Condensed Financial Statements
as at and for the quarter ended 30 September 2017
(Un-audited)

AMARSTOCK

Grameenphone Ltd.

Condensed statement of financial position (Un-audited)

as at 30 September 2017

Assets	Notes	30 September 2017 BDT'000	31 December 2016 BDT'000
Non-current assets			
Property, plant and equipment, net	4	71,371,275	76,787,577
Intangible assets, net	5	35,680,669	38,183,422
Other non-current assets		4,593,225	4,587,271
Total non-current assets		111,645,169	119,558,270
Current assets			
Inventories	6	495,723	565,404
Trade and other receivables	7	8,812,456	7,463,977
Cash and cash equivalents	8	5,055,255	2,911,860
Total current assets		14,363,434	10,941,241
Total assets		126,008,603	130,499,511
Equity and liabilities			
Shareholders' equity			
Share capital		13,503,000	13,503,000
Share premium		7,840,226	7,840,226
Capital reserve		14,446	14,446
Deposit from shareholders		1,880	1,880
Retained earnings		7,330,075	12,212,732
Total equity		28,689,627	33,572,284
Non-current liabilities			
Finance lease obligation		4,977,096	5,093,612
Loans and borrowings	9	11,499,655	13,556,284
Deferred tax liabilities	10	5,722,691	8,235,939
Employee benefits		1,180,224	1,335,086
Other non-current liabilities		806,572	626,972
Total non-current liabilities		24,186,238	28,847,893
Current liabilities			
Trade and other payables	11	23,891,095	25,363,165
Provisions		14,170,315	14,274,056
Loans and borrowings	9	5,706,279	8,100,084
Current tax payable	12	25,747,435	18,942,559
Other current liabilities	13	3,617,614	1,399,470
Total current liabilities		73,132,738	68,079,334
Total equity and liabilities		126,008,603	130,499,511

The annexed notes 1 to 25 form an integral part of these condensed interim financial information.

Sd/-
Chairman

Sd/-
Director

Sd/-
Chief Executive Officer

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Dhaka, 19 October 2017

Grameenphone Ltd.

Condensed statement of profit or loss and other comprehensive income (Un-audited)
for the quarter ended 30 September 2017

	Notes	1 January to 30 September 2017 BDT'000	1 January to 30 September 2016 BDT'000	1 July to 30 September 2017 BDT'000	1 July to 30 September 2016 BDT'000
Revenue	14	96,228,194	85,050,501	33,193,125	29,438,329
Operating expenses					
Cost of material and traffic charges	15	(8,047,050)	(7,854,581)	(2,706,698)	(2,742,201)
Salaries and personnel cost	16	(7,021,013)	(6,406,179)	(2,977,336)	(1,831,432)
Operation and maintenance	17	(3,124,616)	(3,175,754)	(1,387,241)	(933,821)
Sales, marketing and commissions	18	(8,492,375)	(8,728,064)	(2,912,590)	(2,856,223)
Revenue sharing, spectrum charges and licence fees		(7,346,539)	(6,758,240)	(2,517,720)	(2,306,907)
Other operating (expenses)/income, net	19	(6,148,679)	(5,708,965)	(2,178,088)	(1,948,995)
Depreciation and amortisation		(17,429,435)	(15,565,263)	(5,871,908)	(5,192,089)
		(57,609,707)	(54,197,046)	(20,551,581)	(17,811,668)
Operating profit		38,618,487	30,853,455	12,641,544	11,626,661
Share of profit/(loss) of associate		-	(253,554)	-	61,487
Finance (expense)/income, net	20	(1,139,394)	(1,989,346)	(351,074)	(538,486)
Foreign exchange (loss)/gain		(1,104,374)	(69,068)	(498,370)	(86,911)
		(2,243,768)	(2,311,968)	(849,444)	(563,910)
Profit before tax		36,374,719	28,541,487	11,792,100	11,062,751
Income tax expense	21	(14,926,526)	(11,393,587)	(4,825,521)	(4,614,795)
Profit after tax		21,448,193	17,147,900	6,966,579	6,447,956
Other comprehensive income (loss)					
Remeasurement of defined benefit plan, net of related taxes		-	181,567	-	-
Total comprehensive income for the period		21,448,193	17,329,467	6,966,579	6,447,956
Earnings per share					
Basic and diluted earnings per share (par value BDT 10 each in BDT)	22	15.88	12.70	5.16	4.78

The annexed notes 1 to 25 form an integral part of these condensed interim financial information.

Sd/-
Chairman

Sd/-
Director

Sd/-
Chief Executive Officer

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Dhaka, 19 October 2017

Grameenphone Ltd.

Condensed statement of changes in equity (Un-audited)
for the nine-month period ended 30 September 2017

	Share capital BDT'000	Share premium BDT'000	Capital reserve BDT'000	Deposit from shareholders BDT'000	Retained earnings BDT'000	Total BDT'000
Balance as at 1 January 2016	13,503,000	7,840,226	14,446	1,880	9,265,706	30,625,258
Transactions with the equity holders:						
Final dividend for 2015	-	-	-	-	(8,101,800)	(8,101,800)
Interim dividend for 2016	-	-	-	-	(11,477,550)	(11,477,550)
Total comprehensive income for the quarter ended 30 September 2016:						
Profit for the period	-	-	-	-	17,147,900	17,147,900
Other comprehensive income	-	-	-	-	181,567	181,567
Balance as at 30 September 2016	**13,503,000**	**7,840,226**	**14,446**	**1,880**	**7,015,823**	**28,375,375**
Balance as at 1 January 2017	13,503,000	7,840,226	14,446	1,880	12,212,732	33,572,284
Transactions with the equity holders:						
Final dividend for 2016	-	-	-	-	(12,152,700)	(12,152,700)
Interim dividend for 2017	-	-	-	-	(14,178,150)	(14,178,150)
Total comprehensive income for the quarter ended 30 September 2017:						
Profit for the period	-	-	-	-	21,448,193	21,448,193
Other comprehensive income	-	-	-	-	-	-
Balance as at 30 September 2017	**13,503,000**	**7,840,226**	**14,446**	**1,880**	**7,330,075**	**28,689,627**

Grameenphone Ltd.

Condensed statement of cash flows (Un-audited)
for the nine-month period ended 30 September 2017

	1 January to 30 September 2017 BDT'000	1 January to 30 September 2016 BDT'000
Cash flows from operating activities		
Cash receipts from customers	95,283,664	85,585,923
Payroll and other payments to employees	(4,999,993)	(5,077,876)
Payments to suppliers, contractors and others	(32,968,258)	(31,055,338)
Interest received	138,784	85,104
Interest paid	(1,167,711)	(1,857,651)
Income tax paid	(10,634,899)	(14,798,177)
	(49,632,077)	(52,703,938)
Net cash generated by operating activities	**45,651,587**	**32,881,985**
Cash flows from investing activities		
Payment for acquisition of property, plant and equipment and intangible assets	(11,365,025)	(15,893,585)
Proceeds from sale of property, plant and equipment	116,968	61,264
Net cash used in investing activities	**(11,248,057)**	**(15,832,321)**
Cash flows from financing activities		
Proceeds from/(payment of) short-term bank loan	(2,688,200)	4,513,200
Payment of long-term loan	(2,796,725)	(2,702,730)
Payment of dividend	(26,330,850)	(19,579,350)
Payment of finance lease obligation	(444,360)	(451,959)
Net cash used in financing activities	**(32,260,135)**	**(18,220,839)**
Net change in cash and cash equivalents	2,143,395	(1,171,175)
Cash and cash equivalents as at 1 January	2,911,860	4,153,100
Cash and cash equivalents as at 30 September	**5,055,255**	**2,981,925**

Grameenphone Ltd.

Notes to the condensed interim financial information
as at and for the quarter ended 30 September 2017

1 Corporate information

Grameenphone Ltd. (hereinafter referred to as "GP"/"Grameenphone"/"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. GP was initially registered as a private limited company and subsequently converted into a public limited company on 25 June 2007. During November 2009, GP listed its shares with both Dhaka and Chittagong Stock Exchanges. The immediate parent of GP 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) 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 condensed interim financial information are individual financial statements of GP, and have been prepared in accordance with International Accounting Standard/Bangladesh Accounting Standard (IAS/BAS) 34: Interim Financial Reporting and relevant guidelines issued by the Bangladesh Securities and Exchange Commission and should be read in conjunction with the financial statements of Grameenphone Ltd. as at and for the year ended 31 December 2016, 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. being accounted for under the equity method in accordance with (IAS/BAS) 28: Investment in Associates and Joint Ventures.

For understanding of Grameenphone's stand-alone financial performance, a separate statement of profit or loss and other comprehensive income has been appended to these financial statements as supplementary information.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws in Bangladesh. The requirements of IFRS and BFRS, to the extent relevant to these financial statements, do not vary from each other.

These financial statements have been prepared on the historical cost and going concern basis. Measurement at revalued amounts or fair value does not have significant impact on these financial statements. The amounts in these financial statements have been rounded off to the nearest BDT in thousand (BDT'000) except otherwise indicated. Because of these rounding off, in some instances the totals may not match the sum of individual balances.

3 Significant accounting policies

The 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 Ltd. as at and for the year ended 31 December 2016.

4 Property, plant and equipment, net

30 September 2017

Name of assets	Cost				Depreciation				Carrying amount	
	As at 1 January 2017	Addition during the period	Disposal/ Adjustment during the period	As at 30 September 2017	As at 1 January 2017	Charged during the period	Disposal/ Adjustment during the period	As at 30 September 2017	As at 30 September 2017	As at 31 December 2016
	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	4,050,657	-	-	4,050,657	1,204,901	148,663	-	1,353,564	2,697,093	2,845,756
Base station	110,501,615	7,267,117	(1,035,086)	116,733,646	66,422,116	8,949,507	(898,403)	74,473,220	42,260,427	44,079,500
Transmission equipment	33,573,136	1,696,617		35,269,753	21,822,928	3,632,101		25,455,029	9,814,723	11,750,208
Computers and other IT equipment	6,440,528	618,346	(54,590)	7,004,284	4,536,567	667,678	(51,643)	5,152,602	1,851,682	1,903,961
Furniture and fixtures (including office equipment)	2,787,604	68,781	(26,283)	2,830,102	2,345,144	111,985	(26,283)	2,430,846	399,256	442,460
Vehicles	1,998,059	128,757	(72,085)	2,054,731	1,124,788	167,711	(54,751)	1,237,748	816,983	873,270
	160,158,649	9,779,617	(1,188,044)	168,750,222	97,456,444	13,677,645	(1,031,080)	110,103,009	58,647,213	62,702,205
Capital work in progress	9,306,246	8,276,772	(10,049,187)	7,533,831	-	-	-	-	7,533,831	9,306,246
	169,464,895	18,056,389	(11,237,231)	176,284,053	97,456,444	13,677,645	(1,031,080)	110,103,009	66,181,044	72,008,451
Fibre Optic Network under finance lease	9,267,245	789,554		10,056,799	4,488,119	378,448	-	4,866,567	5,190,232	4,779,126
	178,732,140	18,845,943	(11,237,231)	186,340,852	101,944,563	14,056,093	(1,031,080)	114,969,576	71,371,275	76,787,577

5 Intangible assets, net

30 September 2017

Name of assets	Cost				Amortisation				Carrying amount	
	As at 1 January 2017	Addition during the period	Disposal/ Adjustment during the period	As at 30 September 2017	As at 1 January 2017	Charged during the the period	Disposal/ Adjustment during the period	As at 30 September 2017	As at 30 September 2017	As at 31 December 2016
	BDT'000	BDT'000	BDT'000	BDT'000	BDT'000	BDT'000	BDT'000	BDT'000	BDT'000	BDT'000
Software and others	8,352,333	921,072	-	9,273,405	6,969,481	733,270	-	7,702,751	1,570,654	1,382,852
Telecom licence and spectrum	53,049,258	-	-	53,049,258	16,322,006	2,640,073	-	18,962,078	34,087,180	36,727,253
	61,401,592	921,072	-	62,322,663	23,291,487	3,373,343	-	26,664,829	35,657,834	38,110,105
Capital work in progress	73,317	870,589	(921,072)	22,834	-	-	-	-	22,834	73,317
	61,474,909	1,791,661	(921,072)	62,345,498	23,291,487	3,373,343	-	26,664,829	35,680,669	38,183,422

6 Inventories

	As at 30 September 2017 BDT'000	As at 31 December 2016 BDT'000
Handset, data card and other devices	400,143	431,912
SIM card	84,574	88,208
Scratch card	11,006	45,284
	495,723	565,404

7 Trade and other receivables

Trade receivables, net	5,530,640	4,038,928
Other current receivables	1,319,213	1,142,276
Prepayments	1,962,603	2,282,773
	8,812,456	7,463,977

8 Cash and cash equivalents

Cash in hand	6,878	7,958
Cash at bank	5,048,377	2,903,902
	5,055,255	2,911,860

8.1 Restricted cash balance

Cash at bank as at 30 September 2017 include BDT 18,184,538 (2016: BDT 12,216,838) equivalent to unused Mobicash points in customer wallet and is therefore treated as restricted cash balance.

Additionally, Cash at bank as at 30 September 2017 included BDT 95,740,449 (2016: BDT 93,058,154) equivalent to dividend unclaimed amount and BDT 12,779,737 (2016: BDT 12,867,366) 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.

9 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 4 installments have been repaid between October 2015 and April 2017, and current outstanding loan balance is USD 207 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 IAS/BAS 39 Financial Instruments: Recognition and Measurement.

Current portion of loans and borrowings comprise of the part of the above long-term syndicated loan falling due for repayment in next 12 months.

10 Deferred tax liabilities

Taxable temporary differences	25,464,732	29,969,826
Deductible temporary differences	(11,158,005)	(9,379,980)
	14,306,726	20,589,846
Tax rate	40%	40%
Deferred tax liabilities	5,722,691	8,235,938

11 Trade and other payables

	As at 30 September 2017 BDT'000	As at 31 December 2016 BDT'000
Trade payables including liability for capital expenditure	10,398,645	12,135,515
Accrued expenses	5,410,879	5,871,661
Finance lease obligation	575,835	242,951
	16,385,359	18,250,127
Indirect taxes	1,404,655	1,512,521
Deferred connection revenue	1,033,293	1,291,941
Unearned revenue	5,067,788	4,308,576
	23,891,095	25,363,165

12 Current tax payable

Movement of income tax provision is shown as under:

Opening balance	18,942,559	19,785,655
Provision made during the period	17,557,948	16,005,063
	36,500,507	35,790,718
Paid during the period (incl. tax deducted at source)	(10,634,899)	(16,169,852)
Adjustment for previous periods	(118,173)	(678,307)
Closing balance	25,747,435	18,942,559

13 Other current liabilities

Other current liabilities mainly include accruals for profit sharing plan BDT 1,817,908,004 (2016: BDT 207,853,964), payable for bills pay receipts BDT 893,567,827 (2016: BDT 756,539,891) and dividend unclaimed BDT 95,740,449 (2016: BDT 93,058,154).

14 Revenue

	1 January to 30 September 2017 BDT'000	1 January to 30 September 2016 BDT'000	1 July to 30 September 2017 BDT'000	1 July to 30 September 2016 BDT'000
The following is an analysis of revenue for the period:				
Revenue from mobile communication	92,385,534	81,499,377	31,994,531	28,194,215
Revenue from customer equipment	1,971,504	1,731,622	587,306	656,798
Other revenues	1,871,156	1,819,502	611,288	587,316
	96,228,194	85,050,501	33,193,125	29,438,329

15 Cost of material and traffic charges

Traffic charges	(4,162,115)	(4,367,040)	(1,504,151)	(1,519,936)
Cost of materials and services	(3,884,935)	(3,487,541)	(1,202,547)	(1,222,265)
	(8,047,050)	(7,854,581)	(2,706,698)	(2,742,201)

16 Salaries and personnel cost

Gratuity expense includes BDT 1,011,187,204 (2016: BDT 944,605,087) for voluntary retirement of 265 employees (2016: 348 employees) during the period.

17 Operation and maintenance

Service maintenance fee	(2,186,339)	(1,899,881)	(925,352)	(580,796)
Vehicle maintenance expense	(302,868)	(278,269)	(107,653)	(108,482)
Other operation and maintenance	(635,409)	(997,604)	(354,236)	(244,543)
	(3,124,616)	(3,175,754)	(1,387,241)	(933,821)

18 Sales, marketing and commissions

Sales, marketing and representation costs	(360,518)	(1,247,939)	(145,233)	(278,985)
Advertisement and promotional expenses	(642,820)	(1,354,442)	(153,912)	(415,957)
Commissions	(7,489,037)	(6,125,683)	(2,613,445)	(2,161,281)
	(8,492,375)	(8,728,064)	(2,912,590)	(2,856,223)

19 Other operating (expenses)/income, net

Consultancy and professional services	(749,998)	(785,985)	(284,717)	(256,749)
Rental expense for property, plant and	(2,382,985)	(2,046,838)	(763,251)	(735,029)
Fuel and energy costs	(2,101,322)	(2,262,828)	(780,718)	(792,090)
Bad debt expense	(185,685)	(67,818)	(123,045)	(48,441)
Rental and other income	216,420	250,273	75,096	90,370
Gain/(loss) on disposal of assets	(180,741)	12,176	(15,283)	16,603
Others	(764,368)	(807,945)	(286,170)	(223,659)
	(6,148,679)	(5,708,965)	(2,178,088)	(1,948,995)

20 Finance (expense)/income, net

Interest income	254,518	201,503	127,100	69,903
Interest expense	(1,252,723)	(2,028,260)	(410,255)	(566,214)
Other finance expenses	(141,189)	(162,589)	(67,919)	(42,175)
	(1,139,394)	(1,989,346)	(351,074)	(538,486)

21 Income tax expense

Current tax expense				
Income tax expenses for the period	(17,557,948)	(13,328,923)	(5,495,844)	(4,851,595)
Adjustment for previous periods	118,173	678,307	-	-
	(17,439,775)	(12,650,616)	(5,495,844)	(4,851,595)
Deferred tax (expense)/income				
Deferred tax (expense)/income relating o origination and reversal of temporary differences, net	2,513,250	1,257,029	670,323	236,800
	(14,926,526)	(11,393,587)	(4,825,521)	(4,614,795)

22 Earnings per share (EPS)

	1 January to 30 September 2017	1 January to 30 September 2016	1 July to 30 September 2017	1 July to 30 September 2016
Profit attributable to ordinary shareholders (BDT)	21,448,193,391	17,147,900,396	6,966,579,495	6,447,955,446
Weighted average number of ordinary shares outstanding during the period	1,350,300,022	1,350,300,022	1,350,300,022	1,350,300,022
Basic EPS (par value BDT 10 each) (BDT)	15.88	12.70	5.16	4.78

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

23 Related party disclosures

During the period ended 30 September 2017, 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/BAS 24 Related Party Disclosures. Nature of relationship and significance of the amounts have been considered in giving this disclosure.

23.1 Related party transactions during the period

Name of related parties	Nature	Nature of transactions	1 January to 30 September 2017 BDT'000	1 January to 30 September 2016 BDT'000
Telenor Mobile Communications AS	Shareholder	Dividend payment	14,691,451	10,924,432
Nye Telenor Mobile Communications II AS	Shareholder	Dividend payment	4	3
Nye Telenor Mobile Communications III AS	Shareholder	Dividend payment	4	3
Telenor Asia Pte. Ltd.	Shareholder	Dividend payment	4	3
Grameen Telecom	Shareholder	Dividend payment Commission expense	9,004,445 143,605	6,695,613 133,245
Grameen Kalyan	Shareholder	Dividend payment	0.4	0.3
Grameen Shakti	Shareholder	Dividend payment	0.4	0.3
Accenture Communications Infrastructure Solutions Ltd.	Associate	Purchase of IT service, equipments and softwares Rental income and other income	710,452 (23,417)	1,046,903 (51,658)
Telenor ASA	Telenor group entity	Consultancy and professional service fee IT support Cost	486,128 226,705	215,910 11,887
Telenor Consult AS	Telenor group entity	Consultancy and professional service fee including compensation for key management personnel where relevant	-	6,834
Telenor Global Services AS	Telenor group entity	Consultancy and professional service fee	30,369	16,776
Telenor Global Shared Services AS	Telenor group entity	Consultancy and professional service fee	415,256	342,315
Telenor GO	Telenor group entity	Consultancy and professional service fee including compensation for key management personnel where relevant	222,203	201,359
Telenor Digital AS	Telenor group entity	Consultancy and professional service fee	(99,136)	-
Telenor Health AS	Telenor group entity	Cost of service	25,338	-
Telenor Procurement Company	Telenor group entity	Cost of service	50,701	-

Name of related parties	Nature	Nature of transactions	1 January to 30 September 2017 BDT'000	1 January to 30 September 2016 BDT'000
Telenor Norway	Telenor group entity	Roaming revenue net of discount	(255)	(397)
		Roaming cost net of discount	211	118
Telenor Sweden	Telenor group entity	Roaming revenue net of discount	(99)	(82)
		Roaming cost net of discount	69	11
Telenor Denmark	Telenor group entity	Roaming revenue net of discount	60	(82)
		Roaming cost net of discount	85	6
Telenor Hungary	Telenor group entity	Roaming revenue net of discount	(2)	(4)
		Roaming cost net of discount	(1)	(5)
Telenor Serbia	Telenor group entity	Roaming revenue net of discount	36	(1)
		Roaming cost net of discount	2	-
Telenor Montenegro	Telenor group entity	Roaming revenue net of discount	(1)	-
Telenor Bulgaria	Telenor group entity	Roaming revenue net of discount	(0.1)	(4)
		Roaming cost net of discount	1	2
Telenor Pakistan	Telenor group entity	Roaming revenue net of discount	(3)	(24)
		Roaming cost net of discount	14	31
Telenor India	Telenor group entity	Roaming revenue net of discount	21	(3)
		Roaming cost net of discount	(61)	1,604
Telenor Myanmar	Telenor group entity	Roaming revenue net of discount	(43)	(29)
		Roaming cost net of discount	(6)	1
Dtac Thailand	Telenor group entity	Roaming revenue net of discount	(140)	(95)
		Roaming cost net of discount	497	446
Digi Malaysia	Telenor group entity	Roaming revenue net of discount	(4,402)	(3,523)
		Roaming cost net of discount	1,964	444
Vimpelcom Ltd.	Associated companies of Telenor group	Roaming revenue net of discount	(639)	(423)
		Roaming cost net of discount	132	289
Grameen Distribution	Related to Grameen Telecom through Grameen Telecom Trust	Purchase of handsets	734,076	573,513

23.2 Receivables/(payables) with related parties

Name of related parties	Nature	Nature of transactions	As at 30 September 2017 BDT'000	As at 31 December 2016 BDT'000
Grameen Telecom	Shareholder	Accounts receivable	4,270	3,170
		Accounts payable	(15,905)	(14,859)
Accenture Communications Infrastructure Solutions Ltd.	Associate	Accounts receivable	58,606	34,020
		Accounts payable	(481,796)	(798,646)
Telenor ASA	Telenor group entity	Accounts receivable	8,621	25,918
		Accounts payable	(1,861,853)	(1,342,333)
Telenor Consult AS	Telenor group entity	Accounts payable	(2,101)	(1,859)
Telenor Global Services AS	Telenor group entity	Accounts receivable	8,026	-
		Accounts payable	(51,614)	(73,000)
Telenor Global Shared Services AS	Telenor group entity	Accounts payable	(947,393)	(851,008)
Telenor GO	Telenor group entity	Accounts receivable	50,191	10,372
		Accounts payable	(163,237)	(100,706)
Telenor Digital AS	Telenor group entity	Accounts payable	-	(99,136)
Telenor Health AS	Telenor group entity	Accounts receivable	93,273	49,026
		Accounts payable	(25,338)	(5,549)
Telenor International Centre AS	Telenor group entity	Accounts receivable	10,727	11,145
Telenor Procurement Company	Telenor group entity	Accounts payable	(50,701)	-
Telenor Norway	Telenor group entity	Accounts receivable	250	101
		Accounts payable	(8)	(9)
Telenor Sweden	Telenor group entity	Accounts receivable	73	26
		Accounts payable	(3)	(1)
Telenor Denmark	Telenor group entity	Accounts receivable	90	17
		Accounts payable	-	(6)

Name of related parties	Nature	Nature of transactions	As at 30 September 2017 BDT'000	As at 31 December 2016 BDT'000
Telenor Hungary	Telenor group entity	Accounts receivable	4	1
		Accounts payable	(15,555)	(14,950)
Telenor Serbia	Telenor group entity	Accounts receivable	1	1
Telenor Montenegro	Telenor group entity	Accounts receivable	1	1
		Accounts payable	-	(0.2)
Telenor Bulgaria	Telenor group entity	Accounts receivable	-	5
Telenor Pakistan	Telenor group entity	Accounts receivable	2	1
		Accounts payable	-	(4)
Telenor India	Telenor group entity	Accounts receivable	3,616	9,305
		Accounts payable	-	(21)
Telenor Myanmar	Telenor group entity	Accounts receivable	17	21
Dtac Thailand	Telenor group entity	Accounts receivable	82	10
		Accounts payable	(31)	(61)
Digi Malaysia	Telenor group entity	Accounts receivable	4,341	1,357
		Accounts payable	(61)	(21)
SNT holdings	Joint venture of Telenor group	Accounts receivable	-	255
Vimpelcom Ltd.	Associated companies of Telenor group	Accounts receivable	116	164
		Accounts payable	-	(1)
Grameen Distribution	Related to Grameen Telecom through Grameen Telecom Trust	Accounts receivable	3,520	-
		Accounts payable	-	(261,266)

STOCK

24 Commitments

	As at 30 September 2017 BDT'000	As at 31 December 2016 BDT'000
Capital commitment (open purchase order) for Property, plant and equipment	5,397,880	4,955,689
Capital commitment (open purchase order) for intangible assets	293,185	104,769

Apart from the capital commitment, Grameenphone has commitment for operating and finance leases.

25 Contingencies

Except as disclosed below there has been no development of the events disclosed in the financial statements for the year ended 31 December 2016.

(a) SIM tax on replacement SIMs

The hearing before the Customs, Excise and VAT Appellate Tribunal took place on various occasions. On 5 June 2017, the VAT Appellate Tribunal dismissed the Appeals filed by Grameenphone and other mobile operators. The judgment was communicated to Grameenphone on 18 July 2017. Subsequently on 19 July 2017, challenging the said Judgment & Order of the Tribunal, Grameenphone filed a VAT Appeal before the Hon'ble High Court Division.

Further, in July 2017 without conducting any investigation and based on the assumption that Grameenphone evaded SIM tax by selling new connections in the name of replacement SIMs, LTU-VAT issued a show cause notice of BDT 3,789,537,820 to Grameenphone for the period July 2012 to June 2015. Grameenphone replied to the show cause notice on 23 July 2017. To the extent this show cause notice may lead to a final demand, the total demand for the period from July 2007 to December 2011 and July 2012 to June 2015 may be up to BDT 14,021,868,903.

(b) Claim for VAT based on C&AG audit

NBR filed a Civil Petition for Leave to Appeal before the Hon'ble Appellate Division and on 5 March 2017 the Hon'ble Appellate Division disposed of the said Civil Petition for Leave to Appeal striking down the demands made by NBR. Detail judgement is yet to be published.

(c) Interest on SIM Tax during 24 August 2006 to 27 March 2007

The hearing before the Customs, Excise and VAT Appellate Tribunal took place on 28 March 2017. Now, the Tribunal is expected to pass its judgment.

Supplementary information

Separate statement of profit or loss and other comprehensive income of Grameenphone Ltd. for the quarter ended 30 September 2017.

	1 January to 30 September 2017 BDT'000	1 January to 30 September 2016 BDT'000	1 July to 30 September 2017 BDT'000	1 July to 30 September 2016 BDT'000
Revenue	96,228,194	85,050,501	33,193,125	29,438,329
Operating expenses				
Cost of material and traffic charges	(8,047,050)	(7,854,581)	(2,706,698)	(2,742,201)
Salaries and personnel cost	(7,021,013)	(6,406,179)	(2,977,336)	(1,831,432)
Operation and maintenance	(3,124,616)	(3,175,754)	(1,387,241)	(933,821)
Sales, marketing and commissions	(8,492,375)	(8,728,064)	(2,912,590)	(2,856,223)
Revenue sharing, spectrum charges and licence fees	(7,346,539)	(6,758,240)	(2,517,720)	(2,306,907)
Other operating (expenses)/income, net	(6,148,679)	(5,708,965)	(2,178,088)	(1,948,995)
Depreciation and amortisation	(17,429,435)	(15,565,263)	(5,871,908)	(5,192,089)
	(57,609,707)	(54,197,046)	(20,551,581)	(17,811,668)
Operating profit	38,618,487	30,853,455	12,641,544	11,626,661
Share of profit/(loss) of associate	-	-	-	-
Finance (expense)/income, net	(1,139,394)	(1,989,346)	(351,074)	(538,486)
Foreign exchange (loss)/gain	(1,104,374)	(69,068)	(498,370)	(86,911)
	(2,243,768)	(2,058,414)	(849,444)	(625,397)
Profit before tax	36,374,719	28,795,041	11,792,100	11,001,264
Income tax expense	(14,926,526)	(11,431,620)	(4,825,521)	(4,605,572)
Profit after tax	21,448,193	17,363,421	6,966,580	6,395,692
Other comprehensive income (loss)				
Remeasurement of defined benefit plan, net of related taxes	-	181,567	-	-
Total comprehensive income for the period	21,448,193	17,544,988	6,966,580	6,395,692
Earnings per share				
Basic and diluted earnings per share (par value BDT 10 each in BDT)	15.88	12.86	5.16	4.74