dividend payable	-	(2)
Grameen Telecom	Shareholder	Accounts receivable Accounts payable	3,170 (200)	- (200)
Accenture Communications Infrastructure Solutions Ltd.	Associate	Accounts receivable Accounts payable	5,084 (6,360)	5,084 (6,360)
Telenor ASA	Telenor group entity	Accounts receivable Accounts payable	35,704 (2,588,070)	30,958 (2,833,356)
Telenor Consult AS	Telenor group entity	Accounts payable	(1,632)	(1,968)
Telenor Global Services AS	Telenor group entity	Accounts receivable Accounts payable	106,179 (76,407)	50,235 (96,676)
Telenor Global Shared Services AS	Telenor group entity	Accounts payable	(995,667)	(1,164,047)
Telenor Go Pte Ltd	Telenor group entity	Accounts receivable Accounts payable	50,191 (50,200)	50,191 (59,791)
Telenor Digital AS	Telenor group entity	Accounts receivable Accounts payable	7,686 (586,434)	7,686 (686,524)
Telenor Health AS	Telenor group entity	Accounts receivable Accounts payable	174,076 -	174,076 (71,418)
Telenor Procurement Company	Telenor group entity	Accounts payable	(913,966)	(601,304)
DiGi Telecommunications Sdn Bhd	Telenor group entity	Accounts payable	-	(8,593)
Telenor Norge AS	Telenor group entity	Accounts receivable Accounts payable	853 (355,496)	853 (356,607)
Telenor Southeast Asia Investment Limited	Telenor group entity	Accounts payable	(145,263)	(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>31 March 2020</u>	<u>31 December 2019</u>
			<u>BDT (000)</u>	<u>BDT (000)</u>
Tapad Incorporation	Telenor group entity	Accounts payable	(146,691)	(126,129)
Telenor Norway	Telenor group entity	Accounts receivable	54	29
		Accounts payable	(4)	(22)
Telenor Sweden	Telenor group entity	Accounts receivable	86	142
		Accounts payable	(6)	(3)
Telenor Denmark	Telenor group entity	Accounts receivable	55	18
		Accounts payable	(2)	(10)
Telenor Pakistan	Telenor group entity	Accounts receivable	2	1
		Accounts payable	(13)	(9)
Telenor India	Telenor group entity	Accounts receivable	3,616	3,616
Telenor Myanmar	Telenor group entity	Accounts receivable	9,658	9,659
		Accounts payable	(42)	(53)
Dtac Thailand	Telenor group entity	Accounts receivable	351	1,423
		Accounts payable	(298)	(1,071)
Digi Malaysia	Telenor group entity	Accounts receivable	1,274	1,221
		Accounts payable	(504)	(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	(321)	(220)

**35 Commitments**

	<b>As at 31 March 2020 BDT (000)</b>	<b>As at 31 December 2019 BDT (000)</b>
Capital commitment (open purchase order) for Property, plant and equipment	3,383,541	3,202,421
Capital commitment (open purchase order) for Intangible assets	500,504	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 a non-current receivables as disclosed in Note 8 to this 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.

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 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, BTRC started releasing NOC in phases and Grameenphone expects BTRC to release remaining NOCs in gradual manner.

**37 Other disclosures****37.1 Dividends**

The Board of Directors of Grameenphone Ltd. at its 216th meeting held on 27 January 2020 recommended a final cash dividend amounting to BDT 5,401,200,088 being 40% of the paid-up capital (i.e. BDT 04.00 per share) for the year 2019 which is duly approved by the shareholders at the annual general meeting of the company.