

# annual report 2010





## Igniting revolutionary changes: one step at a time

It can begin with one conversation. Just one initiative taken by anybody can start a revolutionary change. One person's effort can influence another to act. When we took one small step, everyone joined in. And it was that one small step combined with those small steps by all of you that has led Bangladesh to leap ahead. Today we are moving towards a growing economy, building a greener tomorrow, discovering new ways of building the country together.

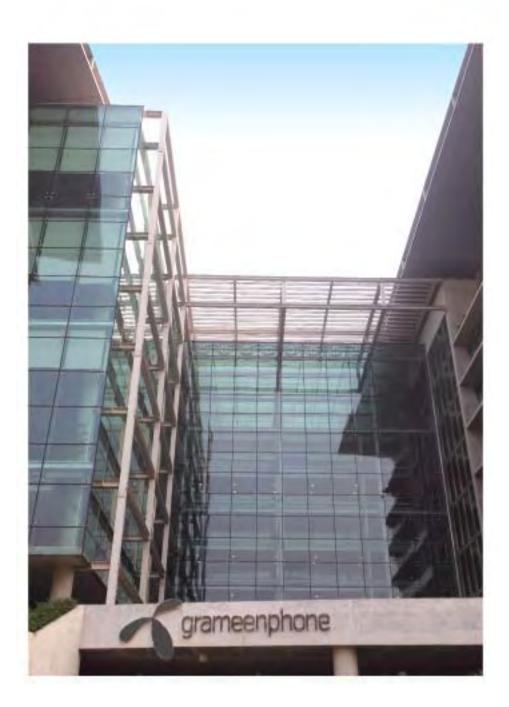
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## Contents

This is Grameenphone	02
Our Vision, Mission & Values	03
Grameenphone Milestones	05
Products & Services	06
Major Awards & Recognition	07
Performance at a Glance - 2010 (Consolidated)	09
Corporate Information	10
Business Review - 2010	11
The Shareholders	15
Organizational Structure	18
Directors' Profile	19
Profile of the Management Team	22
Chairman's Message	26
CEO's Message	28
Corporate Governance in Grameenphone	31
Report on Corporate Social Responsibility (CSR)	37
	4.0
Five Years' Financial Summary	40
Financial Review - 2010	42
Value Added Statement	43
Contribution to National Exchequer	44
Directors' Report	45
Report of Audit Committee	62
Auditors' Report & Audited Financial Statements of Grameenphone Ltd.	63
Subsidiary Profile : Grameenphone IT Ltd.	11 -
- Directors' Report	115
- Auditors' Report & Audited Financial Statements	118
Useful Information for Shareholders	135





### This is Grameenphone

Grameenphone Ltd., the largest telecommunications service provider in Bangladesh, received its operating license in November 1996 and started its operation from March 26, 1997, the Independence Day of Bangladesh.

Now, after 14 years of successful operations, Grameenphone is the largest mobile phone service provider in Bangladesh, with about 30 million subscribers as of December 2010. The Company was successfully listed on the stock exchanges in November 2009 – after completion of the largest IPO in the history of the Bangladesh capital market.

Grameenphone provides services to rural and urban customers across Bangladesh, where mobile telephony is acknowledged as a significant driver of socio-economic development, both for individuals and the nation.

# Our Vision, Mission & Values

## "We are here to help"

### Our Vision

We exist to help our customers get the full benefit of communications services in their daily lives. We're here to help.

### Our Mission

Grameenphone is the only reliable means of communication that brings the people of Bangladesh close to their loved ones and important things in their lives through unparalleled network, relevant innovations & services.

### Our Values

### MAKE IT EASY

Everything we produce should be easy to understand and use. We should always remember that we try to make customers' lives easier.

### **KEEP PROMISES**

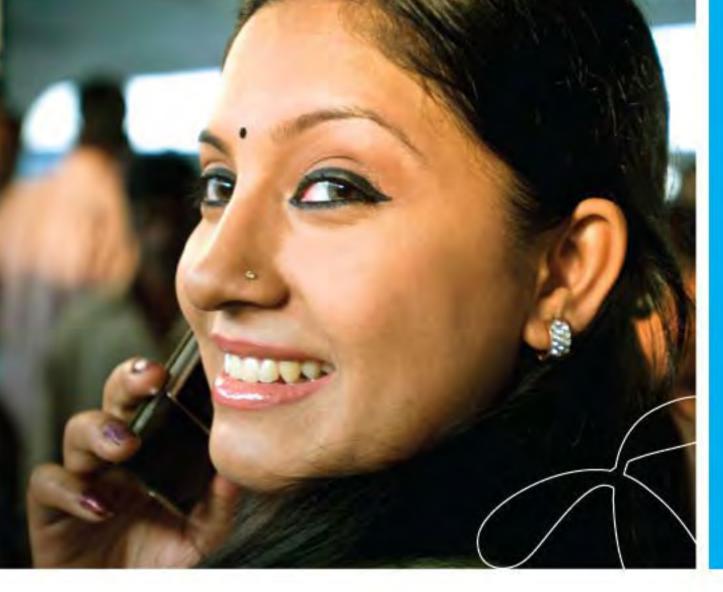
Everything we do should work perfectly. If it doesn't, we're there to put things right. We're about delivery, not over-promising. We're about actions, not words.

### **BE INSPIRING**

We're creative. We bring energy and imagination to our work. Everything we produce should look fresh and modern.

### **BE RESPECTFUL**

We acknowledge and respect local cultures. We want to be a part of local communities wherever we operate. We want to help customers with their specific needs in a way that suits way of their life best.



The year 1997 was a special year for Bangladesh. It marked the beginning of Grameenphone's journey – the journey of binding each and every Bangladeshi with the invisible thread of "words." Grameenphone was like a messenger of the coming days by being the first to bring mobile phone service coverage from the distant small hilly villages to the great urban localities. And our call of prospect was answered, one by one, by the people, the villages and the nation. Together we advanced towards a path of possibilities.

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## Grameenphone Milestones

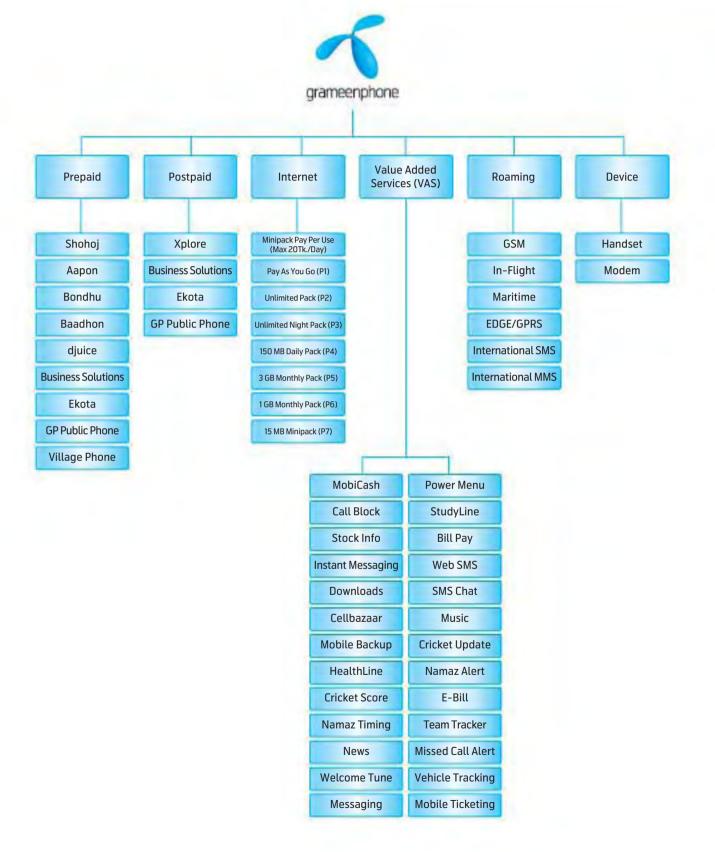
- 2010 Launched New Tariff Plan, MobiCash Financial Service Brand, Ekota for SME, Baadhon Package, Mobile Application Development Contest & Network Campaign; Reached 29.97 Million Subscribers
- 2009 Listed on Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd.;
   Launched Internet Modem, Special Olympic Regional Talent Hunt, Stay Green Campaign, Internet Package P5 & P6, Grameen Branded Handset & Studyline;
  - Reached 21 Million Subscribers
- 2008 Introduced BlackBerry Service; Commissioned Brand Positioning & launched Stay Close & Customer Care Campaign; Reached 20 Million Subscribers
- 2007 Converted to a Public Limited Company;
   Re-launched Business Solutions;
   Launched New VAS, Bull Stock Information, Missed Call Alert & PayForMe Service;
   Re-branded djuice;
   Reached 16 Million Subscribers
- 2006 Launched HealthLine, Smile Prepaid & Xplore Postpaid, Cellbazaar, Business Solutions for Business Class & Community; Introduced new GP Logo Following Maiden Decade of Operation; Reached 10 Million Subscribers
- 2005 Launched Electronic Recharge System, Djuice Brand Targeting Youth Segment, EDGE & Voice SMS for the first time in Bangladesh; Reached 4 Million Subscribers
- 2004 Reached 2 Million Subscribers
- 2003 Launched Prepaid Product with PSTN Connectivity; Reached 1 Million Subscribers
- 2002 Achieved BD Business Award for "Best Joint Venture Enterprise"
- 2001 Launched WAP Service
- 1999 Launched First Prepaid Service in the Country
- 1998 Launched Mobile to Mobile Service (without PSTN Access)
- 1997 Commenced Operation on the Independence Day of Bangladesh
- 1996 Incorporated as a Private Limited Company





## Products & Services





## Major Awards & Recognition

In 2010, Grameenphone has performed phenomenally for which it has gained immense recognition and popular acclaim which has been highlighted by the following awards.

2

CEO (ONCL

st RUNNER UP

- 1 ICAB award for "Best Published Accounts & Reports 2009"
- 2 1st Runner up in SAFA award for "Best Presented Accounts and Corporate Governance Disclosures Awards 2009"
- 3 Asia's Best Brand Award by CMO Asia awards
- 4 Chairperson's Appreciation Award (Jury Award) at e-Content and ICT Development Award
- 5 e-INDIA award for e-Governance/m-Governance Initiatives of the Year 2010
- 6 CEO Conclave Award 2010

eINDIA

- 7 Most effective Social Campaign Award, Commward 2010
- 8 Telenor Group Brand Award 2010
- 9 Telenor Group People Award 2010

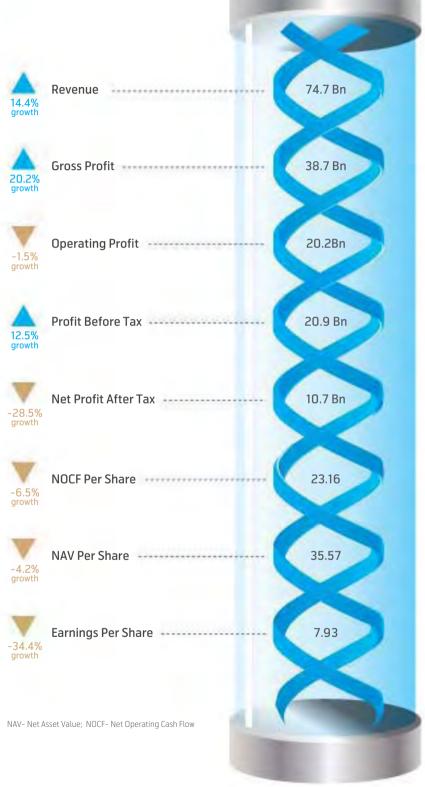


An essential ingredient in the route to advancement and growth at an individual, organizational and national level is the internet. That is why Grameenphone Internet is working hard to ensure that every individual can access the World Wide Web. Since its inception, Grameenphone has made this medium of knowledge and possibilities accessible all over Bangladesh, even among the remotest of villages where Internet was completely unheard of.

e<sup>°</sup>w<sup>3</sup>, c<sup>®</sup>Zôvb I RvZxq chv<sup>®</sup>q AM®/wZi Rb<sup>°</sup> B>Uvi‡bU GLb AZ<sup>°</sup>Š-Ri<sup>"</sup>ix GKvU AbynM<sup>®</sup> †mRb<sup>°</sup>B evsjv‡`‡ki c<sup>®</sup>ZvU gvb‡li Kv‡Q B>Uvi‡bU †cŠtQ w`‡Z KvR K‡i hv‡″Q M®gxY‡dvb B>Uvi‡bU| c\_Pjvi ïi" †\_‡KB Ávb Avi m¤¢ebvi me‡P‡q eo GB gva<sup>°</sup>gvU‡K M®gxY‡dvb †cŠtQ w`‡q Avm‡Q Ggb me c<sup>®</sup>Z<sup>°</sup>Š-c<sup>®</sup>tŠ-†hLv‡b B>Uvi‡bU †mev †cŠtQvqvb Av‡M KL‡bvB|



## Performance at a Glance – 2010 (Consolidated)



(Figures in BDT)

## Corporate Information

**Company Name** Grameenphone Ltd.

Company Registration No.

C-31531 (652)/96

### Legal Form

A public listed company with limited liability. Incorporated as private limited company on October 10, 1996 and subsequently converted to a public limited company on June 25, 2007. Listed on the Dhaka and Chittagong Stock Exchange Ltd. on November 11, 2009.

### **Board of Directors**

**Chairman** Sigve Brekke

### Directors

Nurjahan Begum Hilde Tonne M. Shahjahan Per Erik Hylland Md. Ashraful Hassan Knut Borgen Snorre Corneliussen

Independent Director Dr. Jamaluddin Ahmed FCA

**Company Secretary** 

Hossain Sadat

### Audit Committee

M. Shahjahan (Chairman) Per Erik Hylland Dr. Jamaluddin Ahmed FCA Emadul Hannan (Secretary)

### **Treasury Committee**

M. Shahjahan (Chairman) Pal Stette Raihan Shamsi Imdadul Haque (Secretary)

### Human Resources Committee

Per Erik Hylland (Chairman) M. Shahjahan Arnfinn Groven Hossain Sadat (Secretary)

### Health, Safety, Security & Environment Committee

Per Erik Hylland (Chairman) M. Shahjahan Dr. Mohammad Shahnawaz Hossain Sadat (Secretary)

### **Management Team**

Tore Johnsen, Chief Executive Officer Raihan Shamsi, Deputy CEO & Chief Financial Officer Tanveer Mohammad, Chief Technology Officer Arnfinn Groven, Chief People Officer Kazi Monirul Kabir, Chief Communications Officer Arild Kaale, Chief Marketing Officer Mahmud Hossain, Chief Corporate Affairs Officer

Head of Internal Audit

Emadul Hannan

### Statutory Auditors

Rahman Rahman Huq Chartered Accountants

### Legal Advisors

Hasan & Associates Sheikh & Chowdhury

### **Registered Office**

GPHouse Bashundhara, Baridhara Dhaka-1229, Bangladesh

## Business Review - 2010

Marking another successful year, Grameenphone ended 2010 with 29.97 million subscribers, up from 23.26 million in December 2009.

Grameenphone has played a leading role in increasing the country's tele-penetration rate in mobile industry from less than one percent in 1997 to over 40 percent as of 2010.

The Company committed to making modern mobile telephony and data services available to everyone, both in urban and rural areas, thereby making a positive contribution to the lives of the people of Bangladesh.

Grameenphone earned BDT 7,473 crore revenues for the year 2010 with a 14.4% increase from 2009. The growth was mainly from voice as well as interconnection revenues driven by subscription growth and revenues from sales of mobile devices. Data revenue has also contributed to this strong revenue growth for the year 2010 going up by 64.0% from 2009.

Grameenphone has been able to maintain its leadership position in the industry by both continuing to deliver innovative and relevant products and services to its customers, and by providing a quality network with the widest coverage.

The Company has so far invested BDT 15,796 crore to build the network infrastructures since its operation on March 26, 1997. BDT 846 crore was invested during 2010 alone. Grameenphone has built the largest cellular network in the country, covering 99 percent of the population and over 89 percent of land areas.

The entire GP network is EDGE/GPRS enabled, allowing its customers access to high-speed Internet services from anywhere within its network. Presently, more than 2.6 million GP subscribers are using the EDGE/GPRS services to access the Internet through mobile phones. By far, more people are accessing the Internet through mobile phones than through any other means, which indicates the future trend.

One of the biggest highlights for 2010 has been the announcement of the four price packages – Shohoj, Aapon, Bondhu, along with djuice – developed for pre-paid subscribers and with an offer of interchangeability and easy migration facilities.

This was the largest and most comprehensive tariff offer for Grameenphone subscribers since its inception.

Another big offer was a new package named Baadhon, designed to serve the rural population of Bangladesh. This package contains a "Grameenphone C100" handset and a Grameenphone prepaid connection. The "Grameenphone C100" handset is also very suitable for rural areas. It has a user friendly interface, a built-in torch light, long lasting battery and both Bangla and English menu. It also has an extended warranty period of 16 months.

Grameenphone has also introduced a full-fledged and innovative telecom solution – Ekota. This package was especially designed to meet the business needs of small organizations. Simplicity and innovativeness are the unique features of the product. Business relevant tariff has been introduced to ensure greater convenience for business communication.

Subscribers of this business package can get instant help from any of our marked customer service points available countrywide, along with Grameenphone Centers across the country. Ekota subscribers enjoy prioritized customer service while dialing 121.

As a company that provides its subscribers with solutions to make life easier, Grameenphone became the first company in Bangladesh to launch mobile ticketing system for train tickets through its MobiCash service.

The electronic ticketing service was launched by Grameenphone with data support from Bangladesh Railway and CNS, the authorized ticketing partner of the Bangladesh Railway. Using the MobiCash service, a traveller can purchase electronic railway tickets at anytime and from anywhere from his/her mobile phone and avoid the hassle of travelling to the station during working hours or standing in queue for long.

Apart from train tickets, different lottery tickets have also been made available through MobiCash service.

In another business development, Grameenphone signed agreements with different mobile phone operators to share its infrastructures. Leading mobile operators Orascom Telecom Bangladesh Ltd.(Banglalink), Axiata (Bangladesh) Ltd.(Robi) and Airtel Bangladesh Ltd. (formerly known as Warid) are among the major signatories. WiMax operators, Augere and Banglalion also opted for Grameenphone's infrastructures to expand their services around the country.

Infrastructure sharing agreements, done in compliance with the guidelines issued by BTRC, enabled all parties to optimize their resource utilization and minimize cost of network deployment as well as of operations and maintenance. As a result, it would ensure sustainable utilization of national resources and reduce deployment of unnecessary infrastructural facilities in future.

In 2010 Grameenphone strengthened its environment friendly position by signing agreements to bring renewable energy to its

140 base stations. The company signed three power purchase agreements with renewable energy producers. The suppliers will install solar panels on Grameenphone's Base Transceiver Station (BTS) premises and maintain them. Grameenphone will be buying electricity on unit (Kwh) consumption basis for a contract period of 10 years with a buy back option after that period.

Grameenphone's environmental roadmap aim to promote a low-carbon society, and its first priority is to take responsibility for the excessive  $CO_2$  emissions generated by its own operations. Grameenphone has set a target of reducing 30% of its emission within 2015 from the business as usual situation considering 2008 as the baseline. In this regard, deploying solar power system in large scale will definitely help achieve that target.

Grameenphone shifted its corporate head office to its own building named GPHouse, situated at Bashundhara, Baridhara, Dhaka-1229. GPHouse is an embodiment of Grameenphone's corporate identity, its values and culture.

GPHouse is a unique building – an environment friendly, and at the same time, very cost efficient office. Incorporating a new way of work, environmentally responsible work practices and technologies, this truly sustainable architecture and contemporary art hub has translated our corporate identity into a different level. It represents Bangladesh into global context with the nation's pride, values, heritage and growth.

Last year Grameenphone undertook two interesting competitions, one was a Mobile Application Development Contest titled "Aloashbei" and another was a Jersey Design competition named "Jersey Utshob."

Aloashbei was arranged in association with Microsoft to hunt for mobile application developers in Bangladesh. On the other hand, Bangladesh Cricket Board was the partner in Jersey Utshob, which was arranged to get the best design for the jersey of the National Cricket Team.

Both contests received a huge response from the public and the media.

Another two patriotic campaigns by Grameenphone caught the attention of people around the country. One was arranged to observe the Language Martyrs' Day on February 21, 2010. The programme titled "Duniya Kapano Tirish Minute" was orchestrated under the historical Amtala in front of the Dhaka Medical College Hospital (DMCH) emergency gate. It was a dramatization of the events of the fateful thirty minutes from 1952 when the Pakistani police opened fire on a band of unarmed student protesters who had defied Section 144 to raise support for their rights to speak their mother language. Eminent soldiers of the language movement along with thousands of people, young and old, congregated in front of the DMCH emergency gate to witness the history being retold.

Another programme titled "Amar Desh Amar Gorbo" was held to celebrate Victory Day on December 16, 2010. Freedom fighters, Grameenphone employees and thousands of general people sang the National Anthem with eminent singers of the country in the programme held at the south plaza of National Parliament.

Both programmes were broadcast live by major television channels.





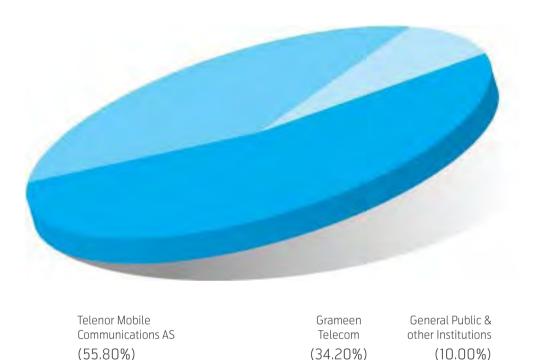
Grameenphone IT is a new initiative created with the purpose of making developments in the field of information technology in Bangladesh. Taking on board some of the most talented computer engineers and graduates of the country, software and IT services are now being exported all around the globe. By using these advancements in information technology, Grameenphone IT is going to march forward, taking Bangladesh to new heights.

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## The Shareholders

The shareholding structure comprises mainly two sponsor Shareholders namely Telenor Mobile Communications AS (55.80%) and Grameen Telecom (34.20%). The rest 10.00% shareholding includes General public & other Institutions.



### Telenor Mobile Communications AS (TMC)

TMC, a company organized under the laws of the Kingdom of Norway, seeks to develop and invest in telecommunications solutions through direct and indirect ownership of companies and to enter into national and international alliances relating to telecommunications. It is a subsidiary of Telenor Mobile Holdings AS and an affiliate of Telenor. Telenor ASA is the leading Telecommunications company of Norway listed on the Oslo Stock Exchange. It owns 55.80% shares of Grameenphone Ltd.

Telenor's strong international expansion in recent years has been based on leading-edge expertise, acquired in the Norwegian and Nordic markets, which are among the most highly developed technology markets in the world. It has substantial international operations in mobile telephony, satellite operations and pay television services. In addition to Norway and Bangladesh, Telenor owns mobile telephony companies in Sweden, Denmark, Hungary, Serbia, Montenegro, Thailand, Malaysia, Pakistan and India. Including its 39.6% ownership stake in VimpelCom, Telenor has more than 200 million mobile subscriptions worldwide as of December 31, 2010.

Telenor uses the expertise it has gained in its home and international markets for the development of emerging markets like Bangladesh.

As part of the conversion of Grameenphone from a private limited to a public limited company, Telenor Mobile Communications AS transferred 10 shares each on May 31, 2007 to its three (3) affiliate organizations namely Nye Telenor Mobile Communications II AS, Norway; Telenor Asia Pte. Ltd., Singapore; and Nye Telenor Mobile Communications III AS, Norway.

### Grameen Telecom (GTC)

Grameen Telecom, which owns 34.20% of the shares of Grameenphone, is a not-for-profit company in Bangladesh, working in close collaboration with Grameen Bank, winner of the Nobel Peace Prize in 2006 along with its founder Professor Muhammad Yunus. The internationally reputed bank for the poor has the most extensive rural banking network and expertise in microfinance. It understands the economic needs of the rural population, in particular the women from the poorest households.

GTC's mandate is to provide easy access to GSM cellular services in rural Bangladesh and creating new opportunities for income generation through self- employment by providing villagers, mostly the poor rural women, with access to modern information and communication-based technologies.

GTC is the authorized service provider of Nokia Care network, providing after sales services to the Nokia customers.

With the help of Grameen Bank, Grameen Telecom, with its field network, administers the Village Phone Program, through which Grameenphone provides its services to the fast growing rural customers. Grameen Telecom trains the operators, supplies them with handsets and handles all service-related issues.

GTC has been acclaimed for the innovative Village Phone Program. GTC and its chairman Nobel Peace Prize laureate Professor Muhammad Yunus have received several awards which include: First ITU World Information Society Award in 2005; Petersburg Prize for Use of the IT to Improve Poor People's Lives" in 2004; GSM Association Award for "GSM in Community Service" in 2000.

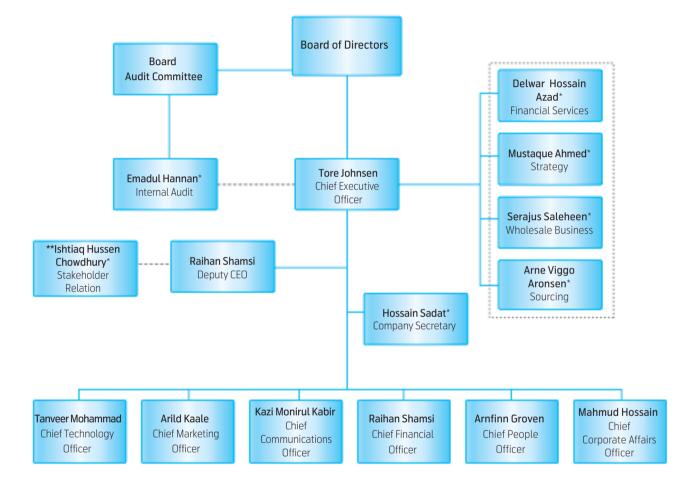
As part of the conversion of Grameenphone from a private limited to a public limited company, Grameen Telecom transferred one share each on May 31, 2007 to its two affiliate organizations namely Grameen Kalyan and Grameen Shakti.

### Top Twenty Shareholders as on December 31, 2010

Sl.	Name of Shareholders	Number of Ordinary Shares held	Percentage
1	Telenor Mobile Communications AS	753,407,724	55.80%
2	Grameen Telecom	461,766,409	34.20%
3	Grameen Bank Borrower's Investment Trust	11,037,221	0.82%
4	AB Investment Limited – IDA	10,004,800	0.74%
5	IDLC Finance Ltd. Portfolio A/C	6,277,400	0.46%
6	IFIC Bank Limited	3,684,900	0.27%
7	United Commercial Bank Ltd.	2,096,700	0.16%
8	Prime Bank Ltd. – Investors' A/C 1	1,932,302	0.14%
9	LankaBangla Finance Ltd IP A/C	1,686,225	0.12%
10	Grameen One: Scheme Two	1,549,000	0.11%
11	Rupali Bank Ltd.	1,283,800	0.10%
12	Delta Life Insurance Co. Ltd.	1,111,200	0.08%
13	Union Capital Ltd. – Investors' A/C	1,043,651	0.08%
14	Prime Finance & Investment Ltd Portfolio A/C	989,653	0.07%
15	The City Bank Ltd.	975,600	0.07%
16	The Trust Bank Ltd IDA	973,854	0.07%
17	Grameen Capital Management Ltd. Investors' A/C	949,100	0.07%
18	ICB Unit Fund	826,200	0.06%
19	Trust Bank 1st Mutual Fund	665,200	0.05%
20	Sonali Bank Ltd.	629,800	0.05%
	Total	1,262,890,739	93.52%

(as per CDBL records)

## Organogram & Management



\* Not a member of the Management Team

\*\* Deputy CEO has a special role on Stakeholder Relation of the Company. Stakeholder Relation team of Corporate Affairs has a dotted reporting to Deputy CEO.

## Directors' Profile

Mr. Sigve Brekke was appointed to the Board on September 1, 2008, and is also the Chairman of Grameenphone Board. Mr. Brekke has held a number of positions of the Telenor Group. He joined Telenor Asia PTE Ltd. in 1999 as Manager of Business Development, and later became Managing Director. He served as the Co-CEO of Total Access Communication PLC ("DTAC") from 2002 to 2005, was the sole CEO and Director from 2006 to 2008 and was elected as the Vice Chairman of DTAC Board in 2008. In July 2008, he was appointed as Director and Executive Vice President of Telenor Group, Head of Asia Region, Telenor. In 2009, Mr. Brekke was elected as the Managing Director of Unitech Wireless and the Chairman of DiGi Board. In July 2010, he was appointed as the Managing Director of Uninor. Prior to joining Telenor, Mr. Brekke served as the Deputy Minister (State Secretary) of Defence in Norway in 1993 and was also an associate research fellow at the John F. Kennedy School of Government, Harvard University. Mr. Brekke holds a Master of Public Administration from John F. Kennedy School of Government, Harvard University.





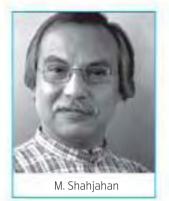
Hilde Tonne

Ms. Hilde Tonne was appointed to the Board on January 20, 2010. She currently serves as the Executive Vice President and Deputy Head of Asia Region, Telenor Group. Ms. Tonne came to Telenor in 2007 from Norsk Hydro, where she was Head of Technology & Research in Hydro Oil & Energy. During the years from 1991 to 1999, Ms. Tonne held various positions in Saga Petroleum. From 2000 to 2007, she served in several managerial positions in Hydro. Ms. Tonne serves on the Board of Directors in Total Access Communication PLC, Telenor Pakistan Ltd. and Det Norske Veritas AS. She obtained a Master of Science in Petroleum Technology from the Norwegian Institute of Technology in Trondheim, Norway and RWTH Aachen in Germany.

Ms. Nurjahan Begum was appointed to the Board on January 20, 2010. She is currently serving as Deputy Managing Director of Grameen Bank, and also as an honorary Managing Director of Grameen Shikkha (Education), a non-profit organization in the Grameen family. She was one of the earliest associates of Professor Muhammad Yunus when the latter started the Grameen Bank Project in 1976 in the village of Jobra in Chittagong district of Bangladesh. Ms. Nurjahan, who was a student of Chittagong University, played an important role in organizing poor rural women in Grameen Bank's grassroots groups during the bank's earliest and most challenging days. She was the first 'Principal' of the Grameen Bank Training Institute. She served as consultant, trainer and evaluator of microcredit programmes in many countries and lectured at different universities, conferences and seminars in different countries. She is also serving on the Board of several organizations including Grameen Foundation, USA. She was awarded the Susan M. Davis Lifetime Achievement Award 2008 by Grameen Foundation. She was also awarded World Summit Millennium Development Goals Award 2009 and the Vision Award 2009. She participated in the Fortune Most Powerful Women Summit held in Los Angeles in 2007 and was appointed president to the Foundation for Justice Prize giving ceremony held in Valencia, Spain in 2007.



## Directors' Profile



Mr. M. Shahjahan was appointed to the Board on June 26, 2006 and is also Chairman of the Company's Treasury Committee and Board Audit Committee. He currently serves as the General Manager and Head of the Accounts, Finance, Planning, Monitoring and Evaluation Division of Grameen Bank. Prior to joining the Company, he served in several executive management positions in Grameen Bank, including Chief of the Audit Department and Zonal Manager. Mr. Shahjahan is a member of the Board of Directors of several Grameen peer companies that work in the fields of health, education, agriculture, welfare, renewable energy, telecommunications, venture capital financing and merchant banking. He obtained, from the University of Dhaka, a Bachelor of Commerce (Honours) in Accounting in 1976, as well as a Master degree in Accounting in 1977 and a Master degree in Finance in 1981. He was awarded ICAB Medal (Silver) for passing the 'C.A Intermediate' examination at the earliest eligible chance in 1981.

Mr. Per Erik Hylland was appointed to the Board on June 25, 2007 and is also Chairman of the Company's Human Resources Committee and Health, Safety, Security & Environment Committee. He is Senior Vice President in Telenor Asia and serves as Country Manager in Bangladesh. Mr. Hylland has professional experiences in the banking, information technology and telecommunications industries. He joined Telenor in 1994 and since then has held several senior management positions. During the past eleven years, he has worked in ten countries as a Telenor representative for Central and Eastern Europe, North Africa and Asia. During the same period, Mr. Hylland acted as a Director for Telenor companies in Austria, the Czech Republic, Hungary and Slovakia. He is an information technology engineer educated in the Norwegian Ministry of Defence.



Per Erik Hylland



Md. Ashraful Hassan

Mr. Md. Ashraful Hassan was appointed to the Board on January 20, 2010. He currently serves as Managing Director of Grameen Telecom, engaged in promoting and providing easy access to GSM cellular services in rural Bangladesh. He also serves as Managing Director of Grameen Knitwear Ltd., Grameen Distribution Ltd. and Grameen Fabrics & Fashions Ltd. He gained diversified knowledge in textile sector especially in the field of composite knit wear having wide exposure in the industrial management, export market, labour management and so on. Mr. Hassan also acquired wide range of experience for project development and different kinds of industry setup. He started his career in Grameen Bank, the Nobel Peace Prize winning organization, in 1984. During his 15-year tenure with the Bank, he held various key positions including the Chief of Engineering section. He has gained extensive knowledge in the field of construction engineering and extended notable contribution for the infrastructural development of Grameen Bank. He serves as a member of the Board of Directors of several enterprises of Grameen family that play commendable role in the fields of renewable energy, health care, food & nutrition, information and communication technology and so forth. He holds Bachelor of Science in Civil Engineering from Khulna University of Engineering and Technology, Bangladesh.



Mr. Knut Borgen was appointed to the Board on January 20, 2010. He currently serves as Senior Vice President – Business Development, Telenor Asia (ROH). Mr. Borgen has professional experiences in banking and telecommunications industries. He joined Telenor in 1997. He has been working in the Asian region since 2001. He is currently a member of the Board of Directors of Total Access Communications (Thailand). He obtained B.A. in Economics from San Jose State University in 1984 and Master of Business Administration from University of Michigan in 1987.

Mr. Snorre Corneliussen was appointed to the Board on March 23, 2009. In January 2009, he joined the Telenor Asia office as a director. Previously, he was serving as Senior Advisor at the Telenor Global Coordination in Norway. Mr. Corneliussen started in Telenor in 2003 as Operations Manager responsible for the operations of the fixed, mobile and data networks in Norway, Sweden and Denmark. Before he began working for Telenor, Mr. Corneliussen held several positions in Ericsson. He started working as a researcher in 1997 and then became a project leader and led several of the early 3G and IP related development projects. In 2000, Mr. Corneliussen became a Product Manager before he moved to Sweden in 2001 and worked as project office manager at the Ericsson head office in Stockholm. He is currently a Board member at DTAC in Thailand and Telenor in Pakistan. Mr. Corneliussen holds a Master of Business Administration degree from the Norwegian School of Economics and Business Administration (NHH). He also holds a Master of Science degree in telecommunication from the Norwegian School of Technology (NTH) and he has additional education in Social Economy from the University in Oslo (UiO). Mr. Corneliussen has also studied leadership development at Harvard Business School and is an HBS Alumni.



Snorre Corneliussen

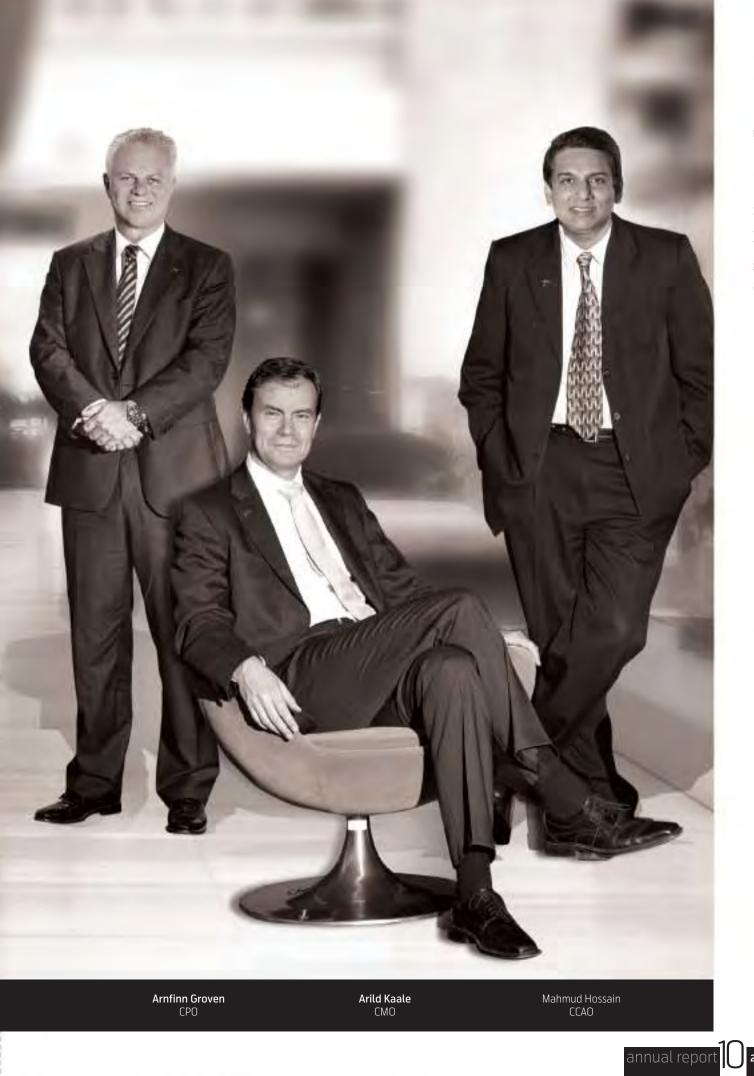


Dr. Jamaluddin Ahmed FCA

Dr. Jamaluddin Ahmed FCA was appointed to the Board on March 19, 2010 as an Independent Director. Dr. Jamal is a Partner at Hoda Vasi Chowdhury & Co., Chartered Accountants, which is the associate firm of Deloitte & Touche in Bangladesh. Dr Jamal was the President (2010) of the Institute of Chartered Accountants of Bangladesh (ICAB). He is engaged in assignments in Financial, Banking and Energy Sector industries. He worked as country specialist in Migrant Remittance Management. He was involved in DFID funded Cheque Automation, Automated Clearing System and in the development of National Payment System in Bangladesh. Currently, he is involved with Bangladesh Energy Regulatory Commission for introducing Uniform Energy Accounting in Bangladesh. Over his professional career, Dr. Jamal has written copious publications and conducted numerous research papers on various aspects. Recently, Dr. Jamal completed his research paper on mobile banking for speedy remittance to rural Bangladesh, Cost and Pricing of Remittance – A Comparative Study. Moreover, he conducted a study in 2008 on mobile banking in Afghanistan for the Micro Finance Transaction funded by the USAID. He holds Master degree in Accounting from Dhaka University, PhD from the Cardiff Business School, under the University of Wales United Kingdom, and is also a fellow of the ICAB.



Raihan Shamsi Deputy CEO & CFO Tore Johnsen CEO Kazi Monirul Kabir CCO Tanveer Mohammad CTO



22/23

## Profile of the Management Team



Tore Johnsen CEO

Mr. Tore Johnsen was appointed as our Chief Executive Officer (CEO) effective from March 01, 2011. Before joining Grameenphone, he was CEO of the Thai mobile operator, DTAC. Previously he has also held positions as CEO of Telenor Pakistan and CEO of DiGi in Malaysia. He joined the Telenor Group in 1974, and he has held a number of managerial positions and international assignments. He holds a Master of Science in addition to studies in International Business Management.

Mr. Raihan Shamsi was appointed as our Deputy Chief Executive Officer and Chief Financial Officer (CFO), effective from March 9, 2010. He served as Company Secretary from 2005 to late 2010. He was previously our Chief Corporate Affairs Officer and, before that, Director of Financial Management and Head of Internal Audit. Prior to joining us in late 2001, he worked in a number of multinational organizations, including Shell, Unilever and KPMG Bangladesh. He is a Chartered Accountant in profession and has been working in financial management and internal control functions for around thirteen years.



Raihan Shamsi Deputy CEO & CFO



Arnfinn Groven

Mr. Arnfinn Groven was appointed as our Chief People Officer (CPO), effective from January 19, 2009. He was previously Director of Customer Services. He joined us as Senior Advisor in the Customer Management Division in August 2007. He started his career in 1984 at the Work Research Institute in Oslo as a Scientific Assistant. For the next 12 years, he developed his expertise in human resource management and career counseling in different reputable organizations in Norway. In 1996, he joined the Telenor Consumer Customer Service. In 2000, he became the Operational Director of Telenor Customer Service in Oslo. He is currently on secondment from Telenor. He holds a degree in Psychology from the University of Oslo and an executive degree on the Telenor International Management Program from the Stockholm School of Economics.

Mr. Arild Kaale was appointed as our Chief Marketing Officer (CMO), effective from September 10, 2009. Before joining Grameenphone, he was Chief Marketing Officer in Telenor Promonte, the number one operator in Montenegro. While with Telenor and Promonte, he has been a part of the Board of Directors of Penetrace in Norway. After serving three years as a second lieutenant in the Norwegian Armed Forces, He started his career as Managing Director in Lasbuakonsernet in 1995. He joined Scandinavian Airlines System in 1997, working both in Sweden and in the US with Star Alliance related activities. In 1998 he was appointed Marketing Director for the Swedish market. Before joining Telenor Zonavi as Commercial Director, he served in Office 24-7 AS in the capacity of Nordic Marketing Director. In 2003, Arild joined Telenor Business Norway as Head of Marketing with responsibilities of marketing/CRM activities, segment management, analysis and training. He has also been responsible for third party distribution within the business segment in Norway. He holds a Master of Business and Economics from Bedriftsokonomisk Institute in Oslo and Indiana University in the US.



Arild Kaale CMO



Kazi Monirul Kabir CCO

Mr. Kazi Monirul Kabir was appointed as our Chief Communications Officer (CCO), effective from September 01, 2009. He has been a part of Grameenphone since April 2008 when he joined as the Head of Regional Sales to lead the largest team in Grameenphone. He moved to Communications Division as Head of Market Communication before being appointed as the Chief Communications Officer. He has extensive experience spanning over 11 years in the corporate world. He started his career at British American Tobacco Bangladesh where he received numerous accolades for his role in Trade Marketing & Distribution, Brand Communication and Change Management at company level. He was the architect of the Direct Sales team of Banglalink GSM that was pivotal in achieving wide reach and sales volumes that the initiatives generated. He has also held an Executive Director position at one of the leading media agencies in the country. Prior to his corporate life, he had completed his Bachelor of Business Administration from School of Management & Business Administration of Khulna University.

Mr. Mahmud Hossain was appointed as our Chief Corporate Affairs Officer (CCAO), effective from March 08, 2010. Immediately prior to taking on this role, he was serving as General Manager, Regulatory Affairs of Corporate Affairs – a position he has held since August 2009. He started his career as a telecom professional since the beginning of the liberalization of the industry in Bangladesh in 1990. He joined the Technical team of Hutchison BD Telecom (presently CityCell) after his completion of Bachelor degree in Electrical & Electronic Engineering from the Bangladesh University of Engineering & Technology (BUET). Later he did his MBA (major in Finance) from IBA, University of Dhaka, and his Masters (Telecom) from Concordia University, Canada. He had earlier worked for Grameenphone as Additional General Manager in Network Operations for a brief period in 2000–2001.



Mahmud Hossain CCAO



Tanveer Mohammad

Mr. Tanveer Mohammad was appointed as our Chief Technology Officer (CTO), effective from July 1, 2010. He was serving as Deputy CTO prior to his appointment as CTO. He has been working with Grameenphone since 1997. In this long journey with Grameenphone, he has worked with Roll Out, Operation and overall network responsibilities. He has played pivotal roles in developing local entrepreneurs in civil works, tower fabrication, installation and commissioning, ensuring speed and efficiency for the coverage and capacity expansion of the network. He has also contributed towards creating the efficiency focus in the operational activities with upholding the network leadership, through aggressive service level agreements, high customer focus, steep cost efficiency targets and strengthening operational teams. Before joining Grameenphone, he worked with Hyundai Engineering and Construction. He has a graduation in engineering from Bangladesh University of Engineering and Technology (BUET). He has also taken part in several Telenor Leadership Development Programs.

## Message from the Chairman

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### Dear Shareholders,

Grameenphone passed another successful year as a result of the dedicated efforts of its highly skilled employees and support of the shareholders. Since the IPO was floated in 2009, our new shareholders have also shown their trust in us by staying with the Company in a large number. The share price remained stable even with the occasional instability in the market.

The Company has seen gradual increase in revenue but due to higher subscriber acquisition cost, EBITDA margin was lower compared to 2009. The higher subscriber acquisition cost was mainly driven by high SIM tax, which has remained as the biggest barrier to the growth of mobile telephone industry in Bangladesh.

Nonetheless, at the end of 2010, the number of subscribers has reached near 30 million, which translates to around 44% of market share.

To provide quality products and services to this huge number of subscribers, your company will continue to invest in Bangladesh. Since its inception, the Company has invested BDT 15,796 crore to make an infrastructure spread around the country. It has invested BDT 846 crore alone in 2010.

As a responsibale corporate house in Bangladesh, in 2010 Grameenphone has paid to Bangladesh Government BDT 3,344 crore as direct taxes, VAT and duties, and in fees paid to the Bangladesh Telecommunication Regulatory Commission (BTRC). Additionally, Grameenphone paid another BDT 371 crore through commercial agreements with the Bangladesh Railway (BR), Bangladesh Telecommunications Company Limited (BTCL) and withholding Taxes.

Happily, the Grameenphone network presently covers almost the entire population with more than 13,000 base stations located in about 7,200 sites in operation around the country. The network is also fully EDGE/GPRS enabled, allowing the customers to access high-speed internet from anywhere within its coverage area.

In 2010, your company has formed a subsidiary company named Grameenphone IT Ltd., which is an international B2B company with a profit balance and stable corporate clienteles right from day one.

During the year, infrastructure sharing has become a steady revenue source. All major mobile operators and WiMax operators signed agreements with Grameenphone to share our resources. This practice has enabled all parties to optimize their resource utilization and minimize cost of network deployment as well as of operations and maintenance.

Some developments in regulatory arena were somewhat unsettling for the telecom sector. The amendment to Telecom Act 2001 introduced some nontransparent regulations and abnormally high fines, which are not conducive for further investment. The license renewal guidelines drafted by BTRC also raised serious concern among the operators.

I hope that the government will do everything to maintain a level playing field and an investment friendly environment. Mobile phone technology is the main instrument for implementing the vision of Digital Bangladesh. Any barrier to the growth and business continuity of this industry will be detrimental to the timely implementation of Digital Bangladesh.

At the end, I would like to thank you, our valued shareholders for your support which is helping this company to remain an innovative and dynamic organization.

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annual report 26/27

## Message from the CEO

### Dear Shareholders,

The year 2010 was a great year for Grameenphone. Although the competition was intense, we have managed to retain our position as the market leader with a considerable margin. Last year was a good year for your Company – both in terms of revenue growth, and maintenance of a high market share – as the number one operator in Bangladesh.

Looking back, I am pleased to report that our revenue went up by 14.4% - to about BDT 7,473 crore in 2010, compared to 2009. However, higher selling and distribution expenses, mainly SIM tax subsidies pushed the EBITDA margins down to 49.5% - in 2010 compared to 57.0% - in 2009.

At the end of 2010, we were just short of the 30 million subscriber mark, which gives us a market share of around 44%. Although we have added 6.7 million subscribers in 2010, that came at a price of higher subsidy paid for the high SIM tax. This is becoming more and more a challenge for our industry. Admittedly, the next market is the cost conscious rural customer, and, given the present market conditions, companies cannot continue to subsidize this tax - which then is passed onto the customer, thus significantly reducing penetration rates.

However, despite the increasingly price-conscious market we operate in, we are still seen as the innovative company. This is because we are continuously trying to give our customers better value for their money.

To serve that, at the end of last year we have introduced the largest and most comprehensive tariff offer for Grameenphone subscribers since its inception through four price packages – Shohoj, Aapon and Bondhu, along with djuice. We have also launched a new package named Baadhon, designed to serve the rural population of Bangladesh. This package contains a "Grameenphone C100" handset and a Grameenphone prepaid connection.

In our quest to make life easier for our countrymen through technology, we have introduced mobile ticketing system for train tickets through MobiCash service for the first time in Bangladesh.

Using the MobiCash service, a commuter can purchase electronic train tickets at anytime and from anywhere from his mobile phone and avoid the hassle of traveling to the station during working hours or standing in queue for long periods.

We have also started to share infrastructures with other mobile operators and ISPs. This practice has enabled all parties to optimize their resource utilization and minimize cost of network deployment as well as of operations and maintenance.

Our green initiative got a boost when we signed agreements to buy solar power from three renewable energy suppliers to run 140 of Grameenphone's BTS. The initiative is supposed to save 1.15 million litres of diesel fuel per year and annual carbon emissions will be reduced by 3,062 tonnes once it is fully implemented.

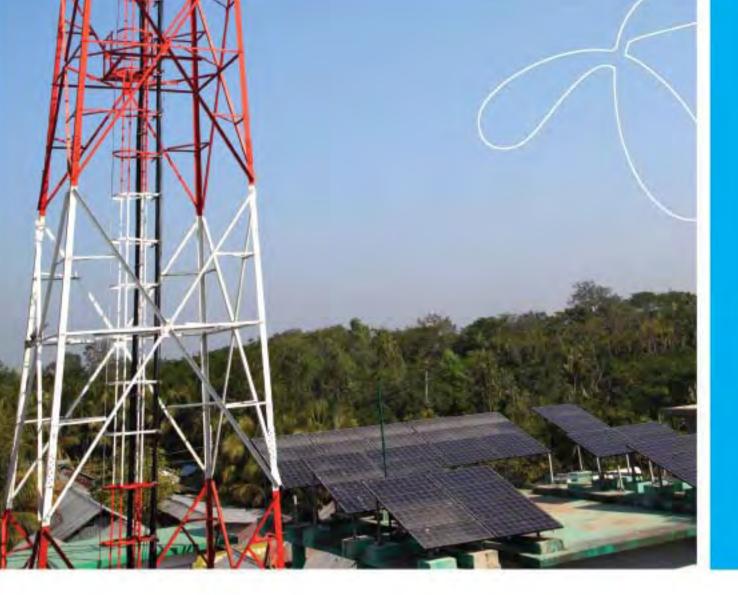
We have also shifted our corporate head office to our own building GPHouse - a truly environment friendly and cost efficient building. Incorporating a new way of work, environmentally responsible work practices and technologies, this truly sustainable architecture and contemporary art hub has translated our corporate identity into a different level.

In 2010, your Company has launched an offshoot company named Grameenphone IT Ltd., which is an international B2B company with a profit balance and stable corporate clienteles right from day one.

The year 2010 also brought some instability to the telecom industry in the form of Telecom Act and uncertainty over the absence of license renewal framework. I believe that a level playing field for sound competition and investment-friendly regulations are much needed for the telecom industry as well as the general development of the country.

I would like to thank all of our shareholders and the stakeholders for their support to our journey towards a brighter future.

Tore Johnsen CEO



It all started with one base station in Chhagolnaiya which initiated the process of converting our base station engines to an eco-friendly solar panel and windmill powered system. The use of this alternate energy shall restore large amounts of electricity to the national grid, which in turn will light more of our houses and surroundings. By reducing carbon emissions and saving power for the national grid, we are joining in the ongoing green revolution for Bangladesh.

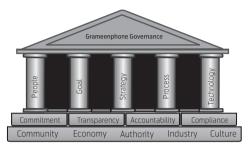
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## Corporate Governance in Grameenphone

In the fast-paced and versatile world of telecommunications, vibrant and dynamic Corporate Governance practices are essential ingredient to success. Grameenphone believes in continued nurturing and improvement of corporate governance. This in turn has led the Company to commit considerable resources and implement internationally accepted Corporate Standards in its day-to-day operations.

Being a public limited company, the Board of Directors of Grameenphone has a pivotal role to play in meeting stakeholders' interests. The Board of Directors and the Management Team of Grameenphone are committed to maintaining effective Corporate Governance through a culture of



accountability, transparency, well-understood policies and procedures. The Board of Directors and the Management Team also endeavour to maintain compliance of all laws of Bangladesh and all internally documented regulations, policies and procedures.

Grameenphone is a transparent company and maintains highest level of integrity and accountability practised on a global standard.

### Board Organization & Structure

### a) Role of the Board

The Directors of the Board are appointed by the Shareholders at the Annual General Meeting (AGM) and are accountable to the Shareholders. The Board is responsible for guiding the Company towards accomplishment of the goals set by the Shareholders. The Board also ensures that Grameenphone Policies & Procedures and Codes of Conduct are implemented and maintained; and the Company adheres to generally accepted principles for good governance and effective control of Company activities. In addition to other legal guidelines, the Grameenphone Board has also adopted Governance Guidelines for the Board for ensuring better governance in the work and the administration of the Board.

### b) Board Composition

The Board in Grameenphone is comprised of nine Directors, including the Chairman who is elected from amongst the members. In compliance with the Corporate Governance Guidelines issued by the Securities and Exchange Commission (SEC) and as per provision of the Articles of Association (AoA) of the Company, the Board of Directors has appointed an Independent Director to the GP Board in 2010. We believe that our Board has the optimum level of knowledge, composure and technical understanding of our business which, combined with its diversity of culture and background stands as the perfect platform to perform and deliver.

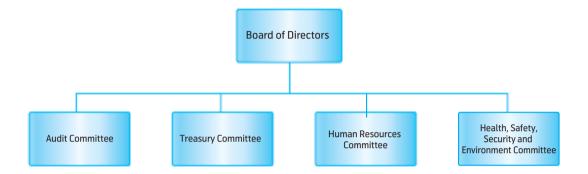
### c) Board Meetings

The AoA of the Company requires the Board to meet at least four times a year or more when duly called for in writing by a Board member. Dates for Board Meetings in the ensuing year are decided in advance and notice of each Board Meeting is served in writing well in advance.

### d) Division of work for the Board and Chief Executive Officer (CEO)

The roles of the Board and Chief Executive Officer are separate and delineation of responsibilities is clearly established, set out in writing and agreed by the Board to ensure transparency and better corporate governance. To that end, GP has also adopted "Governance Guidelines for Chief Executive Officer". The CEO is the authoritative head for day-to-day management in GP. He acts to reasonably ensure that GP develops and conducts business as per the Articles of Association, decisions made by the Board and shareholder, as well as according to Grameenphone Policies and Procedures, and applicable regulatory legislations.

### **Board Committees**



### a) Audit Committee

The Grameenphone Audit Committee was established in late 2008 and has jurisdiction over Grameenphone and its subsidiaries. The Audit Committee is comprised of three members of the Board including the Independent Director. The Chief Executive Officer, the Chief Financial Officer, the Company Secretary and the Head of Internal Audit are permanent invitees to the Audit Committee meetings.

The Audit Committee assists the Board in discharging its supervisory responsibilities with respect to internal control, financial reporting, risk management, auditing matters and GP's processes of monitoring compliance with applicable legal & regulatory requirements and the Codes of Conduct. The Audit Committee Charter, as approved by the Board, defines the purpose, authority, composition, meetings, duties and responsibilities of the Audit Committee.

### b) Treasury Committee

This Committee consists of three members who are appointed by the GP Board. All significant financial matters which concern the Board are discussed in this committee meeting in detail. Upon endorsement of the Treasury Committee, such issues are forwarded to the Board for their final review and approval.

### c) Human Resources Committee

This Committee consists of three members who are appointed by the GP Board. The Committee supports the Board in discharging its supervisory responsibilities with respect to Company's Human Resources policy, including employee performance, motivation, retention, succession matters, rewards and Codes of Conduct.

#### d) Health, Safety, Security and Environment Committee

This Committee consists of three members who are appointed by the GP Board. The Committee supports the Board in fulfilling its legal and other obligations with respect to Health, Safety, Security and Environment (HSSE) issues. The Committee also assists the Board in obtaining assurance that appropriate systems are in place to mitigate HSSE risks in relation to the Company, employees, vendors etc.

### **Company Secretary**

The Corporate Governance Guidelines issued by the Securities and Exchange Commission require a company to appoint a full fledged Company Secretary, as distinct from other managers of the Company. In pursuance of the same, the Board of Directors has appointed Company Secretary in GP and thoroughly defined his roles & responsibilities. In GP, among other functions, the Company Secretary:

- performs as the bridge among the Board, the Management and the Shareholders on strategic and statutory decisions and directions.
- acts as a quality assurance agent in all information streams towards the Shareholders/Board.
- is responsible for ensuring that appropriate Board procedures are followed and advises the Board on Corporate Governance matters.
- acts as the Disclosure Officer of the Company and monitors the compliance of the Acts, rules, regulations, notifications, guidelines, orders/directives etc. issued by the Securities and Exchange Commission (SEC) or Stock Exchange(s) applicable to the conduct of business activities of the Company as well as to the interest of the investors.

### Management Team

The Management Team is the Executive Committee of Grameenphone managing the affairs of the Company. The Management Team consists of the CEO and other key Managers across the Company. The CEO is the leader of the team. Management Team endeavours to achieve the strategic goals & mission of the Company set by the Board of Directors. The Management Team meets on a weekly basis to monitor the business performance of the Company.

### Control Environment in Grameenphone

In implementing the right Governance in Grameenphone, the Board and the Management Team ensures the following:

### a) Beyond Budgeting Management Model

Beyond Budgeting is a strategic management model that focuses on relating strategic ambitions with actions and emphasizes on regular monitoring of the KPIs with a realistic predictive model (rolling forecast). This enables a forward-looking and action oriented approach towards managing the business. The resource allocations are dynamic and are based on the intended actions linked with the strategy. It aims to build a culture of freedom through responsibility and thereby inculcating an entrepreneurial mindset in the organization leading to increased responsiveness to surrounding changes.

As opposed to traditional budgets where targets, resource allocation and forecasts are combined, the Beyond Budgeting concept manages the aforesaid three processes separately. By separating these three processes, the model tries to eliminate the "budget-gaming" and re-focuses on initiatives to minimize the gap between the targets (KPIs) and forecasts and drives business towards ambitions. The corporate level initiatives are cascaded down at divisional & individual levels and reviewed and monitored continuously against the forecasts, which serves as a radar screen, showing the future outcome of actions undertaken. Targets/KPIs are set on relative terms to reflect the changes in business environment and thus ensuring a performance culture focused on attainting strategic ambitions. Resource allocations are aligned with strategic ambitions through the setting of relative KPIs.

### b) Financial Reporting

Grameenphone has strong financial reporting procedures in line with the requirements of International Financial Reporting Standard (IFRS), Bangladesh Accounting Standard (BAS) and other related local legislations. In Grameenphone, financial reports are generated from ERP (Enterprise Resource Planning) system.

Apart from the statutory reporting, Grameenphone also maintains regular reporting to its group company Telenor which consolidates all its subsidiaries' financial information in its consolidated Financial Statements.

### c) Management of Assets

Grameenphone is continuously investing in telecom network and other related infrastructure in line with the Company Strategy. To maintain accountability and proper utilization of assets, it complies with clearly defined and approved policies starting from procurement, recording, reporting and up to the level of disposal of assets. To ensure proper safeguarding of assets, physical verification of network assets is conducted periodically on test basis and all risks relating to these assets are properly insured both locally and internationally.

### d) Statutory Audit

Statutory Audit of the Company is governed by the Companies Act, 1994. The Companies Act specifically provides guidelines for the appointment, scope of work and retirement of auditors. Shareholders appoint auditors and fix their remuneration in the Annual General Meeting. The auditors also carry out interim audit and review the quarterly financials of the Company.

### e) Internal Audit

Internal Audit supports the Company to achieve its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of its risk management, control and governance processes. In order to ensure organizational independence of Internal Audit, the Head of Internal Audit reports functionally to the Audit Committee and administratively to the Chief Executive Officer.

Grameenphone Internal Audit is empowered to carry out its activities in Grameenphone and its subsidiaries. Internal Audit activity is governed by the Internal Audit Charter, which is approved by the Board. Grameenphone Internal Audit department discharges its assurance and consulting activities through management of three distinct audit streams: Finance, Technology and General Business processes. Additionally, a separate team is responsible for quality assurance of internal audit activity. A risk-based annual audit plan is in place, which takes into consideration the strategic imperatives and major risks surrounding Grameenphone, while considering pervasive audit needs. Grameenphone Internal Audit also works closely with Telenor Group Internal Audit in sharing knowledge and resources to ensure achievement of internal audit deliverables.

### f) Internal Control

Corporate Governance is on its strong foot in GP supported by sound internal control system in pursuance of Sarbanes Oxley Act. The partnership efforts of the Board of Directors, Management and Employees of the Company have made the company SOX successful since 2006. As a good business practice, Sarbanes Oxley (SOX) Act is a dominant guiding principle of the Company to attain Internal Control over Financial Reporting (ICFR) consisting of complete, valid and accurate information while protecting its access to the right person.

After the Company's enlistment with the Stock Exchanges, the reasonable assurance of operational efficacy, reliable financial reporting and legal compliance have become more crucial which is persistently enforced by sound internal control system.

SOX guidance is a continuous process of achieving the objective of being 'good to great' by ensuring:

- Better quality and output from defined significant business processes having financial impact
- Job done right at the first time
- Good, consistent processes
- System in place than person in place
- Trust towards the capital market
- Tangible benefit from strong ICFR efforts
- Less error in financial reporting

### g) Risk Management

Risk Management at Grameenphone is concerned with earning competitive returns from the Company's various business activities at an acceptable risk level. It supports the Company's competitiveness by developing a culture, practice and structure that systematically recognize and address future opportunities whilst managing adverse effects (threats) through recognizing risk and acting appropriately upon it. The Company has well defined risk management policy, procedures and processes to mitigate strategic and enterprise level risks.

Corporate Governance

Further to address & manage risk, the Company also works on ensuring,

- Implementation & good practice of required policies & procedures
- Controls on different Revenue Assurance & Fraud Management functions

## h) Compliance with Rules & Regulations of the Country

Compliance builds trust. To have governance cascaded right through the whole Company, the Management Team of Grameenphone as the leaders of a compliant Company acclimatized ways that assure compliance to all regulatory requirements and instill organizational trust amongst their Board Members, Shareholders and customers. The regulatory bodies maintain a close monitoring process on Grameenphone and has heightened the focus on transparency, as well as an increased need to provide accurate and periodic reporting of issues/events and certifications. In this context, the Company provides complete set of Financial Statements to the Securities and Exchange Commission (SEC), Stock Exchanges, National Board of Revenue (NBR), Registrar of Joint Stock Companies & Firms (RJSC), Bangladesh Telecommunication Regulatory Commission (BTRC) and the Board of Investment (BoI). In order to conduct day to day business, Grameenphone has been rendering its best effort to comply with the existing applicable laws of the country as well as with the directives/guidelines of various Government Authorities.

## i) Business Continuity and Crisis Management (BCCM)

We must recognise the fact that no matter how solid any business is, things may go wrong at any time which might have catastrophic consequences. As GP entered into local Capital Market, it is becoming more and more a necessity to be prepared to encounter any contingency with an optimal level efficiency to uphold the shareholders' interest and gain a competitive edge. It is crucial for a company like GP to have plans in place in addition to a trained and capable team to respond to an emergency incident, restore business operation effectively and safeguard GP employees, assets and reputation. So to generate resilience in entire business operations, GP started practicing world class Business Continuity & Crisis Management since May 2008 to avoid this kind of catastrophic situation and also to uphold the shareholders' value.

- Business Continuity Management is a holistic management process that GP embeds in its business culture by this time with several different methodical approach including Business Continuity Plans, Disaster Recovery Plan, Crisis Management Plan & specialized Activity Resumptions Plans.
- Major initiatives taken by BCCM last year were "BCCM resilience at regional level", "BCCM knowledgebase portal", and "Crisis Management Plan Review". Apart from all these there are other significant projects ongoing at this moment. BCCM is working with GP's critical business partners for building resilience at supply chain continuity, Disaster Recovery Site for Service Operation Centre (SOC) etc.
- To enhance Incident Management capability, GP BCCM also conducted functional exercises last year. Two separate tabletop exercises were arranged for Finance Management Team and Chittagong Regional Sales Management. Objectives of both the exercises were to train and improve Business Continuity & Incident Management capability, Exercise relevant operational procedure and Foster & Embed business continuity culture.

In BCCM's continuous journey, it has got many initiatives and is trying to perform the entire BCM life cycle in true sense so that GP can leverage its business efficiency and generate more resilience to protect its shareholder's value.

# j) Ethics and Behaviour

#### i. Codes of Conduct

Grameenphone has adopted clearly defined Codes of Conduct approved by the Board of Directors for securing good business ethics and conduct in all aspects of the Company's activities. The Codes of Conduct are properly communicated to all the employees and others acting on behalf, who are strictly required to abide by it.

## ii. Restrictions on dealings in GP Shares by Insiders

The Company has established policy relating to trading in the GP shares by Directors, Employees and other Insiders. The securities laws also impose restrictions on similar sort of transactions. All the Insiders are prohibited from trading in the GP shares, while in possession of unpublished price sensitive information in relation to the Company during prescribed restricted trading period. Directors and Employees are also required to notify their intention to trade in the GP shares prior to initiating the same.

# k) Investor Relations (IR)

As the largest public listed corporate house in Bangladesh, Grameenphone always pays great importance to the investor community and their various information requirements. With a vision of establishing the most effective two way communication between the investors and the Company, a dedicated Investor Relations department started its journey in 2010. IR as a specialized department has maintained contact with local and international investors, analysts, market experts, regulators and financial community on proactive basis to communicate the pulse of the Capital Market to the management throughout the year. Notable events that IR conducted during the year were: workshop for financial journalists on capital markets, first ever international analyst meeting, launching of a dedicated investor relations website, quarterly financial publications and press conferences.

# l) Communications with Shareholders

We believe good corporate governance involves openness and trustful cooperation between all stakeholders involved in the Company, including the owners of the Company – the Shareholders. Information is communicated to the Shareholders regularly through a number of forums and publications. These include:

- Annual General Meeting of the Company
- Quarterly, Half-yearly and the Annual Financial Statements, which are also posted at Company's website
- Price Sensitive Disclosure and other disclosures to the SEC, Stock Exchanges and general shareholders; and
- Company's website, where the Company announcements, media releases, previous year's results etc. are posted under the Investor Relations section

The Company has adopted a detailed policy on information disclosure and communication. In compliance with continuous disclosure requirements, the Company's policy is that Shareholders will be informed in a timely manner of all major developments that impact the business of the Company and also are able to make informed decisions.

Grameenphone believes in transparency and accountability to society as a whole through establishment of efficient and effective Corporate Governance procedures. It also believes that Corporate Governance is a journey and not a destination and it needs to be continuously developed, nurtured and adapted to meet the changing needs of a modern business as well as the justified expectations of our investors and other stakeholders.

# Corporate Social Responsibility

# Partnership which strives to achieve common economic and social goals

At Grameenphone, we acknowledge the complementary relationship and interdependency between responsibility and commercial interest. Our strategic ambitions and the country's development issues are mutually inclusive, and hence, they cannot be treated in isolation.

We believe good business is good development and vice versa. As the business grows, it generates positive economic and social impact in the form of beneficial services, jobs and contributions to the National Exchequer. Likewise, good development equals good business. Thus, our relationship with Bangladesh is built on a partnership which strives to achieve common economic and social goals.

When the future is shared, so is the responsibility to perfect it. We believe, we have important contributions in order to ensure continued growth and development of Bangladesh. Through our commercial presence and our corporate initiatives, we aim to aid in reaching the development targets set for the country.

Our Social investments are consolidated in three main focus areas, namely, Healthcare, Education and Environment.

# Health

# Safe Motherhood and Infant Care Project

In partnership with Pathfinder International and USAID, Grameenphone has been supporting the "Safe Motherhood and Infant Care" program since May 2007. Under the program, free comprehensive primary healthcare services are provided to economically disadvantaged pregnant mothers and infants through 320 Smiling Sun clinics located in 61 districts around the country. From inception up to November 2010, 1,765,088 services have been provided to the economically disadvantaged mothers and infants under this program. Four clinic-on-wheels and ten ambulances were handed over to different NGOs of Smiling Sun Network, to increase the accessibility of maternal and infant healthcare services to the hard-to-reach economically disadvantaged population as well as to facilitate home delivery by skilled birth attendants. Under the project, 15,976 deliveries had been conducted by skilled professionals.

# Free Eye Care Camps

Grameenphone, jointly with Sightsavers International, organized free Eye Camps to ensure eye-care services since 2007. In total, 24 such free eye-camps have been organized throughout the country and a total of 36,327 patients were given free eye care support, among them 4,743 patients were administered Intra Ocular lens or cataract surgeries.

# Education

# Grameen Shikhkha

In collaboration with Grameen Shikhkha, an organization of Grameen Bank Family, Grameenphone provides scholarship to meritorious but underprivileged students through a scholarship fund at different academic levels.

# Alokdeep, Non-Formal Primary School cum Cyclone Shelter

Grameenphone, as part of its rehabilitation plans in the SIDR affected areas, provided financial assistance to build four education center-cum-cyclone shelters in the southern belt of the country. These cyclone shelters are used as non formal primary school throughout the year to provide non-formal primary education to underprivileged children of the locality.

# Environment

# **Climate Change Initiative**

Grameenphone Climate project aims to reduce carbon emission, become environment friendly and create a momentum with the community and people. The ambition of the project is to reduce the overall company's carbon footprint by 30% within 2015. The target was set using the year 2008's actual emission as the baseline emission. The reduction target for the year 2010, '11, '12 and '13 are 11%, 13%, 15% and 20% respectively. One of the major focus areas is to gain energy efficiency in Grameenphone Networks by implementing energy efficient base stations, DC ventilation system and alternative energy solutions. The target of the Company is to deploy solar power system in all the off-grid sites. Currently Grameenphone has 15 Green Base stations and works are going on for deploying solar power system in another 140 sites.

Grameenphone has adapted environmental procedures to minimize its direct impact on environment. The objective of implementing Environmental Management System is to become an environment friendly sustainable company.

Grameenphone also continued its environmental campaign "Stay Green, Stay Close" in 2010.



# **Other Initiatives**

# Sponsoring Special Olympics Bangladesh

Grameenphone became the sole sponsor of Special Olympics Bangladesh in 2007 when it provided necessary support and training for the athletes to participate in the Special Olympics Games 2007 in Beijing, China. The team won 71 medals in different categories. In 2008-10, the Company supported and organized regional talent hunts across the country. A total of 400 intellectually challenged athletes were selected from six divisions through regional talent hunt programs. In October 2010, National Games of the Special Olympic Bangladesh took place through which 80 athletes were selected. Athletes selected from 5<sup>th</sup> National Games will be further groomed and nurtured to form the brave team of individuals who will represent Bangladesh in the 2011 Special Olympics International Games to be held in Athens, Greece.

# **Emergency Relief Works**

A total of 7,000 blankets were distributed in different regions of the country during the cold wave in December 2010. Grameenphone employees donated warm clothes and actively participated in the distribution of relief materials.

# Supporting E-health

Ministry of Health and Family Welfare is currently working to implement the computer-based health information system for gathering data from rural and other levels to central and sub-national levels. Information technology is also being scaled up to provide health services to the people by a means called e-health. Grameenphone Ltd. donated 200 computers to the Directorate General of Health Services (DGHS) of the Ministry of Health and Family Welfare. The computers will be used to digitize the Health Management Information System (HMIS) and to provide e-health services.



Grameenphone's faith in the capabilities of one of the youngest Test Cricket playing nations is unconditional and irrevocable. For all the celebrations of victory and the heartbreaks of defeat – Grameenphone stood by the tigers through thick and thin. And it wasn't just about supporting the team. Grameenphone's partnership with Bangladesh Cricket Board (BCB) to build the National Cricket Academy only further exemplifies a blind faith towards Bangladeshi Cricket. It's a step towards conquering the world with the red and green – a day we are all looking forward to.

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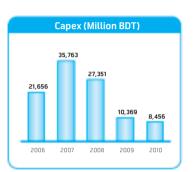
# Five Years' Financial Summary

	2010	2009	2008	2007	2006
	Consolidated	2005	2000	2007	2000
Operational Results in million BDT					
Revenue Gross Profit Operating Profit Profit before tax Net Profit after tax	74,733 38,730 20,207 20,913 10,705	65,300 32,222 20,518 18,596 14,968	61,359 28,667 15,350 11,579 2,984	54,303 29,946 16,287 13,535 3,060	45,640 26,962 18,195 17,020 7,484
Financial Position in million BDT					
Paid-up Capital Shareholders' equity Total assets Total liabilities Current assets Current liabilities Non current assets Non current liabilities	13,503 48,032 109,502 61,470 30,802 44,642 78,700 16,828	13,503 50,154 109,162 59,008 22,182 38,952 86,981 20,056	12,152 27,588 108,194 80,606 14,430 50,231 93,765 30,375	2,430 26,111 88,461 62,350 6,851 36,445 81,610 25,905	2,430 24,509 66,757 42,247 10,442 23,568 56,314 18,680
Financial Ratios					
Current Asset to Current Liability Debt to Equity Gross Profit Margin Operating Profit Margin Net Profit Margin Return on Equity Return on Total Assets	0.69 0.11 52% 27% 14% 22% 10%	0.57 0.14 49% 31% 23% 38.5% 13.8%	0.29 0.68 47% 25% 5% 11.1% 3.0%	0.19 0.63 55% 30% 6% 12.1% 3.9%	0.44 0.32 59% 40% 16% 35.0% 12.9%
Ordinary Shares Information					
Ordinary Shares outstanding (in million) Face Value per share Cash Dividend on paid up capital Dividend payout NAV per Share * Net Operating Cash Flow per Share ** Earnings Per Share**	13,503.00 10 120% 151% 35.57 23.16 7.93	13,503.00 10 60% 54% 37.14 24.77 12.08	12,151.75 1 13% 53% 22.70 20.24 2.46	56.52 43 62% 49% 21.49 19.86 2.52	56.52 43 60% 19% 20.17 21.53 6.16

\* Based on Tk. 10 equivalent ordinary share outstanding at December 31.

\*\* Based on weighted average number of share of Tk. 10 each.







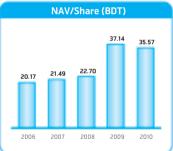




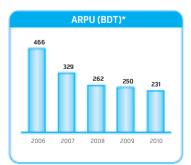
\*ARPU – Average Revenue Per User



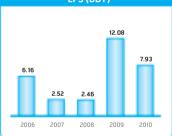












NPAT (Million BDT)

2,984

2008

Total Equity (Million BDT)

27,588

7,484

2006

24,509

3,060

2007

26,111

14,968

2009

50,154

2009

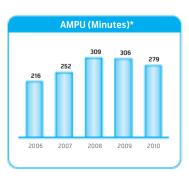
10, 705

2010

48.032

2010





annual report 40/41

# Financial Review - 2010

Grameenphone has set a new benchmark for the telecom industry with its aggressive subscriber acquisition and hefty revenue generation in 2010. Even in fierce market competition and heavy SIM tax burden, Grameenphone has managed to add more than 6.7 million subscribers. Emergence of new entrant and belligerent price war in the market could not cast a shadow over Grameenphone's performances.

Grameenphone has diversified its business by forming an IT company, Grameenphone IT Ltd. to give a way to the 'Digital Bangladesh'. Side by side, Grameenphone has strengthened its rural footprint through new product 'Baadhon' bundled with low cost handsets and continued to be top on the innovation front through segmented price plans with migration facility, mini-packs for economy internet users and services like Bill Pay, e-ticketing and vehicle tracking.

Grameenphone's cost optimization initiatives through operational excellence program as well as opting for cost-efficient network solutions through swapping of assets with Huawei have played a constructive role.

Regulatory authorities have played a pivotal role in business environment with new directives and guidelines such as SMS tariff, toll-free hotline and likewise.

#### Subscriptions

- Subscriber base reached almost 30 million at the end of 2010.
- During the year, subscription base increased by 29% with 6.7 million additions.
- Active internet users increased to 2.6 million from 1.4 million in 2009.
- In the competitive market, GP's subscriber market share stood stable at around 44%.

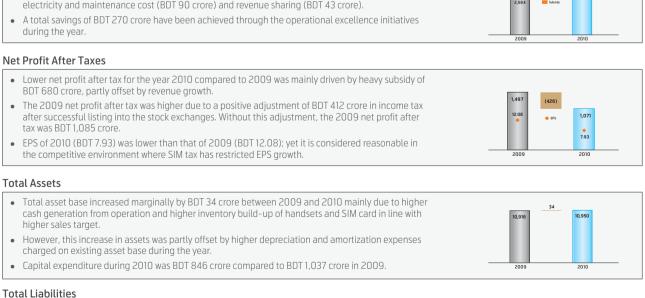
#### Revenue

- Total revenue increased by 14% (BDT 943 crore) mainly due to growth in traffic revenue driven by subscription growth and revenues from sale of GP branded handsets and EDGE modems.
- Impressive 64% growth in data revenues against 82% increase in active users, mainly driven by economy mini-packs.
- New segmented price plans designed as per the users' needs and migration facility well-received by the subscribers. Strengthened rural footprint by "Baadhon" product bundled with very low cost GP branded handsets and extended distribution network.

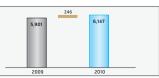
• Total operating expenditure in 2010 increased by 35% (BDT 970 crore) from 2009 mainly due to higher

subsidy (BDT 455 crore), commissions (BDT 116 crore), SIM card and cost of device (BDT 108 crore), rent,

#### **Operating Expenditure**



• Total liabilities increased by BDT 246 crore during the year mainly on account of payables against income tax and SIM tax. The increase was partly offset by settlement of long term borrowings obligation and reduced deferred tax liabilities.





29.9

6.71

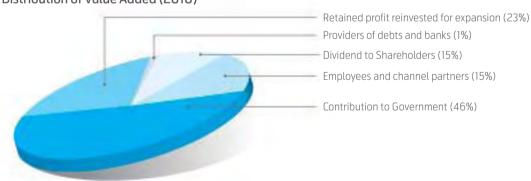
23.26



# Value Added Statement

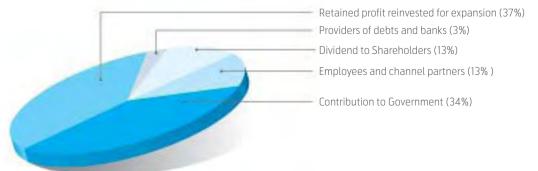
				in '000 BDT
	2010	%	2009	%
Value Added				
Revenue	74,733,076		65,299,567	
Other income including interest income	1,509,457		256,066	
VAT on revenue and other income	11,219,024		9,801,424	
	87,461,558		75,357,057	
Less: Cost of network and services	14,352,457		12,010,166	
Available for distribution	73,109,101	100%	63,346,891	100%
Distributions				
Employees and channel partners	11,172,668	15%	8,184,542	13%
Government	33,581,941	46%	21,567,193	34%
Providers of debts and banks	855,568	1%	1,900,001	3%
Shareholders*	10,705,352	15%	8,101,800	13%
	56,315,529	77%	39,753,537	63%
Retained for reinvestment & future growth				
Depreciation	16,793,572	23%	16,726,988	26%
Retained profit	-	0%	6,866,366	11%
	16,793,572	23%	23,593,354	37%
	73,109,101	100%	63,346,891	100%

\*Distribution for 2010 was BDT 16,203,600,264 (including the proposed dividend) out of which BDT 10,705,351,608 was from the wealth created during the current year. The rest of the distribution was from wealth accumulated in earlier years.



# Distribution of Value Added (2010)

## Distribution of Value Added (2009)



# Contribution to National Exchequer

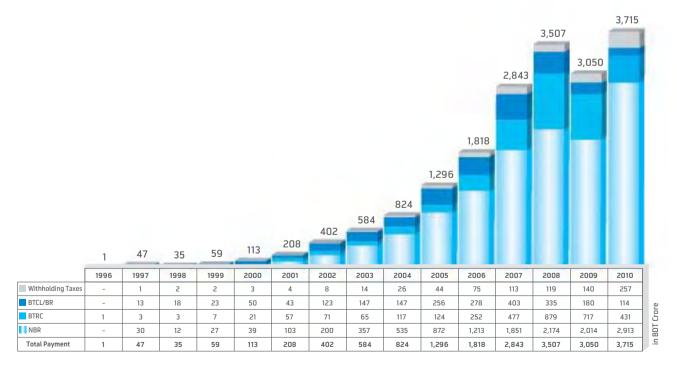
# Largest Corporate Taxpayer in the Country

The collective contribution to the National Exchequer from inception up to December 2010 was BDT 185.0 billion (BDT 18,502 crore), of which, BDT 37.15 billion (BDT 3,715 crore) was made in 2010 alone. Out of total BDT 185.0 billion (BDT 18,502 crore), BDT 149.5 billion (BDT 14,951 crore) was made on account of direct tax, VAT and duties through National Board of Revenue (NBR) and Bangladesh Telecommunication Regulatory Commission (BTRC), BDT 6.15 billion (BDT 615 crore) on account of purchase of additional spectrum and equipments for Lawful Interception Compliance for the government, BDT 21.28 billion (BDT 2,128 crore) through commercial agreements with Bangladesh Railway (BR) and Bangladesh Telecommunications Company Limited (BTCL) and BDT 8.08 billion (BDT 808 crore) as indirect payments on account of local and foreign staff income taxes and withholding taxes on operating expenditure payments. So far, Grameenphone has been the largest corporate taxpayer in the country for the last couple of years.

Grameenphone has also generated direct and indirect employment for a large number of people over the years. The Company presently has about 5,000 employees while 180,000 people are directly dependent on Grameenphone for their livelihood, working for the dealers, retailers, electronic reload and scratch card retail outlets, suppliers, vendors, contractors and other business partners.

With the payment of taxes and the investment in the network, Grameenphone is making a significant contribution to the country's economic & social development and growth.

# Year-wise Contribution to National Exchequer as of December 31, 2010



# Directors' Report

# For the year ended December 31, 2010

#### Dear Shareholders,

On behalf of the Board of Directors and Management, I welcome you all to the 14<sup>th</sup> Annual General Meeting (AGM) of Grameenphone Ltd. (GP). We are very delighted to place herewith the Directors' Report and the Auditors' Report together with the Audited Financial Statements of the Company for the year ended December 31, 2010 thereon, for your valued consideration, approval and adoption.

### 2010 - Another Year of Accomplishment

GP had another successful business year in 2010 achieving more than 6.7 million new subscribers. The total subscribers' market share in the year stood at 43.7 % with the 29.97 million subscribers' landmark. When we started our journey in March 1997, this was a dream figure and very few people could imagine that this would ever be accomplished. At the same time, our revenue is up with double digits in percentage growth and we have a consistent profit throughout the year in spite of challenging macro economic conditions. However, SIM tax remains the main hurdle to mobile industry growth, hindering further investment as well as the progress of the Government's much envisaged digitalization of Bangladesh to a great extent.

Superior service quality and innovative products and services have given us a competitive edge over the market. In 2010, we have strengthened our rural footprint through the introduction of new product 'Baadhon' bundled with low cost handsets. We have diversified our business portfolio through infrastructure sharing and formation of a wholly owned subsidiary company "Grameenphone IT Ltd."

GP completed a full year 2010 as a listed company. GP was seen as benchmark for its compliance, transparency and service to its close around 100,000 shareholders. Amongst, the most significant event of the year was holding flawless AGM of the largest shareholder base of the country in June 2010. GP was also commended for completing dividend disbursement process in the quickest possible time. Those all reveal the Company's ability and candid commitment to deliver to its shareholders.

GP has been contributing significantly to heritage, culture, sports and welfare through its various initiatives. We have been maintaining high standards in Corporate Responsibility, Health, Safety, Security and Environment (HSSE) and Employee welfare. We have further enhanced our cooperation with Government such as sponsored the 11<sup>th</sup> South Asian Games, Access to Information (A2I) Programme and other initiatives.

#### 2010 - Socio Economic Environment

On the way to new and digitalized Bangladesh, 2010 was the year of bounce for the global economy as well as for Bangladesh. Despite acute power & energy crisis and infrastructure deficiency, most of the economic indicators showed positive trend throughout the year except some volatility in the money and capital markets and inflation at the end. The country registered a GDP growth of 5.8% in the fiscal year 2009-2010 driven mainly by the services and industrial sectors. An optimistic economic growth has, however, been envisaged for the coming years by the experts and analysts. With the support from the international bodies, the Government strives to maintain the ongoing trend of economic stability in Bangladesh.

The year 2010 witnessed a number of hiccups in commodity markets that created some challenges for the fixed and low-income groups. The Consumer Association of Bangladesh (CAB) has said that the prices of some major food items have increased by more than 20 percent year on year basis. Managing inflation is emerging as a major macroeconomic challenge. Bangladesh's growth prospect would depend on large and quick investments in power, energy, transport infrastructure and tax reforms etc.

## **Telecommunication Industry Scenario**

As per the Global Information Technology Report 2009-2010 of World Economic Forum, Bangladesh in terms of network readiness has moved up from global ranking at 130 to 118. This readiness is mainly attributed to the mobile sector of Bangladesh which has connected and empowered people and made revolutionary changes in their lifestyles. It has brought basic Internet to the people and thereby increased productivity in services, manufacturing & agriculture and improved access to education, health care and rural lives.

Total mobile phone subscribers in Bangladesh reached 68.6 million as of December 2010, whereas the tele-density for the mobile industry reached approximately 40%. Six mobile phone operators of the country added 16.2 million customers in 2010.

Despite rapid growth over the last 5 years, Bangladesh remains as one of the lowest in Internet penetration and the scenario is likely to change once the 3G technology is introduced in Bangladesh. Currently Internet penetration is soaring around 6.5%.

## **Regulatory Environment**

In terms of regulatory environment, 2010 has been a very eventful year. There has been quite a few regulatory activities changing the business environment significantly.

The 2010 saw the amendments in Bangladesh Telecommunication Act 2001 (BTA), despite opposition by the telecom industry. These amendments have increased the risk of doing business in the telecom sector in Bangladesh.

Towards the end of 2010, BTRC has proposed a renewal framework to Ministry of Posts and Telecommunications, without consultation with the mobile sector operators. Proposed renewal fees are very high and a total of USD 1.6 billion is indicated to be recovered from four renewing mobile operators. It is also indicated that GP would be paying more than other operators because of its business success. Renewal framework also contains quite a few non-price but significant elements, without adequate details e.g., Unified Licensing, Significant Market Power (SMP), Mobile Virtual Network Operator (MVNO) etc., which adds to the already prevailing uncertainty.

There is only slow movement on 3G. BTRC issued an Expression of Interest (EoI) in later part of December 2010 seeking interest of international consultants to prepare a 3G framework, with an indication that auction would be the mode of allocation of spectrum and license. This shows that 3G deployment probably will be further delayed in the country.

Like previous years, despite best efforts of the mobile operators, the Government did not reduce SIM tax in 2010. It makes difficult to deliver mobile services to the poor people especially in the rural areas.

A stable and long term telecom policy is badly needed to stimulate industry growth and enable the mobile industry to make further investments in new services and technologies.

# 2010 - Capital Market Overview

In 2010, the total turnover of Dhaka Stock Exchange (DSE) was a record of BDT 4,009.9 billion compared to BDT 1,475.3 billion in 2009, an increase of 171.80%. The total market capitalization in 2010 was BDT 3,508 billion, posting an 84.81% rise from that in 2009. Securities and Exchange Commission (SEC) remained vigilant throughout the year. The regulator changed and/or modified securities rules time to time in 2010 in order to maintain discipline in the market. The country's capital markets witnessed a sharp fall on December 19, 2010. The DSE index fell by 551 points or 6.71%, leading to angry protests from retail investors forcing regulator to withdraw certain regulatory directives. The number of Beneficiary Owners (BO) account has nearly doubled to 3.3 million in 2010. The regulator approved Initial Public Offerings (IPO) of 8 companies, gave go-ahead to 2 companies with direct listings while 25 companies offered right shares.

On October 28, 2010, around 66 million placement shares of GP were released from "lock-in". Despite expiry of lock-in, no significant fluctuation was noticed in GP share price. GP shares soared in early February 2010 and then came down following SEC directive to place GP in spot market. It has been on a gradual decline since then with periodic upward movements from time to time. Subsequently, GP shares were reinstated to regular trading on December 21, 2010. At the beginning of 2010, GP share price was BDT 187.0 on DSE and BDT 188.6 on Chittagong Stock Exchange (CSE) while the highest share price was BDT 396.5 on CSE during the year. GP's market capitalization as of December 31, 2010 was BDT 331.9 billion on DSE representing 9.5% of the total market capital of DSE.

## **Innovative Products & Services**

Mobile telephony is playing a major role around the world to bring positive changes. GP has already taken modern telecommunications to the easy reach of the common people around the country. We are dedicated to continuous improvement to develop innovative and useful products & services to keep our customers close. Over the past 14 years, the Company has demonstrated its commitment as such to connect people, keeping them close to their dreams and aspirations through our various services. Those connections deepen relationships, strengthen society and accelerate economic growth of the country. During the year under review, we launched a new package named "Baadhon" along with GP branded low-cost handset designed to serve the rural population of Bangladesh, and "Ekota" package to meet the business needs of small

enterprises. As part of new innovations, GP launched Dynamic Pricing, Sachet (bundle minute) offer for the prepaid customers, "Team Tracker" and "Buddy Tracker" for location tracking through mobile device. We also commercially launched "Vehicle Tracking" system this year.

As part of GP's continuous efforts to provide maximum benefit to its subscribers, in 2010, we have announced four price packages – Shohoj, Aapon, Bondhu along with djuice. These have been developed for the prepaid subscribers offering interchangeability and easy migration. The new price plans bring a simplicity that identifies usage patterns, and promises the best solution and the best value to GP's subscribers.

## Customer Service – Magic of Closeness

Serving the customers with increasing passion every day is crucial to our success. GP recognizes that "Customer is King". Our strategic initiative aims not only to delight customers consistently by offering better products and services, but to win their loyalty by building a meaningful and memorable total experience. GP introduced the country's first 24-hour Call Center in 1999. In 2008, GP implemented world-class IP Based Contact Solution for managing customer interactions more effectively. In addition, GP is in touch with the subscribers round the year through various customer touch points such as 18 Grameenphone Centers (GPC) and 70 Grameenphone Center Franchises (GPCF) – a flagship sales and service point under one roof - especially designed to cater the needs of the subscribers. Moreover, GP has an extensive state-of-the-art distribution network and infrastructure with more than 120,000 retailers spread across the country with whom more than 7 million subscribers interact for purchasing GP products every day. Our distribution strength is with 180,000 Point of Sales (POS) is organized by around 97 distributors.

# New Business by using GP Competence

## i) Grameenphone IT Ltd.

GP has always been at the cutting edge of innovation in Bangladesh and we will continue to develop new ideas to improve people's lives. Through the creation of Grameenphone IT Ltd. (GPIT), GP has shown significant commitment to help develop Bangladesh.

GPIT is a fully-owned subsidiary of GP, and was incorporated on January 28, 2010. GPIT began its operations on April 01, 2010 and has been managing GP's IT infrastructure, services and solutions. GPIT presently has approximately 359 employees, and will continue to grow in the future.

We see great opportunities for the subsidiary in local and global markets as an IT company. Within the Bangladesh market, we plan to slowly diversify our capabilities into other industry segments with special focus on the banking and finance industry. We have also ventured out of Bangladesh by forming partnership with global IT companies. Within Telenor Group, we have already signed agreement with Telenor Next, Telenor Broadcast and the Telenor Group.

### ii) Wholesale Business - a new dimension added

The infrastructure sharing scheme, under wholesale business, was another new dimension added during the year for GP aiming to make optimum use of the existing resources. BTRC, through directive, made infrastructure sharing compulsory for the telecom operators of Bangladesh. In 2010, we have taken the step forward. Our initiative will ensure sustainable utilization of national resources. In this regard, we have signed agreements with Augere Wireless Broadband Bangladesh Limited; Axiata (Bangladesh) Ltd. (Robi); Orascom Telecom Bangladesh Ltd. (Banglalink); Banglalion Communications Ltd.; Airtel Bangladesh Ltd. (formerly known as Warid) and Drik Alokchitra Granthagar Limited.

# iii) Financial Services

GP has long set out to improve people's lives through the mobile phone infrastructure. One area of increasing priority is basic transactional services and looking at new ways that the mobile can contribute to making bill payment, purchasing and other basic transactional services easy and more convenient for the common people. Our tested technology, large subscriber base and distribution network allow us to bring mobile transactional services to more people in more areas. In 2010, we observed significant acceptance from people and growth on our bill payment, train & sports ticketing and charitable lottery purchase using mobile phones. With GP's BillPay service, customers can pay their various utility bills through the subscriber's mobile or through GP authorised outlets. We also introduced our new brand "MobiCash" for transactional services this year. In future, GP will be introducing other innovative transactional and mCommerce services to ensure ultimate convenience and comfort for the people.

## **Continuous Investment**

We know that mobile subscribers are always looking for new and innovative products & services and better quality network that fit their needs and offer real value. Keeping this in mind Grameenphone continued to invest in its network to deliver a quality network experience and to maintain its leadership position in the industry. Our cumulative investment reached BDT 157.96 billion (BDT 15,796 crore) where BDT 8.46 billion (BDT 846 crore) was invested to enhance data capacity and quality of its nation-wide network in 2010. With 433 new additions in 2010, accumulated number of BTS stood at 13,097 in 7,237 locations all around the country.

# Our Employees - Our Pride

The total strength of GP employees stood at 4,637 at the end of the year. GP recognizes the importance of attracting and retaining skilled and motivated employees with a strong commitment to the business in line with the Company's ethical visions and values. We are committed to the principle of equal and fair opportunity in employment and also put in place a number of initiatives to build strong corporate culture. Inspired by Government moves, GP has extended female Maternity Leave from existing 4 to 6 months and has been running daycare facilities for children of the employees. A performance driven corporate culture along with opportunities for career growth has made GP a gender balanced and preferred employer in the Bangladesh job market. GP received the "Best Employer Award for 2010" from BDjobs.com - the largest online job site in Bangladesh.

# GPHouse – A new way of work

GPHouse, the new head office building of the Company was inaugurated in 2010. The architecture symbolizes futuristic vision of GP and is the first true environment friendly building in Bangladesh. It is one of the expressions of GP's mission to go green. GPHouse aims to be a workplace that nurtures creativity, flexibility, innovation and transparency in its design. The building architecture inspires and empowers employees through its open spaces and uniform seating arrangements for all. It also provides a completely new office approach, which is 'paperless' environment with an 'open' office concept. GPHouse and its new work environment is an important symbol for GP in its continued efforts to develop new and imaginative products and services. GPHouse is a cost efficient building with almost double in seating capacity compared to traditional building. The energy solutions bring down the CO<sub>2</sub> emissions by 60% compared with the other traditional buildings.

# Corporate Social Responsibility - Commitment towards the Society

GP considers itself a socially responsive, respectful and an abiding company. GP's mobile services are in many ways a social service itself, creating closeness in families and communities, and enabling business improvements and new business development. Corporate Responsibility is a complementary combination of responsible business practices and corporate behaviour and externally focused initiatives to create value for societies and communities. Our Corporate Social Responsibility (CSR) program covers many aspects of life with special focus on health, education, entrepreneurship and environment through its ventures like Village Phone, Community Information Centre (CIC), HealthLine, StudyLine, etc.

GP is the fanatic sponsor of Bangladesh National Cricket Team. In 2010, GP has renewed its sponsorship with the Bangladesh Cricket Board (BCB) for another two years till 2011. GP also entered into a partnership with Special Olympics Bangladesh with the objective to form a "national talent pool" of intellectually-challenged athletes, who will be further nurtured for the next Special Olympics in 2011. GP joined hands with Campaign for Popular Education (CAMPE) to promote 1GOAL campaign during world-cup football in 2010. This year, we also entered into sponsorship agreement with Bangladesh Football Federation (BFF) for "Federation Cup Football League" and "Bangladesh League" – the professional football leagues of the country.

# Our Climate Strategy - A way to Green World

Our climate is changing very fast and affecting the earth adversely with its consequences. Although Bangladesh is responsible for as low as 0.1% of the world carbon dioxide emission, it will be one of the worst-hit countries by suffering consequences caused by climate change. The Intergovernmental Panel for Climate Change (IPCC), in its report, mentioned that high waters and salinity are likely to displace millions of Bangladeshi people, and make them climate refugees by the end of 2050. The green technology is gaining ground in Bangladesh as several sectors are adopting the innovations. Solar energy has emerged strong in the market for green technology to mitigate the effects of electricity shortages at rural levels.

In this respect, GP's Climate Strategy aims to become a Green Company by shifting towards low carbon operations, practicing green standards internally and developing a greater momentum in the community with people. Our ambition is to reduce 30% carbon footprint and become a Green Company by 2015. In 2010, we signed contract for implementing solar power system in 140 base stations and the installation is currently in progress. New investments in 2011 will remove all air conditioners (AC) from base stations, reducing the overall network energy consumption by approximately 43%.

# Health, Safety, Security and Environment (HSSE)

GP has been a vibrant example in Bangladesh Telecom Industry considering effective management of Health, Safety and Security issues of employees & its value chain partners. As a responsible company, GP respects all HSSE provisions of Labour

Law as well as standards in this field and gives its best effort to provide for all employees the best working conditions and necessary protection. Throughout the year 2010, the Company has also put greater emphasis on Supplier & Business Partners' HSSE culture development. GP conducted more than 550 audits/inspections, and several awareness campaigns for its value chain partners. More than 1,050 Suppliers/Vendors have signed Agreement on Responsible Business Conduct (ABC) covering Supplier Conduct Principle (SCP) on HSSE aspects. Focus on internal HSSE culture has also been depicted through strong initiative on implementation of Occupational Health and Safety (OHS) Management System.

# Village Phone Program & Community Information Center (CIC)

Village Phone, when started in 1997, was a unique idea that brings modern mobile communication services and new business opportunities to communities that may have been overlooked by traditional telecommunication access. This program is a powerful symbol of how social closeness enhances life. There were 478,210 VP subscribers providing telecommunication services in over 82,000 villages in 64 districts across the country.

Inspired by the success of Village Phone Program, GP introduced Community Information Center (CIC), where the rural people can have access to wide range of state-of-the-art services such as Internet, voice communications and all other information services. Around 502 CICs are facilitating internet services across the country.

# Directors' Responsibilities for Financial Statements

The Directors are responsible for the governance of the Company, and in that capacity, the Directors confirm, to the best of their knowledge that-

- (a) the financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and change in equity;
- (b) proper books of account of the Company have been maintained;
- (c) appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;
- (d) the International Financial Reporting Standards and Bangladesh Financial Reporting Standards, have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed;
- (e) the system of internal control is sound in design and has been effectively implemented and monitored;
- (f) there is no significant doubt upon the Company's ability to continue as a going concern. The mobile cellular license of GP will expire on November 11, 2011 and will have to be renewed upon fulfillment of certain terms and conditions. However, the Management does not believe that the license will not be renewed or that the renewal will be on such terms that might have an effect on the business continuity or assumptions of going concern of the Company;
- (g) the significant deviations from the last year in operating results of the Company have been highlighted and reasons thereof have been explained;
- (h) the key operating and financial data for the last five years are annexed.

# **Shareholding Pattern**

Shareholding patterns of the Company as on December 31, 2010 are shown in Annexure-III to this report.

# Corporate Governance

In the fast-paced world of telecommunications, vibrant and dynamic corporate governance practices are an essential ingredients to success. GP believes in the continued improvement of corporate governance. This in turn lead the Company to commit considerable resources and implement international corporate standards in its day-to-day operations. In GP, Corporate governance is ensured through a structured process that directs, controls and holds the organization accountable. Being a public listed company, the Board of Directors and the Management Team of GP are committed to maintaining effective corporate governance through a culture of accountability, transparency, well-understood policies and procedures. A detailed compliance report on Corporate Governance as recommended by the Securities and Exchange Commission of Bangladesh is shown in Annexure-I to this report.

# Enhanced Value of Shareholders' Investment

In the year under review, Revenue was BDT 74.7 billion (BDT 7,473 crore) with 14.4% increase compared to the previous year. The growth in revenue was mainly in voice and data revenues due to subscription growth and revenues from sale of GP branded handsets and data cards. Impressive growth in data revenues (64%) partially contributed to this revenue growth. Net Profit After Tax (NPAT) was BDT 10.71 billion (1,071 crore) with 14.3% margin compared to BDT 14.97 billion (BDT 1,497 crore) with 22.9% margin of the previous year. The fall was mainly due to the subsidy on SIM tax of BDT 6.8 billion (BDT 680 crore), partly offset by revenue growth. This has also pushed the EBITDA margins down to 49.5% for 2010 compared to 57.0% of 2009. Earnings per share (EPS) for 2010 stood at BDT 7.93 compared to BDT 12.08 for 2009. Notably, the 2009 EPS was higher due to a positive adjustment of BDT 4.12 billion (BDT 412 crore) in income tax after successful listing on the stock exchanges.

The Directors take pleasure in reporting the financial results of the Company for the year ended December 31, 2010 and recommend the appropriation as mentioned in the "Appropriation of Profit (excluding Grameenphone IT Ltd.)" table below:

	2010	2009
Profit available for appropriation		
Profit/ (Loss) after tax	10,579,176,467	14,968,166,256
Add: Un-distributed profit brought forward from previous year	26,655,044,251	13,266,605,231
Total amount available for appropriation	37,234,220,718	28,234,771,487
Appropriation		
Final Dividend Paid for Previous year	(8,101,800,132)	(1,579,727,236)
Interim Dividend Paid for Current year	(4,726,050,077)	-
Closing Retained Earnings at year end (before proposed Final Dividend)	24,406,370,509	26,655,044,251
Proposed Final Dividend for the year 2010 (85% cash) (in 2009: 60% cash)	(11,477,550,187)	(8,101,800,132)
Retained earnings after proposed dividend	12,928,820,322	18,553,244,119

# Growth in Contributions to the National Exchequer

Along with its steady revenue growth, GP has been the largest contributor to the National Exchequer in the last few consecutive years. The collective contribution to the National Exchequer from inception up to December 2010 was BDT 185 billion (BDT 18,502 crore). During 2010 alone, the Company contributed BDT 37.15 billion (BDT 3,715 crore) to the National Exchequer compared to BDT 30.5 billion (BDT 3,050 crore) of 2009, which represent about 50 % of GP's total revenue of 2010. Notably, despite having lower corporate tax rate, GP has paid BDT 9.0 billion (BDT 900 crore) in corporate taxes during 2010, which was BDT 2.5 billion (BDT 250 crore) more compared to 2009. Such contribution is expected to grow further with the expansion and growth of the Company in the days ahead.

# Dividend

For the year ended December 31, 2010 the Board of Directors paid an Interim Cash Dividend @ 35% of the paid-up capital amounting to BDT 4,726,050,077 which was BDT 3.5 per share of BDT 10.00 each. The Board of Directors are pleased to recommend a Final Cash Dividend @ 85% of the paid-up capital amounting to BDT 11,477,550,187, which is BDT 8.5 per share of BDT 10.00 each out of the undistributed profits of the Company for the year 2010, inclusive of the Interim Dividend of 35% paid already, thus making a total dividend of BDT 12.00 per share amounting to BDT 16,203,600,264 for consideration and approval of the Shareholders for distribution.

The above dividend recommendation is as per the Board approved dividend policy which is "Minimum 50% of the Net Profit After Tax to be allocated for dividend payment depending on the financial health and capital requirement of the Company with an aim to have a relatively steady growth in per share dividend."

# Board of Directors & Board Meeting

The composition of the Board of Directors who held office during the year was as below:

- 1. Mr. Sigve Brekke, Telenor Mobile Communications AS, Director & Chairman
- 2. Ms. Hilde Tonne, Telenor Mobile Communications AS, Director
- 3. Mr. Per Erik Hylland, Telenor Mobile Communications AS, Director
- 4. Mr. Knut Borgen, Telenor Mobile Communications AS, Director
- 5. Mr. Snorre Corneliussen, Telenor Mobile Communications AS, Director
- 6. Ms. Nurjahan Begum, Grameen Telecom, Director

- 7. Mr. M. Shahjahan, Grameen Telecom, Director
- 8. Mr. Md. Ashraful Hassan, Grameen Telecom, Director
- 9. Dr. Jamaluddin Ahmed FCA, Independent Director

During 2010, a total of 9 (nine) Board meetings were held, which met the regulatory requirement in this respect. The attendance record of the Directors is shown in Annexure-II to this report.

## Directors' appointment & re-appointment

With regard to the appointment, retirement and re-appointment of Directors, the Company is governed by its Articles of Association, the Companies Act. 1994 and other related legislations. Accordingly, the following Directors of the Board will retire at the Annual General Meeting. They are, however, eligible for re-appointment:

- 1. Mr. Sigve Brekke
- 2. Mr. Per Erik Hylland
- 3. Mr. M. Shahjahan

# Appointment of Chief Executive Officer

The Board of Directors has appointed Mr. Tore Johnsen as the new Chief Executive Officer (CEO) with effect from March 01, 2011 in place of Mr. Oddvar Hesjedal, who served the Company for around three years. On this occasion, the Board would put on record its highest esteem and appreciation for the valuable services rendered by Mr. Oddvar Hesjedal as the CEO and also for his dedication to the Company. Under his leadership, the Company has strengthened its position as a market leader with close to 30 million subscribers. During his tenure, GP did its Initial Public Offering (IPO), and was listed on stock exchanges. The Board also congratulates the incoming CEO Mr. Tore Johnsen and wishes him success in further developing GP's position as the leading Bangladeshi mobile operator.

## Appointment of Auditors

As per the Articles of Association, the statutory auditors of the Company, Rahman Rahman Huq, Chartered Accountants, a member firm of KPMG, shall retire in this AGM. The Firm, being eligible, has offered their willingness to be re-appointed. The Board recommends their re-appointment for the year 2011 and to continue till the next AGM at a fee of BDT 1.8 million (Taka one million and eight hundred thousand only) plus VAT, subject to relevant regulatory clearance.

### **Risks and Concern**

GP risk management includes considering both internal and external risks that persist and need to be managed. The Company is constantly facing regulatory risks from an unstable regulatory regime. GP has well defined risk management policies and periodic monitoring that act as an effective tool in mitigating various risks to which our businesses is exposed to in the course of its day-to-day operations as well as in its strategic actions. In 2010, GP has launched a comprehensive Risk Management System. This will be used to achieve appropriate infrastructure, application of logical and systematic method of establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating strategic risks. The system will enable the company to register risk on real time basis and in accordance with risk management framework.

# Diverse Awards - Mark of Recognition

The year 2010 was brilliant for GP as it won notable awards during the period. Some of them are mentioned below.

GP has received two prestigious awards in 2010 for its "Published Financial Statements/Annual Report 2009" in the category of Communication & IT from the Institute of Chartered Accountants of Bangladesh (ICAB) and the South Asian Federation of Accountants (SAFA). The esteemed awards have given us recognition of our demonstrated commitment to Transparency, Accountability and Corporate Governance which will certainly strengthen the confidence of our shareholders as well as stakeholders.

GP won the esteemed e-India Award for e-Governance/m-Governance initiatives of the year 2010 for its Mobile Train Ticketing Services. GP and CARE jointly won the 'Chairperson's Appreciation Award (Jury Award)' for the project "Tothyo Tori" (Information Boat) in the category of e-Enterprise and Livelihood. Besides, GP had been awarded as one of the "Asia's Best Brand" at CMO Asia Awards.

GP also won both "Brand" and "People" awards of the Telenor Group. This is for the first time in the history of the Telenor Group that an individual Business Unit had received two accolades in the same year.

# Outlook 2011

Looking ahead from successes of the last 14 years, we can reasonably expect the year 2011 to be hopeful of further growth and progress. The Telecom industry of Bangladesh is approaching to a new era with innovation and new technology. With the upcoming introduction of 3G, on going 2G renewal process and the prevailing regulatory environment, we would be in new dynamics with a new player in the market. Our industry has never been so competitive and complex before. At GP, holding on to the market leadership will be our priority no matter how challenging it is. If we can tap the rural markets with the help of our relentless services and ever growing innovations, we believe that 2011 would be prospective for GP.

However, as said elsewhere in this report, the unpredictable regulatory environment remains as challenge for the Company to plug in for future. In this aspect, the proposed guidelines for 2G license renewal from BTRC, will, if implemented, create an extremely difficult situation for the mobile operators and for the financial markets. We expect that the Government will reject this high renewal fees.

# Acknowledgements

GP believes that success and progress result from concerted efforts of all the stakeholders together of a corporate organisation. Without it, a company may continue, but certainly cannot sustain in the long run. Keeping that in mind, the Board of Directors would like to extend its foremost regards and appreciation to the valued shareholders and other stakeholders of the Company for their persistent support and guidance to the Company that led to the cumulative achievements. The Board also recognises that its journey to attainments during the year was possible because of the cooperation, positive support, and guidance that it had received from the Government of Bangladesh, Ministry of Posts and Telecommunications (MoPT), Bangladesh Telecommunication Regulatory Commission (BTRC), Bangladesh Railway (BR), National Board of Revenue (NBR), Bangladesh Bank (BB), Board of Investment (BoI), Registrar of Joint Stock Companies and Firms (RJSC), Chief Controller of Export & Import, Securities and Exchange Commission (SEC), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE), GP's bankers & financial institutions, vendors and other business partners.

Considering Customers as the king, the Board acknowledges with thanks the contribution of the valued subscribers and customers by making GP their preferred service provider. On this occasion of success, we are also aware that the achievements would not have been possible without the dedicated and generous support from our employees and shall also extend to them our warmest greetings and felicitation. GP with its 14 years of uninterrupted services, promises to serve Bangladesh with a strong commitment to stay close and meet the ever growing demand of connectivity.

Thanking you all and with best regards.

For and on behalf of the Board of Directors of Grameenphone Ltd.,

Sigve Brekke Chairman

February 06, 2011

# পরিচালকমণ্ডলীর প্রতিবেদন

৩১ ডিসেম্বর, ২০১০ তারিখে সমাপ্ত বছরের কার্যক্রমের উপর

#### প্রিয় শেয়ারহোল্ডারবৃন্দ,

গ্রামীণফোন লিঃ-এর ১৪তম বার্ষিক সাধারণ সভায় পরিচালকমণ্ডলী, ব্যবস্থাপনা-কর্তৃপক্ষ ও আমার পক্ষ থেকে আপনাদের সবাইকে স্বাগত জানাই। কোম্পানির ৩১ ডিসেম্বর, ২০১০ তারিখে সমাপ্ত বছরের নিরীক্ষিত আর্থিক বিবরণীসহ পরিচালকমণ্ডলীর প্রতিবেদন এবং নিরীক্ষকবৃদ্দের প্রতিবেদন আপনাদের বিবেচনা, অনুমোদন ও গ্রহণের জন্য উপস্থাপন করতে পেরে আমরা অত্যন্ত আনন্দিত।

#### ২০১০ – সাফল্যের আরো একটি বছর

২০১০-এ ৬.৭ মিলিয়নেরও বেশি নতুন গ্রাহক অর্জনের মধ্য দিয়ে আরো একটি সাফল্যময় ৰছর পার করল গ্রামীণফোন। এ ৰছর ২৯.৯৭ মিলিয়ন গ্রাহকের মাইলফলক স্পর্শ ক'রে গ্রামীণফোনের মার্কেট শেয়ার দাঁড়িয়েছে শতকরা ৪৩.৭ ভাগে। ১৯৯৭ সালে গ্রামীণফোন যখন যাত্রা শুরু করে তখন এই সাফল্য ছিল স্বণ্নমাত্র, সেদিন খুব কম মানুষই আজকের এই সফলতার কথা চিন্তা করতে পেরেছিল। একই সাথে শতকরা প্রবৃদ্ধির হিসেব অনুযায়ী আমাদের আয় বেড়ে দুই অংকে পৌছেছে এবং সামষ্টিক অর্থনীতির চ্যালেঞ্জ সত্ত্বেও বছরজুড়ে আমাদের মুনাফা অব্যাহত গতিতে বেড়েছে। তবে, সিমের উপর আরোপিত কর মোবাইল শিল্পের উন্নয়নের পথে এখনো একটি প্রধান অন্তরায় হয়ে আছে এবং আরো বেশি বিনিয়োগকে নিরুৎসাহিত করার পাশাপাশি সরকারের ডিজিটাল বাংলাদেশের স্বপ্ন বাস্তবায়নে গতিকে করেছে শ্লখ।

সর্বোচ্চ মানের সেবা এবং অভিনব সব পণ্য ও সেবা বাজারে অপ্রতিদ্বন্দ্বী হিসেবে আমাদের প্রতিষ্ঠিত করেছে। ২০১০-এ নতুন পণ্য স্বল্পমূল্যের হ্যান্ডসেটসহ 'বাঁধন' প্যাকেজটি নিয়ে আসার মধ্য দিয়ে গ্রামাঞ্চলে আমাদের অবস্থান হয়েছে আরো সুদৃঢ়। অবকাঠামো শেয়ারিং ও সম্পূর্ণ নিজস্ব মালিকানায় নতুন কোম্পানি "গ্রামীণফোন আইটি লিঃ" প্রতিষ্ঠার মধ্য দিয়ে আমাদের ব্যাবসায়িক পরিধিকে আরো সম্প্রপারিত করতে পেরেছি।

স্টক এক্সচেঞ্জে তালিকাভুক্ত কোম্পানি হিসেবে ২০১০-এর পুরো বছরটি পার করল গ্রামীণফোন। আইনের প্রতি আনুগত্য, স্বচ্ছতা ও সেবার মানদও হিসেবে প্রায় ১০০,০০০ শেয়ারহোন্ডারের কাছে নিজেদের প্রমাণ করতে সক্ষম হয়েছে গ্রামীণফোন। এ বছর জুন মাসে দেশের সর্বাধিকসংখ্যক শেয়ারহোন্ডারদের নিয়ে নিয়মমাফিক বার্ষিক সাধারণ সভার আয়োজন আমাদের জন্য অত্যন্ত গুরুত্বপূর্ণ ঘটনা ছিল। সম্ভাব্য দ্রুততম সময়ের মধ্যে লভ্যাংশ প্রদান প্রত্রিয়ার জন্যও প্রশংসিত হয়েছে গ্রামীণফোন। আর এসবই শেয়ারহোন্ডারদের প্রাপ্য বুঝিয়ে দেওয়ার ক্ষেত্রে কোম্পানির সামর্থ্য এবং প্রতিশ্রুতির রক্ষার ব্যাপারে সত্যনিষ্ঠতার সাক্ষ্য বহন করে।

গ্রামীণফোন তার বিভিন্নমুখী কার্যত্রমের মধ্য দিয়ে বাংলাদেশের ঐতিহ্য, সংস্কৃতি, ক্রীড়া ও সমাজকল্যাণে বরাবরই উল্লেখযোগ্য অবদান রেখে আসছে । ব্যবসায়িক দায়বদ্ধতা, স্বাস্থ্য, নিরাপদ অবস্থা, নিরাপত্তা ও পরিবেশ (এইচএসএসই) এবং কর্মকর্তা/কর্মচারীদের কল্যাণে আমরা উচ্চমানের ব্যবস্থাপনার অনুশীলন করে চলেছি । ১১তম সাউথ এশিয়ান গেমসের স্পঙ্গর, এক্সেস টু ইনফরমেশন (এটুআই) প্রোগ্রাম ও অন্যান্য কার্যত্রমের মাধ্যমে সরকারের সাথে সহযোগিতাকে রেখেছি অক্ষুণ্ণ ।

#### আর্থ-সামাজিক প্রেক্ষাপট – ২০১০

একটি নতুন ও ডিজিটাল বাংলাদেশ গঠনের পথে ২০১০ সালটি বিশ্ব অর্থনীতির মতো বাংলাদেশের অর্থনীতির জন্যও ছিল অত্যন্ত গুরুত্বপূর্ণ। প্রকট বিদ্যুৎ ঘাটতি ও অবকাঠামোগত কিছু কিছু সমস্যা সত্বেও বছরের শেষ দিকে পুঁজি বাজারের অস্থিতিশীলতা ও মুদ্রাক্ষীতি ব্যতীত এ বছর বেশিরভাগ অর্থনৈতিক সূচক ছিল ইতিবাচক। ২০০৯-২০১০ অর্থবছরে দেশের জিডিপি প্রবৃদ্ধি ছিল ৫.৮% যার অন্যতম চালিকাশক্তি ছিল সেবা ও শিল্প খাত। অর্থনীতি বিশেষজ্ঞ ও বিশ্লেষকগণ আগামী বছরগুলোতে অর্থনৈতিক উন্নয়নের ব্যাপারে আশাবাদ ব্যক্ত করেছেন। আন্তর্জাতিক প্রতিষ্ঠানগুলোর সহযোগিতায় সরকার বাংলাদেশে অর্থনীতির এই সুস্থিত অবস্থা ধরে রাখতে চেষ্টা চালিয়ে যাচেছে।

২০১০-এ নিত্যপ্রয়োজনীয় পণ্যের বাজার ছিল অস্থিতিশীল যা সীমিত ও নিম্ন আয়ের মানুষদের জন্য উদ্বেগের কারণ ছিল। কনজ্যুমার অ্যাসোসিয়েশন অব বাংলাদেশ (ক্যাব)-এর হিসেব অনুযায়ী প্রতি বছরে প্রধান প্রধান কিছু খাদ্যপণ্যের দাম ২০ শতাংশেরও বেশি হারে বেড়ে চলেছে। এই উর্ধ্ব মুখী বাজার নিয়ন্ত্রণে রাখা সামষ্টিক অর্থনীতির অন্যতম বড় চ্যালেঞ্জ হয়ে দেখা দিয়েছে। বিদ্যুৎ, শক্তি, পরিবহন অবকাঠামোতে বৃহৎ ও দ্রুত বিনিয়োগ এবং কর পরিশোধ ব্যবস্থার পুর্বার্থীকে রেজে বাংলাদেশের উন্নয়ন।

#### টেলিযোগাযোগ শিল্পের চিত্র

বিশ্ব অর্থনৈতিক ফোরামের আন্তর্জাতিক তথ্য প্রযুক্তি প্রতিবেদন ২০০৯-২০১০ অনুযায়ী নেটওয়ার্ক প্রস্তুত থাকার ক্ষেত্রে বিশ্বব্যাপী ব্যাংকিংয়ে বাংলাদেশের অবস্থান ১০০ থেকে ১১৮-এ উঠে এসেছে। এই উন্নতির অন্যতম প্রধান উৎস বাংলাদেশের টেলিযোগাযোগ খাত, যা দেশের মানুষকে সংযুক্ত করেছে ও তাদের ক্ষমতায়ন ঘটিয়েছে এবং জীবনধারায় এনেছে বৈগ্লবিক পরিবর্তন। এই শিল্প সাধারণ মানুষের কাছে পৌছে দিয়েছে ইন্টারনেট সুবিধা–যা সেবা খাত, শিল্প ও কৃষিতে উৎপাদন ক্ষমতা বৃদ্ধিতে সহায়তা এবং গ্রামীণ জনসাধারণের জন্য শিক্ষা ও স্বাস্থ্যসেবা প্রাপ্তি সহজতর করেছে।

২০১০-এর ডিসেম্বরে বাংলাদেশে মোবাইল ফোন গ্রাহকের মোট সংখ্যা দাঁড়িয়েছে ৬৮.৬৪ মিলিয়নে, ফলে মোবাইল শিল্পে টেলিডেনসিটি প্রায় শতকরা ৪০ ভাগের উপরে পৌঁছেছে। এ বছর দেশে ৬টি মোবাইল কোম্পানি ১৬.২১ মিলিয়ন নতুন গ্রাহক যুক্ত করেছে।

গত ৫ বছরে মোবাইল ফোন ব্যবহারকারীর সংখ্যা ব্যাপকভাবে বৃদ্ধি পাওয়া সত্ত্বেও বাংলাদেশ ইন্টারন্টে ব্যবহারের দিক থেকে সবচেয়ে পিছিয়ে থাকা দেশগুলোর অন্যতম, তবে বাংলাদেশে খ্রিজি প্রযুক্তি চালু হলে এই চিত্র পাল্টে যেতে পারে। বর্তমানে দেশে ইন্টারন্টে ব্যবহারকারীর সংখ্যা রয়েছে শতকরা সাড়ে ছয় শতাংশ।

#### রেগুলেটরি পরিবেশ

২০১০-এ বাংলাদেশের রেগুলেটরি পরিবেশ ছিল অত্যন্ত ঘটনাবহুল। এ বছর নিয়ন্ত্রণকারী সংস্থা কর্তৃক গৃহীত কিছু কার্যক্রম ব্যবসায়িক পরিবেশকে ব্যাপকভাবে প্রভাবিত করেছে। ২০১০-এ টেলিযোগাযোগ শিল্পে জড়িতদের বিরোধিতা সত্ত্বেও বাংলাদেশ টেলিযোগাযোগ আইন ২০০১ (বিটিএ)-এ সংশোধনী আনা হয়েছে। এই সংশোধনী বাংলাদেশে টেলিযোগাযোগ খাতে ব্যবসা করার ঝুঁকি বাড়িয়ে দিয়েছে। ২০১০-এর শেষদিকে বিটিআরসি কোনো মোবাইল অপারেটরের সাথে আলোচনা না করেই ডাক ও টেলিযোগাযোগ মন্ত্রণালয়ের কাছে একটি নবায়ন কাঠামো প্রস্তাব পেশ করে। প্রস্তাবিত নবায়ন ফি অত্যন্ত বেশি এবং ধার্যকৃত মোট ১.৬ বিলিয়ন মার্কিন ডলার চারটি মোবাইল আপারেটরের কাছ থেকে আদায় করা হবে বলে ইন্সিত দেয়া হচ্ছে। আরো ইন্সিত দেয়া হয়েছে যে, গ্রামীণফোনের ব্যবসায়িক সাফল্য যেহেতু বেশি তাই অন্য অপারেটরদের চেয়ে তাকে বেশি ফি প্রদান করতে হবে। নবায়ন কাঠামোতে পর্যাপ্ত বিবরণ ছাড়াই কিছু গুরুত্বপূর্ণ উপদান রয়েছে, যেমন: সমন্বিত লাইসেন্সিং, সিগনিফিকেন্ট মার্কেট পাওয়ার (এসএমপি), মোবাইল ভার্চুয়াল নেটওয়ার্ক অপারেটর (এমভিএনও) ইত্যাদি, যা বিদ্যমান অনিন্দয়তার পরিমাণ আরো বাড়িয়ে দিচ্ছে।

খ্রিজি-এর ক্ষেত্রেও ধীর গতি পরিনক্ষিত হচ্ছে। খ্রিজি লাইসেঙ্গ কাঠামো প্রস্তুতের লক্ষ্যে আন্তর্জাতিক বিশেষজ্ঞদের অন্তর্ভুক্ত করার জন্য ডিসেম্বর, ২০১০-এর শেষের দিকে বিটিআরসি একটি এক্সপ্রেশন অব ইন্টারেস্ট (ইওআই) প্রকাশ করে, যাতে এমন ইঙ্গিত ছিল যে, নিলামের মাধ্যমে স্পেকট্রাম ও লাইসেঙ্গ করা হবে। এতে বোঝা যায় যে বাংলাদেশে খ্রিজি প্রযুক্তির ব্যবহার আরো বিলম্বিত হবে।

মোবাইল অপারেটরদের আপ্রাণ চেষ্টা সত্বেও গত বছরের মতো ২০১০ সালেও সরকার সিম-এর উপর আরোপিত কর কমায়নি। এর ফলে দরিদ্র জনগোষ্ঠীকে, বিশেষ করে গ্রামাঞ্চলের মানুমের জন্য মোবাইল সেবা পৌছে দেওয়া কষ্টকর হয়ে পড়েছে।

এই শিল্পের অগ্রগতির জন্য এবং নতুন নতুন সার্ভিস ও প্রযুক্তিতে মোবাইল কোম্পানিগুলো যাতে আরো বেশি বিনিয়োগ করতে পারে সেজন্য একটি সুস্থিত ও দীর্ঘস্থায়ী নীতিমালা প্রণয়ন অত্যন্ত গুরুত্বপূর্ণ হয়ে পড়েছে ।

#### ২০১০ – এক নজরে পুঁজি বাজার

২০১০ সালে ঢাকা স্টক এক্সচেঞ্জ (ডিএসই)-এর টার্নওভার ছিল ৪,০০৯.৯ বিলিয়ন টাকা, যা ২০০৯ সালের ১,৪৭৫.৩ বিলিয়ন টাকার চেয়ে ১৭১.৮০% বেশি। ২০০৯-এর মোট বাজার মূলধন থেকে ৮৪.৮১% বেড়ে ২০১০-এ এর পরিমাণ দাঁড়ায় ৩,৫০৮ বিলিয়ন টাকায়। সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (এসইসি) ৰছরজুড়ে পুঁজি বাজারের ওপর সতর্কদৃষ্টি রেখেছিল। বাজারের শৃঙ্খলা বজার রাখতে ২০১০-এ নিয়ন্ত্রণ কর্তৃপক্ষ মাঝে মাঝেই সিকিউরিটিজ নিয়ম-কানুনে পরিবর্তন ও/অথবা সংশোধন আনে। ২০১০-এর ১৯ ডিসেম্বর দেশের পুঁজি বাজারের মূল্য সূচকের দ্রুত পতন ঘটে। ডিএসই-এর মূল্য সূচক ৫৫১ পয়েন্ট বা ৬.৭১% পড়ে গেলে খুচরা বিনিয়োগকারীগণ এর প্রতিবাদ ক'রে নিয়ন্ত্রণ কর্তৃপক্ষকে কিছু সুনির্দিষ্ট নীতিমালা তুলে নেওয়ার জন্য চাপ দেয়। ২০১০-এ বেনিফিশিয়ারি ওনার্স (বিও)-এর সংখ্যা বেড়ে প্রায় দ্বিগণ হয়ে ৩.৩ মিলিয়নে দাঁড়ায়। নিয়ন্ত্রণ কর্তৃপক্ষ ৮টি কোম্পানিকে প্রাথমিক গণ-প্রস্তাব (আইপিও)-এর অনুমোদন দেয়, ২টি কোম্পানিকে সরাসরি তালিকাভুক্ত করে এবং ২৫টি কোম্পানিকে রাইট শেয়ার ছাড়ার অনুমোদন দেয়।

২০১০-এর ২৮ অক্টোবর গ্রামীণফোনের প্রায় ৬৬ মিলিয়ন প্লেসমেন্ট শেয়ারের উপর থেকে "লক-ইন" তুলে নেওয়া হয়। লক-ইন তুলে নেওয়ার পরও গ্রামীণফোনের শেয়ার মূল্যে ব্যাপক কোনো পরিবর্তন পরিলক্ষিত হয়নি। ২০১০-এর ফেব্রুয়ারির প্রথমভাগে গ্রামীণফোনের শেয়ারের মূল্য বৃদ্ধি পায় এবং পরবর্তীতে এসইসি-এর নির্দেশনা অনুযায়ী গ্রামীণফোনের শেয়ারকে স্পট মার্কেটে স্থানান্তরিত করলে শেয়ারের মূল্য নিম্নমুখী হয়। তখন থেকেই মাঝে মধ্যে মূল্য বৃদ্ধিসহ সামগ্রিশভাবে শেয়ারমূল্য ধীর গতিতে নিম্নমুখী রয়েছে। পরবর্তীতে ২০১০-এর ২১ ডিসেম্বর গ্রামীণফোনের শেয়ার নিয়মিত বেচা-কেনার আওতায় আনা হয়। ২০১০ সালের শুরুত্তে গ্রামীণফোনের শেয়ারের মূল্য ঢাকা স্টক এক্সচেঞ্জে ছিল ১৮৮.৬ টাকা, এ বছর শেয়ারের সর্ব্যের স্বার্চ্ব মূল্য ছিল ঢাকা স্টক এক্সচেঞ্জে ৩৯৬.৫ টাকা। ৩১ ডিসেম্বর, ২০১০-এ ঢাকা স্টক এক্সচেঞ্জে গ্রামীণফোনের বাজার মূলধন ছিল ৩৩১.৯ বিলিয়ন টাকা, যা ঢাকা স্টক এক্সচেঞ্জে মেটি বাজার মূলধনের ৯.৫ শতাংশ।

#### উদ্ভাবনী পণ্য ও সেবা

বিশ্বব্যাপী সমাজ ও অর্থনীতিতে ইতিবাচক পরিবর্তন আনতে মোবাইল ফোন অত্যন্ত গুরুতুপূর্ণ ভূমিকা পালন করে আসছে। দেশের বিভিন্ন প্রান্তে সকল সাধারণ মানুষের কাছে গ্রামীণফোন ইতোমধ্যেই সর্বাধুনিক টেলিযোগাযোগ ব্যবস্থা পৌছে দিয়েছে। গ্রাহককে কাছে রাখতে গ্রামীণফোন নিত্যনতুন ও প্রয়োজনীয় সব পণ্য ও সেবা নিয়ে আসার জন্য প্রতিনিয়ত কাজ করে যাছে। বিগত ১৪ বছর ধরে আমাদের বিভিন্ন সেবার মাধ্যমে মানুষকে সংযুক্ত রাখতে এবং তাদের স্বপ্ন ও সম্ভাবনার কাছে রাখতে কোম্পানি তার প্রতিশ্রুতি পালন অব্যাহত রেখেছে। এই সংযুক্ততা মানুষের মধ্যকার সম্পর্ককে করছে আরো গভীর, সমাজকে রাখছে ঐক্যবদ্ধ এবং দেশের অর্থনৈতিক প্রবৃদ্ধিকে করছে আরো বেগবান। এ বছর বাংলাদেশের গ্রামাঞ্চলের মানুষদের জন্য বিশেষভাবে তৈরি স্বল্লমূল্যের গ্রামীণফোন হ্যান্ডল্টেসহ "বাঁধন" নামে একটি নতুন প্যাকেজ এবং "একতা" নামে স্কুদ্র ব্যাকায়িদের জন্য নতুন প্যাকেজ নিয়ে এসেছি আমার। অভিনব সেবার অংশ হিসেবে গ্রামীণফোন নিয়ে এসেছে ডাইনামিক প্রাইসিং, প্রিপেইড গ্রাহকদের জন্য স্যাশে (বান্ডেল মিনিটি), মোবাইল ফোনের মাধ্যমে অবস্থান নির্দ্দে "টিম ট্র্যাকার" ও "বাডি ট্র্যাকার" সার্ভিস। এ বছর বাণিজ্যিকভাবে "গাড়ি ট্র্যাকিং" সার্ভিসও চালু করেছি আমরা।

গ্রাহকদের সর্বোচ্চ সুবিধা দিতে আমাদের অব্যাহত প্রচেষ্টার অংশ হিসেবে ২০১০-এ আমরা ঘোষণা করেছি ৪টি সাশয়ী মূল্যের প্যাকেজ– ডিজ্যুস-এর সাথে সহজ, আপন ও বন্ধু। প্রিপেইড গ্রাহকদের জন্য তৈরি এই প্যাকেজগুলোতে রয়েছে আন্ডঃপরিবর্তন সুবিধা ও সহজ মাইগ্রেশন সুবিধা। নতুন এই প্রাইস প্র্যান অত্যন্ত সহজবোধ্য, যার মাধ্যমে ব্যবহারের ধরন চিহ্নিত করতে সুবিধা হবে এবং গ্রামীণফোনের গ্রাহকদের জন্য হবে সেরা ও সাশ্রয়ী সমাধান।

#### গ্রাহক সেবা – কাছে থাকার আনন্দ

গ্রাহকদের জন্য আরো ভালো সেবা পৌছে দিতে প্রতিদিনের প্রচেষ্টাই আমাদের সাফল্যের চাবিকাঠি। গ্রামীণফোনের কাছে গ্রাহকই সবচেয়ে গুরুত্বপূর্ণ। শুধুমাত্র ভালো প্রোডাক্ট ও সার্ভিস দিয়েই গ্রাহককে খুশি করা নয়, বরং আমাদের কাছে থাকার অভিজ্ঞতাকে আরো মধুর ও অর্থবহ করে তোলার মাধ্যমে তাদের বিশ্বাস অর্জন করাই গ্রামীণফোনের কৌশলগত অভিপ্রায়। গ্রামীণফোন ১৯৯৯ সালে দেশের সর্বপ্রথম ২৪ ঘণ্টার কল সেন্টার চালু করে। আরো কার্যকরভাবে গ্রাহকদের যোগাযোগ (ইন্টার্যাকশন) ব্যবস্থাপনার লক্ষ্যে গ্রামীণফোন ২০০৮ সালে বিশ্বমানের আইপি-ভিত্তিক কনট্যাক্ট সলিউশন বাস্তবায়ন করে। এছাড়া ১৮টি গ্রামীণফোন সেন্টার (জিপিসি) এবং ৭০টি গ্রামীণফোন সেন্টার ফ্র্যুয়ের্ধাইজি (জিপিসিএফ) রয়েছে, যেগুলো একই সাথে বিত্রম ও সেবাকেন্দ্র হিসেবে গ্রাহকদের চাহিদা মেটানোর জন্য কাজ করে যাচ্ছে। এছাড়াও, দেশব্যাপী ১২০,০০০ রিটেইলার নিয়ে গ্রামীণফোনের রয়েছে একটি অত্যাধুনিক ডিস্ট্রিবিউশন নেটওয়ার্ক ও অবকাঠামো যেখানে প্রতিদিন ৭ মিলিয়নেরও বেশি গ্রাহক গ্রামীণফোনের প্রোডাষ্ট কেনার জন্য যোগাযোগ করে। ৯৭টি ডিস্ট্রিবিউটরের সাথে ১৮০,০০০টি পয়েন্ট অব সেলস (পিওএস) নিয়ে আমাদের সুসংগঠিত ডিস্ট্রিবিউশন চ্যানেব।

#### গ্রামীণফোনের আওতাধীন নতুন ব্যবসা

#### গ্রামীণফোন আইটি লিঃ

বাংলাদেশে অভিনব সেবা নিয়ে আসার ক্ষেত্রে গ্রামীণফোন সবসময়ই এগিয়ে। মানুষের জীবনমানের উন্নয়নে আমরা নিয়ে আসছি নিত্য নতুন সব সুবিধা। আমাদের নতুন উদ্যোগ গ্রামীণফোন আইটি লিঃ (জিপিআইটি) বাংলাদেশের উন্নয়নের সহযোগিতায় আমাদের প্রতিশ্রুতির উজ্জল উদাহরণ।

জিপি আইটি সম্পূর্ণ প্রামীণফোনের মালিকানাধীন একটি কোম্পানি, যা গত ২৮ জানুয়ারি, ২০১০ প্রতিষ্ঠিত হয়। জিপি আইটি গত ১ এপ্রিল, ২০১০-এ কার্যকম শুরু ক'রে গ্রামীণফোনের আইটি অবকাঠামো ব্যবস্থাপনা, সার্ভিস ও সমাধান দিয়ে আসছে। বর্তমানে এখানে রয়েছে প্রায় ৩৫৯ জন কর্মকর্তা-কর্মচারী, আগামীতে যা আরো বৃদ্ধি করা হবে।

আইটি কোম্পানি হিসেবে দেশে এবং বিদেশে ব্যাপক সম্ভাবনা দেখতে পাচ্ছি আমরা। বাংলাদেশে ব্যাংকিং ও আর্থিক প্রতিষ্ঠানগুলোর উপর গুরুত্ব দিয়ে অন্যান্য শিল্পখাতে ধীরে ধীরে আমাদের দক্ষতা ছড়িয়ে দেওয়ার পরিকল্পনা রয়েছে আমাদের। দেশের বাইরেও আইটি কোম্পানিগুলোর সাথে অংশীদারিত্বে কাজ করার পরিকল্পনা রয়েছে আমাদের। টেলিনর গ্রুপ এর মধ্যে ইতোমধ্যেই আমরা টেলিনর নেক্সট, টেলিনর ব্রডকাস্ট ও টেলিনর গ্রুপের সাথে চুক্তি স্বাক্ষর করেছি।

#### ২. হোলসেল ব্যবসা – যুক্ত হলো এক নতুন মাত্রা

গ্রামীণফোনের বর্তমান সম্পদের সর্বোত্তম ব্যবহারের লক্ষ্যে হোলসেল ব্যবসায়ের আওতায় অবকাঠামো শেয়ারিং প্রকল্পটি এ বছর গ্রামীণফোনের ব্যবসাতে যুক্ত করেছে আরো এক নতুন মাত্রা। বিটিআরসি'র নির্দেশনানুযায়ী বাংলাদেশের টেলিকম অপারেটরদের জন্য অবকাঠামো শেয়ারিং বাধ্যতামূলক করা হয়েছে। ২০১০ সাল থেকেই এর কাজ শুরু করেছি আমরা। আমাদের এ উদ্যোগ বাংলাদেশের জাতীয় সম্পদের টেকসই ব্যবহার নিশ্চিত করবে। আর এজন্যই আমরা অজের ওয়্যারলেস ব্রডব্যান্ড বাংলাদেশ লিমিটেড, আজিয়াটা (বাংলাদেশ) লিঃ (রবি), ওরাসকম বাংলাদেশ লিঃ (বাংলালিংক), বাংলালায়ন কমিউনিকেশঙ্গ লিঃ, এয়ারটেল বাংলাদেশ লিঃ (পূর্বের ওয়ারিদ) এবং দৃক আলোকচিত্র গ্রন্থাগার লিমিটেড-এর সাথে চুক্তি স্বাক্ষর করেছি।

#### ৩. আর্থিক সেবাসমূহ

মোৰাইল ফোন অৰকাঠামোর মাধ্যমে মানুষের জীবনমানের উন্নয়নে দীর্ঘমেয়াদী পরিকল্পনা গ্রহণ করেছে গ্রামীণফোন। মানুষের দৈনন্দিন সাধারণ লেনদেনের বিষয়টি ত্রমেই গুরুতুপূর্ণ হয়ে উঠছে, আর এক্ষেত্রে এক নতুন সমাধান হিসেবে মোবাইল ফোনের মাধ্যমে বিল পরিশোধ, ত্রয়-বিত্রয় এবং অন্যান্য সাধারণ লেনদেন-সংক্রান্ত কাজগুলো সম্পন্ন করা সম্ভব হচ্ছে। আমাদের পরীক্ষিত প্রযুক্তি, বৃহৎ গ্রাহক সংখ্যা ও ডিস্ট্রিবিউশন নেটওয়ার্ক আমাদেরকে দিয়েছে আরো বেশি স্থানে বেশি মানুষের মোবাইলের মাধ্যমে লেনদেনের সেবা উপভোগের সুবিধা। ২০১০-এ মোবাইল ফোনের মাধ্যমে বিল পরিশোধ, ট্রেন ও খেলার টিকেট ত্রয় এবং কন্যাণ তহবিল লটারির টিকেট সংগ্রহে মোবাইলের মাধ্যমে লেনদেনের সেবা উপভোগের সুবিধা। ২০১০-এ মোবাইল ফোনের মাধ্যমে বিল পরিশোধ, ট্রেন ও খেলার টিকেট ত্রয় এবং কল্যাণ তহবিল লটারির টিকেট সংগ্রহের ক্ষেত্রে মানুষের কাছ থেকে ব্যাপক সাড়া পেয়েছি আমানের। এমীণফোনের বিলপে সার্ভিসের মাধ্যমে বিল পরিশোধ, ট্রেন ও খেলার টিকেট ত্রয় এবং কল্যাণ তহবিল লটারির টিকেট সংগ্রহে কোন্রে মাধ্যমে বিল পরিশোধ, ট্রেন ও খেলার তিকেট ত্রয় এবং কল্যাণ তহবিল লটারির টিকেট সংগ্রহে কোনুষের কাছ থেকে ব্যাপক জাড়া পেয়েছি আমরা। গ্রমীণফোনের বিলপে সার্ভিসের মাধ্যমে মোবাইল ফোন অখবা আমাদের আউটলেটের সাহায্য বিভিন্ন ইউটিলিটি বিল পরিশোধ করতে পারছে গ্রাহকগণ। এ বছর আমরা নিয়ে এসেছি লেনদেনের জন্য একটি নতুন ব্র্যান্ড "মোবিক্যাশ"। দেশের মানুষের সর্বোচ্চ সুবিধা নিশ্চিত করতে আগামীতে গ্রামীণফোনে নিয়ে আসছে লেনদেনের জন্য আরো অভিনব সেবা ও এম-কমার্স সার্ভিস।

#### অব্যাহত বিনিয়োগ

আমরা জানি যে, মোবাইল ফোনের গ্রাহকরা সব সময়ই নিত্যনতুন সব পণ্য ও সেবা এবং আরো ভালো নেটওয়ার্ক আশা করে, যা তাদের চাহিদাকে পূরণ করার পাশাপাশি সর্বোত্তন সুবিধা নিশ্চিত করবে। আর এ জন্যই গ্রাহকদের মানসম্পন্ন নেটওয়ার্ক কাভারেজ প্রদান ক'রে টেলিযোগাযোগ শিল্পে নিজের শীর্ষস্থান ধরে রাখার জন্য গ্রামীণফোন তার নেটওয়ার্কে বিনিয়োগ অব্যাহত রেখেছে। আমাদের অব্যাহত বিনিয়োগের পরিমাণ ১৫৭.৯৬ বিলিয়ন টাকা (১৫,৭৯৬ কোটি টাকা), যেখানে ২০১০ সালেই ৮.৪৬ বিলিয়ন (৮৪৬ কোটি টাকা)–এরও বেশি টাকা বিনিয়োগ করা হয়েছে শুধু তথ্য ধারণক্ষমতা বৃদ্ধি ও দেশব্যাপী বিস্তৃত নেটওয়ার্কে মান উন্নয়নে। এ বছর দেশব্যাপী ৪৩৩ টি নতুন বিটিএস স্থাপিত হওয়ায় ৭,২৩৭টি স্থানে মেট বিটিএস এর সংখ্যা দাড়িয়েছে ১৩,০৯৭টি।

#### আমাদের কর্মী – আমাদের গর্ব

এ বছর শেষে গ্রামীণফোনের মোট কর্মরত কর্মীসংখ্যা দাঁড়িয়েছে ৪,৬০৭-এ। গ্রামীণফোন বিশ্বাস করে– কোম্পানির লক্ষ্য, উদ্দেশ্য ও নীতিমালা পূরণে প্রয়োজন মেধাবী জনবল, তাই সেরা মেধাবীদের নিয়োগ ও তাদের দক্ষতা বৃদ্ধিতে কোম্পানি যত্নশীল। নিয়োগের ক্ষেত্রে সমান ও ন্যায়ভিত্তিক সুযোগের নীতি বজায় রাখা এবং দ্যূ কর্পোরেট সংস্কৃতি গঠনে বিভিন্ন উদ্যোগ গ্রহণে আমরা অঙ্গীকারবদ্ধ। সরকারের সিদ্ধান্তে অনুপ্রাণিত হয়ে গ্রামীণফোন মাতৃত্বকালীন ছুটি ৪ মাস থেকে বাড়িয়ে ৬ মাস নির্ধারণ করেছে এবং এমপ্লয়িদের শিশুদের জন্য ডে কেয়ার সুবিধা দিয়ে আমরা অঙ্গীকারবদ্ধ। সরকারের সিদ্ধান্তে অনুপ্রাণিত হয়ে গ্রামীণফোন মাতৃত্বকালীন ছুটি ৪ মাস থেকে বাড়িয়ে ৬ মাস নির্ধারণ করেছে এবং এমপ্লয়িদের শিশুদের জন্য ডে কেয়ার সুবিধা দিয়ে আসছে। পারফর্মেল-ভিত্তিক কর্পোরেট সংস্কৃতি ও সেই সাথে ক্যারিয়াের গঠনের পর্যাপ্ত সুযোগ গ্রামীণফোনকে বাংলাদেশের চাকরি-বাজারে একটি জেন্ডার সমতাপূর্ণ এবং অগ্রাধিকারপ্রাপ্ত নিয়োগকারী প্রতিষ্ঠানের মর্যাদায় উন্নীত করেছে। BDjobs.com-এর "কেন্ট এমপ্লয়ার অ্যাওয়ার্ড ফর ২০১০" পেয়েছে গ্রামীণফোন।

#### জিপিহাউস – কর্মস্থলের এক নতুন অভিজ্ঞতা

২০১০-এ কোম্পানির নতুন প্রধান কার্যালয় জিপিহাউস উদ্বোধন করা হয়। এই ভবনের নকশা গ্রামীণফোনের ভবিষ্যৎ লক্ষ্যের শতীক এবং বাংলাদেশের সর্বপ্রথম সত্যিকারের পরিবেশবান্ধন ভবন। গ্রামীণফোনের সবুজে থাকার স্বশ্লের অন্যতম বাস্তবায়ন এটি। কর্মস্থলের সূজনশীলতা ও নমনীয়তা বৃদ্ধি এবং অভিনবত ও স্বচ্ছতাকে তুলে ধরার লক্ষ্যে জিপিহাউসের নকশা করা হয়েছে। উনুক্ত স্থান ও সকলের জন্য একইরকম বসার ব্যবস্থা-সম্বলিত এই ভবনের নকশা কর্মকর্তা-কর্মচারীদের কাজের আগ্রহ বাড়াবে এবং ক্ষমতায়িত করবে। এই অফিসের আঙ্গিকও সম্পূর্ণ নতুন ধরনের, যাতে রয়েছে 'কাগজহীন' ও 'মুক্ত' অফিসের ধারণা। জিপিহাউস ও এর নতুন পরিবেশবান্ধন কর্মস্থল, অভিনব ও সৃজনশীল সব পণ্য ও স্বেত ধরনের, যাতে রয়েছে 'কাগজহীন' ও 'মুক্ত' অফিসের ধারণা। জিপিহাউস ও এর নতুন পরিবেশবান্ধন কর্মস্থল, অভিনব ও সৃজনশীল সব পণ্য ও সেবা নিয়ে আসার ক্ষেত্রে গ্রামিণোনের অব্যাহত প্রচেষ্টার এক তাৎপর্যপূর্ণ প্রতীক। জিপি হাউস একটি সাশ্রয়ী ভবন, যেখানে প্রথাগত যেকোন ভবনের চেয়ে প্রায় দ্বিগুণ সংখ্যক লোক বসে কাজ করতে পারে। অন্য যেকোন ভবনের তুলনায় এখানে ৬০% কম কার্বন ডাই-অক্সাইড নিঃসরণ হবে।

#### সামাজিক দায়বদ্ধতা – সমাজের প্রতি কর্তব্য

গ্রামীণফোন সমাজের প্রতি দায়িতৃশীল ও শ্রদ্ধাশীল এবং আইনের প্রতি অনুগত একটি কোম্পানি। আমাদের মোবাইল সেবাসমূহ অনেক দিক থেকেই সামাজিক সেবার সমতুল্য, যার ফলে পরিবার ও জনগোষ্ঠীর মধ্যে ঘনিষ্ঠতা সৃষ্টি হচ্ছে এবং কাজ-কর্ম সম্পাদনে সুবিধা করছে ও নতুন ব্যাবসার সুযোগ ঘটছে। ব্যাবসায়িক দায়বদ্ধতা আমাদের দায়িতৃশীল ব্যাবসায়িক আচরণেরই একটি অংশ এবং এর মাধ্যমে আমরা কাজ করে যেতে চাই সমাজ ও মানুষের জন্য। আমাদের কর্পোরেট সোশ্যাল রেসপনসিবিলিটি (সিএসআর) বা সামাজিক ব্যাবসায়িক দায়বদ্ধতার কর্মসূচি জীবনের অনেক দিক অন্তর্ভুক্ত করে। এর মধ্যে পল্লীফোন, কমিউনিটি ইনফরমেশন সেন্টার (সিআইসি), হেলথ্লাইন ও স্টাডিলাইন-এর মতো উদ্যোগগুলোর মাধ্যমে স্বাস্থ্য, শিক্ষা, উদ্যোক্তা তিরি ও পরিবেশের উপর বিশেষ গুরুতে দেওয়া হচ্ছে।

গ্রামীণফোন বাংলাদেশ জাতীয় ত্রিকেট দলের ফ্যানাটিক স্পঙ্গর। ২০১০-এ বাংলাদেশ ত্রিকেট বোর্ড (বিসিবি)-এর সাথে স্পঙ্গরশিপ চুক্তি ২০১১ সাল পর্যন্ত আরো দুই বছরের জন্য নবায়ন করেছে গ্রামীণফোন। গ্রামীণফোন বুদ্ধি-প্রতিবন্ধী ত্রীড়াবিদদের নিয়ে একটি "জাতীয় ট্যালেন্ট পুল" গঠনের জন্য বাংলাদেশের স্পেশাল অলিম্পিকস্-এর সাথে একযোগে কাজ করছে, এখানে ২০১১ সালে স্পেশাল অলিম্পিকে অংশগ্রহণের জন্য বুদ্ধি-প্রতিবন্ধী ত্রীড়াবিদদের বিশেষ প্রশিক্ষণ দেওয়া হচ্ছে। ২০১০-এ বিশ্বকাপ ফুটবল চলাকালীন ক্যাস্পেইন ফর এডুকেশন (ক্যাস্পো)-এর সাথে যৌথভাবে ১ গোল ক্যাস্প্র্যেন অংশ নেয়। এ বছর দেশের পেশাদার ফুটবল লীগ "ফেডারেশন কাপ ফুটবল লীগ" ও "বাংলাদেশ লীগ" স্পঙ্গরের জন্য বাংলাদেশ ফুটবল ফেডারেশন (বিএফএফ)-এর সাথেও চুন্তি স্বাক্ষর করে গ্রামীণফোন।

### আমাদের জলবায়ু ভাবনা – সবুজ এক পৃথিবীর পথে

আমাদের জলবায়ুর দ্রুত পরিবর্তন ঘটছে আর তার মূল্য গুণতে হচ্ছে পৃথিবীকে। যদিও বিশ্বের কার্বন ডাই-অক্সাইড নির্গমনে বাংলাদেশের দায় মাত্র ০.১%, কিন্তু জলবায়ু পরিবর্তনে সবচেয়ে ক্ষতিগ্রস্ত দেশগুলোর মধ্যে বাংলাদেশ হবে অন্যতম শিকার। ইন্টারগভর্নমেন্টাল প্যানেল ফর ক্লাইমেট চেঞ্জ (আইপিসিসি)-এর প্রতিবেদনে উলেখ করা হয়েছে যে, বেড়ে যাওয়া জলস্তর ও লবণাক্ততার কারণে ২০৫০ সাল নাগাদ বাংলাদেশের লক্ষ লক্ষ মানুষ হবে ভিটে ছাড়া, জলবায়ু শরণার্থীতে পরিণত হবে তারা। সবুজ প্রযুক্তির ব্যবহার ইতোমধ্যে বাংলাদেশে শুরু হয়ে গেছে এবং বিভিন্ন খাতে অভিনব এই প্রযুক্তিটি ব্যবহৃত হচ্ছে। গ্রামাঞ্চলে বিদ্যুতের ঘটতি পুরণে সবুজ প্রযুক্তি হিসেবে সৌরশন্তির ব্যাপক ব্যবহার ইচ্ছে।

একটি পরিবেশ-সচেতন কোম্পানি হিসেবে গ্রামীণফোনের জলবায়ু পরিকল্পনার লক্ষ্য একটি সবুজ প্রতিষ্ঠান হিসেবে নিজেদের গড়ে তোলা, যেখানে কম কার্বন নির্গমন হবে, অফিস অভ্যন্তর হবে সবুজায়নের অনুশীলন–যা মানুষের জন্য একটি সুন্দর পৃথিবী গড়ে তোলায় সহযোগিতা করবে। আমাদের লক্ষ্য ২০১৫ সালের মধ্যে কার্বন নির্গমনের পরিমাণ ৩০% কমিয়ে আনা এবং গ্রামীণফোনকে একটি সবুজ কোম্পানি হিসেবে প্রতিষ্ঠিত করা। আমাদের ১৪০টি বেইজ স্টেশনে সৌরশক্তি ব্যবহারের জন্য ২০১০ এ আমরা এক চুক্তি স্বাক্ষর করেছি এবং এর কাজ এগিয়ে চলেছে। ২০১১ সালে আমরা বেইজ স্টেশন থেকে সকল এয়ারকডিশনার (এসি) সরিয়ে ফেলার পরিকল্পনা গ্রহণ করেছি, যার ফলে সামগ্রিকভাবে প্রায় ৪৩% জ্বালানী খরচ কম হবে।

# স্বাস্থ্য, সুরক্ষা, নিরাপত্তা ও পরিবেশ (এইচএসএসই)

গ্রামীণফোন এর কর্মকর্তা-কর্মচারীবৃন্দ ও চেইন অংশীদারদের স্বাস্থ্য, সুরক্ষা ও নিরাপত্তা বিষয়ে টেলিযোগাযোগ শিল্পের এক উজ্জ্বল উদাহরণ। একটি দায়িতুশীল কোম্পানি হিসেবে গ্রামীণফোন শ্রমিক আইনের সকল এইচএসএসই নীতিমালার প্রতি শ্রদ্ধাশীল ও অনুসরণকারী এবং এর সকল কর্মকর্তা-কর্মচারীদের জন্য নিরাপদ কর্মস্থল নিশ্চিত করার জন্য সর্বোতভাবে সচ্চেষ্ট। ২০১০-এ বছরজুড়ে সাপ্লায়ার ও ব্যাবসায়িক অংশীদারদের এইচএসএসই সংস্কৃতির উন্নয়নেও কোম্পানি অত্যন্ত গুরুত্বারোপ করেছে। ভালু চেইন পার্টনারদের জন্য ৫৫০টিরও বেশি অডিট/পরিদর্শন সংগঠিত এবং সচেতনতা সৃষ্টির জন্য বিভিন্ন প্রচারণা চালিয়েছে গ্রামীণফোন। ভ্যালু চেইন-এর ১,০৫০ জনেরও বেশি সাপ্লায়ার/ভেন্ডর যাতে এইচএসএসই নীতিমালা অনুযায়ী সরবরাহকারী আচরণ নীতিমালা (এসসিপি) যথাযথভাবে মেনে চলেন সেজন্য এবিসি (এগ্রিমেন্ট অন রেসপন্সিক্ল বিজনে কনডান্ট) চুক্তি স্বাক্ষর করেছে। অকুপেশনাল হেলথ অ্যান্ড সেফটি (ওএইচএস) ব্যবস্থাপনার উদ্যোগগুলোর মাধ্যমে কোম্পানির অভ্যন্তরে এইচএসএসই সংস্কৃতি চর্চার প্রতিফলন ঘটেছে।

# পল্লীফোন কর্মসূচি ও কমিউনিটি ইনফরমেশন সেন্টার (সিআইসি)

একটি অভিনৰ সেবা হিসেবে ১৯৯৭ সালে পল্লী ফোন কাৰ্যক্ৰম চালু হওয়ার পর এটি গ্রামাঞ্চলের মানুম্বের জন্য এনে দিয়েছিল আধুনিক মোবাইল যোগাযোগের অনন্য সুবিধা ও নতুন ব্যবসায়ের সুযোগ যা প্রথাগত টেলিযোগাযোগে ছিল উপেক্ষিত। সামাজিক নৈকট্য কিভাবে জীবনমান বৃদ্ধি করে, এ কর্মসূচি তারই একটি শক্তিশালী প্রতীক। দেশের ৬৪টি জেলায় ৮২,০০০-এরও বেশি গ্রামে ৪৭৮,২১০ জন ভিপি গ্রাহক টেলিযোগাযোগ সেবার অন্তর্ভুক্ত হয়েছে।

পল্লী ফোন কর্মসূচির সাফল্যে অনুপ্রাণিত হয়ে কমিউনিটি ইনফরমেশন সেন্টার (সিআইসি) চালু করেছে গ্রামীণফোন, যেখানে ইন্টারনেট ও ভয়েস যোগাযোগসহ অন্যান্য বিস্তৃত ও সর্বাধুনিক তথ্যসেবা পাচ্ছে গ্রামাঞ্চলের মানুম। সারা দেশে আমাদের স্থাপিত ৫০২টি সিআইসি ইন্টারনেট সেবা প্রদান করে যাচ্ছে।

# আর্থিক বিবরণীর ব্যাপারে পরিচালকমণ্ডলীর দায়িত্ব

পরিচালকমণ্ডলী তাঁদের জানামতে নিশ্চিত করছেন যে–

- ক) কোম্পানির ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক প্রস্তুতকৃত আর্থিক বিবরণীতে এর কর্মকাও, কার্যত্রমের ফলাফল, নগদ প্রবাহ এবং ইকুইটির পরিবর্তন সম্পর্কে যথার্থ চিত্র উপস্থাপিত হয়েছে,
- খ) কোম্পানির হিসাবের যথাযথ বহিসমূহ সংরক্ষণ করা হয়েছে,
- গ) আর্থিক বিবরণীসমূহ প্রস্তুত করার সময় উপযুক্ত হিসাব-নীতি সঙ্গতিপূর্ণভাবে প্রয়োগ করা হয়েছে এবং হিসাবের প্রাক্সলন করা হয়েছে যুক্তিসঙ্গত ও বিজ্ঞ বিচারবোধের ভিত্তিতে,
- ঘ) আর্থিক বিবরণীসমূহ প্রস্তুত করার সময় আন্তর্জাতিক হিসাব মানদণ্ড ও বাংলদেশের আর্থিক বিবরণীর মানদণ্ড অনুসরণ করা হয়েছে এবং তা থেকে যেকোন ব্যত্যয় পর্যাপ্তভাবে প্রকাশ করা হয়েছে,
- ঙ) অভ্যন্তরীণ নিয়ন্ত্রণ পদ্ধতি ছিল বলিষ্ঠ এবং তা কার্যকরভাবে বাস্তবায়ন ও প্রত্যবেক্ষণ (মনিটরিং) করা হয়েছে,
- চ) চালু প্রতিষ্ঠান হিসেবে কার্যক্রম অব্যাহত রাখায় কোম্পানির সামর্থ্যের ব্যাপারে তেমন কোনো দ্বিধা নেই, গ্রামীণফোনের মোবাইল সেল্যুলার লাইসেন্সের মেয়াদ ১১ নভেম্বর ২০১১-এ শেষ হবে এবং এক্ষেত্রে প্রযোজ্য সুনির্দিষ্ট শর্ত পূরণের মাধ্যমে লাইসেন্স নবায়ন করা হবে। অবশ্য কোম্পানির পরিচালনা কর্তৃপক্ষ বিশ্বাস করে না যে, লাইসেন্স নবায়ন করা হবে না বা নবায়নের ক্ষেত্রে প্রযোজ্য কোন শর্ত কোম্পানির কার্যক্রম অব্যাহত রাখার ক্ষেত্রে কোনোরকম বিশ্লের সৃষ্টি করবে,
- ছ) কোম্পানির কার্যত্রমের ফলাফলের ক্ষেত্রে গত বছরের তুলনায় উল্লেখযোগ্য যেসব ব্যত্যয় রয়েছে সেগুলো বর্ণনা করা হয়েছে এবং তার কারণ ব্যাখ্যা করা হয়েছে,
- জ) কার্যত্রম ও আর্থিক বিষয়ে গত পাঁচ বছরের গুরুত্বপূর্ণ উপাত্ত সংযোজন করা হয়েছে ।

#### শেয়ারহোল্ডিং-এর ধরন

৩১ ডিসেম্বর, ২০১০ তারিখে শেয়ারহোন্ডিং-এর ধরন এই প্রতিবেদনের সংযুক্তি: ৩-এ দেখানো হল।

#### স্বচ্ছ ও জবাবদিহিমূলক কর্পোরেট সুশাসন

দ্রুত গতির টেলিযোগাযোগ বিশ্বে সফলতা অর্জনের জন্য গতিশীল কর্পোরেট সুশাসনের অনুশীলন অত্যন্ত গুরুত্বপূর্ণ। গ্রামীণফোন কর্পোরেট সুশাসন ব্যবস্থার ভ্রমাগত উন্নয়ন সাধনে বিশ্বাসী। গ্রামীণফোন তার দৈনন্দিন কার্যক্রমে আন্তর্জাতিকমানের কর্পোরেট সুশাসন চালু করার জন্য বিপুল সম্পদ বিনিয়োগ করেছে। গ্রামীণফোনে একটি সুগঠিত প্রত্রিয়া অনুসরণের মাধ্যমে কর্পোরেট সুশাসন বা প্রাতিষ্ঠানিক পরিচালনার বিষয়টি নিশ্চিত করা হয়। এ প্রত্রিয়ার নির্দেশনা, নিয়ন্ত্রণ এবং প্রতিষ্ঠানকে জবাবদিহি করার ব্যবস্থা রয়েছে। একটি তালিকাভুক্ত কোম্পোনি হিসেবে গ্রামীণফোনের পরিচালকমণ্ডলী ও ব্যবস্থাপনা পর্ষদ জবাবদিহিতা, স্বচ্ছতা ও সহজবোধ্য নীতিমালা ও প্রত্রিয়া অনুসরণের মাধ্যমে ব্যবস্থার অনুসরণের মাধ্যমে ব্যবস্থার অনুসরণের মাধ্যমে কর্পোরেট প্রতিশ্রুতিবন্ধি। বাংলাদেশের সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন সুপারিশকৃত কর্পোরেট গভর্ন্যাল সম্পর্কিত একটি বিস্তারিত কমপ্লারে সাধ্যমে হে।

# শেয়ার হোল্ডারদের বিনিয়োগমূল্যের ত্রমোন্নতি

এ ৰছর রাজস্বের পরিমাণ ছিল ৭৪.৭ বিলিয়ন টাকা (৭,৪৭৩ কোটি টাকা), যা গত বছরের তুলনায় শতকরা ১৪.৪ ভাগ বেশি। প্রধানত ভয়েস ও ডাটার গ্রাহকসংখ্যা বৃদ্ধি এবং সেই সাথে গ্রামীণফোন ব্র্যান্ডের হ্যান্ডস্টে ও ডাটা কার্ড বিত্রির কারণে অর্জিত রাজস্বের জন্য এই প্রবৃদ্ধি ঘটে। ডাটা রাজস্ব অব্যাহত রাজস্ব বৃদ্ধিতেও অবদান রাখছে, যা গত বছরের তুলনায় ৬৪% বেশি। কর পরিশোধের পর নিট মুনাফা (এনপিএটি) ২০০৯ সালের ১৪.৯৭ বিলিয়ন (১,৪৯৭ কোটি টাকা)) টাকা মার্জিন ২২.৯%-এর তুলনায় কমে ২০১০ সালে ১০.৭১ বিলিয়ন (১,০৭১ কোটি) টাকা মার্জিন ১৪.৩% হয়েছে। এই পতন প্রধানত ৬.৮ বিলিয়ন টাকা (৬৮০ কোটি টাকা)) সিম টাক্স ভর্তুকির কারণে হয়, যা রাজস্ব বৃদ্ধিতেও প্রভাব ফেলে। এর ফলে ইবিআইটিডিএ মার্জিনও ২০০৯-এর ৫৭.০% এর তুলনায় কমে গিয়ে ২০১০-এ ৪৯.৫% হয়। ২০১০-এ শেয়ার-প্রতি-আয় (ইপিএস) দাঁড়িয়েছে ৭.৯৩, ২০০৯-এ যা ছিল ১২.৮ টাকা। এখানে উলেখ্য যে, ২০০৯-এ গ্রামীণফোন শেয়ারবাজারে সফলভাবে তালিকাভুক্ত হওয়ার পর ৪১২ কোটি টাকা আয়কর থেকে অব্যাহতি পেয়েছিল, যার ফলে ২০০৯-এর শেয়ার-প্রতি-আয় (ইপিএস) অধিক ছিল।

পরিচালকমণ্ডলী ৩১ ডিসেম্বর, ২০১০ তারিখে সমাপ্ত বছরের জন্য কোম্পানির আর্থিক ফলাফল প্রকাশ করতে পেরে আনন্দিত এবং তাঁরা নিচের ''মুনাফা বন্টন'' (গ্রামীণফোন আইটি লিঃ ব্যতীত) সারণীতে উল্লেখকৃত কটনের সুপারিশ করছেন:

	২০১০	২০০৯
বন্টনযোগ্য মুনাফা		
কর পরবর্তী মুনাফা/(ক্ষতি)	১০,৫৭৯,১৭৬,৪৬৭	১৪,৯৬৮,১৬৬,২৫৬
যোগ: পূর্ববর্তী বছরের অবণ্টিত মুনাফা	২৬,৬৫৫,০৪৪,২৫১	১৩,২৬৬,৬০৫,২৩১
ৰণ্টনের জন্য প্রাপ্ত মোট পরিমাণ	৩ঀ,২৩৪,২২০,৭১৮	ર৮,૨৩৪,૧૧১,৪৮૧
ৰণ্টন		
গত বছরের চূড়ান্ত লভ্যাংশ	(৮,১০১,৮০০,১৩২)	(১,৫૧৯,૧૨૧,૨৩৬)
অন্তরবর্তীকালীন লভ্যাংশ	(४,१२७,०৫०,०११)	-
বছর শেষে সংরক্ষিত আয় (প্রস্তাবিত চূড়ান্ত লভ্যাংশের পূর্বে)	২৪,৪০৬,৩৭০,৫০৯	২৬,৬৫৫,০৪৪,২৫১
প্রস্তাবিত চূড়ান্ত লভ্যাংশ ২০১০ (৮৫% নগদ)	(১১,৪৭৭,৫৫০,১৮৭)	(৮,১০১,৮০০,১৩২)
(২০০৯ঃ ৬০% নগদ)		
প্রস্তাবিত লভ্যাংশের পর সংরক্ষিত আয়	১২,৯২৮,৮২০,৩২২	১৮,৫৫৩,২৪৪,১১৯

# রাষ্ট্রীয় কোষাগারে উল্লেখযোগ্য অবদান

বিগত কয়েকৰছর ধরে গ্রামীণফোন রাষ্ট্রীয় কোষাগারে সবচেয়ে বেশি অবদান রেখে আসছে। প্রতিষ্ঠার পর থেকে ডিসেম্বর, ২০১০ পর্যন্ত রাষ্ট্রীয় কোষাগারে গ্রামীণফোনের মোট অবদানের পরিমাণ হচ্ছে ১৮০ বিলিয়ন টাকা (১৮,৫০২ কোটি)। শুধুমাত্র ২০১০-এ কোম্পানি রাষ্ট্রীয় কোষাগারে জমা দেয় ৩৭.১৫ বিলিয়ন টাকা (৩,৭১৫ কোটি টাকা), ২০০৯ সালে যা ছিল ৩০.৫ বিলিয়ন টাকা (৩,০৫০ কোটি), এবং যা ২০১০-এ গ্রামীণফোনের মোট রাজস্বের প্রায় ৫০%। উল্লেখ্য, কর্পোরেট ট্যাক্সের হার কম সত্তেও ২০১০-এ গ্রামীণফোন ৯ বিলিয়ন টাকা (৯০০ কোটি) কর্পোরেট ট্যাক্স প্রদান করে, ২০০৯-এ যার পরিমাণ ছিল ২.৫ বিলিয়ন (২৫০ কোটি) টাকা। আগামী বছরগুলোতে কোম্পানির উন্নতির সাথে সাথে এই অবদানের পরিমাণও বৃদ্ধি পাবে বলে আশা করা যায়।

#### লভ্যাংশ

পরিচালকমঙলী ৩১ ডিসেম্বর, ২০১০ সালের জন্য ৪,৭২৬,০৫০,০৭৭ টাকা পরিশোধিত মূলধনের বিপরীতে ৩৫% হারে নগদ অন্তবর্তীকালীন লভ্যাংশ প্রদান করেছেন, অর্থাৎ প্রতিটি ১০ টাকা অভিহিত মূল্যের শেয়ারের বিপরীতে ৩.৫ টাকা নগদ লভ্যাংশ ধরা হয়েছে। পরিচালকবৃদ্দ আনন্দের সাথে ২০১০ সালের জন্য ১১,৪৭৭,৫৫০,১৮৭ টাকা পরিশোধিত মূল্যের বিপরীতে ৮৫% হারে চূড়ান্ত নগদ লভ্যাংশ প্রস্তাব করছেন, যা প্রতি ১০ টাকা মূল্যের শেয়ারের বিপরীতে ৮.৫ টাকা। উল্লেখ্য, ইতোমধ্যে পরিশোধিত ৩৫% অন্তবর্তীকালীন লভ্যাংশসহ মোট ১৬,২০৩,৬০০,২৬৪ টাকা, অর্থাৎ শেয়ারপ্রতি সর্বমোট ১২ টাকা লভ্যাংশ শেয়ারহেন্ডারদের অনুমোদনের জন্য প্রস্তাব উত্থাপন করা হলো।

উপরোক্ত লভ্যাংশ প্রদানের হার পরিচালকমঞ্চলী অনুমোদিত লভ্যাংশ নীতির সঙ্গে সঙ্গতিপূর্ণ যেখানে বলা হয়েছে যে, শেয়ারপ্রতি লভ্যাংশের অব্যাহত স্থিতিশীল প্রবৃদ্ধির লক্ষ্যে কোম্পানির আর্থিক অবস্থা ও মূলধনের চাহিদা সাপেক্ষে কর পরবর্তী মুনাফার অনৃন্য শতকরা ৫০ ভাগ লভ্যাংশ আকারে প্রদান করতে হবে।

#### পরিচালনা পর্ষদ ও পর্ষদের সভাসমূহ

আলোচ্য বছরে পরিচালনা পর্ষদের গঠন ছিল নিম্নরূপঃ

- ১। জনাব সিগভে ব্রেককে, টেলিনর মোবাইল কমিউনিকেশঙ্গ এএস, পরিচালক ও চেয়ারম্যান
- ২। জনাব হিলডে টোন, টেলিনর মোবাইল কমিউনিকেশন্স এএস, পরিচালক
- ৩। জনাব পার এরিক হাইল্যান্ড, টেলিনর মোবাইল কমিউনিকেশন্স এএস, পরিচালক
- ৪। জনাব নাট বোরগেন, টেলিনর মোবাইল কমিউনিকেশন্স এএস, পরিচালক
- ৫। জনাব স্নোরে করনেলিউসেন, টেলিনর মোবাইল কমিউনিকেশন্স এএস, পরিচালক
- ৬। মিসেস নুরজাহান বেগম, গ্রামীণ টেলিকম, পরিচালক
- ৭। জনাব এম. শাহজাহান, গ্রামীণ টেলিকম, পরিচালক
- ৮। জনাব মোঃ আশরাফুল হাসান, গ্রামীণ টেলিকম, পরিচালক
- ৯। ড. জামালউদ্দিন আহ্মেদ এফসিএ, স্বতন্ত্র পরিচালক

২০১০ সালে পরিচালনা পর্ষদের মোট ৯টি (নয়) সভা অনুষ্ঠিত হয় যা এক্ষেত্রে বিধিগত বাধ্যবাধকতা পূরণ করেছে। সভাসমূহে পরিচালকদের উপস্থিতির তথ্য এই প্রতিবেদনের সংযুক্তি: ২-এ দেওয়া হয়েছে।

#### পরিচালকমণ্ডলীর নিয়োগ ও পুনঃনিয়োগ

পরিচালকমণ্ডলীর নিয়োগ, অবসর ও পুনঃনিয়োগের ক্ষেত্রে কোম্পানি তার আর্টিকলস্ অব অ্যাসোসিয়েশন, কোম্পানি আইন ১৯৯৪ এবং এ সংক্রান্ত অন্যান্য আইন অনুসরণ করে। সেই অনুসারে আসন্ন বার্ষিক সাধারণ সভায় পরিচালনা পর্ষদের নিম্নবর্ণিত পরিচালকবৃন্দ অবসর গ্রহণ করবেন এবং পুনঃনিয়োগের যোগ্য হবেনঃ

- ১। জনাব সিগভে ব্রেককে
- ২। জনাব পার এরিক হাইল্যান্ড
- ৩। জনাব এম. শাহজাহান

#### প্রধান নির্বাহী কর্মকর্তার নিয়োগ

মি. টোরে জনসেন নতুন প্রধান নির্বাহী কর্মকর্তা হিসেবে পরিচালনা পর্ষদ কর্তৃক নিয়োগ পেয়েছেন, ১ মার্চ ২০১১ হতে আনুষ্ঠানিকভাবে তিনি এই দায়িতৃভার গ্রহণ করবেন। তিনি বিগত তিন বছর ধরে প্রধান নির্বাহী কর্মকর্তার দায়িতৃ পালনরত মি. ওডভার হেসজেডালের স্থলাভিষিক্ত হবেন। এই উপলক্ষ্যে পরিচালনা পর্ষদ প্রধান নির্বাহী কর্মকর্তার পদে থাকাকালীন প্রতিষ্ঠানের প্রতি তার একাগ্রতা ও নিষ্ঠার জন্য মি. ওডভার হেসজেডালকে কৃতজ্ঞতা জানাচ্ছে। তার সুদক্ষ নেতৃত্ব ৩০ মিলিয়ন গ্রাহকের এই কোম্পানির শীর্ষস্থানকে আরো সুদৃঢ় করেছে। তার সময়ে গ্রামীণফোন স্টক এক্সচেঞ্জে তালিকাভুক্ত হয়। পরিচালনা পর্ষদ নতুন প্রধান নির্বাহী মি. টোরে জনসনকেও শুভেচ্ছা জানাচ্ছে এবং দেশের শীর্ষস্থানীয় মোবাইল সেবাদাতা প্রতিষ্ঠান হিসেবে গ্রামীণফোনের অবস্থানকে আরো সুদৃঢ় করার ক্ষেত্রে তার সাফল্য কামনা করছে।

#### নিরীক্ষক নিয়োগ

আর্টিকেলস অব অ্যাসোসিয়েশন অনুযায়ী কোম্পানির অডিটর কেপিএমজি-এর সদস্য প্রতিষ্ঠান রহমান রহমান হক, চার্টার্ড অ্যাকাউনটেন্টস এবারের বার্ষিক সাধারণ সভায় পদত্যাগ করবে। সুযোগ্য এই প্রতিষ্ঠানটি পুনঃনিয়োগ পেতে আগ্রহ প্রকাশ করেছে। পরিচালনা পর্ষদ যথাযথ কর্তৃপক্ষের অনুমোদন সাপেক্ষে ১.৮ মিলিয়ন টাকা ও প্রযোজ্য ভ্যাট প্রদান সাপেক্ষে এ প্রতিষ্ঠানটিকে ২০১১ সালের জন্য পুনঃনিয়োগের সুপারিশ করছে।

# ঝুঁকি ও উদ্বেগ

কোম্পানির অগ্রগতির অন্তরায় অভ্যন্তরীণ ও বাহ্যিক সকল ঝুঁকি গ্রামীণফোনের ঝুঁকি ব্যবস্থাপনার অন্তর্ভুক্ত। অস্থিতিশীল নিয়ন্ত্রণ নীতিমালার কারণে কোম্পানি ক্রমাগত নিয়ন্ত্রণ ঝুঁকির সম্মুখীন হচ্ছে। গ্রামীণফোনের রয়েছে সুনির্দিষ্ট ঝুঁকি ব্যবস্থাপনা নীতি এবং নিয়মিত প্রত্যবেক্ষণ (মনিটরিং) ব্যবস্থা যা দৈনন্দিন কাজ-কর্ম ও সেই সাথে কৌশলগত কার্যক্রম পরিচালনা করতে গিয়ে আমাদের ব্যবসায়িক কার্যক্রম যেসব ঝুঁকির সম্মুখীন হয় তা কাটিয়ে ওঠার একটি কার্যকর হাতিয়ার হিসেবে কাজ করে। ২০১০-এ জিপি একটি সমন্বিত ঝুঁকি ব্যবস্থাপনা পদ্ধতি প্রণয়ন করে। যথাযথ অবকাঠামো সৃষ্টি, যৌজিক ও সুশৃঙ্খল উপাত্ত গঠন প্রত্রিয়া, কৌশলগত ঝুঁকি নির্ণয়, বিশেষণ, মূল্যায়ন, পর্যালোচনা, প্রত্যবেক্ষণ ও অবহিত করতে এই সমন্বিত ঝুঁকি ব্যবস্থাপনা পদ্ধতি ব্যবহৃত হবে। এর ফলে কোম্পানি ঝুঁকি ব্যবস্থাপনা কাঠামোর মাধ্যমে যথাসময়ে ঝুঁকি নির্ণয় করতে ক্ষম হবে।

### স্বীকৃতির স্মারক – একাধিক পুরস্কার

গ্রামীণফোনের জন্য ২০১০ ছিল একটি অনন্য বছর। এই সময়ে কোম্পানি বেশ কিছু পুরস্কার অর্জন করে। উল্লেখযোগ্য এসব পুরস্কারগুলো নিম্নরগঃ

ইনস্টিটিউট অব চার্টার্ড অ্যাকাউনটেন্টস অব বাংলাদেশ (আইসিএবি) এবং সাউথ এশিয়ান ফেডারেশন অব অ্যাকাউনটেন্টস (এসএএফএ) কর্তৃক যোগাযোগ ও তথ্যপ্রযুক্তি বিভাগে এ বছর জিপি তার "প্রকাশিত আর্থিক প্রতিবেদন/বার্ষিক প্রতিবেদন ২০০৯"-এর জন্য দু'টি সম্মানজনক পুরস্কারে ভূষিত হয়। স্বচ্ছতা, জবাবদিহিতা ও ব্যবসা পরিচালনার প্রতি আমাদের অঙ্গীকারের স্বীকৃতিস্বরূপ উল্লেখিত পুরস্কারসমূহ প্রদান করা হয়। পুরস্কার দু'টি আমাদের শেয়ারহোন্ডার ও একই সাথে স্টেকহোন্ডারদের মধ্যে আস্থা আরো বৃদ্ধি করতে সহায়তা করবে।

মোৰাইল ট্রেন টিকেটিং সেবার জন্য গ্রামীণফোন ইগভর্নেঙ্গ/এমগভর্নেঙ্গ উদ্যোগ বিভাগে ২০১০-এর ই-ইন্ডিয়া পুরঙ্কারে ভূষিত হয়। "তথ্যতরী" প্রজেক্টের জন্য জিপি ও কেয়ার যৌথভাবে ই-এন্টারপ্রাইজ অ্যান্ড লাইভলিহুড বিভাগে "চেয়ারপার্সন'স অ্যাপ্র্রোসিয়েশঙ্গ অ্যাওয়ার্ড" (সমালোচক পুরস্কার) অর্জন করে। এর পাশাপাশি গ্রামীণফোন সিএমও এশিয়া অ্যাওয়ার্ডে "এশিয়াজ কেন্ট ব্র্যান্ড"-গুলোর মধ্যে অন্যতম হিসেবে নির্বাচিত হয়েছে।

এছাড়াও গ্রামীণফোন টেলিনর গ্রুপের "ব্র্যান্ড" ও "পিপল" উভয় পুরস্কারই জয় করেছে। টেলিনর গ্রুপের ইতিহাসে একই প্রতিষ্ঠানের দু'টি পুরস্কারে ভূষিত হওয়ার এটিই প্রথম উদাহরণ।

#### ২০১১ সালের জন্য

সাফল্যমন্ডিত ১৪টি ৰছর পেরিয়ে আমরা আজ ২০১১ সালকে আমাদের উন্নতি ও অগ্রগতিকে আরো গতিশীল করার ৰছর হিসেবে দেখতেই পারি। বাংলাদেশের টেলিযোগাযোগ শিল্প অভিনবত ও নতুন প্রযুক্তির হাত ধরে এক নতুন যুগে প্রবেশ করতে যাচ্ছে। খ্রিজি প্রযুক্তির আনয়ন ও টুজি প্রযুক্তির নবায়ন প্রত্রিয়া এবং বিরাজমান নিয়ন্ত্রণ পরিবেশের মাধ্যমে আমরা বাজারে এক নতুন অবস্থানে পৌছাবো। আমাদের টেলিকমিউনিকেশন শিল্প কখনোই এতটা প্রতিযোগিতাপূর্ণ ও জটিল ছিল না। বাজার যত প্রতিযোগিতামূলকই হোক না কেন এমন পরিস্থিতিতে শীর্ষস্থান ধরে রাখাই আমাদের প্রধান লক্ষ্য। নিরবচ্ছিন্ন সেবা ও অবিরাম অভিনবতু বজায় রাখার মাধ্যমে যদি আমরা প্রত্যন্ত অঞ্চলে আমাদের অবস্থানকে আরো সুদৃঢ় করতে পারি ২০১১ সালও আমাদের জন্য সাফল্য বয়ে আনবে।

এই প্রতিবেদনে আগেও আমরা উল্লেখ করেছি যে, ভবিষ্যৎ অগ্রগতির জন্য নিয়ন্ত্রণ পরিবেশের অনিশ্চয়তা কোম্পানির অন্যতম বড় চ্যালেঞ্জ। এই পরিস্থিতিতে বিটিআরসি কর্তৃক প্রস্তাবিত টুজি লাইসেঙ্গ নবায়ন পদ্ধতি প্রণয়ন হলে মোৰাইল সেবাদাতা প্রতিষ্ঠানগুলোর পাশাপাশি সামগ্রিক অর্থনীতিতে বিরূপ পরিস্থিতির সৃষ্টি করবে। আমরা আশা করছি সরকার উচ্চ নবায়ন ফি প্রত্যাহার করে নেবে।

#### যাদের কাছে আমরা কৃতজ্ঞ

গ্রামীণফোন বিশ্বাস করে যে, সংশ্লিষ্ট সকলের মিলিত প্রচেষ্টাই একটি কর্পোরেট প্রতিষ্ঠানের সাফল্য ও অগ্রগতি বয়ে আনতে পারে। এটা ছাড়া একটি কোম্পানি হয়তো সাময়িকভাবে কোনোরকমে চলতে পারে, কিন্তু দীর্ঘদিনের জন্য নিশ্চয়ই নয়। আর এই বিশ্বাস বুকে নিয়েই কোম্পানিক অব্যাহত সমর্থন ও নির্দেশনা দিয়ে সামনের দিকে এগিয়ে নিয়ে যাওয়ার জন্য পরিচালকমণ্ডলী প্রথমেই এর শেয়ারহোন্ডার ও সকল স্টেকহোন্ডারদের ধন্যবাদ জানাছে। পরিচালনা পর্ষদ আরো উপলব্ধি করেছে যে, বছরজুড়ে কোম্পানির এই সফলতা অর্জন সম্ভব হতো না যদি নিমুনিখিত প্রতিষ্ঠানের কাছ থেকে ইতিবাচক সমর্থন ও সত্রিয় সহযোগিতা পাওয়া না যেত, যেমনঃ বাংলাদেশ সরকার, ডাক ও টেলিযোগাযোগ মন্ত্রণালয় (এমওপিটি), বাংলাদেশ টেলিযোগাযোগ নিয়ন্ত্রণ কমিশন (বিটিআরসি), বাংলাদেশ রেলওয়ে (বিআর), জাতীয় রাজস্ব বোর্ড (এনবিআর), বাংলাদেশ ব্যাংক (বিবি), বিনিয়োগ বোর্ড (বিওআই), রেজিস্ট্রার অব জয়েন্ট স্টক কোম্পানিজ অ্যান্ড ফার্মস (আরজেএসসি), নুখ্য রপ্তানি ও আমদানি নিয়ন্ত্রক, সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (এসইসি), ঢাকা স্টক এক্সচেঞ্জ (ডিএসই), চট্টগ্রাম স্টক এক্সচেঞ্জ (সিএসই), গ্রামীণফোনের ব্যাংকার ও আর্থিক প্রতিষ্ঠানসমূহ, ভেন্ডরগণ এবং ব্যাকায় ব্যত্যায় অন্যাদ্য থংশী দারগণ।

গ্রামীণফোনকে পছন্দের সেবা প্রদানকারী প্রতিষ্ঠান হিসেবে বেছে নেওয়ার জন্য পরিচালনা পর্ষদ সম্মানিত গ্রাহকদের অবদানের কথা ধন্যবাদের সাথে স্বীকার করছে। গ্রামীণফোনের আজকের এই সাফল্য কোনোমতেই সম্ভব হতো না যদি কোম্পানির কর্মকর্তা ও কর্মচারীরা তাদের একনিষ্ঠতা ও আন্তরিকতা দিয়ে কাজ না করতেন, তাই পরিচালনা পর্ষদ তাদের প্রত্যেককে জানাচ্ছে ধন্যবাদ ও অভিনন্দন। নিরবচ্ছিন্ন সেবার ১৪টি বছর পেরিয়ে আমরা কথা দিচ্ছি, মানুষের কাছে থেকে বাংলাদেশের অগ্রযাত্রায় যুক্ত থাকবো আজ ও প্রতিটি দিন।

আপনাদের সবাইকে আন্তরিক ধন্যবাদ ও শ্রদ্ধা জানাচ্ছি ।

গ্রামীণফোন লি.-এর পরিচালনা পর্ষদের পক্ষে,

সিগভে ব্রেককে চেয়ারম্যান ০৬ ফেব্রুয়ারি, ২০১১

# Annexure-I

Status of compliance with the conditions imposed by the Securities and Exchange Commission's Notification No SEC/CMRRCD/2006-158/Admin/02-08 dated February 20, 2006 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below.

Condition No.	Title	Compliance Status	Explanation for non-compliance with the condition
1.1	Board's Size (number of Directors – minimum 5 and Maximum 20)	Complied	
1.2 (i)	Independent Directors ( at least one tenth of Directors should be Independent Directors)	Complied	
1.2 (ii)	Independent Directors Appointment (should be appointed by the elected Directors)	Complied	
1.3	Chairman & Chief Executive Officer be different persons	Complied	
1.4 (a)	Directors Report on Financial Statements (fairness of financial statements)	Complied	
1.4 (b)	Books of Accounts (maintenance of proper books of accounts)	Complied	
1.4 (c)	Adaptation of appropriate accounting policies & estimates	Complied	
1.4 (d)	International Accounting Standards Applicable in Bangladesh (application & adequate disclosure for any departure)	Complied	
1.4 (e)	System of Internal Control (soundness and efficiency of Internal Control System)	Complied	
1.4 (f)	Going Concern (ability to continue as a going concern)	Complied	
1.4 (g)	Deviations in Operating Results (highlighting significant deviations from last year in operating result)	Complied	
1.4 (h)	Presentation of key Operating and Financial Data (summarized financial data of at least preceding three years)	Complied	
1.4 (i)	Declaration of Dividend	Complied	
1.4 (j)	Number of Board Meetings held during the year and attendance by each Director	Complied	
1.4 (k)	Pattern of Shareholding (disclosing aggregate number of shares)	Complied	
2.1	Appointment of CFO, Head of Internal Audit and Company Secretary and defining their respective roles, responsibilities & duties	Complied	
2.2	Attendance of CFO and the Company Secretary at Board of Directors Meeting	Complied	
3.0	Audit Committee (should have an Audit Committee as a sub-committee of the Board of Directors)	Complied	
3.1 (i)	Composition of Audit Committee (should be composed of at least three members)	Complied	
3.1 (ii)	Audit Committee Members Appointment (members should be appointed by the Board with at least one Independent Director)	Complied	

Condition No.	Title	Compliance Status	Explanation for non-compliance with the condition
3.1 (iii)	Term of Service of Audit Committee (Board to ensure continuity of minimum prescribed number of members)	Complied	
3.2 (i)	Chairman of Audit Committee (Board to select Chairman from Audit Committee)	Complied	
3.2 (ii)	Professional qualification and experience of the Chairman of the Audit Committee	Complied	
3.3.1 (i)	Reporting on the activities of the Audit Committee to the Board of Directors	Complied	
3.3.1 (ii)(a)	Reporting of Conflict of Interest to the Board of Directors	None	
3.3.1 (ii)(b)	Reporting of any fraud or irregularity or material defect in the Internal Control System to the Board of Directors	None	
3.3.1 (ii)(c)	Reporting of non-compliance of Laws to the Board of Directors	None	
3.3.1 (ii)(d)	Reporting of any other matter to the Board of Directors	None	
3.3.2	Reporting to SEC (if any material impact on the financial condition & results of operation, unreasonably ignored by the Management)	None	
3.4	Reporting of activities to the Shareholders	Complied	
4.00	External / Statutory Auditors		
4.0 (i)	Non- engagement in appraisal or valuation services	Complied	
4.0 (ii)	Non-engagement in designing of Financial Information System	Complied	
4.0 (iii)	Non-engagement in Book Keeping or other services related to the accounting records or financial statements	Complied	
4.0 (iv)	Non- engagement in Broker-Dealer services	Complied	
4.0 (v)	Non- engagement in Actuarial services	Complied	
4.0 (vi)	Non- engagement in Internal Audit services	Complied	
4.0 (vii)	Non- engagement in any other services	Complied	

# Annexure II

Board Meeting and attendance during the year ended December 31, 2010.

Name of Directors	Number of meetings held whilst a Board member	Meetings attended	Remarks
Mr. Sigve Brekke	9	8	
Ms. Hilde Tonne	9	9	
Mr. Per Erik Hylland	9	9	
Mr. Snorre Corneliussen	9	9	
Mr. Knut Borgen	9	7	
Ms. Nurjahan Begum	9	9	
Mr. M. Shahjahan	9	8	
Mr. Md. Ashraful Hassan	9	9	
Dr. Jamaluddin Ahmed FCA	7	7	Appointed on March 19, 2010

# Annexure III

The Pattern of Shareholding as on December 31, 2010.

Name of Shareholders	Status	Shares Held	Percentage
i) Parent/Subsidiary/Associate Company	ies		
Telenor Mobile Communications AS	-	753,407,724	55.80%
Nye Telenor Mobile Communications II AS	-	215	0.00%
Nye Telenor Mobile Communications III AS	-	215	0.00%
Telenor Asia Pte. Ltd.	-	215	0.00%
Grameen Telecom	-	461,766,409	34.20%
Grameen Kalyan	-	22	0.00%
Grameen Shakti	-	22	0.00%
ii) Directors, Chief Executive Officer, Ch spouses and minor children	ief Financial Officer, Company Secretary,	Head of Internal .	Audit and thei
Mr. Sigve Brekke	Chairman	-	-
Ms. Hilde Tonne	Board Member	-	-
Mr. Per Erik Hylland	Board Member	-	-
Mr. Knut Borgen	Board Member	-	-
Mr. Snorre Corneliussen	Board Member	-	-
Ms. Nurjahan Begum	Board Member	4,813	0.00%
Mr. M. Shahjahan	Board Member	-	-
Mr. Md. Ashraful Hassan	Board Member	6,000	0.00%
Dr. Jamaluddin Ahmed FCA	Board Member	-	-
Mr. Tore Johnsen	Chief Executive Officer	-	-
Mr. Raihan Shamsi	Chief Financial Officer	94,381	0.01%
Mr. Hossain Sadat	Company Secretary	31,776	0.00%
Mr. Emadul Hannan	Head of Internal Audit	-	-
Mr. Abrar Jaman	Son of Ms. Nurjahan Begum	2,803	0.00%
Ms. Salina Hassan	Spouse of Md. Ashraful Hassan	23,759	0.00%
iii) Executives			
Mr. Arnfinn Groven	Chief People Officer	-	-
Mr. Arild Kaale	Chief Marketing Officer	-	-
Mr. Arne Viggo Aronsen	Head of Sourcing	-	-
Mr. Odd Egil Aasen	Head of Internet & Broadband	-	-
Mr. Petter Russ	Head of Property & Facilities Services	-	-
iv) Shareholders Holding Ten Percent o	r More Voting Interest		
Telenor Mobile Communications AS	-	753,407,724	55.80%
Grameen Telecom	_	461,766,409	34.20%

# Report of Audit Committee

Grameenphone Board Audit Committee, a sub-committee of the Board, supports the Board in fulfilling its oversight responsibilities. The jurisdiction of Grameenphone Board Audit Committee extends over Grameenphone Ltd. and its subsidiaries.

# Composition and Meetings

Mr. M. Shahjahan, Chairman

# Mr. Per Erik Hylland, Member

Dr. Jamaluddin Ahmed FCA, Member [Effective from March 19, 2010]

A total of 5 (five) meetings were held during 2010. Mr. Ashraful Hassan (Managing Director, Grameen Telecom) attended the meetings as a special invitee. Permanent invitees to the meetings were the Chief Executive Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit. Relevant heads of divisions and other members of management also attended the meetings as required. Head of Internal Audit acts as the Secretary to the Audit Committee.

# Major Responsibilities of the Audit Committee

The purpose, authority, composition, duties and responsibilities of the Audit Committee are delineated in its Charter. Some of the major responsibilities of the Audit Committee are as follows:

- Review the annual, half-yearly and quarterly financial statements and other financial results, and upon its satisfaction of the review, recommend the same to the Board.
- Review the adequacy and effectiveness of financial reporting process, internal control system, risk management, auditing matters, and the Company's processes for monitoring compliance with laws and regulations and the Code of Conduct.
- Recommend appointment, termination and determination of audit fees for statutory auditors. Consider the scope of work, and oversee and evaluate the work performed by statutory auditors. Review permitted non-audit services performed by statutory auditors.
- Exercise its oversight of the work of Grameenphone Internal Audit. Review the effectiveness of internal audit function including performance, structure, adequacy of resources, and compliance with professional standards. Examine audit findings and material weaknesses and monitor implementation of audit action plans.

# Major Activities of the Audit Committee

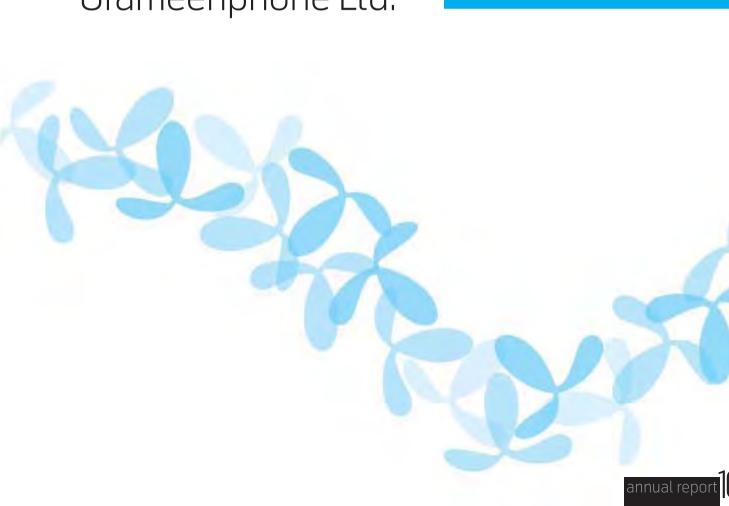
- Reviewed and recommended to the Board the quarterly and annual financial statements for the year ended December 31, 2010.
- Considered and made recommendation to the Board on the reappointment and remuneration of external auditors, Rahman Rahman Haq, Chartered Accountants, a member firm of KPMG, for the year 2011.
- Reviewed the Management Letter from external auditors for the year 2009 together with Management's responses to the findings.
- Approved the Internal Audit Plan for 2010, monitored progress and effected revisions when necessary.
- Discussed Internal Audit reports and findings in detail with auditors and members of management and monitored the status of implementation of audit action plans and provided guidance to ensure timely completion of action plans.
- Reviewed the Governance, Control, Risk Management, Revenue Assurance and Fraud Management processes in Grameenphone.
- Reviewed the activities of the Compliance function, incidence reporting and actions, and the status of enforcement of the Grameenphone Codes of Conduct.
- Also reviewed the Board Audit Committee Charter and Internal Audit Charter.
- The committee was not aware of any issues in the following areas, which needs to be reported to the Board:
  - Report on conflicts of interest
  - Suspected or presumed fraud or irregularity or material defect in the internal control system
  - Suspected infringement of laws, including securities related laws, rules and regulations

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**M. Shahjahan** Chairman Audit Committee February 03, 2011



# Auditors' Report & Audited Financial Statements of Grameenphone Ltd.



62/63



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# Auditors' Report to the shareholders of Grameenphone Ltd.

# Introduction

We have audited the accompanying financial statements of Grameenphone Ltd, which comprise the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes and all related consolidated financial statements of Grameenphone Ltd and its subsidiary (together referred to as "the group").

## Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements 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 and regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA) and Bangladesh Standards on Auditing (BSA). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

# Opinion

In our opinion, the financial statements including consolidated financial statements, prepared in accordance with International Financial Reporting Standards (IFRS) and Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's/group's affairs as at 31 December 2010 and of the results of its operations and cash flows for the year then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

#### We also report that:

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

April

Auditors Rahman Rahman Huq Dhaka, February 06, 2011

# Grameenphone Ltd. Statement of Financial Position

as at 31 December 2010		2010	2010	2009
Assets	Notes	Taka Consolidated	Taka Separate	Taka Individual
Non current assets:		Consolidated	Separate	mannadat
	4	71,696,092,118	71,519,269,716	79,287,993,919
Property, plant and equipment, net	4			
Intangible assets	5	6,991,416,098	6,887,927,919	7,681,126,893
Investment in subsidiary	6	-	74,999,900	-
Long term deposits	7	12,594,949	12,594,949	11,635,675
_		78,700,103,165	78,494,792,484	86,980,756,487
Current assets:				
Inventories	8	834,355,326	834,355,326	430,870,209
Deferred cost of connection revenue	9	484,842,481	484,842,481	483,550,116
Accounts receivable, net	10	5,247,945,772	5,237,659,409	4,697,066,162
Other receivables	11	928,020,269	1,230,518,097	762,323,315
Advances, deposits and prepayments	12	1,621,637,839	1,718,961,429	1,206,613,917
Short term investment	13	2,753,729,110	2,753,729,110	500,000,000
Cash and cash equivalents	14	18,931,502,552	18,674,929,826	14,101,313,087
		30,802,033,349	30,934,995,678	22,181,736,806
Total assets		109,502,136,514	109,429,788,162	109,162,493,293
Equity and Liabilities				
Shareholders' equity:				
Share capital	15	13,503,000,220	13,503,000,220	13,503,000,220
Share premium	16	7,840,225,942	7,840,225,942	7,840,225,942
	17		14,446,452	
Capital reserve		14,446,452		14,446,452
Deposit from shareholders	18	1,880,178	1,880,178	1,880,178
General reserve	19	2,139,729,365	2,139,729,365	2,139,729,365
Retained earnings		24,532,545,482	24,406,370,509	26,655,044,251
		48,031,827,639	47,905,652,666	50,154,326,408
Non controlling interest	20	268	-	-
Non-current liabilities:				
Loans and borrowings, net of current portion	21	-	-	917,924,127
Deposit from agents and subscribers	22	444,639,879	444,639,879	440,948,191
Finance lease obligation	23	5,019,805,838	5,019,805,838	5,019,805,838
Deferred tax liabilities	24	11,201,083,512	11,201,083,512	13,505,914,117
Long term provisions	25	162,876,392	162,876,392	171,487,489
		16,828,405,621	16,828,405,621	20,056,079,762
Current liabilities:	20	10 102 077 702	10 1 47 077 101	0.014.700.100
Accounts payable	26	10,183,877,792	10,147,977,191	9,814,726,186
Payable to government and autonomous bodies	27	4,814,490,250	4,814,490,250	4,182,752,546
Unearned revenue	28	2,248,977,889	2,248,977,889	1,679,152,352
Loans and borrowings – current portion	21	-	-	1,036,943,071
VAT payable	29	2,451,869,531	2,451,869,531	2,234,779,133
Income tax provision	30	15,738,404,448	15,737,871,964	12,228,778,445
Accrued interest	31	155,699,144	155,699,144	66,356,035
Otherliabilities	32	38,263,621	38,263,621	88,517,671
Deferred connection revenue	33	581,904,397	581,904,397	541,731,926
Provision for expenses	34	8,428,415,914	8,518,675,888	7,078,349,758
		44,641,902,986	44,695,729,875	38,952,087,123
Total equity and liabilities		109,502,136,514	109,429,788,162	109,162,493,293

The annexed notes 1 to 55 form an integral part of these financial statements.

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Director

7. Hzm Director

O. Hayeelad Chief Executive Officer

**Company Secretary** As per our report of same date. A

al ande Auditors

Dhaka, February 06, 2011

# Grameenphone Ltd. Statement of Comprehensive Income

for the year ended 31 December 2010

for the year ended 31 December 2010		2010	2010	2009
		Taka Consolidated	Taka Separate	Taka Individual
	Notes	Consolidated	Separate	Individual
Revenue	35	74,733,076,434	74,724,497,824	65,299,567,088
Cost of network operations: Direct cost of network revenue Network operation and maintenance expenses Depreciation and amortisation Gross profit	36 37 38	(15,065,442,394) (5,605,681,662) (15,331,945,675) (36,003,069,731) 38,730,006,703	(15,065,442,394) (5,924,040,604) (15,331,928,871) (36,321,411,869) 38,403,085,955	(13,256,145,333) (4,773,426,129) (15,048,323,189) (33,077,894,651) 32,221,672,437
		30,730,000,703		52,221,072,107
Other income, net	39	60,416,193	75,314,120	43,258,418
<b>Operating expenses:</b> General and administrative expenses Selling and distribution expenses Depreciation and amortisation	40 41 38	(8,634,334,234) (8,487,233,821) (1,461,626,378) (18,583,194,433)	(8,454,044,918) (8,480,676,834) (1,461,626,378) (18,396,348,130)	(6,593,087,934) (3,474,969,079) (1,678,664,555) (11,746,721,568)
Operating profit		20,207,228,463	20,082,051,945	20,518,209,287
Finance income/(expense), net Foreign exchange gain/(loss) Gain on sale of investment in X-Net Ltd. Gain/(loss) on disposal of property, plant and equipment	42 43 44	593,473,110 99,963,540 - 12,091,065	591,748,373 99,963,540 - 12,091,065	(1,687,193,849) (233,243,638) 7,960,532 (9,768,387)
		705,527,715	703,802,978	(1,922,245,342)
Profit before income tax Income tax expenses Profit for the year	45	20,912,756,178 (10,207,404,570) 10,705,351,608	20,785,854,923 (10,206,678,456) 10,579,176,467	18,595,963,945 (3,627,797,689) 14,968,166,256
Other comprehensive income				-
Total comprehensive income for the year		10,705,351,608	10,579,176,467	14,968,166,256
Total comprehensive income attributable to: Owners of the company Non controlling interest		10,705,351,440 168 10,705,351,608	10,579,176,467 - 10,579,176,467	14,968,166,256 - 14,968,166,256
Earnings per share: Basic earnings per share (par value Tk 10 each)	46	7.93	7.83	12.08

The annexed notes 1 to 55 form an integral part of these financial statements.

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Director

7. Hym Director

O. Hayrela ( Chief Executive Officer

**Company Secretary** 

As per our report of same date.

Dhaka, February 06, 2011

meenphisolidate	Grameenphone Ltd.	Consolidated Statement of Changes in Equity	
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for the year ended 31 December 2010

	Share capital	Share premium	Capital reserve	Deposit from shareholders	General reserve	Retained earnings	Non controlling interest	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at 1 January 2009	12,151,747,970	13,743,987	14,446,452	1,882,996	2,139,729,365	13,266,605,231	I	27,588,156,001
Total comprehensive income for 2009 Profit for the year Other comprehensive income	1 1	1 1	1 1	1 1	1 1	14,968,166,256 -	1 1	14,968,166,256 -
Transactions with the shareholders: Final dividend for the year 2008 Issue of shares to existing shareholders Issue of shares through PPO and IPO	- 250 1,351,252,000	- 4,250 8,370,255,200	1 1 1	- (2,818) -	1 1 1	(1,579,727,236) -	1 1 1	(1,579,727,236) 1,682 9,721,507,200
Share issue costs	I	(543,777,495)	1	I	I	I	I	(543,777,495)
Balance as at 31 December 2009	13,503,000,220	7,840,225,942	14,446,452	1,880,178	2,139,729,365	26,655,044,251	I	50,154,326,408
Total comprehensive income for 2010 Profit for the year Other comprehensive income	1 1	1 1	1 1	1 1	1 1	10,705,351,440	168	10,705,351,608 -
Transactions with the shareholders: Final dividend for the year 2009 Interim dividend for the year 2010	1 1	1 1	1 1	1 1	1 1	(8,101,800,132) (4,726,050,077)	I	- (8,101,800,132) (4,726,050,077)
Issuance of share of Grameenphone IT Ltd.	I	Τ	I	I	I	I	100	100
Balance as at 31 December 2010	13,503,000,220	7,840,225,942	14,446,452	1,880,178	2,139,729,365	24,532,545,482	268	48,031,827,907

Grameenphone Ltd. Statement of Changes in Equity (Separate)
for the year ended 31 December 2010

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	Share capital	Share premium	Capital reserve	Deposit from shareholders	General reserve	Retained earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Така
Balance as at 1 January 2009	12,151,747,970	13,743,987	14,446,452	1,882,996	2,139,729,365	13,266,605,231	27,588,156,001
Total comprehensive income for 2009							
Profit for the year Other comprehensive income	1 1	1 1	1 1	1 1	1 1	14,968,166,256 -	14,968,166,256 -
Transactions with the shareholders:							
Final dividend for the year 2008 Issue of shares to existing shareholders Issue of shares through PPO and IPO	- 250 1,351,252,000	- 4,250 8,370,255,200	1 1 1	- (2,818) -	1 1 1	(1,579,727,236) - -	(1,579,727,236) 1,682 9,721,507,200
Share issue costs	I	(543,777,495)	I	I	I	I	(543,777,495)
Balance as at 31 December 2009	13,503,000,220	7,840,225,942	14,446,452	1,880,178	2,139,729,365	26,655,044,251	50,154,326,408
Total comprehensive income for 2010							
Profit for the year Other comprehensive income	1 1	1 1	1 1	1 1	1 1	10,579,176,467 -	10,579,176,467 -
Transactions with the shareholders:							
Final dividend for the year 2009 Interim dividend for the year 2010	1 1	1 1	1 1	ΙI	I I	(8,101,800,132) (4,726,050,077)	(8,101,800,132) (4,726,050,077)
Balance as at 31 December 2010	13,503,000,220	7,840,225,942	14,446,452	1,880,178	2,139,729,365	24,406,370,509	47,905,652,666

# Grameenphone Ltd. Statement of Cash Flows

for the year ended 31 December 2010

for the year ended 31 December 2010	2010	2010	2009
	Taka	Taka	Taka
Notes	Consolidated	Separate	Individual
Cash flows from operating activities:			
	74 6 46 400 410	74 646 400 410	64.005.004.460
Cash receipts from performance of services/sales 47	74,646,490,419	74,646,490,419	64,925,924,469
Payroll and other payments to employees	(6,087,982,677)	(5,827,353,840)	(4,079,088,982)
Payment to suppliers, contractors and others 48	(28,986,804,748)	(29,366,578,247)	(21,832,429,882)
Net finance income received	1,337,225,663	1,335,500,926	335,144,569
Finance expense paid for short term loans	1,337,223,003	1,333,300,920	(450,749,036)
Finance expense paid for long term loans	(630,004,573)	(630,004,573)	(1,691,869,816)
Income tax paid	(9,002,609,172)	(9,002,415,542)	(6,505,897,213)
	(43,370,175,507)	(43,490,851,276)	(34,224,890,360)
Net cash flow from operating activities	<b>31,276,314,912</b>	<b>31,155,639,143</b>	<b>30,701,034,109</b>
Net cush now nom operating activities	51,270,514,912	51,155,059,145	30,701,034,109
Cash flows from investing activities:			
cush how hom investing activities.			
Payment for acquisition of property, plant and equipment	(8,774,249,937)	(8,835,146,894)	(11,867,221,673)
Proceeds from sale of property, plant and equipment	59,884,296	59,884,296	40,312,438
Payment for acquisition of intangible assets	(648,524,052)	(648,524,052)	(4,184,634,864)
Investment in subsidiary	(010)021)0027	(74,999,900)	-
Investment in long term deposits	(959,274)	(959,274)	-
Short term investments	(2,253,729,110)	(2,253,729,110)	(500,000,000)
Net cash used in investing activities	(11,617,578,077)	(11,753,474,934)	(16,511,544,099)
5			
Cash flows from financing activities:			
-			
Repayment of local interest bearing short term borrowings	-	-	(4,992,322,916)
Repayment of bond	-	-	(4,250,000,000)
Payment of long term borrowings	(1,950,443,211)	(1,950,443,211)	(1,422,706,278)
Payment of finance lease obligation	-	-	(562,546,039)
Payment of dividend	(12,791,086,003)	(12,791,086,003)	(1,579,727,236)
Net proceeds from PPO and IPO	-	-	5,698,452,575
Proceeds from issue of shares to existing shareholders	-	-	1,682
Proceeds from issue of shares to non controlling interest	100	-	-
Amount refunded to IPO share applicants	(87,018,256)	(87,018,256)	-
Net cash flow used in financing activities	(14,828,547,370)	(14,828,547,470)	(7,108,848,212)
			7 000 0 41 700
Net changes in cash and cash equivalents	4,830,189,465	4,573,616,739	7,080,641,798
Cools and cools any further at 1 is more than	14 101 212 007	14 101 212 007	
Cash and cash equivalents at 1 January	14,101,313,087	14,101,313,087	7,020,671,289
Cash and cash equivalents at 31 December	18,931,502,552	18,674,929,826	14,101,313,087

# Grameenphone Ltd. Notes to the Financial Statements

as at and for the year ended 31 December 2010

# 1. Reporting entity

# 1.1 Company profile

Grameenphone Ltd (hereinafter referred to as "GP"/"Grameenphone"/"the company"/"the parent company") is a public limited company incorporated in Bangladesh in 1996 under the Companies Act 1994 with its registered address at Celebration Point, Road 113/A, Gulshan, Dhaka, Bangladesh. In July 2010, the registered office of the company was shifted to 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. In 2010, Grameenphone formed a wholly owned subsidiary namely Grameenphone IT Ltd (hereinafter referred to as "GPIT// "the subsidiary company"), to provide IT services to itself and also to external customers. GPIT launched its commercial operation from 1 April 2010.

These financial statements as at and for the year ended 31 December 2010 include consolidated and separate financial statements. The consolidated financial statements comprise the company and its subsidiary, Grameenphone IT Ltd. (together referred to as "the group"). The separate financial statements present the standalone financial statements of Grameenphone Ltd.

The group is primarily involved in providing mobile telecommunication services (voice, data and other related services) and IT related services in Bangladesh. Grameenphone obtained its radio system operating license from the Ministry of Posts and Telecommunications (MoPT), Government of Bangladesh, commencing from 11 November 1996 and launched commercial operation on 26 March 1997. Telecommunication network of the company covers all divisional towns and districts of the country. The company also provides international roaming services through international roaming agreements with various operators of different countries across the world.

The Mobile Cellular License of GP will expire on 11 November 2011 and will have to be renewed upon fulfilment of certain terms and conditions. The renewal fees are yet to be fixed by BTRC or MoPT. The management is currently in the process of consultation with them on the amount of renewal fees and relevant terms and conditions, and expects to arrive at mutually beneficial and agreeable terms within the end of current license tenure i.e. 11 Nov 2011. Despite the uncertainty as mentioned above, the management does not believe that the license will not be renewed or that the renewal will be on such terms that might have an effect on the business continuity or assumptions of going concern of the company. Accordingly these financial statements have been prepared on the basis of going concern assumption.

# 2. Basis of preparation

#### 2.1 Statement of compliance

These financial statements (including consolidated and separate 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 Articles of Association of Grameenphone require that the financial statements be prepared in accordance with International Accounting Standards (IAS)/IFRS.

The requirements of IFRS and BFRS, to the extent relevant to preparation of these financial statements, do not vary significantly from each other. However, the effective dates for certain BFRS differ from those for corresponding IFRS. The following BFRS were adopted early while preparing these financial statements to ensure compliance with both sets of standards.

Title of relevant Bangladesh Accounting Standards (BAS)/BFRS	Effective date	Application date
BAS 1: Presentation of Financial Statements (revised 2008)	1 January 2010	1 January 2009
BAS 23: Borrowing Costs (revised 2008)	1 January 2010	1 January 2009
BAS 32: Financial Instruments: Presentation	1 January 2010	1 January 2009
BAS 39: Financial Instruments: Recognition and Measurement	1 January 2010	1 January 2009
BFRS 7: Financial Instruments: Disclosures	1 January 2010	1 January 2009

#### Authorisation for issue

These financial statements have been authorised for issue by the Board of Directors of the company on 6 February 2011.

### 2.2 Basis of measurement

These financial statements have been prepared on a historical cost convention except for the following items in the statement of financial position:

- (a) Employee benefit plan was measured based on actuarial valuation.
- (b) Finance lease obligation and assets under finance lease were measured at present value of minimum lease payments.
- (c) Asset retirement obligations (ARO) were measured at present value of expected future expenditure.

### 2.3 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (Taka/Tk/BDT) which is both functional currency and presentation currency of the group/company. The amounts in these financial statements have been rounded off to the nearest Taka.

### 2.4 Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 4.5: Capitalisation of borrowing costs
- Note 23: Finance lease obligation (classification and measurement)
- Note 24: Deferred tax liabilities (manner of recovery of temporary differences for determination of deferred tax liabilities)
- Note 25: Long term provisions
- Note 34: Provision for expenses (estimation of future cash outflow and determination of appropriate discount rate)
- Note 35: Revenue (allocation of revenue among multiple elements, determination of percentage of completion for services rendered)
- Note 45: Income tax expenses

In addition to the above, determination of the group's liability for gratuity involves the use of estimates regarding demographic variables (such as employee turnover and mortality) and financial variables (such as future increases in salaries and medical costs) that will influence the cost of the benefit.

### 3. Significant accounting policies

Except for those related to consolidation procedure, accounting policies set out below have been applied consistently to all periods presented in these financial statements. Accounting policies related to consolidation process became applicable for the group after the formation of GPIT in 2010.

Comparative information for 2009 provided in these financial statements reflect GP's individual financial statements only as at and for year ended 31 December 2009 (as consolidation procedures were not applicable at that time). Certain comparative amounts have been reclassified to conform to current year's presentation (please refer to Note 55.2).

### 3.1 Basis of consolidation

### (a) Subsidiaries

Subsidiaries are entities controlled by the group. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date on which control ceases.

### (b) Consolidation procedure

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

annual report 🕖 70/71

### 3.2 Property, plant and equipment

### (a) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner. Cost also includes initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located and capitalised borrowing costs. The costs of obligations for dismantling, removing the item and restoring the site (generally called 'asset retirement obligation') are recognised and measured in accordance with IAS/BAS 37: *Provisions, Contingent Liabilities and Contingent Assets.* Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

### (b) Subsequent costs

The cost of replacing or upgrading part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day to day servicing of the property, plant and equipment are recognised in the statement of comprehensive income as incurred.

### (c) Depreciation

No depreciation is charged on land and capital work in progress.

Depreciation on other items of property, plant and equipment is provided on a straight-line basis over the estimated useful lives of each item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the group will obtain ownership by the end of the lease term. For addition to property, plant and equipment, depreciation is charged from the date of capitalisation up to the month immediately preceding the month of disposal. Depreciation method, useful lives and residual values are reassessed at each reporting date. The estimated useful lives of the items of property, plant and equipment for the current and comparative years are as follows:

	2010 Year	2009 Year
Own assets		
Building	10 -50	20
Base station – equipments	3-10	3-10
Base station - tower, fiber optic network and related assets	7-20	7-20
Transmission equipment	5-10	5-10
Computers and other IT equipment	4	4
Furniture and fixtures (including office equipment)	3-5	3-5
Vehicles	4	4
Leased asset		
Fibre Optic Network	22.5	22.5

Change in useful lives of building in 2010 is attributable to inclusion of new assets, having different useful lives, as a result of capitalisation of GPHouse. The change does not result from revision of useful lives of existing assets.

Other than those mentioned in note 4.8, estimated useful lives of property, plant and equipment remained unchanged in 2010.

### (d) Gains or losses on disposal

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amounts and are recognised net.

### (e) Capital work in progress

Capital work in progress consists of acquisition costs of network plant and machinery, capital components and related installation cost until the date placed in service. In case of import of components, capital work in progress is recognised when risks and rewards associated with such assets are transferred to the group, i.e. at the time shipment is confirmed by the supplier.

### (f) Capitalisation of borrowing costs

As per the requirements of IAS/BAS 23: *Borrowing Costs*, directly attributable borrowing costs are capitalised during construction period for all qualifying assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are those borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made.

### 3.3 Intangible assets

### (a) Recognition and measurement

Intangible assets that are acquired by the group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment loss, if any. Intangible assets are recognised when all the conditions for recognition as per IAS/BAS 38: *Intangible assets* are met. The cost of an intangible asset comprises its purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use.

### (b) Subsequent costs

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit or loss as incurred.

### (c) Amortisation

Amortisation is recognised in profit or loss on a straight line basis over the estimated useful lives of intangible assets, from the date that they are available for use. The estimated useful lives are as follows:

	2010 Year	2009 Year
Pulse Code Modulation (PCM)	5	5
Software and others		
Billing software	5	5
Other operational software	3	3
Network management software	10	10
Telecom license - spectrum	18	18

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

### 3.4 Leased assets

Leases in terms of which the group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Leases other than finance lease are treated as operating leases and are not recognised in both consolidated and separate statement of financial position.

### 3.5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### 3.5.1 Financial assets

The group initially recognises receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the date at which the group becomes a party to the contractual provisions of the transaction.

The group derecognises a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets include cash and cash equivalents, accounts receivable, and long term receivables and deposits.

### (a) Accounts receivable

Accounts receivable represent the amounts due from mobile telephony subscribers for telecom services, other operators for interconnection services and infrastructure sharing, customers for FON connectivity and other services and includes both billed and unbilled portion of such services at the date of statement of financial position. Accounts receivables are stated net of bad debts provision.

### (b) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents.

### 3.5.2 Financial liabilities

The group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the transaction date at which the group becomes a party to the contractual provisions of the liability.

The group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial liabilities include loans and borrowings, finance lease obligation, accounts payable and other payables.

### (a) Finance lease obligation

Leases in terms of which the entity assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of minimum lease payments. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine; if not, the lessee's incremental borrowing rate is used.

### (b) Loans and borrowings

Principal amounts of the loans and borrowings are stated at their amortised amount. Borrowings repayable after twelve months from the date of statement of financial position are classified as non-current liabilities whereas the portion of borrowings repayable within twelve months from the date of statement of financial position, unpaid interest and other charges are classified as current liabilities.

### (c) Payables

The group recognises a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits.

### 3.6 Impairment

### (a) Financial assets

The group considers evidence of impairment for financial assets (loans and receivables and held-to-maturity investment securities) at both a specific asset and collective level. All individually significant receivables and held-to-maturity investment securities are assessed for specific impairment. All individually significant loans and receivables and held-to-maturity investment securities found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together loans and receivables and held-to-maturity investment securities with similar risk characteristics.

Accounts receivable is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy etc. Accordingly, 100% provision is made over the amount outstanding (after considering security deposits) from the churned subscribers. As per the existing credit policy of the company, a post paid subscriber is barred if his usage exceeds approved credit limit or any non-payment of invoice. A subscriber is considered churned after three months of barring. For receivables from other operators and FON sublease customers, bad debt provision is made after analysing the recoverability of the amount from the concerned parties. The provision for doubtful debts is written off as bad debts after one year from the date of recognition.

### (b) Non-financial assets

The carrying amounts of the group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 3.7 Inventories

Inventories consisting of mobile handsets, data cards and other communication devices, scratch cards and SIM cards are valued at lower of cost and net realisable value. Costs of inventories include expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Cost of inventories is determined by using the weighted average cost formula. Net realisable value is based on estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### 3.8 Employee benefits

The group maintains both defined contribution plan and defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds. Both of the plans are supported by separate registered funds.

### (a) Defined contribution plan (provident fund)

The group contributes to a registered provident fund scheme (defined contribution plan) for employees of the group eligible to be members of the fund in accordance with the rules of the provident fund constituted under an irrevocable trust. All permanent employees contribute 10% of their basic salary to the provident fund and the group also makes equal contribution.

The group recognises contribution to defined contribution plan as an expense when an employee has rendered services in exchange for such contribution. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.

### (b) Defined benefit plan (gratuity)

Defined benefit plan is a retirement benefit plan under which amounts to be paid as retirement benefits are determined by reference to employees' earnings and years of service. The employees gratuity fund is considered as defined benefit plan as it meets the recognition criteria. The group's obligation is to provide the agreed benefits to current and former employees as per condition of the fund.

Present value of defined benefit obligation and the fair value of the plan assets were determined by professional actuary. Projected Unit Credit method is used to measure the present value of defined benefit obligations and related current and past service cost and mutually compatible actuarial assumptions about demographic and financial variables were used. The difference between fair value of the plan assets and present value of obligation is recognised as a liability or an asset in the statement of financial position.

The rate used to discount post employment benefit obligations is determined by reference to market yields at the date of statement of financial position on treasury bills. The expected return on plan assets is based on market expectation and is one of the components of expenses recognised in the statement of comprehensive income. Total expenses recognised in the statement of comprehensive cost and expected return on plan assets.

### (c) Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. Provision is created for the amount of annual leave encashment based on the latest basic salary.

### 3.9 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

### (a) Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. In 2009, Grameenphone became listed as a publicly traded company with both Dhaka and Chittagong Stock Exchanges by issuing 10% of its paid up capital (out of which more than 5% was issued through IPO). Accordingly, the applicable tax rate for the company has

been reduced to 35%. The tax rate used for the years ended 31 December 2010 and 31 December 2009 are as follows:

Year ended	Tax rate
Year ended 31 December 2010	35%
Year ended 31 December 2009	35%

Being a private limited company, applicable tax rate for GPIT is 37.5%. However IT enabled services provided by GPIT are exempted from income taxes until 30 June 2011 as per Finance Act 2010.

### (b) Deferred tax

Deferred tax is recognised in compliance with IAS/BAS 12: *Income Taxes*, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the date of statement of financial position. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilised. Deferred tax assets are reviewed at each date of statement of financial position and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### 3.10 Provisions

A provision is recognised in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the date of statement of financial position. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditures expected to be required to settle the obligation.

### Asset retirement obligations (ARO)

Asset retirement obligation (ARO) is recognised when there is a legal or constructive obligation for dismantling and removing an item of property, plant and equipment and restoring the site on which the item is located. The company recognises ARO in respect of roof-top base station and office space based on the present value of expected expenditures required to settle the obligation. The periodic unwinding of the discount is recognised in profit or loss as a finance cost as it occurs.

### 3.11 Revenue recognition

Revenues are measured at fair value of the consideration received or receivable, net of discount and sales related taxes and VAT. Revenues are reported gross with separate recording of expenses to vendors of products or services. However, when the group acts only as an agent or broker on behalf of suppliers of products or services, revenues are reported on a net basis. Revenues of the group comprise:

### (i) Rendering of services:

Revenue from rendering of services includes traffic fees, subscription and connection fees, interconnection fees, various customer support revenues, value added service revenues, infrastructure sharing and IT related services.

### (ii) Sale of goods:

The group sells handset, data card and other device, and software to its customers.

### (a) Traffic revenue -Post paid

Post paid revenue is recognised on accrual basis and recorded as income (exclusive of VAT) as services are rendered.

### (b) Traffic revenue - Prepaid

Prepaid revenue is recognised (exclusive of VAT) as per the usage recorded in the network from the prepaid cards and electronic recharge system (ERS). The unused portion of the prepaid cards and ERS remains as unearned revenue (exclusive of VAT) and is reported as liability.

### (c) Subscription revenue

Subscription revenue represents fixed line rent charged to post paid customers for voice, content and other communication services. It is billed in advance and recognised evenly over the subscription period.

### (d) Connection revenue

Connection revenue represents the revenue arising from sale of connection to the subscribers through new SIM which is recognised over the estimated period of customer relationship. The estimated period of customer relationship is based on past history of churn and expected development. Expected development reflects the recent development in customer churn in the industry as well as in other group entities.

### (e) Roaming revenue

International roaming revenue is recognised on accrual basis as services are rendered.

### (f) Interconnection revenue

Interconnection revenue from other operators are recognised when GP subscribers receive calls from other operators' subscribers. From August 2008 onwards, interconnection revenue is recognised based on calls through interconnection exchange (ICX) and international gateways (IGW).

### (g) Other operating revenue

Other operating revenue comprises customers support revenue, VAS, SMS, MMS and other revenue from content providers and is recognised in the same manner as corresponding prepaid traffic revenue and post-paid traffic revenue recognition policy.

### (h) Other non mobile revenue

Other non mobile revenue represents revenue earned from sale of handset, data card and various services like bill payment services, channel fees etc. Revenue is recognised when goods are delivered or services are rendered.

### (i) Infrastructure sharing

Revenue from infrastructure sharing comprises lease of telecom infrastructure, including base station shelter, generators, and charges for fuel and power support. Leases are recognised as per IAS/BAS 17: *Leases*, revenues are recognised on accrual basis based on actual usage/consumption by the customers.

### Sub lease of optical fibre network (i)

Rental income from sub-lease of optical fibre network is recognised on accrual basis in accordance with the provisions of relevant agreements.

### (k) Rendering IT service

Revenue from IT service is recognised on a percentage of completion basis. Percentage of completion of service is determined upon periodic review and usually evidenced by work completion certificate. Revenue is recognised only when it is probable that the economic benefits associated with the transaction will flow to the entity.

### (1)Sale of software

Revenue from the sale of software is recognised when significant risks and rewards associated with the software is transferred and the entity retains neither significant managerial involvement nor effective control over the software. The other criteria for revenue recognition, i.e. availability of reliable measure for revenue and associated costs and probable flow of economic benefits to the entity must also be met. Accordingly, delivery of a software is not considered complete and revenue is not recognised when the software is shipped subject to installation and the installation is a significant part of the contract which has not yet been completed by the entity.

### 3.12 Deferred connection revenue

Deferred connection revenue represents the portion of connection revenue which is deferred over the remaining period of estimated customer relationship.

### 3.13 Deferred cost of connection revenue

Deferred cost of connection revenue represents the costs directly related to the acquisition of subscribers. Connection costs in excess of connection revenue is charged as expenses when incurred. Connection costs up to connection revenue are deferred and amortised over the period of estimated customer relationship.

### 3.14 Leases

### (a) Finance lease

Leases in terms of which the entity assumes substantially all the risks and rewards of ownership are classified as finance leases. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

### (b) Operating lease

All leases other than those which meet the definition of finance lease are treated as operating lease and are not recognised in the statement of financial position.

### 3.15 Foreign currency transactions

Transactions in foreign currencies are recorded in the books at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies at the date of statement of financial position are translated into Bangladesh taka at the rate of exchange prevailing at that date. All exchange differences were recognised in the statement of comprehensive income as per IAS/BAS 21: *The Effects of Changes in Foreign Exchange Rates*.

### 3.16 Earnings per share

The group/company presents basic and diluted (when dilution is applicable) earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the group/company by the weighted average number of ordinary shares outstanding during the period, adjusted for the effect of change in number of shares for bonus issue, share split and reverse split. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shareholders and the weighted average number of ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no dilutive potential ordinary shares during the relevant periods.

### 3.17 Events after the reporting period

Events after the reporting period that provide additional information about the group's/company's position at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

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## Year 2010 (Consolidated)

				-					
		Cost	st			Depreciation	ation		Carrying amount
		ः 	Disposal		+		Disposal/		
Name of assets	AS at	Addition	Adjustment	AS at	AS at	Lnarged	Adjustment	AS at	AS at
	1 January	during	during	31 December	1 January	during the	during	31 December	31 December
	2010	the year	the year	2010	2010	year	the year	2010	2010
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Land (Note 4.1)	806,395,924	I	I	806,395,924	I	I	I	I	806,395,924
Building (Note 4.3.1)	39,495,738	4,018,620,231	I	4,058,115,969	11,253,642	67,739,090	I	78,992,732	3,979,123,237
Base station (Note 4.2)	86,207,212,938	2,829,904,349	(143,366,238)	88,893,751,049	37,000,262,825	10,893,690,046	(119,365,963)	47,774,586,908	41,119,164,141
Transmission equipment (Note 4.2)	24,936,637,035	2,257,885,889	I	27,194,522,924	9,325,226,987	3,411,195,892	I	12,736,422,879	14,458,100,045
Computers and other IT equipment	3,243,271,828	315,331,460	(124,904,809)	3,433,698,479	2,248,602,195	568,804,223	(123,235,126)	2,694,171,292	739,527,187
Furniture and fixtures (Note 4.3.1) (including office equipment)	2,044,818,734	463,486,552	(221,157,806)	2,287,147,480	1,761,079,790	208,373,406	(217,360,242)	1,752,092,954	535,054,526
Vehicles	883,008,531	196,675,019	(44,286,356)	1,035,397,194	543,331,235	89,109,584	(25,983,735)	606,457,084	428,940,110
	118,160,840,728	10,081,903,500	(533,715,209)	127,709,029,019	50,889,756,674	15,238,912,241	(485,945,066)	65,642,723,849	62,066,305,170
Capital work in progress (Note 4.3)	6,191,845,987	8,012,459,718	(10,065,059,277)	4,139,246,428	ı	T	ı	I	4,139,246,428
	124,352,686,715	18,094,363,218	(10,598,774,486)	131,848,275,447	50,889,756,674	15,238,912,241	(485,945,066)	65,642,723,849	66,205,551,598
Fibre Optic Network									
under finance lease (Note 4.4)	7,678,321,508	I	I.	7,678,321,508	1,853,257,630	334,523,358	I.	2,187,780,988	5,490,540,520
	132,031,008,223	18,094,363,218	(10,598,774,486)	(10,598,774,486) 139,526,596,955	52,743,014,304	15,573,435,599	(485,945,066)	(485,945,066) 67,830,504,837	71,696,092,118

Property, plant and equipment (contd..)

Year 2010 (Separate)

		Cost	st			Depreciation	ation		Carrying amount
			Disposal/				Disposal/		
	Acat	Addition	Adiustment	Acat	As at	Charned	Adjustment	Acat	As at
Name of assets	1 10000	di minori	distinction of the second s		1 0000	di utang tan	durine in a	J1 December	J1 December
	2010	the vear	the vear	31 December 2010	2010	uuring the vear	the vear	31 December 2010	21 December 2010
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Land (Note 4.1)	806,395,924	I	I	806,395,924	I	I	I	I	806,395,924
Building (Note 4.3.1)	39,495,738	4,018,620,231	I	4,058,115,969	11,253,642	67,739,090	I	78,992,732	3,979,123,237
Base station (Note 4.2)	86,207,212,938	2,829,904,349	(143,366,238)	88,893,751,049	37,000,262,825	10,893,690,046	(119,365,963)	47,774,586,908	41,119,164,141
Transmission equipment (Note 4.2)	24,936,637,035	2,257,885,889	I	27,194,522,924	9,325,226,987	3,411,195,892	I	12,736,422,879	14,458,100,045
Computers and other IT equipment	3,243,271,828	307,124,216	(124,904,809)	3,425,491,235	2,248,602,195	568,787,419	(123,235,126)	2,694,154,488	731,336,747
Furniture and fixtures (Note 4.3.1) (including office equipment)	2,044,818,734	463,486,552	(221,157,806)	2,287,147,480	1,761,079,790	208,373,406	(217,360,242)	1,752,092,954	535,054,526
Vohirias	883,008,531	196,675,019	(44,286,356)	1,035,397,194	543,331,235	89,109,584	(25,983,735)	606,457,084	428,940,110
	118,160,840,728	10,073,696,256	(533,715,209)	127,700,821,775	50,889,756,674	15,238,895,437	(485,945,066)	65,642,707,045	62,058,114,730
	6,191,845,987	7,835,620,512	(10,056,852,033)	3,970,614,466	I	,	I	ı	3,970,614,466
Lapital work in progress (iNote 4.3)	124,352,686,715	17,909,316,768	(10,590,567,242)	131,671,436,241	50,889,756,674	15,238,895,437	(485,945,066)	65,642,707,045	66,028,729,196
Fibre Optic Network under finance lease (Note 4.4)	7,678,321,508	I	ı	7,678,321,508	1,853,257,630	334,523,358	I	2,187,780,988	5,490,540,520
	132,031,008,223	17,909,316,768	(10,590,567,242)	139,349,757,749	52,743,014,304	15,573,418,795	(485,945,066)	67,830,488,033	71,519,269,716

Property, plant and equipment (contd..)

Year 2009 (Individual)

		Ŭ	Cost			Depreciation	iation		Carrying amount
Name of assets	As at 1 January 2009	Addition during the year	Disposal/ Adjustment during the vear	As at 31 December 2009	As at 1 January 2009	Charged during the vear	Disposal/ Adjustment during	As at 31 December 2009	As at 31 December 2009
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Land (Note 4.1)	806,395,924	1	I	806,395,924	I	I	I	I	806,395,924
Building	39,495,738	I	1	39,495,738	9,278,748	1,974,894	I	11,253,642	28,242,096
Base station (Note 4.2)	80,691,997,045	5,819,241,731	(304,025,838)	86,207,212,938	26,088,842,327	11,059,107,019	(147,686,521)	37,000,262,825	49,206,950,113
Transmission equipment (Note 4.2)	25,653,204,629	4,309,646,132	(5,026,213,726)	24,936,637,035	8,564,799,364	2,990,997,780	(2,230,570,157)	9,325,226,987	15,611,410,048
Computers and other IT equipment	2,975,019,578	294,103,846	(25,851,596)	3,243,271,828	1,647,327,755	621,816,664	(20,542,224)	2,248,602,195	994,669,633
Furniture and fixtures (including office equipment)	2,089,600,879	68,233,047	(113,015,192)	2,044,818,734	1,456,855,037	413,507,010	(109,282,257)	1,761,079,790	283,738,944
Vehicles	812,697,584	93,431,947	(23,121,000)	883,008,531	443,734,679	113,301,856	(13,705,300)	543,331,235	339,677,296
	113,068,411,377	10,584,656,703	(5,492,227,352)	118,160,840,728	38,210,837,910	15,200,705,223	(2,521,786,459)	50,889,756,674	67,271,084,054
Capital work in progress (Note 4.3)	4,294,178,818	12,363,737,894	(10,466,070,725)	6,191,845,987	I	I	I	I	6,191,845,987
	117,362,590,195	22,948,394,597	(15,958,298,077)	124,352,686,715	38,210,837,910	15,200,705,223	(2,521,786,459)	50,889,756,674	73,462,930,041
Fibre Optic Network under finance lease (Note 4.4)	7,949,707,324	1	(271,385,816)	7,678,321,508	1,547,607,020	380,404,045	(74,753,435)	1,853,257,630	5,825,063,878
	125,312,297,519	22,948,394,597	(16,229,683,893)	132,031,008,223	39,758,444,930	15,581,109,268	(2,596,539,894)	52,743,014,304	79,287,993,919

### 4.1 Land

Land represents freehold land acquired for office premises and base stations.

### 4.2 Base station and transmission equipment

Base station and transmission equipment which form the major part of the telecommunication network include Radio Base Station (RBS) and related accessories, Base Station Controllers (BSC), Trans-Receiver Unit (TRU), GSM antenna, tower, site infrastructure, civil works, microwave links, Mobile Switching Centres (MSC), Home Location Register (HLR) and other equipment and accessories.

In 2009, a portion of GP's core network equipment (included in base station and transmission equipment) supplied by Ericsson having carrying amount of Tk 2,795,643,569 was exchanged against network equipment supplied by Huawei Technologies Co. Limited (Huawei). Although the transaction had commercial substance in terms of its impact on configuration of future cash flows, reliable information regarding fair market value of the assets acquired or the assets given up was not available. Accordingly, costs of the assets acquired were measured at the carrying amount of the assets given up in compliance with applicable accounting standards.

Further, in September 2010, a similar agreement was signed between Grameenphone and Huawei for supply of network equipment and related maintenance services. Under the agreement, existing base stations and transmission equipment of Grameenphone will be replaced by new equipment supplied by Huawei. Exchange of assets under the contract is expected to occur during 2011- 2013.

### 4.3 Capital work in progress (CWIP)

This represents primarily the cost of network equipment under construction and capital inventories. The components of network equipment were procured mostly from Ericsson and Huawei.

### 4.3.1 Capital work in progress transferred

The amount of CWIP completed and transferred during the year to the corresponding items of property, plant and equipment was as follows:

	2010	2010	2009
	Taka	Taka	Taka
Name of assets	Consolidated	Separate	Individual
Building (a)	4,018,620,231	4,018,620,231	-
Base station	2,814,553,658	2,814,553,658	5,686,463,561
Transmission equipment	2,257,885,889	2,257,885,889	4,309,646,132
Computers and other IT equipment	315,331,460	307,124,216	294,103,846
Furniture and fixtures (a)	461,969,932	461,969,932	65,923,615
Vehicles	196,675,019	196,675,019	93,431,947
CWIP transferred	10,065,036,189	10,056,828,945	10,449,569,101
Adjustment (write-off)	23,088	23,088	16,501,624
Total transfer/adjustment of CWIP	10,065,059,277	10,056,852,033	10,466,070,725

### (a) Construction of Corporate Head Office

Construction of Corporate Head Office of Grameenphone, GPHOUSE, which started during 2005, was completed in August 2010 and was capitalised on 1 September 2010. Accumulated cost for the assets up to completion was Tk 4,440,612,053 (including capitalised borrowing costs of Tk 382,346,681).

The components of GPHouse are expected to have different useful lives ranging from 5 to 50 years. Accordingly, these components were capitalised as separate items under different sub-categories mentioned below on the basis of their respective nature and expected useful lives.

	Expected useful life Years	Cost Taka
Building		
Sub structure and super structure	50	1,187,399,199
Indoor facilities and fittings	10 - 20	1,893,985,086
Fencing, fenestration, raised floor and ceiling	15 - 25	937,235,946
		4,018,620,231
Furniture and fixtures	5	421,991,822
		4,440,612,053

### 4.3.2 Capital work in progress - components

Capital work in progress of the company as at 31 December 2010 consists of capital inventory of Tk 1,478,397,052 (2009: Tk 1,086,510,194), and base station, transmission and other telecom equipment, and civil works of Tk 2,492,217,414 (2009: Tk 1,842,355,368).

In addition to the above, CWIP in the consolidated financial statements includes Tk. 168,631,962 representing cost of computers and other IT equipment of GPIT which were in process of installation at the reporting date.

### 4.4 Fibre Optic Network under finance lease

This represents the fibre optic network acquired under finance lease from Bangladesh Railway (BR). The lease agreement with BR is valid until June 2027.

### 4.5 Capitalisation of borrowing costs

During the year ended 31 December 2010, Grameenphone capitalised Tk. 91,599,570 (2009: Tk. 189,744,831) as a part of cost of GPHouse as per the requirements of IAS/BAS 23: *Borrowing Costs.* 

### 4.6 Allocation of depreciation charged during the year

	2010	2010	2009
	Taka Consolidated	Taka Separate	Taka Individual
Cost of network operation (Note 38)	14,736,928,488	14,736,911,684	14,481,369,413
Operating expenses (Note 38)	836,507,111	836,507,111	1,099,739,855
	15,573,435,599	15,573,418,795	15,581,109,268

### 4.7 Security

Property, plant and equipment with carrying amount of Tk 7,208,750,000 was subject to mortgage registered with the Registrar of Joint Stock Companies and Firms (RJSC) against the loans and borrowings obtained from senior lenders. These loans were fully repaid by December 2010 and accordingly the mortgage is in the process of cancellation.

### 4.8 Change in estimates

Estimated useful life of air conditioners at office locations was reduced to 3 years from 5 years during 2010 as a result of regular review of useful lives of assets. The effects of such change in useful life on the financial statements are summarised below:

	2010	2011
	Taka	Taka
Decrease/(increase) in depreciation	(62,032,164)	(62,032,164)
Decrease/(increase) in income tax expense	21,711,257	21,711,257
Increase/(decrease) in profit	(40,320,907)	(40,320,907)
Increase/(decrease) in property, plant and equipment	(62,032,164)	(62,032,164)
Decrease/(increase) in deferred tax liability	21,711,257	21,711,257
Increase/(decrease) in equity	(40,320,907)	(40,320,907)

### 5 Intangible assets

### Year 2010 (Consolidated)

		Co	ost			Amorti	sation		Carrying amount
Name of assets	As at 1 January 2010	Addition during the year	Disposal/ Adjustment during the year	As at 31 December 2010	As at 1 January 2010	Charged during the the year	Disposal/ Adjustment during the year	As at 31 December 2010	As at 31 December 2010
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Pulse Code Modulation (PCM)	64,550,000	9,148,000	-	73,698,000	50,517,442	10,455,865	-	60,973,307	12,724,693
Software and others (Note 5.1)	4,438,938,377	501,605,190	(2,729,720)	4,937,813,847	2,635,817,541	880,791,701	(2,729,720)	3,513,879,522	1,423,934,325
Telecom licence - spectrum (Note 5.2)	5,920,000,000	-	-	5,920,000,000	384,602,307	328,888,888	-	713,491,195	5,206,508,805
	10,423,488,377	510,753,190	(2,729,720)	10,931,511,847	3,070,937,290	1,220,136,454	(2,729,720)	4,288,344,024	6,643,167,823
Capital work in progress (Note 5.3)	328,575,806	530,425,659	(510,753,190)	348,248,275	-	-	-	-	348,248,275
	10,752,064,183	1,041,178,849	(513,482,910)	11,279,760,122	3,070,937,290	1,220,136,454	(2,729,720)	4,288,344,024	6,991,416,098

### Year 2010 (separate)

	C	Cost		Amortisation				Carrying amount	
Name of assets	As at 1 January 2010	Addition during the year	Disposal/ Adjustment during the year	As at 31 December 2010	As at 1 January 2010	Charged during the the year	Disposal/ Adjustment during the year	As at 31 December 2010	As at 31 December 2010
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Pulse Code Modulation (PCM)	64,550,000	9,148,000	-	73,698,000	50,517,442	10,455,865	-	60,973,307	12,724,693
Software and others (Note 5.1)	4,438,938,377	501,605,190	(2,729,720)	4,937,813,847	2,635,817,541	880,791,701	(2,729,720)	3,513,879,522	1,423,934,325
Telecom licence - spectrum (Note 5.2)	5,920,000,000	-	-	5,920,000,000	384,602,307	328,888,888	-	713,491,195	5,206,508,805
	10,423,488,377	510,753,190	(2,729,720)	10,931,511,847	3,070,937,290	1,220,136,454	(2,729,720)	4,288,344,024	6,643,167,823
Capital work in progress (Note 5.3)	328,575,806	426,937,480	(510,753,190)	244,760,096	-	-	-	-	244,760,096
	10,752,064,183	937,690,670	(513,482,910)	11,176,271,943	3,070,937,290	1,220,136,454	(2,729,720)	4,288,344,024	6,887,927,919

### Year 2009 (Individual)

	Cost			Amortisation				Carrying amount	
Name of assets	As at 1 January 2009	Addition during the year	Disposal/ Adjustment during the year	As at 31 December 2009	As at 1 January 2009	Charged during the year	Disposal/ Adjustment during the year	As at 31 December 2009	As at 31 December 2009
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Pulse Code Modulation (PCM)	64,530,000	20,000	-	64,550,000	43,524,341	6,993,101	-	50,517,442	14,032,558
Software and others (Note 5.1)	3,956,465,902	801,362,308	(318,889,833)	4,438,938,377	2,003,467,446	809,996,486	(177,646,391)	2,635,817,541	1,803,120,836
Telecom licence - spectrum (Note 5.2)	5,920,000,000	-	-	5,920,000,000	55,713,418	328,888,889	-	384,602,307	5,535,397,693
	9,940,995,902	801,382,308	(318,889,833)	10,423,488,377	2,102,705,205	1,145,878,476	(177,646,391)	3,070,937,290	7,352,551,087
Capital work in progress (Note 5.3)	355,354,846	785,480,006	(812,259,046)	328,575,806	-	-	-	-	328,575,806
	10,296,350,748	1,586,862,314	(1,131,148,879)	10,752,064,183	2,102,705,205	1,145,878,476	(177,646,391)	3,070,937,290	7,681,126,893

### 5.1 Software and others

Software includes business software and network management software. Business software includes mainly billing software, Oracle financial software and other business software. Network management software represents PPS, Paso link, minilink etc.

### 5.2 Telecom licence - spectrum

This represents the cost of spectrum licence obtained from BTRC. In September 2008, GP acquired licence for use of additional 7.4 MHz spectrum for subsequent 18 years in consideration for BDT 800 million per MHz.

### 5.3 Capital work in progress (CWIP)

CWIP includes cost of software in process of installation/ implementation and also software under testing phase awaiting users' acceptance.

CWIP in the consolidated financial statements includes Tk. 103,488,179 representing cost of Network Engineering Resource Management (NERM) software and capitalised personnel and other direct costs for NERM. The software is in the process of installation for GP by GPIT.

E.A. Allocation of empetiantics even area	2010	2010	2009
5.4 Allocation of amortisation expense during the year	Taka Consolidated	Taka Separate	Taka Individual
Cost of network operation (Note 38)	595,017,187	595,017,187	566,953,776
Operating expenses (Note 38)	625,119,267	625,119,267	578,924,700
	1,220,136,454	1,220,136,454	1,145,878,476

### 6 Investment in subsidiary

This represents GP's investment in GPIT, a wholly owned subsidiary of GP. GPIT was incorporated on 28 January 2010 with the objective of providing IT related services to GP and other external parties. The newly formed subsidiary was registered as a private limited company with an authorised share capital of Tk 7,500,000,000 divided into 75,000,000 shares of Tk 100 each. As at 31 December 2010, paid up capital of GPIT was Tk. 75,000,000 representing 75,000 shares, out of which 749,999 shares (99.99% of total share capital) were subscribed by GP at face value.

### 7 Long term deposits

These represent the deposit maintained with Southeast Bank Limited as lien against bank guarantees issued in favour of Ministry of Posts and Telecommunications, Government of Bangladesh for telecom licence and Bangladesh Railway for lease of optical fibre network. This amount is refundable upon cancellation of guarantee.

8 In	nventories			
Н	andset, data card and other device	133,374,666	133,374,666	55,362,359
SI	IM card (Note 8.2)	633,598,995	633,598,995	363,659,067
So	cratch card	67,381,665	67,381,665	11,848,783
		834,355,326	834,355,326	430,870,209
0 1 M	levenent of inventories			
8.1 M	lovement of inventories	Handset, data card and other device	SIM card	Scratch card
		Taka	Taka	Taka
Ba	alance as at 1 January 2009	13,469,924	353,171,527	40,543,246
Pu	urchase during the year 2009	509,792,328	470,029,187	25,457,560
ls	sued during the year 2009	(445,361,051)	(455,182,713)	(41,030,324)
		77,901,201	368,018,001	24,970,482
A	djustment/write-off for obsolescence	(22,538,842)	(4,358,934)	(13,121,699)
Ba	alance as at 31 December 2009	55,362,359	363,659,067	11,848,783
Pi	urchase during the year 2010	1,187,172,203	805,866,013	72,949,983
	sued during the year 2010	(1,058,734,515)	(532,711,300)	(17,376,328)
		183,800,047	636,813,780	67,422,438
A	djustment/write-off for obsolescence			
a	nd net realizable value	(50,425,381)	(3,214,785)	(40,773)
Ba	alance as at 31 December 2010	133,374,666	633,598,995	67,381,665

During 2010 handset inventories were written down by Tk 42,713,999 (2009: Tk 1,329,258) to reflect net realisable value of such inventories.

### 8.2 Number of inventories

Number of mventories	2010	2010	2009
	Units	Units	Units
	Consolidated	Separate	Individual
Handset, data card and other device	136,081	136,081	8,252
SIM card (Note 8.3)	6,221,301	6,221,301	4,489,268
Scratch card	44,681,581	44,681,581	26,384,723

### 8.3 SIM card

As at 31 December 2010, GP had 6,221,301 SIM cards (2009: 4,489,268 SIM cards) out of which 1,505,220 SIM cards (2009: 639,226 SIM cards) were intended to be issued with new connection to subscribers. Each new connection attracts Tk. 800 as VAT and Supplementary Duty to be paid to Govt. exchequer.

9	Deferred cost of connection revenue	2010	2010	2009
9	Deferred cost of connection revenue	Taka	Taka	Taka
		Consolidated	Separate	Individual
	Balance as at 1 January	483,550,116	483,550,116	360,712,137
	Addition during the year	210,567,585	210,567,585	322,972,861
		694,117,701	694,117,701	683,684,998
	Amortisation during the year	(209,275,220)	(209,275,220)	(200,134,882)
	Balance as at 31 December	484,842,481	484,842,481	483,550,116
10	Accounts receivable, net			
10	Receivables for mobile service-interconnection (Note 10.1)	4,877,394,453	4,877,394,453	4,505,904,450
	Receivables for mobile service-post paid and others (Note 10.2)	180,435,548	180,435,548	162,048,506
	Receivables for infrastructure sharing (Note 10.3)	153,522,463	153,522,463	
	Receivables for sub lease of fibre optic network (Note 10.4)	22,995,771	22,995,771	24,685,230
	Other receivables for non-mobile service (Note 10.4)		3,311,174	4,427,976
		13,597,537		
		5,247,945,772	5,237,659,409	4,697,066,162
10.1	Receivables for mobile service-interconnection			
	Accounts receivable	5,095,844,311	5,095,844,311	4,534,263,197
	Provision for doubtful debts	(218,449,858)	(218,449,858)	(28,358,747)
		4,877,394,453	4,877,394,453	4,505,904,450
10.7	2 Receivables for mobile service-post paid and others			
	Accounts receivable	234,980,149	234,980,149	271,826,022
	Provision for doubtful debts	(54,544,601)	(54,544,601)	(109,777,516)
		180,435,548	180,435,548	162,048,506
	Receivables for mobile service-post paid and others inc	lude receivables from	n post paid subscriber	s, content providers,

Receivables for mobile service-post paid and others include receivables from post paid subscribers, content providers, and channel partners.

### 10.3 Receivables for infrastructure sharing

. ele liceelle le linitaelle ella lig			
Accounts receivable	153,522,463	153,522,463	-
Provision for doubtful debts	-	-	-
	153,522,463	153,522,463	-
10.4 Receivables for sub lease of fibre optic network			
Accounts receivable- sublease	30,351,110	30,351,110	31,909,788
Provision for doubtful debt	(7,355,339)	(7,355,339)	(7,224,558)
	22,995,771	22,995,771	24,685,230

### 10.5 Other receivables for non-mobile service

Other receivables for non-mobile service include receivables against broadband internet service, bill pay service of GP and receivables against IT services provided by GPIT to external customers.

### 10.6 Provision for doubtful debts

Balance as at 1 January	145,360,821	145,360,821	260,530,745			
Provision made during the year	251,991,051	251,991,051	91,628,074			
	397,351,872	397,351,872	352,158,819			
Written off during the year	(117,002,074)	(117,002,074)	(206,797,998)			
Balance as at 31 December	280,349,798	280,349,798	145,360,821			
10.7 Security against accounts receivable	10.7 Security against accounts receivable					
Good and secured	402,024,879	402,024,879	3,495,124,415			
Good and having no security other than personal security	4,845,920,893	4,835,634,530	1,201,941,747			
Doubtful and bad	280,349,798	280,349,798	145,360,821			
Gross accounts receivable	5,528,295,570	5,518,009,207	4,842,426,983			
Provision for bad and doubtful debts	(280,349,798)	(280,349,798)	(145,360,821)			
Net accounts receivable	5,247,945,772	5,237,659,409	4,697,066,162			

2009

### 10.8 Debts due by directors, officers and other related parties

As at 31 December, accounts receivable does not include any receivable from:

(a) the directors and other officers of the company/group;

(b) firms or private limited companies respectively in which any director of Grameenphone Ltd. is a partner, director or member, other than those disclosed in note 51.1; and

2010

2010

(c) companies under the same management.

		2010	LOID	2005
		Taka	Taka	Taka
11	Other we as it to block	Consolidated	Separate	Individual
11	Other receivables			
	Accrued interest	156,269,520	156,269,520	44,665,557
	Receivable from Ericsson	428,123,981	428,123,981	428,123,981
	Receivable from other Telenor entities (Note 11.1)	182,467,922	182,467,922	120,838,513
	Receivable from GPIT (Note 11.2)	-	304,773,298	-
	Receivable from other external parties	161,158,846	158,883,376	168,695,264
		928,020,269	1,230,518,097	762,323,315

### 11.1 Receivable from other Telenor entities

Receivable from other Telenor entities includes reimbursable expenses incurred on behalf of Telenor and its subsidiaries as well as other inter company receivables.

### 11.2 Receivable from GPIT

Receivable from GPIT includes receivable for reimbursable office running expenses (Tk 31,911,047), IT related maintenance charges paid on behalf of GPIT (Tk. 47,931,921), preliminary expenses of GPIT (Tk 13,870,968), rent for GPHOUSE (Tk. 17,132,616), and reimbursable cost for computers and other IT equipment (Tk 168,631,953) and relevant VAT.

### 12 Advances, deposits and prepayments

### Advances

Auvalles			
Advance to employees (Note 12.1)	78,945,026	70,281,406	51,378,857
Advance to Bangladesh Railway	5,545,166	5,545,166	3,181,426
Advance for capital expenditure (Note 12.2)	343,053,611	321,809,991	444,382,534
Advance to GPIT for NERM project	-	161,032,225	-
Advance VAT (Note 12.3)	30,016,625	-	-
Other advances	1,006,311	853,156	719,651
	458,566,739	559,521,944	499,662,468
Deposits			
Deposit for bank guarantee (Note 12.4)	127,957,944	127,957,944	127,957,944
Security deposit for utilities and services	60,483,786	60,483,786	54,897,307
	188,441,730	188,441,730	182,855,251
Prepayments			
Prepayment against rent (Note 12.5)	295,451,291	295,451,291	288,961,363
Prepayment against expenses (Note 12.6)	679,178,079	675,546,464	235,134,835
	974,629,370	970,997,755	524,096,198
	1,621,637,839	1,718,961,429	1,206,613,917

### 12.1 Advance to employees

This includes advances made to employees in relation to official travel, training, office utility bills, other office running expenses etc.

### 12.2 Advance for capital expenditure

This includes advance to vendors for civil works and towers at different sites and other advances for acquisition/ construction of property, plant and equipment and intangible assets.

### 12.3 Advance VAT

This represents advance VAT of GPIT and includes debit balance of VAT current account, and VAT deducted at source (which can be reclaimed as rebate) by customers from GPIT's bills against which VAT deduction certificates and/or copy of treasury challans are yet to be received.

### 12.4 Deposit for bank guarantee

This represents the bank guarantee margin deposited at different banks against guarantee provided in favour of Customs authority and other parties.

### 12.5 Prepayment against rent

This represents payment of rent in advance for base stations and office locations.

### 12.6 Prepayment against expenses

This includes prepaid insurance premium, payment to suppliers for operating inventories, spare parts, software support maintenance and others.

12.7 Security against advances	2010	2010	2009
	Taka	Taka	Taka
	Consolidated	Separate	Individual
Good and secured	343,053,611	321,809,991	444,382,534
Good and having no security other than personal security	115,513,128	237,711,953	55,279,934
Doubtful and bad	-	-	-
Provision for bad and doubtful amount Total advances	458,566,739 - 458,566,739	559,521,944 - 559,521,944	499,662,468 - 499,662,468

### 12.8 Loans and advances to subsidiaries, directors, officers and other related parties

Other than those mentioned in note above, there was no loans or advances to-

(a) Directors of the company/group;

(b) Firms or private limited companies respectively in which any director of Grameenphone Ltd. is a partner, director or member; and

(c) Subsidiaries or companies under the same management.

### 13 Short term investment

This represents the amount of fixed deposits having maturity period of more than three months at the following banks-

State Bank of India	356,550,000	356,550,000	-
Southeast Bank Limited	1,161,620	1,161,620	-
Standard Chartered Bank	100,000,000	100,000,000	-
Pubali Bank Ltd.	700,000,000	700,000,000	-
NCC Bank Ltd.	454,122,500	454,122,500	-
Jamuna Bank Limited	541,894,990	541,894,990	500,000,000
Commercial Bank of Ceylon PLC	400,000,000	400,000,000	-
Bank Asia Limited	200,000,000	200,000,000	-
	2,753,729,110	2,753,729,110	500,000,000

Interest rates on the above FDRs range from 8.25% to 11% (2009: 9%).

		2010	2010	2009
14	Cash and cash equivalents	Taka	Taka	Taka
		Consolidated	Separate	Individual
	Cash in hand	3,737,483	3,697,741	7,422,192
		5,757,405	5,057,741	1,422,192
	Cash at bank :			
	Southeast Bank Limited	1,341,255,729	1,341,255,729	618,226,240
	Standard Chartered Bank	481,974,849	235,593,382	329,492,761
	Sonali Bank Limited	10,372,742	10,372,742	9,112,126
	IFIC Bank Limited	734,094,183	734,094,183	310,245,153
	Commercial Bank of Ceylon PLC	114,235,913	114,235,913	370,478,423
	Export Import Bank of Bangladesh Limited	1,220,496,073	1,220,496,073	509,456,920
	Citibank, N.A. (Note 14.1)	1,790,754,085	1,790,754,085	987,567,559
	Dhaka Bank Limited	345,695,375	345,695,375	512,650,251
	AB Bank Limited	1,310,677,500	1,310,677,500	-
	Islami Bank Bangladesh Limited	1,811,608	1,811,608	9,585,159
	One Bank Limited	677,230,821	677,230,821	1,355,622,153
	The Hongkong and Shanghai Banking Corporation Limited	323,126,235	314,931,502	829,155,699
	Prime Bank Limited	1,165,222,607	1,165,222,607	629,764,197
	Premier Bank Limited	666,824,444	666,824,444	500,288,702
	Dutch-Bangla Bank Limited	17,118,741	15,161,957	372,855,996
	Eastern Bank Limited	177,397,337	177,397,337	710,658,504
	National Bank Limited	1,320,631,806	1,320,631,806	513,583,396
	BRAC Bank Limited	993,928,719	993,928,719	1,151,503,585
	The City Bank Limited	260,262,726	260,262,726	428,247,825
	Trust Bank Limited	13,030,577	13,030,577	504,697,678
	Bank Asia Limited	1,039,663,592	1,039,663,592	503,381,293
	Mercantile Bank Limited	1,261,929,492	1,261,929,492	402,205,090
	United Commercial Bank Ltd.	630,927,317	630,927,317	302,998,526
	NCC Bank Ltd.	102,137,500	102,137,500	-
	Jamuna Bank Limited (Note 14.2)	255,869,855	255,869,855	12,037,622
	Agrani Bank Limited	1,286,457	1,286,457	5,725,486
	Shahjalal Islami Bank Limited	1,141,777,137	1,141,777,137	1,403,465,596
	Woori Bank	700,751	700,751	4,878,157
	Pubali Bank Ltd.	-	-	300,000,000
	Bank Alfalah Ltd.	344,753,073	344,753,073	300,167,744
	Mutual Trust Bank Ltd.	407,485,675	407,485,675	-
	Standard Bank Limited	304,377,500	304,377,500	-
	Social Investment Bank Limited	50,000,000	50,000,000	-
	Utility bill pay service collection A/C (Note 14.3)	418,184,172	418,184,172	203,505,631
	Collection account with other banks (Note 14.4)	2,530,478	2,530,478	2,333,423
		18,927,765,069	18,671,232,085	14,093,890,895
		18,931,502,552	18,674,929,826	14,101,313,087

- 14.1 This includes Tk. 1,499,415 (2009: Tk. 88,517,671) representing amounts received against share application which were in the process of being refunded as at 31 December 2010.
- **14.2** Fixed deposit of Tk. 500,000,000 at Jamuna Bank Limited was rearranged and presented under short term investment in 2010. This amount was included in cash at bank in 2009 considering the significance of the amount and remaining maturity period.

### 14.3 Utility bill pay service collection A/C

This represents the amount deposited at Citibank, N.A. (2010: Tk 268,220,631; 2009: Tk 123,335,836) and BRAC Bank Limited (2010: Tk 15,502,791; 2009: Tk 80,169,795) and other banks (2010: Tk. 134,460,750; 2009: Nil) on account of utility bill pay services as at 31 December. Use of this amount is restricted to settlement of payable for bills pay receipt as mentioned in note 27.

### 14.4 Collection account with other banks

This represents the amount which was in transit as at 31 December.

Share capital			
Share capitat	2010	2010	2009
	Taka	Taka	Taka
Authorised:	Consolidated	Separate	Individual
4,000,000,000 ordinary shares of Tk. 10 each	40,000,000,000	40,000,000,000	40,000,000,000
	40,000,000,000	40,000,000,000	40,000,000,000
Issued, subscribed, called up and paid up:		. , ,	, , ,
1,350,300,022 ordinary shares of Tk. 10 each	13,503,000,220	13,503,000,220	13,503,000,220
	13,503,000,220	13,503,000,220	13,503,000,220
		Face value of	Face value of
Movement of share capital		Tk. 1 per share	Tk. 10 per share
Balance as at 1 January 2009		Taka	Taka
(12,151,747,970 shares of Tk. 1 each)		12,151,747,970	-
Issue of additional shares to the existing shareholders			
250 shares of Tk. 1 per share		250	-
Effect of reverse split during 2009		(12,151,748,220)	12,151,748,220
(Issue of shares of Tk. 10 against 10 shares of Taka	1)		-
Issue of shares to the public, institutional investors and			
69,439,400 shares of Tk 10 each through Initial Public Offering (IPO)		-	694,394,000
65,685,800 shares of Tk 10 each through Private Pla	0	-	656,858,000
Balance as at 31 December 2009	-	-	13,503,000,220

The company was initially registered with ordinary shares of Tk 43.00 each. These shares were subsequently converted into Tk 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 2010.

### 15.1 Issue of shares to the public, institutional investors and others

In 2009, Grameenphone issued 65,685,800 shares at the rate of Tk. 74 per share including a premium of Tk. 64 per share to institutional investors, GP employees and Grameen bank borrowers through Private Placement Offering (PPO); and 69,439,400 shares at the rate of Tk. 70 per share including a premium of Tk. 60 were issued to the public through Initial Public Offering (IPO) processes.

### 15.2 Shareholding position

### a) Percentage of shareholdings

r creentage of sharehounings						
Name of shareholders	% of holding		% of holding Value of share			
	2010	2009	2010	2009		
Telenor Mobile Communications AS,						
Norway	55.8%	55.8%	7,534,077,240	7,534,077,240		
Nye Telenor Mobile Communications						
II AS, Norway	0.0%	0.0%	2,150	2,150		
Nye Telenor Mobile Communications						
III AS, Norway	0.0%	0.0%	2,150	2,150		
Telenor Asia Pte Ltd, Singapore	0.0%	0.0%	2,150	2,150		
Grameen Telecom, Bangladesh	34.2%	34.2%	4,617,664,090	4,617,664,090		
Grameen Kalyan, Bangladesh	0.0%	0.0%	220	220		
Grameen Shakti, Bangladesh	0.0%	0.0%	220	220		
General public, GP employees and						
institutions	10.0%	10.0%	1,351,252,000	1,351,252,000		
	100%	100%	13,503,000,220	13,503,000,220		

15

# Notes to the Financial Statements

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

Shareholding range	No. of shareholders		No. of shares	
	2010	2009	2010	2009
1-500	81,024	179,001	17,945,880	36,663,152
501-5,000	17,159	9,793	24,439,298	14,611,180
5,001-10,000	1,089	828	7,853,255	5,993,944
10,001-20,000	527	418	7,481,613	5,824,433
20,001-30,000	121	104	2,917,988	2,544,649
30,001-40,000	73	57	2,565,305	1,991,885
40,001-50,000	46	33	2,091,771	1,497,906
50,001-100,000	85	85	6,156,150	6,125,896
100,001-1,000,000	90	66	23,516,430	20,304,723
1,000,001-1,000,000,000	12	14	1,255,332,332	1,254,742,254
	100,226	190,399	1,350,300,022	1,350,300,022

16	Share premium	2010	2010	2009
	•	Taka	Taka	Taka
		Consolidated	Separate	Individual
	Balance as at 1 January	7,840,225,942	7,840,225,942	13,743,987
	Addition during the year (Note 16.1)	-	-	8,370,259,450
	Adjustment of share issue costs (Note 16.2)	-	-	(543,777,495)
	Balance as at 31 December	7,840,225,942	7,840,225,942	7,840,225,942

**16.1** In 2009, total amount of Tk 8,370,259,450 was received as share premium in respect of shares issued to the existing shareholders, GP employees, Grameen bank borrowers, institutional investors and to general public.

**16.2** Net issue cost of Tk 543,777,495 was set off against share premium as per IAS 32: Financial Instruments: Presentation.

### 17 Capital reserve

In 1999, Grameenphone issued 5,086,779 preference shares of Tk 45.84 each, which were converted into ordinary shares of Tk 43.00 each in 2004. The balance Tk 2.84 per share was transferred to capital reserve account. The conversion was in accordance with clauses 41 to 44 of Memorandum and Articles of Association of GP. This amount is not distributable as dividend as per the Companies Act 1994.

### 18 Deposit from shareholders

Balance as at 1 January	1,880,178	1,880,178	1,882,996
Utilised against issue of right shares	-	-	(2,818)
Balance as at 31 December	1,880,178	1,880,178	1,880,178

Deposit from shareholders as at 31 December represents balance of the share money received from Telenor Mobile Communications AS, Norway, which has not been used against issuance of shares.

### 19 General reserve

Grameenphone availed tax holiday benefits from 1 June 2001 to 31 May 2006 as per the provisions of Income Tax Ordinance 1984. A tax holiday reserve was created during the Tax Holiday period to ensure investment in compliance with the said ordinance. The reserve was subsequently transferred to general reserve upon fulfilment of necessary conditions.

### 20 Non controlling interest

Non controlling interest is the equity in GPIT not attributable, directly or indirectly, to GP. This includes the amount of paid up capital and proportionate share of accumulated profit of GPIT attributable to shareholders of GPIT other than GP.

### 21 Loans and borrowings, net of current portion

IFC (Note 21.1) ADB (Note 21.1) NORFUND (Note 21.1) Eksportfinans ASA (Note 21.2) NORAD (Note 21.3) Local syndicated loan (Note 21.4)

2010	2010	2009
Taka Consolidated	Taka Separate	Taka Individual
-	-	206,389,257
-	-	152,690,367
-	-	71,782,052
-	-	49,037,159
-	-	98,074,370
-	-	1,376,893,993
-	-	1,954,867,198
-	-	(1,036,943,071)
-	-	917,924,127

Current portion of loans and borrowings (Note 21.5)

The above lenders are referred to as senior lenders in other parts of this financial statements.

### 21.1 Loan from IFC, ADB and NORFUND

In 2004, Grameenphone Ltd. entered into loan agreements with IFC, ADB and NORFUND for a total amount of USD 60 million, which was financed in proportion of 3:2:1 respectively. GP drew USD 25 million (USD 12.5 million from IFC, USD 8.33 million from ADB and USD 4.17 million from NORFUND) as the first instalment on 26 August 2004. The second and third instalments amounting to USD 15 million and USD 20 million respectively were drawn on 29 March 2005 and 26 April 2005 respectively.

The loans were repayable in 10 semi annual instalments starting from 15 December 2005 with the following interest rates: If net debt : EBITDA  $\geq$ 1; LIBOR + 3.5% per annum.

If net debt : EBITDA <1 and  $\ge 0.5$  ; LIBOR + 3.25% per annum.

If net debt : EBITDA <0.5; LIBOR + 3.0% per annum.

### 21.2 Loan from Eksportfinans ASA

Grameenphone Ltd. borrowed NOK 25 million in December 2000 from Eksportfinans ASA, Norway with interest to be paid at the rate of 6 months NIBOR (the rate appearing on page NIBOR on the Reuters money rate service) plus 30 basis points per annum. The loan is repayable in 14 equal semi-annual instalments starting from 29 June 2004.

### 21.3 Loan from The Norwegian Agency For Development And Cooperation (NORAD)

Grameenphone Ltd. entered into an agreement with NORAD to obtain loan of NOK 50 million and to obtain guarantee in its favour to borrow another NOK 25 million from Eksportfinans. According to the terms of the contract, interest at 3.4% per annum on drawdown amount was payable semi-annually starting after 6 months from the first drawdown date. The principal amount was repayable in 14 instalments with the first instalment falling due 42 months after the last drawdown date. GP received the loan in two instalments; one on 30 December 1997 (NOK 35 million) and another on 3 January 2001 (NOK 15 million).

### 21.4 Local syndicated loan

On 17 September 2007, Grameenphone Ltd. signed a Tk 2 billion syndicated loan agreement with 16 local financial institutions, namely Agrani Bank, Bank Asia, Citibank, N.A., IDCOL, IFIC Bank, Jamuna Bank, National Bank, Pubali Bank, SABINCO, Sonali Bank, Standard Bank, Standard Chartered Bank, Trust Bank, The City Bank, United Commercial Bank and Uttara Bank. Standard Chartered Bank was the lead arranger for the syndicated loan. Applicable interest rate for the loan was 13.50% per annum to be compounded daily. The loan was repayable through 17 quarterly instalments each representing 5.8824% of the principal. The repayment started on 15 November 2008.

### 21.5 Loans and borrowings - current portion

IFC	-	-	206,389,257
ADB	-	-	152,690,367
NORFUND	-	-	71,782,052
Eksportfinans ASA	-	-	49,037,159
NORAD	-	-	98,074,370
Local syndicated loan	-	-	458,969,866
	-	-	1,036,943,071

### 21.6 Repayment of loans and borrowings

During 2010, the loans from IFC, ADB, NORFUND, Eksportfinans ASA and NORAD were repaid in full at maturity while local syndicated loan was repaid prior to maturity on 30 June 2010. The local loan had a contractual maturity on 15 October 2012. The early settlement of local syndicated loan did not involve any additional cost as breakage charge or early settlement charge.

### 21.7 Security against loans and borrowings

All the above loans were secured by a first priority floating charge on the company's undertakings, property and assets, present and future, including goodwill and money held to the credit of the company's bank accounts to the extent of Tk 7,208,750,000. Following full repayment of all the loans, the above charge is in the process of being cancelled.

21.8 Tenure of repayment of loans and borrowings	2010	2010	2009
The tenure of repayment as per the agreements are as follows:	% of principal	% of principal	% of principal
	Consolidated	Separate	Individual
Payable not later than 1 year	N/A	N/A	53%
Payable later than 1 year but not later than 5 years	N/A	N/A	47%
r dyddie tater than r year dat hot tater than 5 years	IV A	IV A	4770

### 21.9 Credit facilities available as at 31 December

The group enjoys both funded and non funded short term working capital facilities with 16 banks. The non funded facilities include Letters of Credit (LC), Letters of Guarantee and foreign exchange forward contracts (FX Forward). The funded facilities include overdraft facility, short term loan and import loan. The aggregate amount of available short term working capital facilities is Tk. 27,564.65 million (2009 : Tk. 19,603.45 million) of which non funded limit is Tk. 22,039 million (2009 : Tk. 18,427.80 million) and funded limit is Tk. 13,235.65 million (2009 : Tk. 10,185.65 million).

A detail of the total facilities is enumerated below:

### (a) Standard Chartered Bank

i) L/C facility - Tk. 1,500 million (2009 : Tk. 2,500 million) for GP and Tk. 1,650 million for the group. ii) Overdraft / short term loan facility - Tk. 1,500 million (2009 : Tk. 1380 million).

### (b) Commercial Bank of Ceylon PLC

i) LC facility - Tk 500 million (2009 : Tk 670 million).

ii) Overdraft facility - Tk. 250 million (2009 : Tk. 100 million).

iii) Short term loan facility - Tk. 100 million (2009 : Tk. 100 million)

iv) Foreign exchange forward arrangement - Tk. 500 million (2009 : Tk. 670 million).

### (c) Citibank, N.A.

i) Sight/usance LC facility - Tk. 2,800 million (2009 : Tk. 2,800 million).

ii) Overdraft/ short term loan facility -Tk. 2,100 million with inner limit of LC Tk. 2,800 million (2009 : Tk. 2,100 million). The short term loan and the overdraft limits are interchangeable. Total funded exposure under the short-term loan and the overdraft facility, however, may not exceed Tk. 2,100 million (2009 : Tk. 2,100 million) at any point of time.

### (d) The Hongkong and Shanghai Banking Corporation Limited

i) Sight/usance LC facility -Tk.1,600 million (2009 : Tk 1,600 million).

ii) Short term loan facility - Tk. 700 million with inner limit of LC Tk. 1,600 million (2009 : Tk. 700 million).

iii) Overdraft facility - Tk. 150 million with inner limit of LC Tk. 1,600 million (2009 : Tk.150 million).

iv) Foreign exchange line - Tk. 10 million (2009 : Tk.10 million).

However, combined funded exposure is limited to Tk. 700 million (2009 : Tk. 700 million) at any point of time.

### (e) Eastern Bank Limited

i) Sight/usance LC facility - Tk. 2,000 million (2009 : Tk. 1,400 million).

ii) Short term loan/LTR facility - Tk. 1,000 million with inner limit of LC Tk. 2,000 million (2009 : Tk. 600 million).
iii) Overdraft facility - Tk. 100 million with inner limit of LC Tk. 2,000 million (2009 : Tk. 100 million).
iv) Bank guarantee - Tk. 800 million with inner limit of LC Tk. 2,000 million (2009 : Tk.150 million).
However, combined funded exposure is limited to Tk. 1,000 million at any point of time.

### (f) One Bank Limited

i) Sight/usance LC facility - Tk. 660 million (2009 : Tk. 660 million).
ii) LTR/time loan facility - Tk. 280 million with inner limit of LC Tk. 660 million (2009 : Tk. 280 million).
iii) Bank guarantee - Tk. 660 million with inner limit of LC Tk. 660 million (2009 : Tk. 660 million).

### (g) BRAC Bank Limited

i) Sight/usance LC facility - Tk. 1,300 million (2009 : Tk.1,300 million).

ii) Overdraft/short term loan facility - Tk. 900 million with inner limit of L/C Tk. 1,300 million (2009 : Tk. 900 million).iii) Bank guarantee - Tk. 1,300 million with inner limit of LC Tk. 1,300 million (2009 : Tk. 1,300 million).

### (h) Dutch-Bangla Bank Limited

i) Sight/usance LC facility - Tk. 1,600 million (2009 : Tk. 1600 million).
ii) Short term loan/LTR/overdraft facility - Tk. 685 million with inner limit of LC Tk. 1,600 million (2009 : Tk. 685 million).

### (i) Woori Bank

i) Sight/usance LC facility - Tk. 414 million.(2009 : Tk. 412.80 million) ii) Overdraft facility for Tk. 205.65 million. (2009 : Tk. 205.65 million)

### (j) The City Bank Limited

i) Sight/usance LC facility - Tk. 660 million.(2009 : Tk. 660 million)
ii) Overdraft/ short term loan facility - Tk. 420 million. (2009 : Tk. 420 million)
iii) Bank guarantee facility - Tk. 660 million with inner limit of LC Tk. 660 million (2009 : Tk. 660 million).

### (k) Premier Bank Limited

i) Sight/usance LC facility - Tk. 910 million.(2009 : Tk. 910 million)
ii) Overdraft facility - Tk. 390 million with inner limit of LC Tk. 910 million.(2009 : Tk. 390 million)
iii) Bank guarantee facility - Tk. 910 million with inner limit of LC Tk. 910 million.(2009 : Tk. 910 million)

### (l) Pubali Bank Ltd.

i) Sight/usance LC facility - Tk. 1,000 million (2009: Tk 1,000 million).ii) Overdraft facility - Tk. 1,000 million (2009: Tk 1,000 million).

### (m) Mutual Trust Bank Ltd.

i) Sight/usance LC facility - Tk. 890 million (2009 : nil).
ii) Overdraft facility - Tk. 650 million (2009 : nil).
iii) Bank guarantee facility - Tk. 890 million with inner limit of LC Tk. 890 million (2009 : nil)

### (n) Southeast Bank Limited

i) Sight/usance LC facility - Tk. 1,400 million (2009 : nil).
ii) Overdraft facility - Tk. 1,400 million (2009 : nil).
iii) Bank guarantee facility - Tk. 1,400 million with inner limit of LC Tk. 1,400 million (2009 : nil).

### (o) United Commercial Bank Ltd.

i) Sight/usance LC facility -Tk. 2,100 million (2009 : nil).
ii) Overdraft/LTR facility - Tk. 900 million with inner limit of LC 2,100 million (2009 : nil).
iii) Bank guarantee facility - Tk. 2,100 million with inner limit of LC 2,100 million (2009 : nil).

### (p) Bank Alfalah Ltd.

i) Sight/usance LC facility - Tk. 525 million.(2009 : Tk. 525 million)
ii) Cash finance facility - Tk. 225 million with inner limit of LC Tk. 525 million (2009 : Tk. 225 million).
iii) Bank guarantee facility - Tk. 300 million with inner limit of LC Tk. 525 million (2009 : Tk. 300 million).

### (q) Jamuna Bank Limited

i) Sight/usance LC facility - Tk. 680 million (2009 : nil).

ii) Overdraft facility - Tk. 280 million with inner limit of LC Tk. 680 million (2009 : nil).

iii) Bank guarantee facility - Tk. 680 million with inner limit of LC Tk. 680 million and Customs guarantee maximum 50 million (2009 : nil).

As per the approval of Board of Directors of GP, the total amount of short term credit facilities from the above banks is limited to a maximum outstanding limit of US\$ 210 million equivalent. However, financial covenants under the long term loans and borrowings required debt equity ratio to be maintained below 2:1 during 2009. Following full repayment of the loans and borrowings, the condition does not apply in 2010.

### Security against short term credit facilities

The short term credit facilities are unsecured and backed by standard charge documents as per terms and conditions set by respective banks and financial institutions.

22	Deposit from agents and subscribers	

Security deposit from subscribers (Note 22.1) Security deposit from dealers and agents (Note 22.2)

### 22.1 Security deposit from subscribers

This represents security money obtained from post paid subscribers against their dues and can be used in full or in part to adjust any unpaid portion of such dues. Any unadjusted amount of security deposits is refundable to subscribers on termination of customer relationship or on demand.

2010 Taka

402.024.879

42,615,000

444.639.879

2010

Taka

Separate

402.024.879

42,615,000

444.639.879

2009

Taka

405.633.191

35,315,000

440.948.191

### 22.2 Security deposit from dealers and agents

Security deposit from dealers and agents represent security money obtained from channel partners (i.e. dealer, distributor, outlet agent). These deposits can be used in full or in part to adjust any amount due and are refundable at the termination of contract.

### 23 Finance lease obligation

Grameenphone entered into a lease agreement with Bangladesh Railway (BR) in 1997 for the right to use the optical fibre network along with its ancillary facilities. The lease was treated as operating lease until the end of 2004. Following an amendment to the lease agreement in 2004, it has been reclassified as finance lease and has been treated as such since 1 January 2005. The lease agreement was further amended on 13 June 2007 with Guaranteed Annual Rental (GAR) being revised and lease term being extended up to June 2027.

Obligation under finance lease was initially measured at an amount equal to the present value of minimum lease payments. The effect of change in lease agreement in 2007 was accounted for as an adjustment of the leased asset and obligation by the amount equal to the difference between the present value of revised minimum lease payments and the carrying amount of lease obligation at that date. GP's incremental borrowing rate, which was 15% at the inception of the lease, was used to calculate the present value of minimum lease payments, as it was impracticable to determine the implicit interest rate at that time.

Finance lease obligation	5,019,805,838	5,019,805,838	5,019,805,838
Less: Current portion (Note 23.1)	-	-	-
	5,019,805,838	5,019,805,838	5,019,805,838

Finance lease obligation as at 31 December 2010 is payable as follows:

	Future minimum lease payments	Interest	Present value of minimum lease payments
	Taka	Taka	Taka
(i) Not later than one year	708,162,324	708,162,324	-
(ii) Later than one year but not later than five years	3,133,994,968	3,133,994,968	-
(iii) Later than five years	11,692,211,996	6,672,406,158	5,019,805,838
	15,534,369,288	10,514,563,450	5,019,805,838

Finance lease obligation as at 31 December 2009 was payable as follows:

(i) Not later than one year	680,999,391	680,999,391	-
(ii) Later than one year but not later than five years	3,026,663,961	3,026,663,961	-
(iii) Later than five years	12,575,788,757	7,555,982,919	5,019,805,838
	16,283,452,109	11,263,646,271	5,019,805,838

### 23.1 Current portion of finance lease obligation

Current portion of finance lease obligation represents the principal amount of lease obligation included in the minimum lease payments falling due in next 12 month period from the end of the reporting period. Minimum lease payments for fibre optic network were revised in June 2007 with an annual escalation clause resulting in higher lease payments in later parts of the lease tenure. Such increasing cash flow pattern has led to higher amount of interest expense being recognised in the earlier periods and minimum lease payments falling short of the interest amount (until June 2014). Accordingly, current portion of finance lease obligation was nil for 2010 and 2009.

### 24 Deferred tax liabilities

Deferred tax assets and liabilities have been recognised and measured in accordance with the provisions of IAS/BAS 12: Income Taxes. Related deferred tax expense/(income) have been disclosed in note 45. Deferred tax assets and liabilities are attributable to the following:

	Carrying amount	Tax base	Taxable/(deductible) temporary difference
As at 31 December 2010 (Separate)	Taka	Taka	Taka
Property, plant and equipment (excluding land and	61,251,718,806	29,220,855,793	32,030,863,013
CWIP and leased assets) (Note 4)	01,201,710,000	23,220,000,700	52,000,000,010
Property, plant and equipment under finance lease (Note 4)	5,490,540,520	-	5,490,540,520
Difference for vehicle (Note 24.1)	(117,530,099)	-	(117,530,099)
	66,624,729,227	29,220,855,793	37,403,873,434
Accounts receivable (Note 10) Finance lease obligation (Note 23) Accrued interest on finance lease obligation (Note 32) Asset retirement obligations Net taxable temporary difference	5,237,659,409 (5,019,805,838) (144,706,628) (47,619,576)	5,426,305,053 - - -	(188,645,644) (5,019,805,838) (144,706,628) (47,619,576) 32,003,095,748
Applicable tax rate (Note 3.9)			35%
Deferred tax liabilities			11,201,083,512
<b>As at 31 December 2010 (Consolidated)</b> Deferred tax liability for Grameenphone Ltd. Deferred tax liability for Grameenphone IT Ltd.			11,201,083,512  _11,201,083,512

As per the provisions of Income Tax Ordinance 1984 (ITO), any income derived from the business of software development and Information Technology Enabled Services (ITES) are subject to tax exemption until 30 June 2011.

### As at 31 December 2009 (Individual)

Property, plant and equipment (excluding land and CWIP and leased assets) (Note 4)	66,464,688,130	28,340,515,231	38,124,172,899
Property, plant and equipment under finance lease (Note 4)	5,825,063,878	-	5,825,063,878
Difference for vehicle (Note 24.1)	(143,928,932)	-	(143,928,932)
	72,145,823,076	28,340,515,231	43,805,307,845
Accounts receivable (Note 10)	4,697,066,162	4,784,507,038	(87,440,876)
Finance lease obligation (Note 23)	(5,019,805,838)	-	(5,019,805,838)
Accrued interest on finance lease obligation (Note 32)	(55,974,858)	-	(55,974,858)
Asset retirement obligations	(53,760,224)	-	(53,760,224)
Net taxable temporary difference			38,588,326,049
Applicable tax rate (Note 3.9)			35%
Deferred tax liabilities			13,505,914,117

### 24.1 Difference for vehicle

This represents the permanent difference related to sedan cars, not plying for hire, owned by the group. As per the provisions of Income Tax Ordinance 1984, depreciation on such cars is allowed only up to certain limit of cost (currently Tk. 2 million per car) of such cars for tax purpose. Difference for vehicle represents the amount of cost exceeding such limits.

	2010	2010	2009
	Taka	Taka	Taka
25 Long term provisions	Consolidated	Separate	Individual
Asset retirement obligations (Note 25.1)	162,876,392	162,876,392	160,033,350
Employee benefits - provision for gratuity (Note 25.2)	-	-	11,454,139
	162,876,392	162,876,392	171,487,489
25.1 Asset retirement obligations (ARO)			
Balance as at 1 January	160,033,350	160,033,350	148,358,966
Provision made during the year	18,105,501	18,105,501	19,484,384
	178,138,851	178,138,851	167,843,350
Adjustment/payment made during the year	(15,262,459)	(15,262,459)	(7,810,000)
Balance as at 31 December	162,876,392	162,876,392	160,033,350

Grameenphone Ltd. recognises asset retirement obligations (ARO) in respect of roof-top base stations and office space for any constructive and/or legal obligations for dismantlement, removal or restoration incurred by the company as a consequence of installing or constructing the sites. ARO is measured at the present value of expected cash out flows required to settle such obligations. Unwinding of the discount is charged as financial expense in the profit or loss.

25.2	25.2 Employee benefits - provision for gratuity				
	Balance as at 1 January	11,454,139	11,454,139	22,122,040	
	Provisions made during the year	361,074,926	342,551,685	173,465,265	
		372,529,065	354,005,824	195,587,305	
	Transfer to fund during the year	(372,529,065)	(354,005,824)	(184,133,166)	
	Balance as at 31 December	-	-	11,454,139	
26	Accounts payable				
	Liability for capital expenditure	2,246,290,076	2,246,290,076	2,253,928,756	
	Payable for expenses:				
	Interconnection charges (Note 26.1)	4,938,280,452	4,938,280,452	5,009,442,013	
	Revenue sharing with content providers	113,692,440	113,692,440	51,675,839	
	International roaming services	63,481,362	63,481,362	39,852,930	
	Training and travel expenses	28,597,152	27,387,721	30,739,546	
	Sales and promotional expenses	96,973,807	96,973,807	41,964,797	
	Consultancy and professional fees	1,172,240,814	1,172,162,721	765,471,809	
	Cost of SIM card, scratch card, handsets etc.	217,699,901	217,699,901	147,055,638	
	Office and general expenses	617,037,743	597,421,920	897,998,520	
	PCM related expenses	48,764,725	48,764,725	60,643,877	
	Network operations and maintenance	325,732,166	314,169,878	345,587,495	
		7,622,500,562	7,590,034,927	7,390,432,464	
	Payable for others:				
	Tax deducted at source from suppliers	190,429,664	190,429,664	123,690,977	
	VAT deducted at source from suppliers	99,200,250	95,765,284	21,132,551	
	Retention money from suppliers	25,457,240	25,457,240	25,541,438	
		315,087,154	311,652,188	170,364,966	
		10,183,877,792	10,147,977,191	9,814,726,186	

### 26.1 Interconnection charges

These represent accrued interconnection charges with respect to off-net local calls and international calls. According to prevailing BTRC policies, each operator is liable to pay interconnection charges to other operators for outgoing off-net calls.

### 27 Payable to government and autonomous bodies

Fayable to government and autonomous obdies	2010	2010	2009
	Taka	Taka	Taka
Bangladesh Telecommunication Regulatory Commission (BTRC)	Consolidated	Separate	Individual
Frequency and spectrum charges (Note 27.1)	226,000,964	226,000,964	225,255,158
Revenue sharing (Note 27.2)	1,388,092,365	1,388,092,365	1,118,791,311
	1,614,093,329	1,614,093,329	1,344,046,469
Supplementary duty on SIM payable to NBR	2,869,736,536	2,869,736,536	2,628,076,000
Share of sub-lease rent payable to Bangladesh Railway	10,908,544	10,908,544	12,946,399
Payable for Bills Pay receipt	319,751,841	319,751,841	197,683,678
	4,814,490,250	4,814,490,250	4,182,752,546

### 27.1 Frequency and spectrum charges

This relates to charges payable to BTRC for use of frequency and spectrum allocated to the company and roaming line rent.

### 27.2 Revenue sharing

As per amendment of the operating licence agreement dated 16 April 2006, Grameenphone has to share 5.5 % of the collected rent and call charges with BTRC with effect from 1 July 2005. The scope of collected rent and call charges is defined by BTRC through guidelines issued from time to time.

### 28 Unearned revenue

This includes mainly the unused portion of scratch cards, flexi load and advance post paid bills received for which services have not yet been provided.

### 29 VAT payable

This represents VAT amount payable to NBR arising from provision of services by the company that are subject to VAT.

### 30 Income tax provision

Balance as at 1 January	12,228,778,445	12,228,778,445	10,077,565,649
Provision made during the year	12,512,235,175	12,511,509,061	8,657,110,009
	24,741,013,620	24,740,287,506	18,734,675,658
Paid during the year (including tax deducted at source)	(9,002,609,172)	(9,002,415,542)	(6,505,897,213)
Balance as at 31 December	15,738,404,448	15,737,871,964	12,228,778,445
	Balance as at 1 January Provision made during the year Paid during the year (including tax deducted at source)	Balance as at 1 January       12,228,778,445         Provision made during the year       12,512,235,175         Paid during the year (including tax deducted at source)       24,741,013,620         (9,002,609,172)	Balance as at 1 January12,228,778,44512,228,778,445Provision made during the year12,512,235,17512,511,509,06124,741,013,62024,740,287,50624,740,287,506Paid during the year (including tax deducted at source)(9,002,609,172)(9,002,415,542)

### 31 Accrued interest

Accrued interest includes Tk. 144,706,628 (2009 : Tk. 55,974,858) representing interest on finance lease obligation.

### 32 Other liabilities

Unclaimed dividend (Note 32.1)	36,764,206	36,764,206	-
Liabilities for share money refund (Note 32.2)	1,499,415	1,499,415	88,517,671
	38,263,621	38,263,621	88,517,671

### 32.1 Unclaimed dividend

As at 31 December 2010, the following amount of dividends remained unclaimed by the shareholders. These amounts are deposited in dedicated bank account and are payable on demand.

Interim dividend for 2010	22,577,719	22,577,719	-
Final dividend for 2009	14,186,487	14,186,487	-
	36,764,206	36,764,206	-

### 32.2 Liabilities for share money refund

This represents the amount received against share applications which was in the process of being refunded at the reporting date. The amount is deposited into dedicated bank account with Citibank, N.A.

### 33 Deferred connection revenue

Balance as at 1 January	541,731,926	541,731,926	474,142,173
Addition during the year	290,789,714	290,789,714	309,549,358
	832,521,640	832,521,640	783,691,531
Recognised as revenue during the year	(250,617,243)	(250,617,243)	(241,959,605)
Balance as at 31 December	581,904,397	581,904,397	541,731,926

34	Provision for expenses	2010	2010	2009
		Taka	Taka	Taka
		Consolidated	Separate	Individual
	International roaming services	8,705,560	8,705,560	17,588,572
	Commission and other operational expenses	81,454,862	81,454,862	44,669,906
	Cost of SIM card, scratch card, handsets etc.	1,302,937,127	1,302,937,127	538,881,153
	Personnel expenses (Note 34.1)	2,046,458,804	1,979,970,377	918,628,342
	Obligation in respect of employee provident fund	26,643,930	26,643,930	24,996,388
	Training and travelling expenses	62,799,455	48,389,507	48,027,244
	Sales and promotional expenses	776,568,213	776,568,213	683,381,530
	Consultancy and professional fees	703,940,472	703,307,972	461,445,444
	Network operations and maintenance	711,382,083	895,141,717	513,171,766
	Capital expenditure	1,953,597,498	1,945,390,245	3,090,889,804
	Office and general expenses (Note 34.2)	749,139,910	745,378,378	728,912,585
	Lease rent to Power Grid Company Of Bangladesh Ltd.	4,788,000	4,788,000	7,757,024
		8,428,415,914	8,518,675,888	7,078,349,758

Provision for expenses includes balances with other Telenor group entities.

### 34.1 Personnel expenses

This includes provision for bonus, earned leave and any unpaid salary at the reporting date.

### 34.2 Office and general expenses

Provision for office and general expenses includes provision for vehicle running expenses, stationery, utility, communication expenses, share issue costs etc.

### 35 Revenue

Traffic revenue			
-Post paid	2,601,806,772	2,601,806,772	2,518,790,257
-Prepaid	58,804,470,026	58,804,470,026	52,139,114,255
	61,406,276,798	61,406,276,798	54,657,904,512
Subscription revenue			
-Post paid	632,968,125	632,968,125	550,777,898
Connection revenue			
-Post paid	11,215,442	11,215,442	25,784,885
-Prepaid	235,311,520	235,311,520	256,873,714
	246,526,962	246,526,962	282,658,599
Roaming revenue			
-Inbound	211,251,659	211,251,659	174,323,904
-Outbound	253,026,794	253,026,794	205,247,996
	464,278,453	464,278,453	379,571,900
Interconnection revenue			
-Post paid	130,314,299	130,314,299	148,531,536
-Prepaid	7,292,825,149	7,292,825,149	6,369,308,888
	7,423,139,448	7,423,139,448	6,517,840,424
Other operating revenue			
-Customer support revenue	9,939,263	9,939,263	11,204,066
-SMS and MMS revenue	940,054,489	940,054,489	1,523,743,904
-Internet and data revenue	1,199,732,065	1,199,732,065	669,949,709
-VAS and other revenue (Note 35.1)	876,590,604	876,590,604	73,586,027
	3,026,316,421	3,026,316,421	2,278,483,706

Revenue(Contd)	2010	2010	2009
	Taka	Taka	Taka
	Consolidated	Separate	Individual
Other non- mobile revenue			
-Sale of handset	720,457,284	720,457,284	393,464,596
-Sale of data card	417,901,222	417,901,222	205,321,468
-Sale of vehicle tracking systems	4,488,791	4,488,791	-
-Infrastructure sharing revenue	366,748,338	366,748,338	-
-Channel fees	4,323,941	4,323,941	27,967,331
-Broadband internet revenue	291,005	291,005	-
-Bills pay service	10,781,036	10,781,036	5,576,654
-IT service maintenance fee (Note 35.2)	8,578,610	-	-
	1,533,570,227	1,524,991,617	632,330,049
	74,733,076,434	74,724,497,824	65,299,567,088

### 35.1 VAS and other revenue

Value Added Service (VAS) revenue includes revenue from content sale (e.g. medical services and music download services, news service, and other contents), call block service, mobile back-up service etc.

### 35.2 IT service maintenance fee

This represents revenue earned by Grameenphone IT Ltd. on account of IT services provided to external customers, both foreign and local.

### 36 Direct cost of network revenue

-				
	Cost of interconnection (Note 36.1)	3,220,716,202	3,220,716,202	4,126,962,061
	Cost of SIM card, scratch card, handset etc. (Note 36.2)	2,313,553,976	2,313,553,976	1,238,279,122
	International roaming cost (Note 36.3)	218,580,685	218,580,685	192,142,950
	Licence fees and spectrum charges (Note 36.4)	713,715,145	713,715,145	702,148,351
	Revenue sharing with BTRC (Note 36.5)	3,811,231,491	3,811,231,491	3,386,016,902
	Dealers' and agents' commission	4,768,977,779	4,768,977,779	3,600,242,658
	Revenue sharing with content providers and others	18,667,116	18,667,116	10,353,289
		15,065,442,394	15,065,442,394	13,256,145,333

### 36.1 Cost of interconnection

This represents the amount payable to the other operators (including interconnection exchange and international gateway operators) for outgoing off-net calls (including international calls) made by GP subscribers. Rates for interconnection charges are guided by BTRC directives. Cost of interconnection is measured on the basis of

actual outgoing off-net traffic information.

### 36.2Cost of SIM card, scratch card, handset etc.

SIM card	1,197,437,835	1,197,437,835	689,306,636
Scratch card	49,596,375	49,596,375	59,063,460
Handset, data card and other device	1,066,519,766	1,066,519,766	489,909,026
	2,313,553,976	2,313,553,976	1,238,279,122

### 36.3 International roaming cost

This represents the roaming charges payable to the roaming partners for use of roaming partners' network by GP subscribers.

### 36.4 Licence fees and spectrum charges

This represents operating licence fee and spectrum charges payable to BTRC as per licence agreement.

### 36.5 Revenue sharing with BTRC

As per the operating licence agreement as amended on 16 April 2006, GP has to share 5.5 % of its collected rent and call charges with BTRC. The revised revenue sharing percentage is applicable from 1 July 2005.

### 37 Network operation and maintenance expenses

	Taka	Taka	Taka
	Consolidated	Separate	Individual
Rent (Note 37.1)	645,947,505	645,947,505	524,502,150
Electricity charges (Note 37.2)	1,384,933,652	1,384,933,652	1,236,053,711
Operation and maintenance - base station	736,012,502	736,012,502	767,990,010
Operation and maintenance - switch	766,172,089	766,172,089	848,248,070
Operation and maintenance - optical fibre network	43,678,791	43,678,791	55,095,455
Network quality maintenance expenses (Note 37.3)	1,813,743,149	2,132,102,091	1,185,365,580
PCM operation and maintenance (Note 37.4)	10,306,363	10,306,363	27,210,190
Lease rent for submarine cable	204,887,611	204,887,611	128,960,963
	5.605.681.662	5.924.040.604	4.773.426.129

2010

2010

2009

### 37.1 Rent

Rent includes location rent for base stations, mobile switching centers (switch) and other locations. Future minimum lease payments under non cancellable operating leases for such locations are payable as follows:

(i) Not later than one year	452,829,940	452,829,940	412,655,841
(ii) Later than one year but not later than five years	1,970,092,627	1,970,092,627	1,681,406,594
(iii) Later than five years	3,421,268,732	3,421,268,732	4,014,486,480
	5,844,191,299	5,844,191,299	6,108,548,915

### 37.2 Electricity charges

These represent electricity charges for base stations, mobile switching centres (switch), other transmission equipment etc. This also includes such expenses incurred in connection with maintenance of fibre optic network at selected offices of Bangladesh Railway.

### 37.3 Network quality maintenance expenses

Network quality maintenance expenses include consultancy charges and other operation and maintenance fees incurred for telecom network.

### 37.4 PCM operation and maintenance

PCM operation and maintenance expenses include rental and maintenance charges for PCM and microwave link.

### 38 Depreciation and amortisation

### Cost of network operation:

Depreciation of property, plant and equipment Amortisation of Pulse Code Modulation (PCM) Amortisation of software and others Amortisation of telecom licence - spectrum

14,736,928,488	14,736,911,684	14,481,369,413
10,455,865	10,455,865	6,993,101
255,672,434	255,672,434	231,071,787
328,888,888	328,888,888	328,888,888
595,017,187	595,017,187	566,953,776
15,331,945,675	15,331,928,871	15,048,323,189

### **Operating expenses:**

Depreciation of property, plant and equipment Amortisation of software and others

### 39 Other income, net

Rental income from sublease of optical fibre network Sublease cost

Rental income from GPIT Franchisee fees and others

836,507,111	836,507,111	1,099,739,855
625,119,267	625,119,267	578,924,700
1,461,626,378	1,461,626,378	1,678,664,555
16,793,572,053	16,793,555,249	16,726,987,744

51,555,822	51,555,822	44,703,178
(4,170,800)	(4,170,800)	(6,587,085)
47,385,022	47,385,022	38,116,093
-	14,897,927	-
13,031,171	13,031,171	5,142,325
60,416,193	75,314,120	43,258,418

### 40 General and administrative expenses

o oenerat and administrative expenses	2010	2010	2009
	Taka	Taka	Taka
	Consolidated	Separate	Individual
Personnel expenses	6,357,733,483	6,271,935,440	4,490,186,510
Employee training and ancillary expenses	45,956,956	45,956,956	94,112,772
Rent (Note 40.1)	396,214,903	382,578,015	359,508,815
Office maintenance and running expenses	718,505,421	712,498,019	662,754,374
Travelling expenses	158,099,188	137,276,620	123,279,655
Vehicle running expenses	423,339,553	412,930,925	360,568,165
Telephone and communication	71,612,442	68,214,866	105,010,719
Printing, postage and stationery	100,990,936	92,612,077	175,655,177
Legal and professional fees (Note 40.2)	60,818,647	29,512,505	91,795,510
Statutory audit fee	2,325,000	1,800,000	1,500,000
Meeting expenses (Note 40.3)	45,978,161	45,969,951	33,538,907
Entertainment expenses	15,716,391	15,716,391	22,121,711
Revenue collection charges	18,836,311	18,836,311	22,400,616
Bad debt expense (Note 40.4)	218,206,842	218,206,842	50,655,003
	8,634,334,234	8,454,044,918	6,593,087,934

### 40.1 Rent

Rent includes rent for office, warehouse, Grameenphone Center (GPC), Grameephone Service Desk (GPSD), Grameenphone Distribution Center (GPDC), info-center and guest houses.

Future minimum lease payments under non cancellable operating leases for such locations are payable as follows:

(i) Not later than one year	251,781,202	248,035,702	351,585,254
(ii) Later than one year but not later than five years	656,510,119	656,510,119	576,246,007
(iii) Later than five years	428,937,973	428,937,973	402,080,704
	1,337,229,294	1,333,483,794	1,329,911,965

### 40.2Legal and professional fees

Legal and professional fees include fees for legal advice and other professional services received time to time from lawyers, auditors and other professionals.

During 2010, Tk 2,344,784 (2009: Tk 2,552,848 ) was paid to auditors for professional services in connection with issuance of certificate for repatriation of fees and dividends, review of interim financial statements etc.

### 40.3 Meeting expenses

These include expense for board meetings amounting to Tk. 3,299,672 (2009 : Tk. 2,708,011), and other meetings including AGM Tk 42,669,029 (2009 : Tk 30,829,606)

### 40.4Bad debt expense

Provision made during the year	251,991,051	251,991,051	91,628,074
Recovery of bad debt during the year	(33,784,209)	(33,784,209)	40,973,071)
Bad debt expense	218,206,842	218,206,842	50,655,003

Provision for doubtful debts has been made as per policy of the group mentioned in Note 3.6.

### 41 Selling and distribution expenses

Sales, marketing and representation costs (Note 41.1)	7,318,184,187	7,318,184,187	2,551,190,055
Advertisements	734,460,277	727,903,290	626,666,038
Business development and promotional expenses	434,589,357	434,589,357	297,112,986
	8,487,233,821	8,480,676,834	3,474,969,079

### 41.1 Sales, marketing and representation costs

This primarily represents subsidies provided by GP in connection with acquiring new subscribers.

### 42 Finance income / (expense), net

		2010	2010	2009
		Taka	Taka	Taka
		Consolidated	Separate	Individual
	Interest on long term loans	(4,463,240)	(4,463,240)	(91,537,425)
	Interest on bonds	-	-	(623,097,222)
	Interest and service charge on short term loans	(2,581,366)	(2,581,366)	(208,126,084)
	Finance charge – lease	(768,429,911)	(768,429,911)	(841,496,904)
	Interest on ARO	(16,181,507)	(16,181,507)	(15,901,954)
	Other finance charges	(63,912,059)	(63,700,492)	(119,841,732)
		(855,568,083)	(855,356,516)	(1,900,001,321)
	Finance income	1,449,041,193	1,447,104,889	212,807,472
		593,473,110	591,748,373	(1,687,193,849)
43	Foreign exchange gain/(loss)			
	Realised gain/ (loss)	91,384,591	91,384,591	70,202,213
	Unrealised gain/ (loss)	8,578,949	8,578,949	(303,445,851)
		99,963,540	99,963,540	(233,243,638)
44	Gain/ (loss) on disposal of property, plant and equi	pment		
	Disposal proceeds	59,884,296	59,884,296	28,612,438
	Carrying amount of the assets disposed off	(47,793,231)	(47,793,231)	(38,380,825)
		12,091,065	12,091,065	(9,768,387)
45	Income tax expenses			
	Current tax expense (Note 3.9)	12,512,235,175	12,511,509,061	8,657,110,009
	Deferred tax income (Note 45.1)	(2,304,830,605)	(2,304,830,605)	(5,029,312,320)
		10,207,404,570	10,206,678,456	3,627,797,689

### 45.1 Deferred tax income

Deferred tax has been recognised to account for the tax consequence of transactions and other events recognised in the financial statements. Deferred tax expenses arise mainly due to difference in the carrying amount of the assets that will result in taxable amount in determining taxable profit or loss of future periods when the carrying amount of the asset would be recovered or settled.

Applicable tax rate for GP was reduced to 35% from 45% as a result of being listed with the stock exchanges, as per the provisions of Finance Act 2009. Such change in tax rate resulted in a significant reduction in deferred tax provisions made in earlier years. This adjustment together with deferred tax impact of regular transactions in 2009 resulted in a deferred tax income of Tk 5,029,312,320 for that year.

### 46 Earnings per share (EPS)

Profit attributable to ordinary shareholders10,705Weighted average number of ordinary shares1,350,outstanding during the year (Note 46.1)1,350,Basic earnings per share (Note 3.16)1,350,

10,705,351,442	10,579,176,469	14,968,166,256
1,350,300,022	1,350,300,022	1,239,238,201
7.93	7.83	12.08

### 46.1 Weighted average number of ordinary shares

The weighted average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares issued during the year multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the year.

Outstanding shares as at 1 January*	1,350,300,022	1,350,300,022	1,215,174,797
Effect of issue of additional shares during the year	-	-	24,063,404
	1,350,300,022	1,350,300,022	1,239,238,201

\*Outstanding shares on 1 January 2009 has been converted to Tk 10 share equivalent number, considering 1:10 reverse split (conversion of shares of Tk. 1 each into shares of Tk. 10 each) in 2009.

### 46.2 Dilution of earnings per share

No diluted earnings per share is required to be calculated for the years presented as there was no scope for dilution during these years.

### 47 Cash receipts from performance of services/sales

	2010	2010	2009
	Taka	Taka	Taka
	Consolidated	Separate	Individual
Proceeds from mobile service revenue	65,689,380,364	65,689,380,364	58,140,345,116
Proceeds from interconnection revenue	7,051,649,445	7,051,649,445	5,719,392,909
Proceeds from roaming revenue	455,455,866	455,455,866	395,087,196
Proceeds from sale of handset, data card etc.	1,142,847,297	1,142,847,297	598,786,064
Proceeds from other sales	307,157,447	307,157,447	72,313,184
	74,646,490,419	74,646,490,419	64,925,924,469
48 Payment to suppliers, contractors and others			
Payments for interconnection cost	3,282,201,408	3,282,201,408	3,283,691,636
Payments for roaming cost	203,835,265	203,835,265	225,982,709
Payments for fibre optic network	244,919,831	244,919,831	212,874,431
Payments for material cost	2,363,700,312	2,363,700,312	781,655,058
Payment of VAT and other public duties	6,370,816,460	6,340,799,835	2,038,093,690
Payments for other operating expenses	16,521,331,472	16,931,121,596	15,290,132,358
	28,986,804,748	29,366,578,247	21,832,429,882

### 49 Financial risk management

The management has overall responsibility for the establishment and oversight of the group's risk management framework. The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the group's activities. This note presents information about the group's exposure to each of the above risks, the group's objectives, policies and processes for measuring and managing risk, and the group's management of capital. The company has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk

### 49.1 Credit risk

Credit risk is the risk of a financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from subscribers, interconnect operators, roaming partners, dealers and IT service customers.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

In monitoring credit risk, debtors are grouped according to their risk profile, i.e. their legal status, financial condition, ageing profile etc. Accounts receivable are mainly related to the group's subscribers/customers, interconnect operators and roaming partners for provision of services, while other receivables represent receivable for accrued interest and receivables arising from external parties other than for services. The group's exposure to credit risk on accounts receivables is mainly influenced by the individual payment characteristics of post paid subscribers and interconnect operators. Interconnection receivables are normally realised within 3 months from when they are invoiced. The group employs financial clearing house to minimise credit risk involving collection of roaming receivables.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

### a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

### Accounts receivable, net

Receivables for mobile service-interconnection Receivables for mobile service-post paid and others\* Receivables for infrastructure sharing Receivables for sub lease of fibre optic network Others receivable for non-mobile service\*\*

4,877,394,453	4,877,394,453	4,505,904,450
180,435,548	180,435,548	162,048,506
153,522,463	153,522,463	-
22,995,771	22,995,771	24,685,230
13,597,537	3,311,174	4,427,976
5,247,945,772	5,237,659,409	4,697,066,162

Exposure to credit risk (Contd)	2010	2010	2009
	Taka	Taka	Taka
Other receivables	Consolidated	Separate	Individual
Other receivables- other than Telenor entities	745,552,347	1,048,050,175	641,484,802
Receivable from other Telenor entities	182,467,922	182,467,922	120,838,513
	928,020,269	1,230,518,097	762,323,315
Long-term deposits	12,594,949	12,594,949	11,635,675
Deposit for bank guarantee	127,957,944	127,957,944	127,957,944
Security deposits for utilities and services	60,483,786	60,483,786	54,897,307
Short term investment	2,753,729,110	2,753,729,110	500,000,000
Cash at bank	18,927,765,069	18,671,232,085	14,093,890,895
	28,058,496,899	28,094,175,380	20,247,771,298

\* includes Tk 6,143,380 (2009: Tk 8,334,058) representing receivable from Telenor entities \*\* includes Tk. 2,297,658 representing receivables from Telenor entities for the group.

The maximum exposure to credit risk for accounts receivable as at 31 December by geographic regions was:

Domestic	5,156,379,116	5,148,390,405	4,600,666,221
Asia	46,331,342	46,331,342	52,863,858
Europe	37,142,575	34,844,923	40,183,831
Australia	1,271,770	1,271,770	1,451,549
Americas	5,695,687	5,695,687	1,235,340
Africa	1,125,282	1,125,282	665,363
	5 247 945 772	5 237 659 409	4 697 066 162

### b) Ageing of receivables

Invoiced over 180 days

i) The ageing of gross interconnection receivables as at 31 December was:

/	The ageing of gross interconnection receivables as at of t	becchilder wasi		
	Invoiced 0-30 days	1,434,087,416	1,434,087,416	1,154,155,997
	Invoiced 31-60 days	558,026,984	558,026,984	480,585,352
	Invoiced 61–90 days	260,484,947	260,484,947	371,626,754
	Invoiced 91-180 days	495,165,272	495,165,272	761,317,694
	Invoiced 181-365 days	598,856,982	598,856,982	1,112,196,985
	Invoiced over 365 days	1,749,222,710	1,749,222,710	654,380,415
		5,095,844,311	5,095,844,311	4,534,263,197

 ii) The ageing of gross receivable for post paid and others as at 31 December was:

 Invoiced 0-30 days
 121,714,993

 Invoiced 31-60 days
 34,177,510

 Invoiced 61-90 days
 17,635,416

 Invoiced 91-180 days
 31,063,246

 234,980,149
 234,980,149
 271,826,022

 iii)
 The ageing of gross receivables for infrastructure sharing as at 31 December was:
 Invoiced 0-60 days
 153,522,463
 153,522,463

 Invoiced over 60 days

 153,522,463
 153,522,463
 153,522,463

30,388,984

30,388,984

iv) The ageing of gross receivables for sub lease of fibre optic network as at 31 December was:

,				
	Invoiced 0-60 days	13,507,647	13,507,647	2,961,221
	Invoiced 61-90 days	3,234,482	3,234,482	2,429,595
	Invoiced 91-180 days	4,816,507	4,816,507	1,715,340
	Invoiced 181-365 days	4,507,074	4,507,074	11,218,664
	Invoiced over 365 days	4,285,400	4,285,400	13,584,968
		30,351,110	30,351,110	31,909,788

### c) Impairment losses

Impairment losses on the above receivables were recognised as per the group policy mentioned in note 3.6. Quantitative disclosure for such impairment losses are disclosed in Note 10.1 to Note 10.6 of these financial statements.

176,370,711

7,015,024

8,758,673

50,122,986

29,558,628

### 49.2 Liquidity risk

to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation. Typically, the group ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including make the expected payments within due dates. Moreover, the group seeks to maintain short term lines of credit with scheduled commercial banks (Note 21.9) to ensure payment of obligation in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flow projections and credit lines Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity (cash and cash equivalents) is financial obligations through preparation of the cash flow forecast, based on time line of payment of financial obligations and accordingly arrange for sufficient liquidity/fund to with banks are negotiated accordingly.

n extreme stressed conditions, the group may get support from the ultimate parent company (Telenor) in the form of shareholder's loan.

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				Asat	As at 31 December 2010 (Consolidated)	) (Consolidated)			
	Carrying amount	Maturity period	Nominal Interest rate	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
	Taka			Taka	Taka	Така	Taka	Taka	Taka
Loans and borrowings	I	I	I	I	I	I	I	I	I
Finance lease obligation	5,019,805,838	June 2027	15%	15,534,369,288	346,547,520	361,614,804	1,506,728,350	2,486,101,777	10,833,376,837
Accounts payable Liability for canital expenditure	2 246 200 D76	Daramhar 2011	V/N	2 246 200 076	1 337 777 016	008 516 030	,	,	
				7 600 500 560		20010101001 C			
המאמטוב וטו באשבווצבא	200,000,220,1		A M	200,000,220,1	4,433,000,667	0,120,404,001,0	I	I	I
Payable for others	315,087,154	December 2011	N/A	315,087,154	189,062,292	126,024,862	I	I	1
Payable to government and autonomous bodies									
Payable to BTRC	1,614,093,329	June 2011	N/A	1,614,093,329	1,614,093,329	I	I	I	I
Payable to Bangladesh Railway	10,908,544	June 2011	N/A	10,908,544	10,908,544	I	I	I	I
Payable for Bills Pay receipt	319,751,841	June 2011	N/A	319,751,841	319,751,841	I	I	I	I
VAT payable	2,451,869,531	June 2011	N/A	2,451,869,531	2,451,869,531	I	I	I	I
Accrued interest	155,699,144	June 2011	N/A	155,699,144	155,699,144	I	I	I	I
Other liabilities	38,263,621	June 2011	N/A	38,263,621	38,263,621	I	I	I	I
	19,794,269,640			30,308,833,090	10,956,976,095	4,525,650,031	1,506,728,350	2,486,101,777	10,833,376,837

Liquidity risk (contd...)

Exposure to liquidity risk in respect of the separate financial statements at 31 December 2010 does not vary significantly from above. The only difference in such exposure arises from payable to GPIT for IT services (Tk. 210,935,580) which has a maturity period of less than six months.

				As at	As at 31 December 2009 (Individual)	9 (Individual)			
	Carrying amount Maturity period	Maturity period	Nominal Interest rate	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Loans and borrowings	206 380 257	010C and		213 122 615	213 122 615		,	,	
			Floating rate as			I	I	I	I
AUB (Note ZI.I)	195,090,361	June ZUIU	per note 21.1	286/76/,861	285/76/,861	I	I	I	I
NORFUND (Note 21.1)	71,782,052	June 2010	-	74,653,334	74,653,334	I	I	I	I
Eksportfinans ASA (Note 21.2)	49,037,159	December 2010	6 months NIBOR + 30 basis points	50,086,263	25,216,943	24,869,320	I	ı	I
NORAD (Note 21.3)	98,074,370	December 2010	3.4% per annum	100,572,347	50,702,922	49,869,425	I	ı	I
Local syndicated loan (Note 21.4)	1,376,893,993	November 2012	13.5% per annum	1,701,343,976	323,133,852	308,354,304	567,075,876	502,779,944	I
Finance lease obligation	5,019,805,838	June 2027	15%	16,283,452,109	332,933,036	348,066,355	711,266,031	2,315,397,930	12,575,788,757
Accounts payable									
Liability for capital expenditure	2,253,928,756	December 2010	N/A	2,253,928,756	1,352,357,254	901,571,502	I	I	I
Payable for expenses	7,390,432,464	December 2010	N/A	7,390,432,464	5,397,873,152	1,931,915,435	I	I	I
Payable for others	170,364,966	December 2010	N/A	170,364,966	102,218,980	68,145,986	I	ı	I
Payable to government and autonomous bodies	10								
Payable to BTRC	1,344,046,469	June 2010	N/A	1,344,046,469	1,344,046,469	I	I	I	I
Payable to Bangladesh Railway	12,946,399	June 2010	N/A	12,946,399	12,946,399	I	I	I	I
Payable for Bills Pay receipt	197,683,678	June 2010	N/A	197,683,678	197,683,678	ı	I	I	1
VAT pavable	2,234,779,133	June 2010	N/A	2,234,779,133	2.234.779.133	I	ı	ı	
Accrued interest	66,356,035	June 2010	N/A	66,356,035	66,356,035	I	I	I	1
Other liabilities	88,517,671	June 2010	N/A	88,517,671	88,517,671	ı	I	I	I
	20,733,728,607			32,341,084,197	11,975,339,455	3,632,792,327	1,278,341,907	2,818,177,874	12,575,788,757

## 49.3 Market risk

Market risk is the risk that any change in market prices, such as foreign exchange rates and interest rates will affect the group's income or the value of its holdings of financial nstruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

## a) Currency risk

The group is exposed to currency risk on certain revenues and purchases such as roaming revenues and expenses, telecom equipment purchases, network related costs and interest expense and repayments relating to borrowings incurred in foreign currencies. Majority of the company's foreign currency transactions are denominated in USD and relate to procurement of capital items from abroad. The group also has exposure in NOK relating to business service costs and consultancy costs and foreign currency loans. The group maintains a USD bank account where all receipts from international roaming services are deposited and all corresponding payments are made.

# i) Exposure to currency risk

The group's exposure to foreign currency risk was as follows based on notional amounts (in Taka):

		As at 31 De	As at 31 December 2010 (Consolidated)	Consolidated)			As at 31 De	As at 31 December 2009 (Individual)	(Individual)	
	USD	NOK	GBP	EUR	УЧ	USD	NOK	GBP	EUR	γql
Foreign currency denominated assets										
Receivable from other Telenor entities	I	188,611,302	I	I	I	122,118,771	I	I	I	I
Accounts receivable	107,078,115	I	5,507,509	3,782,447	I	83,071,426	I	4,248,064	3,130,606	I
Cash at bank	143,798,951	I	I	I	I	84,890,516	I	1		I
	250,877,066	188,611,302	5,507,509	3,782,447	I	290,080,713	I	4,248,064	3,130,606	I
Foreign currency denominated liabilities										
Loans and borrowings	I	I	I	I	I	(430,861,676)	(430,861,676) (147,111,529)	I	I	I
Payable to other Telenor entities*	I	(1,923,825,361)	I	I	I	(10,874,038)	(10,874,038) (1,800,906,230)	I	(8,301,078)	I
Trade and other payables for expenses	(1,791,972,054)	T	I	(35,965,784) (83,819,373)	(83,819,373)	(2,614,460,452)	I	(14,306,631) (117,488,738) (35,655,946)	17,488,738) (	35,655,946)
	(1,791,972,054)	1,791,972,054) (1,923,825,361)	I	(35,965,784) (83,819,373)	(83,819,373)	(3,056,196,166)	(3,056,196,166) (1,948,017,759) (14,306,631) (125,789,816) (35,655,946)	(14,306,631) (1	25,789,816) (	35,655,946)
Net exposure	(1,541,094,988) (1,735,214,059)	(1,735,214,059)	5,507,509	(32,183,337) (83,819,373)	(83,819,373)	(2,766,115,453)	(1,948,017,759) (10,058,567) (122,659,210) (35,655,946)	(10,058,567) (1	22,659,210)	35,655,946)

\* Payable to other Telenor entities represents payable for business service costs, consultancy fees etc. which are included mainly in accounts payable.

Exposure to currency risk as at 31 December 2010 in respect of the separate financial statements does not vary significantly from above.

The following significant exchange rates are applied during the year

Great Britain Pound (GBP)

Japanese Yen (JPY)

EURO (EUR)

Norwegian Kroner (NOK)

**US** Dollar

#### ii) Foreign exchange rate sensitivity analysis for foreign currency expenditures

A change of 10 basis points in foreign currencies would have increased/ (decreased) equity and profit or loss of the group by the amounts shown below. This analysis assumes that all other variables, in particular interest rates remain constant.

	Profit o	r loss	E	quity
	10 bp increase	10 bp decrease	10 bp increase	10 bp decrease
2010 (Consolidated)	Taka	Taka	Taka	Taka
Expenditures denominated in USD	(14,556,090)	14,556,090	(14,556,090)	14,556,090
Expenditures denominated in NOK	(824,712,297)	824,712,297	(824,712,297)	824,712,297
Expenditures denominated in GBP	(5,936,499)	5,936,499	(5,936,499)	5,936,499
Expenditures denominated in EURO	(171,129,498)	171,129,498	(171,129,498)	171,129,498
Expenditures denominated in JPY	(189,673,264)	189,673,264	(189,673,264)	189,673,264
Exchange rate sensitivity	(1,206,007,648)	1,206,007,648	(1,206,007,648)	1,206,007,648
2009 (Individual)				
Expenditures denominated in USD	(10,158,259)	10,158,259	(10,158,259)	10,158,259
Expenditures denominated in NOK	(9,173,395)	9,173,395	(9,173,395)	9,173,395
Expenditures denominated in GBP	(10,059)	10,059	(10,059)	10,059
Expenditures denominated in EURO	(443,336)	443,336	(443,336)	443,336
Expenditures denominated in JPY	(6,655,351)	6,655,351	(6,655,351)	6,655,351
Exchange rate sensitivity	(26,440,400)	26,440,400	(26,440,400)	26,440,400

#### b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. Most foreign currency loans of the group were subject to floating rates of interest. Local syndicated loans are, however, not significantly affected by fluctuations in interest rates. The group has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

#### i) Profile

As at 31 December, the interest rate profile of the group's interest bearing financial instruments was:

		Carrying amount	
	2010	2010	2009
Fixed rate instruments	Taka	Taka	Taka
Financial assets	Consolidated	Separate	Individual
Long term deposits	12,594,949	12,594,949	11,635,675
Short term investment	2,753,729,110	2,753,729,110	500,000,000
Cash at bank	18,927,765,069	18,671,232,085	14,093,890,895
Financial liabilities			
Finance lease obligation	5,019,805,838	5,019,805,838	5,019,805,838
Accrued interest	155,699,144	155,699,144	66,356,035
Floating rate instruments Financial assets	_	_	_
Financial liabilities			
Foreign currency denominated loans	_	-	479,898,835
Local syndicated loans	-	-	1,376,893,993

#### ii) Cash flow sensitivity analysis for variable rate instruments

A change of 10 basis points in interest rates for loans and borrowings would have increased/ (decreased) equity and profit or loss of the group by the amounts shown below. This analysis assumes that all other variables, in particular foreign exchange rates remain constant.

	Profit	orloss	Equ	ity
	10 bp increase	10 bp decrease	10 bp increase	10 bp decrease
2010 (Consolidated)	Taka	Taka	Taka	Taka
Foreign currency denominated loans	(251,631)	251,631	(251,631)	251,631
Local syndicated loans	(630,716)	630,716	(630,716)	630,716
Cash flow sensitivity (net)	(882,347)	882,347	(882,347)	882,347

	Profit	or loss	Equ	lity
	10 bp increase	10 bp decrease	10 bp increase	10 bp decrease
2009 (Individual)	Taka	Taka	Taka	Taka
Foreign currency denominated loans	(1,145,653)	1,145,653	(1,145,653)	1,145,653
Local syndicated loans	(1,627,448)	1,627,448	(1,627,448)	1,627,448
Cash flow sensitivity (net)	(2,773,101)	2,773,101	(2,773,101)	2,773,101

Cash flow sensitivity for foreign currency rates and variable interest rates for the separate financial statements does not vary significantly from above.

#### c) Accounting classification and fair values

Fair value of financial assets and liabilities together with carrying amount shown in the statement of financial position are as follows:

	2010 (C	onsolidated)	2009 (1	ndividual)
	Carrying amount	Fair value	Carrying amount	Fair value
	Taka	Taka	Taka	Taka
Assets carried at fair value through profit or loss	-	-	-	-
Held to maturity assets Long term deposits	12,594,949	12,594,949	11,635,675	11,635,675
Short term investment	2,753,729,110	2,753,729,110	500,000,000	500,000,000
Loans and receivables			4 607 066 160	4 507 055 152
Accounts receivable, net	5,247,945,772	5,247,945,772	4,697,066,162	4,697,066,162
Cash and cash equivalents	18,931,502,552	18,931,502,552	14,101,313,087	14,101,313,087
Other receivables	928,020,269	928,020,269	762,323,315	762,323,315
Available for sale financial assets	107.057.044	107 057 044	107 057 044	127.057.044
Deposit for bank guarantee	127,957,944	127,957,944	127,957,944	127,957,944
Security deposits	60,483,786	60,483,786	54,897,307	54,897,307
Liabilities carried at fair value through profit or loss	-	-	-	-
Liabilities carried at amortised costs				
Loans and borrowings	-	-	1,954,867,198	1,954,867,198
Finance lease obligation	5,019,805,838	5,019,805,838	5,019,805,838	5,019,805,838
Accounts payable	10,147,977,191	N/A*	9,814,726,186	N/A*
Payable to government and autonomous bodies	1,944,753,714	N/A*	1,554,676,546	N/A*
VAT payable	2,451,869,531	N/A*	2,234,779,133	N/A*
Accrued interest	155,699,144	N/A*	66,356,035	N/A*
Other liabilities	38,263,621	N/A*	88,517,671	N/A*

#### Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, when applicable were as follows:

	2010	2010	2009
	Taka	Taka	Taka
	Consolidated	Separate	Individual
Loans and borrowings	N/A	N/A	7.8%-16%
Finance lease obligation	15.00%	15.00%	15.00%

\* Determination of fair value is not required as per the requirements of IFRS/BFRS 7 : *Financial Instruments: Disclosures* (ref: Para 29). However, fair value of such instruments is not likely to be significantly different from the carrying amounts of such instruments.

#### 50 Capital management

Capital management refers to implementing policies and measures to maintain sufficient capital, assessing group's internal capital adequacy to ensure group's operation as a going concern. Board of Directors are charged with the ultimate responsibility for maintaining a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. All major investment and operational decisions with exposure to certain amount are evaluated and approved by the board. The Board of Directors also monitors the return on capital, which the group defines as result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to ordinary shareholders.

#### 51 Related party disclosures

During the year ended 31 December 2010, group entered into a number of transactions with related parties in the normal course of business. The names of the related parties, nature of these transactions and amount thereof have been set out below in accordance with the provisions of IAS/BAS 24: *Related Party Disclosures.* 

#### 51.1 Related party transactions

			2010	2010	2009
Name of related parties	Nature	Nature of transactions	Taka	Taka	Taka
i			Consolidated	Separate	Individual
Telenor Mobile	Shareholder	Dividend payment	7,157,373,378	7,157,373,378	979,430,020
Communications AS					
Nye Telenor Mobile	-do-	-do-	2,043	2,043	280
Communications II AS					
Nye Telenor Mobile	-do-	-do-	2,043	2,043	280
Communications III AS					
Telenor Asia Pte. Ltd.	-do-	-do-	2,043	2,043	280
Grameen Telecom	-do-	Revenue	134,126,628	134,126,628	1,272,082,901
		Commission expense	121,883,391	121,883,391	109,466,803
		Dividend payment	4,386,780,886	4,386,780,886	600,296,320
Grameen Kalyan	-do-	Dividend payment	209	209	28
Grameen Shakti	-do-	Dividend payment	209	209	28
Grameenphone IT Ltd.	Subsidiary	IT service maintenance	-	633,428,614	-
		charge			
Telenor ASA	Telenor	Sharing of Microsoft license fee	-	-	113,814,025
	group entity	fee			
		Consultancy service fee	622,971,462	622,971,462	485,920,827
Telenor Consult AS	-do-	Consultancy and professional	643,459,582	643,459,582	440,128,305
		service fee			
Telenor Key Partner AS		Consultancy service fee	1,698,750	1,698,750	1,023,312
Telenor Bedrift		Service fee	20,537,449	20,537,449	(12,979,514)
Digi Telecommunication	-do-	Roaming revenue	1,251,786	1,251,786	1,231,645
		Roaming expenses	3,119,827	3,119,827	2,108,688
Kyivstar GSM – Ukraine	-do-	Roaming revenue	154,199	154,199	194,152
		Roaming expenses	20,857	20,857	28,201
Telenor d.o.o (YUGMT)	-do-	Roaming revenue	61,112	61,112	42,370
		Roaming expenses	348,926	348,926	14,103

			2010	2010	2009
Name of related parties	Nature	Nature of transactions	Taka	Taka	Taka
	<u>Nature</u>		Consolidated	Separate	Individual
Pannon – GSM	-do-	Roaming revenue	51,837	51,837	108,391
		Roaming expenses	103,674	103,674	293,892
Sonofone	-do-	Roaming revenue	1,272,695	1,272,695	798,048
		Roaming expenses	483,108	483,108	781,145
Telenor Mobil AS	-do-	Roaming revenue	3,752,207	3,752,207	2,290,439
		Roaming expenses	1,116,690	1,116,690	899,641
Telenor Pakistan	-do-	Roaming revenue	180,957	180,957	326,588
		Roaming expenses	265,219	265,219	280,188
TAC (Total Access	Telenor	Roaming revenue	1,403,520	1,403,520	1,375,583
Communication)	group entity				
		Roaming expenses	9,800,618	9,800,618	9,225,352
Telenor Sverige	-do-	Roaming revenue	1,037,783	1,037,783	626,342
(Europolitan AB)					
		Roaming expenses	252,155	252,155	467,582
ProMonte GSM, Serbia and	-do-	Roaming revenue	11,859	11,859	29,828
Montenegro YUGPM		Roaming expenses	88	88	10,914
Sonofon DNKT2	-do-	Roaming revenue	644	644	1,390
Unitech Wireless	-do-	Roaming revenue	920,790	920,790	-
		Roaming expenses	99,781	99,781	-

#### 51.2 Receivables/(payables) with related parties

Grameen Telecom	Shareholder	Accounts receivable Accounts payable	10,970,099 (11,591,510)	10,970,099 (11,591,510)	7,053,800 (8,802,872)
Telenor Asia Pte. Ltd.	Shareholder	Accounts payable	(11,591,510)	(11,591,510)	(6,893,690)
Grameenphone IT Ltd.	Subsidiary	Receivable for IT equipment	-	- 168,631,962	(0,093,090)
Granneenprione n' Liu.	-do-	Receivable for rent, office	_	136,141,336	-
	-00-	running expense,	-	130,141,330	-
		maintenance and others			
	-do-	Advance for NERM	-	161,032,225	-
	-do-	Payable for IT service	-	(210,935,580)	-
Telenor ASA	Telenor	Accounts payable	(1,208,232,989)	(1,208,232,989)	(1,032,526,483)
	group entity	Accounts receivable	1,905,281	1,905,281	2,200,470
Telenor Consult AS	-do-	Accounts payable	(462,764,109)	(462,764,109)	(752,281,449)
		Accounts receivable	172,227,093	172,227,093	113,000,502
Telenor International Center	-do-	Accounts receivable	6,037,058	6,037,058	5,482,914
Telenor Key Partner AS	-do-	Accounts payable	(2,557,560)	(2,557,560)	(881,330)
Telenor Bedrift	-do-	Accounts payable	(20,704,411)	(20,704,411)	(11,681,679)
Digi Telecommunication	-do-	Accounts payable	(380,525)	(380,525)	(446,891)
		Accounts receivable	269,047	269,047	217,421
Kyivstar GSM - Ukraine	-do-	Accounts payable	(2,034)	(2,034)	-
		Accounts receivable	10,974	10,974	38,702
Telenor d.o.o (YUGMT)	-do-	Accounts receivable	34,340	34,340	12,859
Pannon – GSM	-do-	Accounts payable	(19,809)	(19,809)	(58,082)
		Accounts receivable	28,622	28,622	8,537
Sonofone	-do-	Accounts payable	(15,122)	(15,122)	(231,495)
		Accounts receivable	156,497	156,497	118,319
Telenor Mobil AS	-do-	Accounts payable	(103,349)	(103,349)	(104,316)
		Accounts receivable	682,881	682,881	473,027
Telenor Pakistan	-do-	Accounts payable	(12,582)	(12,582)	(41,317)
		Accounts receivable	201,655	201,655	272,340

			2010	2010	2009
Name of related parties	Nature	Nature of transactions	Taka Consolidated	Taka	Taka Individual
			Consolidated	Separate	IIIUIVIUUdi
TAC (Total Access	-do-	Accounts payable	(967,388)	(967,388)	(1,885,517)
Communication)					
		Accounts receivable	282,324	282,324	155,863
Telenor Sverige	-do-	Accounts payable	(17,537)	(17,537)	(62,697)
(Europolitan AB)					
		Accounts receivable	2,350,643	2,350,643	135,754
ProMonte GSM, Serbia and	Telenor	Accounts payable	(87)	(87)	-
Montenegro YUGPM	group entity				
		Accounts receivable	1,706	1,706	2,063
Sonofon DNKT2	-do-	Accounts receivable	584	584	-
Unitech Wireless	-do-	Accounts payable	(232,721)	(232,721)	-
		Accounts receivable	895,668	895,668	-
Telenor Broadcast Holding	-do-	Accounts receivable	2,297,658	-	-
Holding AS					

#### 51.3 Key management personnel compensation

Short term employee benefits (salary and other allowances)	1,191,881,187	1,075,167,947	1,355,738,804
Post employment benefits (provident fund, gratuity etc.)	90,090,555	82,029,590	68,138,604
Termination benefits	30,139,977	30,139,977	30,139,977
Other long term benefits	11,408,688	11,408,688	6,173,578
	1,323,520,407	1,198,746,202	1,460,190,963

Key management personnel includes employees of the rank of Deputy General Manager (DGM), DGM equivalent and above.

#### 52 Expenses/expenditure and revenue in foreign currency during the year

CIF value of imports SIM card and scratch card Telecommunication equipment NERM software	268,734,995 4,795,853,024 96,164,211	268,734,995 4,795,853,024 -	156,392,060 7,073,204,082 -
Expenditure in foreign currency			
Consultancy fee	1,029,465,734	1,029,465,734	613,392,162
Consultancy fee - expatriate	613,259,692	613,259,692	387,714,112
Other fee (travel and training)	33,184,341	33,184,341	87,036,972
Technical know how	379,757,774	379,757,774	498,603,368
International roaming cost	218,580,685	218,580,685	192,142,950
Software (NERM) implementation support	21,243,620	-	-
Foreign earnings			
Revenue from roaming partners	209,779,078	209,779,078	169,208,003
IT service revenue	2,297,652	-	-

#### 53 Capital commitments

Capital commitments represent the orders placed for purchase of network equipment and other services, mainly from Huawei and Ericsson, and outstanding letters of credit. Total amount of such commitment as at 31 December stood at-

Purchase orders	3,982,891,459	3,918,377,435	3,214,712,265
Outstanding letters of credit	1,100,184,088	1,100,184,088	639,445,111

#### 54 Contingent liabilities

#### 54.1 Bank guarantee provided in favour of different parties

As at 31 December 2010, GP had outstanding bank guarantee amounting to Tk. 305,931,947 (2009: Tk 215,130,547) on account of import of SIM card, scratch card, capital machinery and other services.

#### 54.2 Contingent liabilities for lawsuits

There are few litigations against the group. Management, in consultation with lawyers, has reviewed the merits of those lawsuits to assess the potential impact those may have on the financial position and financial performance of the group. Based on such assessment, management is of the opinion that the likelihood of losing those lawsuits is remote and therefore no provision has been taken in these financial statements.

#### 55 Other disclosures

#### 55.1 Number of employees

As at 31 December 2010, number of regular employees receiving remuneration of Tk. 36,000 or above per annum was 3,930 for GP (2009: 4,226), and 4,286 for the group.

#### 55.2 Comparatives

Comparative information in the following major areas has been rearranged wherever considered necessary to conform to the current year's presentation.

#### i) Other receivables

Other receivables are presented separately (see note 11) from 'Advances, deposits and prepayments' to better reflect the nature of such balances.

#### ii) Short term investment

Tk. 500,000,000 representing investment in FDR was presented separately and excluded from cash and cash equivalents (see note 14).

#### iii) Payable to government and autonomous bodies

Interconnection charges, revenue sharing with content providers and PCM related expenses, which were included under the head 'Payable to government and autonomous bodies and other operators' were reclassified and presented under "Accounts payable" (see note 26) to achieve better presentation. The name of the account head 'Payable to government and autonomous bodies and other operators' was revised accordingly.

#### iv) Foreign exchange gain/(loss)

Foreign exchange gain/(loss) has been presented separately on the face of the statement of comprehensive income. In 2009, this was presented under 'Finance income/(expense), net' with detail presented in the notes to the financial statements.

#### 55.3 Interim dividend

GP paid an interim dividend @ Tk 3.50 per share of Tk 10 each aggregating to Tk 4,726,050,077 which was approved by the Board of Directors at its 106th meeting held on 22 October 2010.

#### 55.4 Events after the reporting period

The Board of Directors of GP, at its 109th meeting held on 6 February 2011, proposed Tk 8.50 per share, amounting to a total of Tk 11,477,550,187 as final dividend for the year ended 31 December 2010, which represents 85% of the paid up capital. Total dividend for the year ended 31 December 2010 including the interim dividend (see note 55.3) thus comes to Tk 16,203,600,264, which is 120% of paid up capital. These dividends are subject to final approval by the shareholders at the forthcoming Annual General Meeting of the company.

### Grameenphone IT Ltd. Directors' Report

#### FOR THE YEAR ENDED DECEMBER 31, 2010

#### Dear Shareholders,

On behalf of the Board of Directors and Management, I welcome you all to the 1st Annual General Meeting of GPIT. We are very delighted to place herewith the Directors' Report and Auditors' Report together with the Audited Financial Statements of the Company for the year ended December 31, 2010 for your consideration, approval and adoption.

#### Socio Economic Perspective

The global economy bounced back steadily in the year 2010. Bangladesh has witnessed firm growth in GDP during 2009-2010 fiscal year with a growth rate of 5.8%. In many countries domestic IT consumption is about 5% of the total GDP. In comparison, IT adoption is significantly smaller in Bangladesh. However, IT industry is also one of the prospective sectors, where Bangladesh has the best potentials to export skilled professionals and earn significant foreign revenue.

#### Regulatory Environment and Road Map

With the vision for a Digital Bangladesh, the Government shows keen interest in the development of Information and Communication Technologies (ICT) sector in Bangladesh. Besides policymaking and awareness development, the Government has also initiated implementation of the ICT policy by enacting the ICT Act 2009, setting up of the Controller of Certifying Authorities etc, with a view to making the sector more regulated, committed and vibrant.

However, it is still felt that due to lack of proper infrastructure and connected facilities, the Information Technology (IT) industry in Bangladesh is facing various challenges. For example, the tax exemption as offered at present by the Government to the IT industry with regard to Information Technology Enabled Services (ITES) will be expiring in 2011, which, if not extended, will significantly impede the pace and prospects of development of the industry. Further, although the existing definition of ITES includes a number of IT services, it does not cover various types of other IT services. As an incentive to the industry, the definition needs to be updated to include more comprehensive IT services.

It is felt that a combined approach is required to promote the industry and to address the challenges that the industry is facing both at the domestic and international level. Policies, regulations and Government incentives, that specifically address the needs of the IT industry, are to be developed and adopted to allow the sector grow into a profitable and globally recognized industry. From another perspective, extensive measures should be taken and resources should be made available to ensure sufficient knowledge and training to members of the society, who would help further to promote the industry both at the domestic and international levels.

#### **Our Products & Services**

GPIT can offer its clients complete end-to-end solutions for all their IT needs.

Solutions:	Services:	Products:
<ul> <li>Mobile Solutions</li> <li>Enterprise Solutions</li> <li>Communication Solutions</li> <li>Network Solutions</li> <li>Infrastructure Solutions</li> </ul>	<ul> <li>Applications Development</li> <li>System Integration</li> <li>IT Consultancy</li> <li>Support &amp; Maintenance</li> <li>Business Process Outsourcing</li> </ul>	<ul> <li>ERP (Enterprise Resource Planning)</li> <li>CRM (Customer Relationship Management)</li> <li>Core Banking</li> <li>Business Intelligence and Data Warehouse</li> <li>Call Center Solutions</li> <li>DR &amp; Data Center</li> </ul>

#### Our Employees

With a steady growth in employment, GPIT has at present 391 employees with world class experience. GPIT has the highest IT certifications in the country and many have international work experience. The Company is looking to cultivate an open "one team" culture with our employees who, apart from routine commitments, are also engaged in sports, health and other extramural activities. The company strives to inculcate social consciousness of workplace ethics and sustainability principles. In the coming years, we will be working closely to build a competent & high performing team.

#### **Investment Risks & Concerns**

Although GPIT has huge potentials and opportunities ahead, there are some risks concerns and uncertainties as well, which may challenge the pace of growth. Key concerns and uncertainties are as below:

- Lack of proper policy support from the Government,
- No separate regulatory body to regulate ICT industry,
- Making payments to suppliers outside the country,
- Inadequate Copyright protection law,
- Shortage of capable technical resource,
- Connectivity infrastructure,

However, the Government aspires in building a Digital Bangladesh which may address these risks. GPIT is committed to assist Bangladesh Government and all its agencies in building a Digital Bangladesh.

#### Contribution to the National Exchequer

GPIT made significant contributions to the National Exchequer last year. The collective contribution to the National Exchequer up to December 2010 was BDT 104 million (BTD 10.4 crore).

#### Enhanced Value of Shareholders' Investment

The Directors take pleasure in reporting the financial results of the Company for the year ended December 31, 2010 and recommended the appropriation as mentioned in the "Appropriation of Profit" table below:

	2010
Profit available for appropriation	
Profit/(loss) after tax	126,175,141
Total amount available for appropriation	126,175,141
Appropriation	
Proposed Dividend for the year 2010	Nil
Retained Earnings	126,175,141

#### Dividend

Being a new Company, GPIT completed its first financial year successfully. In view of the performance of the Company and considering the current cash position, investments plan for the year 2011 and future expansion of the business, the Directors are not recommending any dividends to the shareholders for the year 2010.

#### **Board of Directors & Board Meetings**

The composition of the Board of Directors who held office during the year is as below:

- 1. Mr. Oddvar Hesjedal
- 2. Mr. Raihan Shamsi
- 3. Mr. Arild Kaale
- 4. Mr. Frode Stoldal
- 5. Mr. Arnfinn Groven
- 6. Mr. Kazi Monirul Kabir

In addition, Mr. Tanveer Mohammad was also appointed Director mid-term at the 8th Board meeting on 17th August, 2010 as per provision of the Articles of Association of the Company.

During 2010, a total of 13 (thirteen) Board meetings were held, which met the regulatory requirement in this respect.

#### Directors' appointment & Re-appointment

With regard to the appointment, retirement and re-appointment of Directors, the Company is governed by its Articles of Association, the Companies Act, 1994 and other related legislations. Accordingly, the following Directors of the Board will retire at the Annual General Meeting. They are, however, eligible for re-appointment:

- 1. Mr. Oddvar Hesjedal
- 2. Mr. Kazi Monirul Kabir
- 3. Mr. Frode Stoldal
- 4. Mr. Tanveer Mohammad

#### Appointment of Chief Executive Officer

The Board of Directors has appointed Mr. Peter Anthony Dindial as the new Chief Executive Officer (CEO) with effect from February 20, 2011. At this occasion, the Board would like to put on record its highest esteem and appreciation for the valuable services rendered by Mr. Kazi Islam as the CEO and also for his solid contribution in establishing GPIT. The Board also congratulates the incoming CEO Mr. Peter Anthony Dindial and wishes him success in developing GPIT's position as the leading Bangladeshi IT company.

#### **Appointment of Auditors**

As per Articles of Association, the statutory auditors of the Company, Rahman Rahman Huq, Chartered Accountants, a member firm of KPMG, shall retire in this AGM. The Firm, being eligible, has expressed their willingness to be re-appointed. The Board recommends their re-appointment for the year 2011 and to continue till the next AGM at a fee of BDT 5,25,000 (Five lacs twenty five thousand) plus VAT.

#### Looking ahead 2011 and beyond

The business of the Company combines both technology and services .We recognize a number of significant challenges ahead as mentioned earlier. In our preparedness to be successful in the coming years, we are working hard with the right people and right products to ensure foolproof strategy so as to execute our plans effectively and even more efficiently and thereby taking the Company to further heights.

#### Acknowledgements

Members of the Board take this opportunity to express their gratitude and sincere thanks to the Shareholders for their continued support and guidance.

We are also grateful to Government of Bangladesh, Bangladesh Association of Software & Information Services (BASIS), Bangladesh Computer Samity (BCS), Dhaka Chamber of Commerce & Industry (DCCI), Bangladesh Telecommunication Regulatory Commission (BTRC), National Board of Revenue, Bangladesh Bank, Board of Investment (BOI), Registrar of Joint Stock Companies and Firms (RJSC), our bankers, vendors and other business partners for their strong support and active cooperation that the Company has received from them during the year.

The Board also records its appreciation for the employees at all levels for their dedicated services, sincerity, hard working and strong commitment which enabled the Company to rapidly advance on what we fervently perceive to be a sustainable growth path.

Thanking you all and with best regards.

For and on behalf of the Board of Directors of Grameenphone IT Ltd.

O. Hajedal

Oddvar Hesjedal Chairman Grameenphone IT Ltd.

January 31, 2011



### Auditors' Report & Audited Financial Statements of Grameenphone IT Ltd.





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#### Auditors' Report to the shareholders of Grameenphone IT Ltd.

#### Introduction

We have audited the accompanying financial statements of Grameenphone IT Ltd., which comprise the statement of financial position as at 31 December 2010 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from 28 January to 31 December 2010, and a summary of significant accounting policies and other explanatory notes.

#### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, and other applicable laws and regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements, prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at 31 December 2010 and of the results of its operations and cash flows for the period from 28 January to 31 December 2010 and comply with the Companies Act 1994, and other applicable laws and regulations.

#### We also report that:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b)in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books; and

c)the statement of financial position (balance sheet) and statement of comprehensive income (profit and loss account) dealt with by the report are in agreement with the books of account and returns.

a Ali

Auditors Rahman Rahman Huq Dhaka, January 31, 2011

#### Grameenphone IT Ltd. Statement of Financial Position

as at 31 December 2010

Assets		
	Notes	Taka
Non current assets:		
Property, plant and equipment, net	4	176,822,402
Current assets:		
Inventories	5	103,488,179
Accounts receivable	6	221,221,943
Advances, deposits and prepayments	7	34,076,775
Advance VAT	8	30,016,625
Other receivables	9	1,890,705
Cash and cash equivalents	10	256,572,726
		647,266,953
Total assets		824,089,355
Equity and liabilities		
Shareholders' equity:		
Share capital	11	75,000,000
Retained earnings		126,175,141
		201,175,141
Non-current liabilities		-
Current liabilities:		
Advance from customer	12	161,032,225
Payable for operating expenses	13	121,923,559
Payable for capital expenditure	14	176,839,206
Provision for expenses	15	158,052,956
Income tax provision	16	532,484
Other current liabilities	17	4,533,784
		622,914,214
Total equity and liabilities		824,089,355

The annexed notes 1 to 28 form an integral part of these financial statements.

O, Harjeela f Chairman

K.M Director

Greel.

Chief Executive Officer

Alesir **Company Secretary** As per our report of same date. the she as de Auditors

Dhaka, January 31, 2011

#### Grameenphone IT Ltd. Statement of Comprehensive Income

for the period from 28 January to 31 December 2010

	Notes	Taka
Revenue	18	642,007,224
Cost of service rendered	19	(315,086,476)
Gross profit		326,920,748
Operating expenses:		
General and administrative expenses	20	(187,873,262)
		(187,873,262)
Operating profit		139,047,486
Finance income, net	21	1,724,737
Preliminary expenses	22	(13,870,968)
Profit before tax		126,901,255
Income tax expense	3.8	(726,114)
Profit after tax		126,175,141
Other comprehensive income		-
Total comprehensive income for the period		126,175,141

The annexed notes 1 to 28 form an integral part of these financial statements.

O. Harjeela f Chairman

14.1 Director

Greel. Chief Executive Officer

Alefir Company Secretary

As per our report of same date.

Dhaka, January 31, 2011

#### Grameenphone IT Ltd. Statement of Changes in Equity

for the period from 28 January to 31 December 2010

	Share capital Taka	Retained earnings Taka	Total Taka
Issue of shares	75,000,000	-	75,000,000
Net profit for the period	-	126,175,141	126,175,141
Other comprehensive income	-	-	-
Balance as at 31 December 2010	<b>75,000,000</b>	<b>126,175,141</b>	<b>201,175,141</b>

#### Grameenphone IT Ltd. Statement of Cash Flows

for the period from 28 January to 31 December 2010

	Taka
Cash flows from operating activities	
Cash received from customers	611,038,596
Payment to suppliers and others	(170,368,140)
Payment to employees	(260,628,837)
Finance income received	1,936,304
Finance expense paid	(211,567)
Payment of income tax	(193,630)
Net cash flows from operating activities	181,572,726
Cash flows from investing activities	-
Cash flows from financing activities	
Proceeds from issuance of shares	75,000,000
Net cash flows from financing activities	75,000,000
Cash and cash equivalents as at 31 December	256,572,726

#### Grameenphone IT Ltd. Notes to the financial statements

as at 31 December and for the period from 28 January to 31 December 2010

#### 1. Reporting entity

Grameenphone IT Ltd. (hereinafter referred to as "GPIT/the company") is a private limited company incorporated in Bangladesh under the Companies Act 1994 with an authorised share capital of Tk 7,500,000,000 divided into 75,000,000 ordinary shares of Tk 100 each. The company was registered on 28 January 2010. The company is a wholly owned subsidiary of Grameenphone Ltd. ("Grameenphone"/"GP"). Registered office of the company is GPHouse, Bashundhara, Baridhara, Dhaka-1229, Bangladesh.

The company launched its commercial operation on 01 April 2010.

The objective of this company is to provide IT services to Grameenphone Ltd. and other external parties.

#### 2. Basis of preparation

#### 2.1 Statement of compliance

These financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994 and other applicable laws in Bangladesh.

These financial statements have been authorised for issue by the board of directors on 31 January 2011.

#### 2.2 Basis of measurement

These financial statements have been prepared on the basis of historical cost convention following accrual basis of accounting except for Statement of Cash Flows.

#### 2.3 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (Taka/Tk/BDT) which is both functional currency and presentation currency of the company. The figures of financial statements have been rounded off to the nearest Taka.

#### 2.4 Use of estimates and judgments

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have significant effect on the amount recognised in the financial statements are described in the following notes:

Note 15 Notes 16 & 3.8 Note 18 Provision for expenses Income taxes Revenue

#### 2.5 Comparative information

Comparative information has not been presented since the company was incorporated in 2010.

#### 2.6 Reporting period

These financial statements cover the period from 28 January 2010 to 31 December 2010.

#### 3. Significant accounting policies

Accounting policies set out below have been applied in preparing these financial statements.

#### 3.1 Property, plant and equipment

#### (a) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

#### (b) Subsequent costs

The cost of replacing or upgrading part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day to day servicing of the property, plant and equipment are recognised in the statement of comprehensive income as incurred.

#### (c) Depreciation

No depreciation is charged on capital work in progress.

Depreciation on property, plant and equipment is provided on a straight-line basis over the estimated useful lives of each item of property, plant and equipment. For addition to property, plant and equipment, depreciation is charged from the date of capitalisation up to the month immediately preceding the month of disposal. Depreciation method, useful lives and residual values are reassessed at each reporting date. The estimated useful lives for the current period is as follows:

#### Computer and other IT equipment

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amounts and are recognised net.

Useful life

4 years

#### (d) Capital work-in-progress

Capital work in progress consists of acquisition costs of plant, machinery, capital components of other equipment and related installation costs incurred until the date placed in service. In case of purchase of components, capital work in progress is recognised when risks and rewards associated with such assets are transferred to the company.

#### 3.2 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### 3.2.1 Financial assets

Financial assets of the company include cash and cash equivalents, accounts receivable and other receivables.

The company initially recognises receivables on the date they are originated. All other financial assets are recognised initially on the date at which the company becomes a party to the contractual provisions of the transaction. The company derecognises a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

#### (a) Accounts receivable

Accounts receivable represents the amounts due from its customers for IT related services, and includes both billed and unbilled portion of such services at the reporting date. Accounts receivable is stated net of any impairment loss, if applicable.

#### (b) Cash and cash equivalents

Cash and cash equivalents comprise cash balances on hand and balances with various banks. Bank overdrafts that are repayable on demand, form an integral part of the company's cash management are included as a component of cash and cash equivalents.

#### 3.2.2 Financial liability

Financial liabilities are recognised initially on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial liabilities include payable for expenses, liability for capital expenditure and other current liabilities.

#### 3.3 Impairment

#### (a) Financial assets

Accounts receivable and other receivables are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, etc.

#### (b) Non-financial assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset or a Cash Generating Unit (CGU) may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset or CGU. The recoverable amount of an asset or a CGU is the higher of its fair value less costs to sell and its value in use. Carrying amount of the asset is reduced to its recoverable amount by recognising an impairment loss if, and only if, the recoverable amount of the asset is less than its carrying amount. Impairment loss is recognised immediately in profit or loss, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset shall be treated as a revaluation decrease.

#### 3.4 Preliminary expenses

Preliminary expenses include expenses incurred in connection with the formation of the company. All preliminary expenses have been expensed as incurred following the requirement of BAS 38: *Intangible Assets.* 

#### 3.5 Revenue

Revenues are measured at fair value of the consideration received or receivable, net of discount and VAT. Revenues are reported gross with separate recording of expenses to vendors of products or services. Revenues of Grameenphone IT Ltd. arise from:

(a) Sale of software(b) IT service revenue

#### (a) Sale of software

Revenue from the sale of software is recognised when significant risks and rewards associated with the software is transferred and the entity retains neither significant managerial involvement nor effective control over the software. The other criteria for revenue recognition, i.e. availability of reliable measure for revenue and associated costs and probable flow of economic benefits to the entity must also be met.

Accordingly, revenue is only recognised when the software is shipped and the relevant installation is complete.

#### (b) IT service revenue

Revenue from IT service is recognised on a percentage of completion basis. Percentage of completion of service is determined upon periodic review and usually evidenced by work completion certificate. Revenue is recognised only when it is probable that the economic benefits associated with the transaction will flow to the entity.

#### 3.6 Foreign currency transactions

Transactions in foreign currencies are recorded in the books at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into Bangladesh taka at the rate of exchange prevailing at the reporting date. Foreign currency exchange differences arising on foreign currency denominated liabilities incurred for acquisition of property, plant and equipment and intangible assets have to be capitalised and included in the carrying amount of asset as per the provisions of section 185, Part-I, Schedule XI of the Companies Act, 1994 while BAS 21: *The Effects of Changes in Foreign Exchange Rates* requires recognising such differences in the profit or loss. However, the above conflict did not have any effect on these financial statements of the company as the company did not have any such foreign currency transaction.

#### 3.7 Inventories

Cost of inventories include expenditure incurred in acquiring the inventories, and other costs incurred in bringing them to their existing location and condition. Net realisable value is based on estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Generally, the costs of inventories includes cost for the personnel directly engaged in providing the service, including supervisory personnel, other direct costs and attributable overheads.

#### 3.8 Income tax expense

Income tax expense is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

As per the provisions of Income Tax Ordinance 1984 (ITO), IT enabled services are subject to tax exemption until 30 June 2011. However, income from sources other than IT enabled services are taxable as per Income Tax Ordinance 1984. Applicable income tax for such other income is 37.5% as per Finance Act 2010.

#### 3.9 Employee benefits

The company maintains both defined contribution plan and defined benefit plan for its eligible permanent employees.

#### (a) Defined contribution plan (provident fund)

The company contributes 10% of basic salary of all eligible employees to a provident fund (defined contribution plan)

constituted under an irrevocable trust, while the employees also contribute an equal amount to the fund as per the rules of the trust deed.

The company recognises contribution to defined contribution plan as an expense when an employee has rendered services in exchange for such contribution. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.

#### (b) Defined benefit plan (gratuity)

The company provides retirement benefit in the form of gratuity payments determined by reference to employees' earnings and years of service to each eligible employees at the time of retirement/separation. Gratuity obligation at the reporting date is measured on the basis of best estimate of the company from prior experience in its parent company.

#### (c) Short-term employee benefits

Short-term employee benefits include salary, bonuses, leave encashment. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

#### 3.10 Provisions

A provision is recognised in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the date of statement of financial position. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditures expected to be required to settle the obligation.

#### 3.11 Events after the reporting period

Events after the reporting period that provide additional information about the company's position at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

# 4 Property, plant and equipment

Disposal/ Adjustment during the period Taka - 16,804 - 16,804 - 16,804				Cost			De	Depreciation		Carrying amount
As at         Addition         Addition         Addition         Addition         Addition         Addition         Addition         Addition         Addition         As at				Disposal/				Disposal/		
28 January         during         during         during         31 December         28 January         during         31 December         31 December <td>Name of assets</td> <td>As at</td> <td>Addition</td> <td>Adjustment</td> <td>As at</td> <td>As at</td> <td>Charged</td> <td>Adjustment</td> <td>As at</td> <td>As at</td>	Name of assets	As at	Addition	Adjustment	As at	As at	Charged	Adjustment	As at	As at
2010       the period       the period       2010       period       the period       2010         Taka       Taka       Taka       Taka       Taka       Taka       Taka       2010         Taka       Taka       Taka       Taka       Taka       Taka       Taka       16,804       2010         (Note 4.1)       -       8,207,244       -       8,207,244       -       16,804       -       16,804         -       176,839,206       (8,207,244)       168,631,962       -       16,804       -       16,804         -       185,046,450       (8,207,244)       168,631,962       -       -       16,804       -       16,804		28 January	during	during	31 December	28 January	during the	during	31 December	31 December
Taka         Taka <th< td=""><td></td><td>2010</td><td>the period</td><td>the period</td><td>2010</td><td>2010</td><td>period</td><td>the period</td><td>2010</td><td>2010</td></th<>		2010	the period	the period	2010	2010	period	the period	2010	2010
Note 4.1       -       8,207,244       -       8,207,244       -       16,804		Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
- 8,207,244 - 8,207,244 - 16,804 - 16,804 - 176,839,206 (8,207,244) 168,631,962	Computer and other IT equipment (Note 4.1)	r.	8,207,244	1	8,207,244	I	16,804	1	16,804	8,190,440
- 176,839,206 (8,207,244) 168,631,962		I	8,207,244	I	8,207,244	I	16,804	I	16,804	8,190,440
- 16,804 - 16,804 -	Capital work in progress (Note 4.2)	I	176,839,206	(8,207,244)	168,631,962	I	I	I	ı	168,631,962
		I	185,046,450	(8,207,244)	176,839,206	I	16,804	1	16,804	176,822,402

# 4.1 Computer and other IT equipment

Computer and other IT equipment include laptops, notebooks, scanners and other IT related accessories.

# 4.2 Capital work in progress

Capital work in progress as at 31 December 2010 comprises cost incurred in process of building data centre (Tk. 101,187,283), IT equipment in process of installation (Tk. 56,657,810) and installation charges (Tk. 10,786,869).

#### 5 Inventories

#### Software

Taka	
103,488,179	
103,488,179	

This represents the cost of Network Engineering Resource Management (NERM) software acquired for GP and directly attributable personnel costs. GPIT is responsible for installation of the software as per the 'Frame Contract for Supply of NERM Software' with GP.

#### 6 Accounts receivable

IT services to Grameenphone	210,935,580
IT operation maintenance to Cell Bazaar	6,464,717
IT services to Brac Bank Limited	1,523,994
IT services to Telenor Broadcast Holding AS	2,297,652
	221,221,943

As at 31 December 2010, the above receivable does not include any receivable from:

- (a) the directors and other officers of the company;
- (b) firms or private limited companies respectively in which any director of Grameenphone IT Ltd. is a partner, director or member.

The entire amount of the above receivable is considered good. However, no security was received against the amount.

#### 7 Advances, deposits and prepayments

#### Advances

Advance to employees (Note 7.1)	9,048,385
Prepayments	
Group insurance premium	3,631,615
NERM software implementation support (Note 7.2)	21,243,620
Other prepayments	153,155
	34,076,775

#### 7.1 Advance to employees

Advance to employees represents advances made to employees for foreign travel, training, meeting, workshop, presentation etc including advances of Tk 545,883 made to directors (employee directors) of the company in connection with business travel and training. No advances were made to the shareholder directors during the period.

#### 7.2 NERM software implementation support

This represents the amount paid in advance to Oracle Corporation Singapore Pte. Ltd. as fees for implementation support services.

#### 8 Advance VAT

This includes debit balance of VAT current account, and VAT deducted at source (which can be reclaimed as input VAT) by customers from the company's bills against which VAT deduction certificate and/or VAT challan are yet to be received.

#### 9 Other receivables

Other receivables include receivable for reimbursable expenses from Telenor Star II AS, receivable from employee benefit funds etc.

#### 10 Cash and cash equivalents

Cash in hand	39,742
Cash at bank:	
Standard Chartered Bank	246,381,467
Dutch-Bangla Bank Limited	1,956,784
The Hongkong and Shanghai Banking Corporation Limited	8,194,733
	256,532,984
	256,572,726

Authorised: 75,000,000 ordinary shares of Tk. 100 each

Issued, subscribed and paid-up: 750,000 ordinary shares of Tk. 100 each

As at 31 December 2010, shareholding position of the company was as follows:

Name of shareholders	No. of shares	Percentage of holding	Amount Taka
Grameenphone Ltd.	749,999	99.9999%	74,999,900
Mr. Raihan Shamsi	1	0.0001%	100
	750,000	100%	75,000,000

#### 12 Advance from customer

This represents the amount received by the company from Grameenphone as advance against delivery and implementation of NERM software.

#### 13 Payable for operating expenses

Payable to Grameenphone (Note 13.1)	88,209,424
Payable to others:	
Service maintenance fees	11,168,780
Office rent	1,248,500
Office running expenses	18,700,373
Employee travel and training expenses	1,373,688
Other operating expenses	1,222,794
	121,923,559

#### 13.1 Payable to Grameenphone

This represents the amount payable to Grameenphone on account of preliminary expenses (Tk. 13,870,968), rent for head office at GPHOUSE (Tk. 17,132,616), office running and other operating expenses (Tk. 57,205,840) paid by GP on behalf of GPIT.

#### 14 Payable for capital expenditure

Payable to Grameenphone (Note 14.1)	168,631,962
Payable to others	8,207,244
	176,839,206

#### 14.1 Payable to Grameenphone

This represents the cost of computer and other IT equipment transferred from GP to GPIT. The purchase process was facilitated by GP in terms of execution of the transaction (including arrangement with vendors, inspection etc.).

#### 15 Provision for expenses

Short term employee benefits (Note 15.1)	66,190,077
IT service maintenance charge (Note 15.2)	75,107,867
Training and travel expenses	14,409,948
Audit fee	525,000
Other operational expenses (Note 15.3)	1,820,064
	158,052,956

#### 15.1 Short term employee benefits

This represents provision for employee salary, bonus and leave encashment outstanding at the reporting date.

#### 15.2 IT service maintenance charge

This represents mainly provision for IT maintenance service, software support service and other IT related service received by the company during 2010. The amount includes Tk 47,931,921 representing proportionate cost of IT and other related services for which payments to vendors were made by GP.

#### 15.3 Other operational expenses

Provision for other operational expenses includes provision for professional fees, office running expenses, etc.

Taka

7.500.000.000

75,000,000

#### 16 Income tax provision

Opening balance Provision made during the period

Less: Advance income tax paid Closing balance

#### 17 Other current liabilities

Other current liabilities include payables to Telenor, tax deducted at source from employees, and tax and VAT deducted at source from suppliers etc.

#### 18 Revenue

IT service revenue from:

Grameenphone (Note 18.1)	633,428,614
Cell Bazaar (Note 18.2)	4,955,746
Local customers	1,325,212
Telenor Broadcast Holding AS	2,297,652
	642,007,224

#### 18.1 IT service revenue from Grameenphone

This represents the amount of service charge earned against IT services provided to Grameenphone. These services include maintenance of IT equipment, maintenance of billing, financial and other software, IT project implementation, supervision and other related services.

#### 18.2 IT service revenue from Cell Bazaar

This represents the amount of service charge earned against IT services provided in connection with operations of Cell Bazaar.

#### 19 Cost of service rendered

Personnel expenses (Note 19.1)	231,972,486
Service maintenance fees	83,097,186
Depreciation on computer and other IT equipment	16,804
	315,086,476

#### 19.1 Personnel expenses

Personnel expenses include cost of employee benefits attributable to employees directly involved in providing IT services to the customers.

Personnel expenses incurred during the 2010 were allocated to cost of service rendered and general and administrative expenses in the following manner:

Cost of service rendered	231,972,486
General and administrative expenses	85,798,043
	317,770,529

#### 20 General and administrative expenses

Personnel expenses (Note 19.1)	85,798,043
Legal and consultancy fees	17,443,384
Statutory audit fee	525,000
Office rent (Note 20.1)	28,534,815
Utility and maintenance	5,447,082
Vehicle running expenses	10,408,628
Office stationery	8,378,859
Postage, freight and communications	3,397,576
Travel and training expenses	20,822,568
Advertisement, subscription and others	6,556,987
Entertainment expenses	560,320
	187.873.262

#### 20.10ffice rent

This includes office rent of Tk. 17,132,616 payable to GP for its Corporate Head Office at GPHouse.

Taka

726,114

(193,630)

532,484

Taka

#### 21 Finance income, net

Finance income	1,936,304
Finance expense	(211,567)
	1,724,737

Finance income represents interest earned on bank deposits, while finance expense represents mainly LC related charges.

#### 22 Preliminary expenses

Legal and professional charges	4,276,065
Consultancy fees	9,586,693
Meeting expenses	8,210
	13,870,968

These amounts represent pre-incorporation expense incurred in connection with formation of the company.

#### 23 Financial risk management

The company management has overall responsibility for the establishment and oversight of the company's risk management framework. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk

#### 23.1 Credit risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. As at 31 December 2010, substantial part of the receivables are those from its parent company Grameenphone and other Telenor entities and subject to insignificant credit risk. Risk exposures from other financial assets, i.e. Cash at bank and other external receivables are also nominal.

#### (a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at 31 December 2010 was:

Accounts receivable	
IT services to Grameenphone	210,935,580
IT operation maintenance to Cell Bazaar	6,464,717
IT services to Brac Bank Limited	1,523,994
IT services to Telenor Broadcast Holding AS	2,297,652
	221,221,943
Other receivables	1,890,705
Cash at bank	256,532,984
	479,645,632

Being a balance with the government authority, advance VAT does not contribute to credit risk.

The maximum exposure to credit risk for accounts receivable as at 31 December 2010 by geographic region was:

Domestic	218,924,291
Foreign	2,297,652
	221,221,943

#### (b) Ageing of receivables

The ageing of gross accounts receivable at 31 December 2010 was as follows:

Invoiced 0-90 days	212,459,574
Invoiced 90–180 days	-
Invoiced over 180 days	-
	212 459 574

The above ageing schedule considers only the part of the accounts receivable for which invoices were raised on or before 31 December 2010.

#### 23.2 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

In extreme stressed conditions, the company may get support from the parent company in the form of short term financing.

The carrying amount of financial liabilities represents the maximum exposure to liquidity risk. The maximum exposure to liquidity risk at 31 December 2010 was:

	Carrying amount	Maturity period
	Taka	Months
Payable for operating expenses	121,923,559	Six months or less
Payable for capital expenditure	176,839,206	-do-
Other current liabilities	4,533,784	-do-
	303,296,549	

#### 23.3 Market risk

Market risk is the risk that any change in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

#### (a) Currency risk

The company is exposed to currency risk on certain revenues and purchases such as IT service revenue from foreign customers and import of IT equipment, software and software support services. Majority of the company's foreign currency transactions are denominated in USD and relates to procurement of software and software support service from abroad. As at 31 December 2010, only exposure to currency risk arises from receivable for IT services provided to Telenor Broadcast Holding AS amounting to Tk. 2,297,652.

Exchange rate for USD as at 31 December 2010 was Tk 71.40.

#### Foreign exchange rate sensitivity analysis:

An increase/(decrease) of 10 basis points in exchange rate for USD in 2010 would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates remain constant.

	10 bp increase	10 bp decrease
	Taka	Taka
Profit or loss during the period	(115,123)	115,123
Equity	(115,123)	115,123

#### (b) Interest rate risk

The only interest bearing financial instrument for the company is the special notice deposit (SND) account maintained by the company with its banks. Historically, interest rates for such instruments show little fluctuation. Interest rate risk for the company is therefore insignificant.

#### 24 Information relating to available bank facilities

As at 31 December 2010, GPIT had Tk.150 million non-funded credit facilities (LC facilities) with Standard Chartered Bank. No funded facility was availed by the company from any bank or other financial institution during 2010.

#### 25 Related party disclosures

During the period, the company entered into a number of transactions with related parties in the normal course of business. The names of the related parties and nature of these transactions have been set out below in accordance with the provisions of IAS 24: Related Party Disclosures.

#### Related party transactions during the period

Name of related parties and nature of relationship	Nature of transaction	Amount Taka
Grameenphone Ltd. (parent company)	Share capital Revenue from IT service Receipt against IT service (net of VAT) Advance received against NERM project Office rent	74,999,900 633,428,614 450,006,371 161,032,225 17,132,616
Telenor Broadcast Holding AS (Telenor group entity)	Revenue from IT service	2,297,652
Telenor Star II AS (Telenor group entity)	Cell Bazaar revenue sharing	665,746

#### Receivable from/(payable to) related parties

Name of related parties and nature of relationship	Nature of transaction	Amount Taka
Grameenphone Ltd. (parent company)	Receivable for IT services Payable for operating expenses Advance received against NERM project Payable for capital expenditure Office rent payable	210,935,580 (88,209,424) (161,032,225) (168,631,962) (17,132,616)
Telenor Broadcast Holding AS (Telenor group entity)	Receivable for IT service	2,297,652
Telenor Star II AS (Telenor group entity)	Payable for Cell Bazaar operations	(665,746)
5.1 Key management personnel comp	ensation	Taka
Short-term employee benefits (sala	rv and other allowances)	116.713.240

124,774,205

Key management personnel includes employees of the rank of Deputy General Manager (DGM), DGM equivalent and above.

#### 26 Expenses/expenditures and revenue in foreign currency during 2010

Expenditure in foreign currency during the 2010:

Post employment benefits (provident fund, gratuity etc.)

CIF value of imports (NERM Software)	96,164,211
Software (NERM) implementation support	21,243,620
IT service revenue	2,297,652

#### 27 Capital commitments

As at 31 December 2010, Grameenphone IT Ltd had a capital commitment of Tk. 64,514,024 for purchase of IT equipment, installation of such equipment and other implementation services.

#### 28 Other Disclosures

#### 28.1 Number of employees

As at 31 December 2010, number of regular employees receiving remuneration of Tk. 36,000 or above per annum was 356.

#### 28.2 Events after the reporting period

There have been no significant events after the reporting period that might require adjustment or disclosure in these financial statements.

8,060,965



With a significant contribution to the GDP, and standing as one of the highest taxpayers to the government and with the recognition as an organization with one of the largest number of employees, Grameenphone is moving our economy forward. Tax money builds schools, colleges, hospitals and roads that directly add value to our everyday lives. Each new employment gives birth to new possibilities and opportunities. And most importantly, a growing GDP bears the stamp of a nation's improving infrastructure.

wRwWwc-‡ZDţjLţhvM<sup>∞</sup>Ae`vb†iţL, m‡ev<sup>e</sup>PKiw`ţqAvi†`ţkiAb<sup>∞</sup>ZgkxI®vKwi`vZvc0ZôvbnţqM0gxYţdvbGwMţqwbţ<sup>∞</sup>Qevsjvţ`ţki A\_®wwZţK|KţiiUvKvţZBMţoIţV ¯ġ,KţjR,nvmcvZvjIiv<sup>−</sup>+NvU,hvmivmwiAe`vbivţLAvgvţ`i^`bw`bRxeţb|bZb Kgms<sup>−</sup>vbmwóKţibZbmţhvMIm¤¢ebv|Avimţev®wiGKvU†`ţkiwRwWwcenbKţi†mţ`ţkiA\_%wwZKAMMwZi<sup>−</sup>î¶ji|



### Useful Information for Shareholders

#### 1. General

Authorized Capital: BDT 40,000,000,000Issued and Fully Paid-up Capital: BDT 13,503,000,220Class of Shares: Ordinary Shares of BDT 10.00 eachVoting Rights: One vote per Ordinary Share

#### 2. Listing on Stock Exchanges

The Ordinary Shares of the Company are listed on the Dhaka and Chittagong Stock Exchange Ltd. Company trading code is [GP].

#### 3. Distribution Schedule of the Shares as on December 31, 2010

Range of Sha	Range of Shareholdings		Number of Shareholders	Total Number of Shares	Percentage
001	to	500	81,024	17,945,880	1.33%
501	to	5,000	17,159	24,439,298	1.81%
5,001	to	10,000	1,089	7,853,255	0.58%
10,001	to	20,000	527	7,481,613	0.55%
20,001	to	30,000	121	2,917,988	0.22%
30,001	to	40,000	73	2,565,305	0.19%
40,001	to	50,000	46	2,091,771	0.15%
50,001	to	100,000	85	6,156,150	0.46%
100,001	to	1,000,000	90	23,516,430	1.74%
1,000,001	to	1,000,000,000	12	1,255,332,332	92.97%
Total			100,226	1,350,300,022	100.00%

#### 4. Dividend

For the Year	Dividend Rate	Dividend Per Share (BDT)	Par Value Per Share (BDT)	Dividend Type
2010	85% (Proposed Final Cash Dividend)	8.50	10.00	Cash
	35% (Interim Cash Dividend)	3.50	10.00	Cash
2009	60%	6.00	10.00	Cash
2008	13%	0.13	1.00	Cash
In 2008*	400%	-	-	Bonus Share
2007	62%	26.66	43.00	Cash
2006	60%	25.80	43.00	Cash

\* In 2008, we capitalized a portion of our retained earnings through the issuance of bonus shares. The issuance was approved by our shareholders at the Extra-Ordinary General Meeting of shareholders on July 15, 2009 and subsequently by the Securities and Exchange Commission.

#### 5. GP Share Performance at Stock Exchanges

I. Monthly Open, Close, High and Low share price and volume of the Company's Shares traded at Dhaka Stock Exchange Ltd. (DSE) during the year 2010 are –

Month	Open (BDT)	High (BDT)	Low (BDT)	Close (BDT)	Total Volume
January	187.0	288.0	187.0	266.9	61,938,600
February	265.2	395.0	265.2	355.3	48,939,800
March	355.0	369.0	304.1	362.2	39,544,400
April	363.0	375.0	321.0	324.7	25,941,600
Мау	325.0	326.0	264.5	276.4	20,026,000
June	276.6	284.5	233.5	235.7	12,282,800
July	231.5	264.0	221.5	258.4	9,139,800
August	260.0	278.0	252.0	255.5	11,935,400
September	258.9	263.0	236.5	239.4	6,768,800
October	238.1	269.0	225.0	231.9	14,990,600
November	231.1	250.0	209.7	234.7	16,512,200
December	235.0	292.0	211.3	245.8	26,527,800
Total Shares tr	Total Shares traded during the year294,547,800				

Note:

- a. The highest share price of Grameenphone Ltd. at Dhaka Stock Exchange Ltd. (DSE) was BDT 395.0 in February 2010 and the lowest share price was BDT 187.0 in January 2010.
- II. Monthly Open, Close, High and Low share price and volume of the Company's Shares traded at Chittagong Stock Exchange Ltd. (CSE) during the year 2010 are -

Month	Open (BDT)	High (BDT)	Low (BDT)	Close (BDT)	Total Volume
January	188.6	292.0	188.7	266.7	9,682,800
February	265.0	396.5	265.0	355.2	7,987,400
March	355.2	368.9	305.0	361.3	4,139,600
April	361.3	374.0	322.3	325.1	2,625,600
Мау	325.1	321.0	263.0	277.3	2,370,600
June	277.3	284.8	234.0	236.3	1,393,800
July	236.3	264.0	224.0	257.7	1,309,000
August	257.7	279.0	250.2	255.3	2,065,200
September	255.3	265.0	236.0	237.1	794,800
October	237.1	267.0	224.4	226.2	1,641,400
November	226.2	250.0	210.0	235.0	1,854,000
December	235.0	294.0	210.0	246.3	6,045,400
Total Shares traded during the year41,909,600				41,909,600	

Note:

a. The highest share price of Grameenphone Ltd. at Chittagong Stock Exchange Ltd. (CSE) was BDT 396.5 in February 2010 and the lowest share price was BDT 188.7 in January 2010.

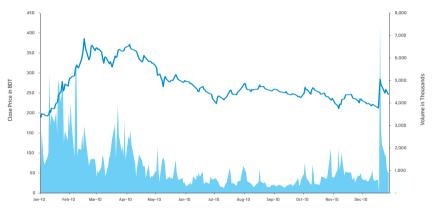
III. Quarterly high-low price of the Company's share for the year 2010:

	DSE		CSE	
	High (BDT)	Low (BDT)	High (BDT)	Low (BDT)
During Quarter Ended				
31-Mar-10	395.0	187.0	396.5	188.7
30-Jun-10	375.0	233.5	374.0	322.3
30-Sep-10	278.0	221.5	279.0	224.0
31-Dec-10	292.0	209.7	294.0	210.0

IV. Year-wise GP Share Price Trend:

	DSE		CSE	
	2010	2009	2010	2009
Highest Price (BDT)	395.0	195.0	396.5	200.0
Lowest Price (BDT)	187.0	152.0	188.7	151.1

V. GP Share Price and Transaction Volume in DSE in 2010:



#### 6. Subsidiary Company

Name of the Company	Holding	Nature of Business
Grameenphone IT Ltd.	100%	Information Technology (IT)
(The Grameenphone IT Ltd. was incorporated o		

#### 7. Credit Rating

The Company's credit rating was reaffirmed by Credit Rating Agency of Bangladesh Ltd. (CRAB) on January 10,2011.

Long Term	Short Term		
AAA	ST-1		

#### 8. Company Website

Anyone can get information regarding Company's activities, products & services or can view Annual Report 2010 at www.grameenphone.com

#### 9. Investor Relations

Institutional investors, securities analysts and other members of the professional financial community requiring additional financial information can visit the Investor Relations section of the Company website: www.grameenphone.com

#### 10. Shareholder Support

If you have any query relating to your shareholding, please contact at **01711555888** or mail to GP Share Office at shareoffice@grameenphone.com

### Notes

#### Disclaimer

This report contains statements regarding the future in connection with Grameenphone's growth initiatives, profit levels, outlook, strategies and objectives. All statements regarding the future are subject to inherent risks and uncertainties, and many factors may lead to actual profits and developments deviating substantially from what has been expressed or implied in such statements.

#### Telecommunications. It's what a successful economy is built on.

There's much more to being a telecommunications company than getting people to talk. You have to understand their needs, their dreams and their passions. By putting people at the centre of everything we do, we build bridges between partnerships, like-minded individuals and budding entrepreneurs. We give businesses the means to expand beyond their wildest forecasts, and compete beyond their once clearly defined boundaries. We help communities create new sources of income and opportunities for employment. Which helps the country to grow, develop, and prosper. So even though telecommunications is our business, helping people build economies, is what we do.



#### টেলিযোগাযোগই গড়ে দেয় একটি সফল অর্থনীতির ভিত্তি

একটি টেনিযোগাযোগ কোস্পানীর দায়িত্ব ওধুমাত্র মানুম্বকে কথা বলার সুযোগ করে দেয়াতেই শেষ হয়ে যায় না। তার কুশ্বতে হয় মানুম্বের চাহিদা, জানতে হয় তাদের স্বপ্ন আর সভাবনাগুলোকে। সেজন্যই আমরা একদিকে যেমন সম্পর্কের সেতুবন্ধন গড়ে তুলি অংশীদার, উদ্যোতা আর সমমনা মানুম্বদের সাথে, তেমনি আমাদের প্রতিটি উদ্যোগ আর উচ্চাকাঙ্কার কেন্দ্রেও রাখি তাদেরকেই। আর পারস্পরিক সম্পর্কের এই সমিলিত পঞ্চলায় কলে যায় পেরে কিছুই। সফলতার নতুন উচ্চতার পৌছে যায় উদ্যোতাদের ব্যবসা, সাধারন মানুম্বদের জন্য তৈরী হয় নতুন কর্মসংস্থান আর দেশ এপিয়ে যায় সমৃদ্ধি আর বনির্জরতার পথে। সেজন্যই, একটি টেলিযোগাযোগ কোম্পানী হলেও আমরা আসনে যা করি তা হলো দেশের অর্থনীতিকে সমৃত্ব করা।

গ্রামীণফোন কাছে থাকুল 🖌



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Grameenphone wants to contribute to meet climate challenges and aims to reduce the consumption of resources and overall impact on the environment. In an effort to minimize paper consumption, we limit the scope of the printed annual report. Grameenphone's website provides extensive information about the Company and its current activities: www.grameenphone.com জলৰায়ু সংকট মোকাৰিলায় অৰদান রাখতে চায় গ্রামীণফোন এবং এ লক্ষ্যে প্রতিষ্ঠানটি সম্পদের সীমিত ব্যবহারের মাধ্যমে পরিবেশের উপর ইতিবাচক প্রভাব নিশ্চিত করতে চায়। আর এ উদ্দেশ্যে কাগজের ব্যবহার কমানোর উদ্যোগের অংশ হিসাবে আমরা ছাপানো বার্ষিক প্রতিবেদনের সংখ্যা আইনি পরিধির মধ্যে সীমাৰদ্ধ রাখার সিদ্ধান্ত গ্রহণ করেছি। আমাদের ওয়েবসাইট-এ গ্রামীণফোন ও এর বর্তমান কার্যক্রম সম্পর্কে বিস্তারিত জানা যাব্যে www.grameenphone.com